IGB BERHAD

ANNUAL REPORT 2022

Mid Valley Southkey, Johor Bahru

Contents

2023
ANNUAL GENERAL MEETING

BROADCAST VENUE	DAY, DATE AND TIME	
Matahari 3 & 4 Level 5, Cititel Mid Valley Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Monday, 29 May 2023 2.30 pm	QR Code for Annual Report 2022

Corporate Profile

IGB Berhad group of companies (IGB or the Group) is one of Malaysia's pioneering property development companies with a diverse portfolio spanning all areas of the property industry. The Group was founded by brothers Tan Kim Yeow and Tan Chin Nam and traces its roots back to 1964. The Group has grown to become one of the largest listed property companies on the Main Market of Bursa Malaysia.

IGB has an established track record for excellence, rooted in its deep commitment for creating spaces that enable communities to thrive and grow in harmony with the environment. Its developments have achieved many firsts, become iconic landmarks, and enriched the lives of countless individuals.

The Group's core focus is in the property industry, encompassing retail, commercial, residential, construction and hospitality. It also has strategic investments in education, post-operative & eldercare, coliving and water treatment markets. Its business divisions and operations span across Asia, Australia, The United States and the United Kingdom.

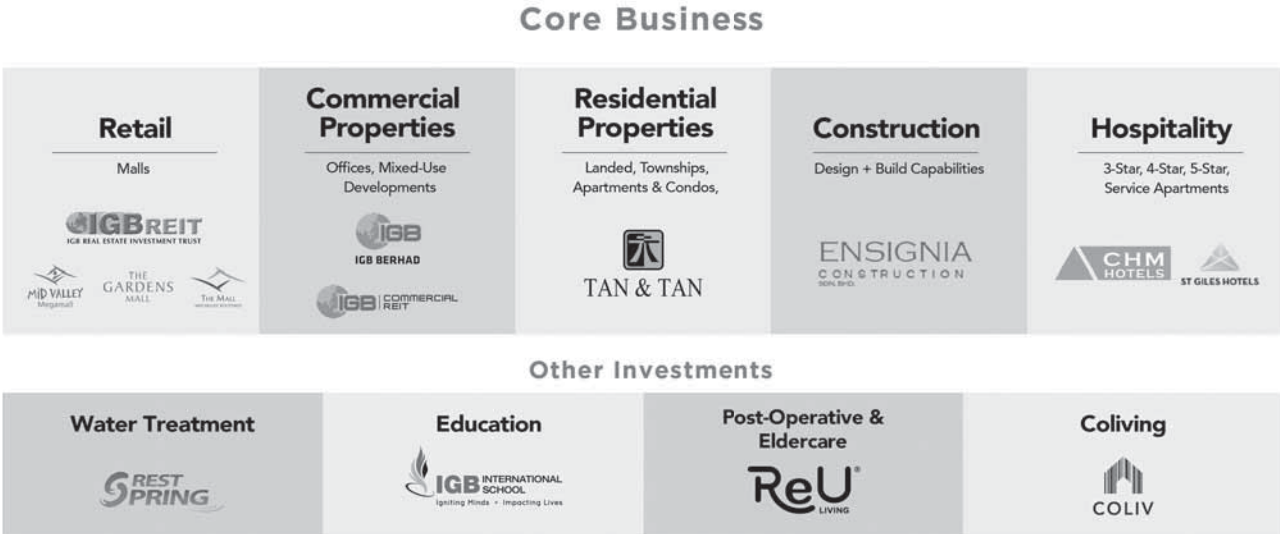
Through its expertise in crafting experiences, creating and managing spaces, supporting livelihoods, building careers and generating financial value, IGB has and continues to be a strong contributor to the nation and society.

The Group is guided by the principles and philosophy of its founders, embodied in its vision of 'Creating and Managing Spaces that work now and the future' and the values of Integrity, Innovation, Quality, and Sustainability, which are deeply embedded within the organisation.

The Group's continued success is a testament to its dedication to these values, and its unwavering commitment to progress and excellence in all aspects of its business.

Corporate Profile
(continued)

Our Businesses



Retail

IGB's retail business is a market leader in Malaysia. Its three iconic malls are visited and loved by countless communities across generations.

Mid Valley Megamall (MVM) opened its doors in 1999 and made history by not only being the first large-scale shopping mall in Malaysia, but also in the region as well. This was followed by The Gardens Mall (TGM) in 2007, which complements its big sister as a premium high-end mall for the discerning shopper. IGB REIT owns MVM and TGM. IGB REIT was established on 25 July 2012 and listed on the Main Board of Bursa Malaysia Securities Berhad on 21 September 2012.

The Mall, Mid Valley Southkey is the most recent addition to the Group's retail portfolio. Completed in 2019, it follows in the history-making footsteps of MVM by being the first megamall in Johor.

Corporate Profile
(continued)

Commercial

IGB manages 12 commercial properties across Mid Valley City, Kuala Lumpur, and Johor Bahru. Their 4 million sq. ft. of net lettable area serve as the administrative, innovation, and operational hubs for over 300 local and multinational companies.

10 properties are held in IGB Commercial REIT, the largest standalone office REIT in Malaysia, which encompasses 7 properties in the prime location of Mid Valley City and a further 3 properties in Kuala Lumpur's Golden Triangle. The remaining 2 properties are held directly through subsidiaries of the Group and are located in Kuala Lumpur and Johor Bahru respectively.

IGB has deep expertise in the commercial property sector and takes a customer-focused approach in its operations to continually provide value accretion for both its tenants and stakeholders.

Residential

IGB has developed a reputation as a versatile property builder with a pioneering and proven track record in high-rise, gated and landed residential building development.

The Group's many achievements include properties such as U-Thant Residences, Hampshire Residences and Offices, Stonor 3 KLCC, Seri Maya and the soon to be launched exclusive Southpoint Residences at Mid Valley City. These exquisite homes exude architectural excellence, and have elevated the lives of its people and communities. They build upon the rich history and innovative spirit of past developments, most notably Desa Kudalari and Sierramas, which were Malaysia's first luxury condominium and gated residential estate respectively.

IGB is a community-driven developer at heart and will continue to develop innovative products to suit the evolving market needs.

Corporate Profile
(continued)

Hospitality

IGB's hotels are simple, well-designed and convenient, synonymous with elegance, innovation and warmth. They have played a key role in supporting the tourism industries of their host countries.

The Group's hospitality business is spread across the vibrant cities of Kuala Lumpur, Johor Bahru, Sydney, London, Heathrow, New York and Manila. Its St Giles and Cititel brands have a long-standing reputation for providing guests with high quality services, exceptional value and unrivalled convenience.

IGB follows the beat and rhythm of its hotels' cosmopolitan cities and remains ever passionate for crafting experiences that turn ordinary trips into unforgettable, warm and authentic journeys for guests.

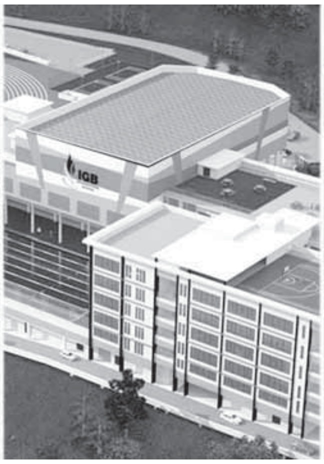
Construction

Ensignia Construction Sdn Bhd is IGB's in-house construction arm. It has played an instrumental role in the development of numerous properties for the Group.

The team has a wide range of capabilities in building, civil engineering and planning, as well as deep understanding of the unique issues, complexities and challenges that are part and parcel of the construction landscape. Some of the nation's most notable mixed developments were completed by the business. These include The Gardens integrated development comprising residences, offices and retail, U-Thant Residences and the Northpoint Apartments and Office Suites. It also designed and constructed the St Giles Hotel.

Corporate Profile
(continued)

Other Investments

IGB has ventured beyond the property industry and made strategic investments in water treatment, education, post-operative & eldercare and coliving markets.

The China Water Group is a subsidiary of IGB involved in the treatment of waste water. It consists of 2 waste water treatment plants (WWTP); in the city of Yantai (烟台) and Zoucheng (邹城) respectively. Both cities are located in Shandong province, China. The WWTPs have been in operation for over 10 years continues to provides clean, high-quality water in their respective industrial parks.

IGB International School is a vibrant Early Years to Grade 12 international school that provides a dynamic, innovative and inclusive learning environment where students are challenged to excel in both their learning and personal growth. It is the only school in Malaysia which offers a full continuum of International Baccalaureate (IB) programmes.

ReU Living @ MiCasa (ReU) is a post-operative & eldercare center that offers rehabilitation, rejuvenation, renewal, restoration, relaxation and retirement for its guests. Its services are supported by the 5-Star MiCasa Hotel, as well as a wide network of medical specialists, counsellors and more. Located in the heart of Kuala Lumpur, the center is strategically situated in proximity of eight major hospitals. ReU was set up to be the Asian eldercare operator in this region, building on our award-winning hospitality, building-management expertise, healthcare experience and ecosystems to support a larger play in the healthcare continuum.

Coliv @ Damai Residence is a fun and trendy coliving accommodation that connects like-minded people together in a warm, comfortable and convenient space. Its high-quality facilities and amenities help residents live, work, and play as a community in ways that not only enable connection and collaboration, but also privacy when needed.

Corporate Profile
(continued)

Our Vision

IGB's Vision was conceptualised based on its founding owners' principles and philosophy in creating buildings for communities that will thrive and grow with its environment harmoniously.

It has been the basis of many of the Group's business developments and ventures, translating into many firsts for the Group and for its future.

Creating and Managing Spaces that Work Now and the Future

Our Values

The four Core Values that upholds the Group's Vision represents the pillars of strength that are being practiced by its people throughout the organisation.

Integrity	Innovation	Quality	Sustainability
Represents the mindfulness of the Group whereby this core value has been the guiding strength in its practices.	Represents the strategy within the Group towards betterment, from its people to the physical being of its buildings and developments.	Represents the professionalism of the Group from the planning stages on the drawing board to the delivery of projects and businesses.	Represents the objective of the Group whereby its developments and businesses must be sustainable – economically, environmentally and socially.

Corporate Directory

BOARD OF DIRECTORS

Tan Lei Cheng
Chairman, Non-Independent Non-Executive Director

Tan Boon Lee
Group Chief Executive Officer

Tan Mei Sian
Alternate Director to Tan Lei Cheng/
Deputy Group Chief Executive Officer

Dato' Seri Robert Tan Chung Meng
Non-Independent Non-Executive Director

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

Lee Chaing Huat
Senior Independent Non-Executive Director

Dato' Lee Kok Kwan
Independent Non-Executive Director

Elizabeth Tan Hui Ning
Alternate Director to Dato' Seri Robert Tan Chung Meng

SECRETARY

Tina Chan Lai Yin
MAICSA 7001659/SSM PC No. 201908000014

REGISTERED OFFICE

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Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
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Telefax : 603-2289 8802
E-mail : corporate-enquiry@igbbhd.com
Web : www.igbbhd.com

REGISTRAR

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59200 Kuala Lumpur
Telephone : 603-2783 9299
Telefax : 603-2783 9222
E-mail : is.enquiry@my.tricorglobal.com
Web : www.tricorglobal.com

AUDITORS

PricewaterhouseCoopers PLT
Registration No. LLP0014401-LCA & AF1146
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
50706 Kuala Lumpur
Telephone : 603-2173 1188
Telefax : 603-2173 1288
E-mail : my_info@pwc.com
Web : www.pwc.com/my

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

Management Discussion and Analysis

1. Introduction

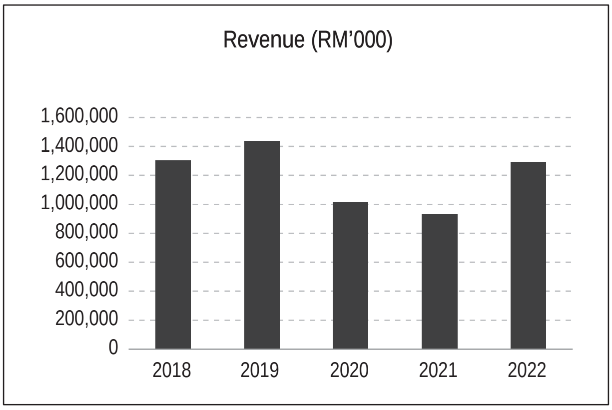
After a tumultuous two years of lockdowns and restrictions, 2022 was expected to be the year that the world saw the return to pre-Covid-19 normalcy. Malaysia saw the progressive relaxation of Covid-19 restrictions, with the country entering the endemic phase on 1 April 2022. Borders for international travel reopened, and people could once again travel relatively freely. What the world did not expect was the Russian war in Ukraine that affected the global economy. Apart from the profound humanitarian issues that it caused, the war caused a spike in prices for commodities such as gold, crude oil, and natural gas; global supply chain disruptions; and exacerbated worldwide inflation and food insecurity.

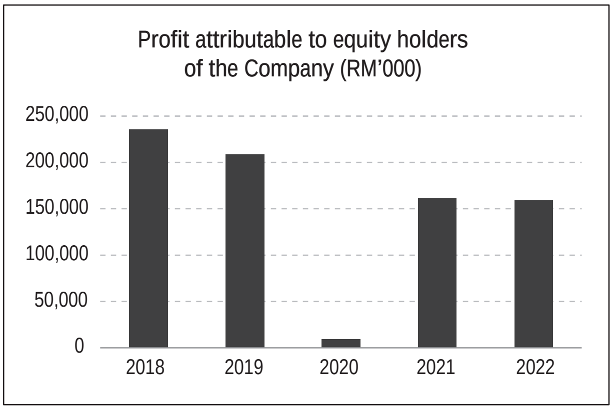
The Malaysian economy gathered momentum in 2022 with gross domestic product (GDP) growth exceeding expectations, coming in at 8.7% versus the October estimate of 6.5% to 7%. Growth was supported by private-sector activity which remained the key driver of growth for the year. However, 2022 was not without its challenges. Labour shortages continue to be a challenge as many migrant workers who left Malaysia during the pandemic did not return. This has impacted industries that have typically relied on their support, particularly restaurants, plantations, and some manufacturing sub-sectors, amongst others. Malaysia has also not been spared from the effects of the war in Ukraine, with businesses and consumers alike impacted by the higher and more volatile prices.

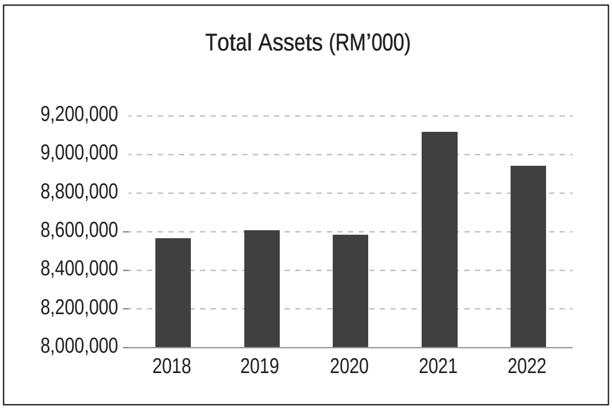
Despite the challenges faced in 2022, IGB's performance has been satisfactory. The Group has reaped significant learnings from the pandemic and has emerged more agile, efficient, and innovative. We believe that we are now better positioned to embrace change and lead industry growth, allowing us to continue to drive sustainable growth for our business and create long term value for our stakeholders.

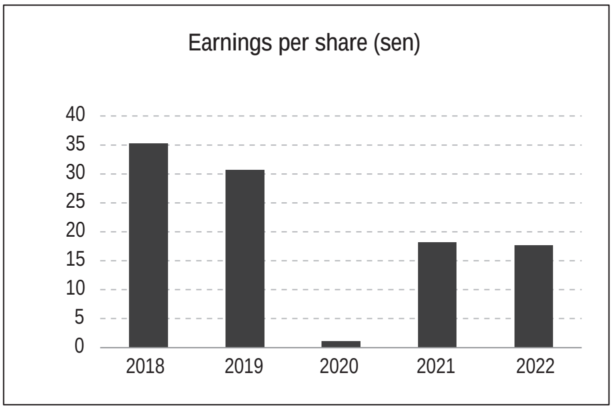
IGB is pleased to present our Management Discussion and Analysis report which covers the period from 1 January 2022 to 31 December 2022.

2. Key Financial Highlights









Management Discussion and Analysis
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Table 1: Five Year Group Financial Highlights

FINANCIAL YEAR ENDED 31 DECEMBER		2018	2019	2020	2021	2022
Revenue	RM '000	1,302,010	1,436,479	1,016,417	930,053	**1,291,270**
Profit before tax	RM '000	480,591	463,099	147,663	351,405	**421,139**
Profit attributable to equity holders of the Company	RM '000	235,643	208,665	9,250	161,845	**159,114**
Issued and paid-up share capital	RM '000	884,327	886,344	1,338,596	1,393,859	**1,394,110**
Capital and reserves attributable to equity holders of the Company	RM '000	3,435,006	3,614,372	3,611,760	3,840,996	**3,759,486**
Total Assets	RM '000	8,565,497	8,607,814	8,584,839	9,117,930	**8,929,436**
Earnings per share (basic)	sen	35.24	30.66	1.09	18.17	**17.63**
Net assets per share	RM	5.02	5.30	4.10	4.25	**4.17**
Gross dividend per ordinary share:						
- cash dividend	sen	2.0	1.0	-	15.0	**-**
- dividend-in-specie	sen	-	-	-	2.0	**-**
Share price as at 31 Dec	RM	2.48	3.61	2.58	1.96	**2.32**
Dividend yield	%	0.81	0.83	0.78	8.67	**2.16**
Total borrowings	RM '000	4,046,638	3,843,479	4,033,034	4,140,376	**4,091,658**
Net borrowings	RM '000	2,202,379	1,817,973	3,230,359	2,701,463	**2,740,738**
Net debt to Capital and Reserves attributable to equity holders of the Company	Times	0.64	0.50	0.89	0.70	**0.73**

3. Operations Overview

The property market saw some improvement in 2022, with increases in both the number and value of transactions. This improvement was mainly supported by the resumption of economic activities and the reopening of Malaysia's international borders. However, the sector continued to suffer from labour shortages, increased construction costs, and higher borrowing costs as Bank Negara Malaysia (Bank Negara) raised the Overnight Policy Rate (OPR). Additionally, the oversupply of high-end properties continued.

Tan & Tan Developments Berhad (Tan & Tan), the Group's property development arm focused on growing and refining its lifestyle products namely Coliv – Kuala Lumpur's first co-living accommodation operated on a professional scale, and ReU Living (ReU) – the Group's eldercare operator which was launched in the year. We also looked for opportunities to dispose of non-core assets. For example, in the year, we actively looked for buyers for our land in Subang, Morib and Kundang North. These disposals are expected to be completed in 2023.

The focus in 2022 was to market and sell the remaining stocks in Stonor3 KLCC. In the first half of 2022, international borders were not fully opened, and our key markets of China and Hong Kong were still under restricted travel. We maintained our focus on local buyers. Through innovative sales and marketing strategies and responding to local buyer's needs, we recorded 70 units sold in 2022, well ahead of our competition in the KLCC precinct. We anticipate to be able to sell out this project by 2023.

Following the pandemic, people's requirement for property have changed. Flexibility of space has become increasingly important as people want to be able to accommodate changes to their lifestyle needs and working from home has become more commonplace. People have also increased the value they place on outdoor areas and the availability of spaces that support a healthier lifestyle. There has also been an increasing preference for simple and more affordable properties to allow buyers the flexibility to customise their own living spaces.

Management Discussion and Analysis
(continued)

Moving forward, we will keep our projects simple and affordable, creating more value for buyers, and work to offer competitive sales packages to attract prospective buyers. We will also continue to strategise the timing and launching of new projects.

We enter 2023 cautiously, as we anticipate many of challenges faced this year to carry over into the new year. However, with China reopening its borders, and more international travellers returning to Malaysia, we expect the property market to benefit as foreign investors return. With the money freed up from the disposal of non-core assets, we will also explore opportunities for investment, identifying assets and sites for future projects.

Despite the challenges ahead, we remain committed to upholding the highest standards of professionalism and work, and will continue to explore new avenues of growth while focusing on growing our existing portfolio of investment products, and upgrading our existing properties to keep valuations high.

(a) Asia

The hotel division in Asia enjoyed a slow but steady recovery as Malaysia relaxed its Covid-19 restrictions and entered the endemic phase in April. However, despite the reopening of our borders, international travel has yet to gain momentum, and with some companies still using a hybrid working model, corporate travel has not yet returned to pre-covid volumes. Our hotels have therefore relied primarily on domestic travel. Through our efforts in e-commerce marketing and working with Online Travel Agencies (OTA), we have managed to maintain a fair share of business in the cities we operate. We have seen a pick-up in social events such as wedding banquets, particularly in Penang and Johor Bahru, as many people had deferred larger engagements during the various phases of Covid-19 Movement Control Orders.

Labour shortage continued to impact our business coupled with rising operating and food costs. We have had to work hard to better manage our operating costs. For example, we continued to close some floors in our hotels during low occupancy to reduce utility bills. With both local and imported food items seeing significant cost increases, we have also had to regularly review our menus, and adjust our prices accordingly. To address the labour shortage, we have provided multiskilled training to our employees to allow us to work with our existing headcount while continuing to provide full service to all our guests. Nevertheless, we saw an overall increase in average daily rates (ADR) during the year.

We are cautiously optimistic going into 2023. We believe the industry is still in its recovery phase, and anticipate further growth in inbound travel, both from across the region and further afield. In particular, we expect to see an increase in tourist groups arriving from Thailand and Indonesia, which have typically benefitted our hotels in Penang. We are also encouraged by the Tourism Ministry's efforts in calling for the expansion and simplification of the Visa on Arrival process, and the anticipated boost to the industry from China's reopening in early 2023.

We will continue to monitor and manage our operating expenditures and work to mitigate any further increases as we expect to face continued challenges from ongoing labour shortages, as well as rising operating costs, particularly in labour, utilities and food, as they form our biggest cost components.

2023 is set to be an exciting year for us. We will see the re-opening of the 390-room Boulevard Hotel in July. Plans are also in place to refurbish The Gardens Residences in July 2023.

Meanwhile in Johor Bahru, St Giles Southkey officially opened its doors on 31 August 2022 with 100 rooms. All facilities were made available as at 31 December 2022 and by February 2023 all 575 rooms were available. Facilities include The Causeway Café (260-seating capacity) for breakfast, swimming pool, Skyview Bar & Lounge at the rooftop, gymnasium, business lounge and four function rooms (20 pax to 140 pax seating capacity). In its first month of operations in September 2022, the hotel achieved an occupancy rate of 22.1% (3,808 occupied room nights). Occupancy grew steadily in the subsequent months from 35.9% (6,583 occupied room nights) in October 2022 to 58.8% (10,476 occupied room nights) in December 2022. This was the result of pre-opening promotional activities in Singapore, Johor and Kuala Lumpur. Its proximity to Singapore and its location within the integrated development of Mid Valley Southkey together with the right pricing policy has contributed to the success during its opening.

We remain cognizant of the life cycle of our products and will enhance the product and service quality on an ongoing basis. This is to ensure we continue to remain competitive in the marketplace.

Management Discussion and Analysis
(continued)

(b) *Australia*

2022 saw a slow start for the hotel industry in Sydney as the city tackled outbreaks of new Covid-19 variants. Domestic and international travel resumed at the end of February after two years of stop-start lockdowns and various movement restriction orders. Corporate travel did not immediately pick up however, as people remained cautious about travel, choosing instead to continue to work from home and hold meetings virtually. By the end of the year however, corporate events and travel had resumed and we were able to benefit from various large corporate conferences held in the city. We are pleased that in the third quarter of the year, we saw significant increases in the ADR as compared to 2019. On New Year's Eve, we achieved the third highest ADR and the fourth highest occupancy in the competitive set as reported by Smith Travel Research.

The Tank Stream Hotel spent the year focusing on bringing value to our guests through offering an elevated customer experience. We also paid particular attention to our recruitment process, hiring people who can add value to our business. We also closely monitored hotel bookings, offering lower pricing or discounts on slower days or periods. We try to focus on direct channels to keep the cost of distribution down, but continue to offer third party discounts to drive demand and conversion for the hotel.

We worked closely with inbound agents who require lunch or dinner for groups staying at the hotel, those that sell lunch and dinner as an option during half day tours and the lucrative honeymoon market. This has helped boost patronage of our restaurant.

We approach 2023 cautiously optimistic and anticipate inbound travel to continue to grow as the number of international flights worldwide increase and China reopens its borders early on in the year. We are also anticipating more conferences, events, and exhibitions to take place in Sydney and expect this to drive demand for hotel rooms and support rates. 2023 will not be without its challenges but we expect to continue to see price increases from suppliers as they continue to struggle with labour shortages and grapple with challenges brought about by supply chain disruption and natural weather events, not only in Australia but abroad. We expect recruitment agencies to continue to be out in full force, poaching staff across all departments. We will continue to work hard to retain existing employees and recruit new ones.

With these challenges ahead, we will work to manage revenue and demand forecast to ensure that we drive volume when demand is low, and drive rates when demand is high.

(c) *United Kingdom*

Our hotels in the UK performed well in 2022, with financial performance surpassing our benchmark year – 2019. We saw a significant increase in ADR during the year. We enjoyed strong levels of leisure travel and leveraged partnerships with Government accounts and local councils who provided a steady stream of revenue. Our ADR also charted strong growth. The year, however, was not without its challenges. Operating costs increased, and we continue to suffer from labour shortages brought about by the convergence of the Covid-19 pandemic and Brexit, impacting our housekeeping, front office, and food & beverages departments in particular.

To address these challenges, we kept a close eye on our costs, renegotiating contracts where required. For example, both our energy and laundry contracts were reviewed this year. Operational measures were put in place to maintain tight controls on all our expenses. We also worked to set our hotels apart from our competitors by ensuring our customer service levels are above expectation, and working to maintain and grow key client relationships. We understand that having a strong brand recognition and a direct relationship with our guests is critical for sustainable, long-term growth.

We are moving into 2023 with cautious optimism. High inflation, rising interest rates, and an increasing cost of living, are making the domestic market for both corporate and leisure travel more uncertain. However, international travel is picking up and we expect inbound travel from the USA, Israel and Europe, to be strong drivers of growth. Moreover, with King Charles III's coronation in May, we are anticipating a surge in travel demand from May through to the summer, particularly from the USA, Canada, and other source markets interested in the British Royal Heritage. To leverage this, we have activated direct digital marketing and OTA campaigns target these specific source markets with relevant promotions to maximise demand.

We are also excited to be launching a rebrand in 2023 to support our strategic positioning in the market and build brand equity, as well as the Hotels with Heart Foundation, a hospitality school for asylum seekers and the homeless. We will also be developing and launching the St Giles loyalty programme to nurture and rewards our guests.

Moving forward, we will continue to focus on revenue generation, team satisfaction and success, cost-efficiency, strengthening client relationships, and continuously ideating new strategies to keep us ahead in the marketplace. In doing so, we believe we will be well positioned to sustain growth in the long run and maximise returns to our shareholders. In 2023, we will also begin searching for expansion opportunities in other key markets to increase our portfolio of profitable hotels.

Management Discussion and Analysis
(continued)

(d) USA

The Tuscany and The Court Hotels remained closed throughout 2022. At the end of the year, we completed the sale of The Court Hotel. The Tuscany is now under a two-year lease from March 1 2023 until February 28 2025 at a rent of USD$1.5million per annum. At the expiration of this initial term, the lessee has the option to extend the term for a further two-year term at a rent of USD$2million per annum.

With the Malaysian economy opening up early on in the year, the country saw an uptick in economic activity, with many companies requiring employees to physically return to the work place. This has benefitted the office sector which has seen improvements in the year.

This year, IGB Commercial REIT continued to work hard to both retain existing tenants as well as attract new ones. Active tenant engagements continue to form a cornerstone of our long-term strategy as we recognise that our success is dependent on their continued success. These efforts have allowed us to provide targeted support to our tenants, ensuring that their needs are met and that we are able to address any concerns that they may have.

We worked to encourage our tenants to consider advance renewals in order to secure occupancy and rental for the future, as well as cater to changing needs while also working to identify and approach prospective tenants within our target market. These efforts have borne fruit in the year and our properties enjoyed both a higher number of new tenancies and a higher renewal rate. Our total new tenancies increased from 75,000 square feet (sf) in 2021, to 269,000 sf in 2022. Our average renewal rate also increased from 78% in 2021, to 85% in 2022.

IGB Commercial REIT also organised events and activities in the year to foster closer ties between our tenants. For example, GTower started a pop-up library to encourage reading amongst people in the building and offer tenants a casual and alternative setting to the work place where they can connect. Blood donation drives were also carried out at GTower and Menara Tan & Tan.

We have also kept up to date with changing needs. As companies look for new office spaces, there is now a greater focus on health and safety, with many prospective tenants now also expressing a preference for newer buildings. We have therefore maintained many of the health and safety measures that were put in place during Covid and continued to prioritise the health and safety of our communities. Asset enhancement initiatives (AEIs) have also been carried out to ensure that our buildings remain contemporary and competitive in the market.

IGB Commercial REIT is cautiously optimistic about 2023, and remains committed to working closely with our tenants to support their business, while continuing to focus on upgrading our properties, prioritising health and safety, and working to increase the efficiency and effectiveness of our work processes and equipment so as to better manage our costs.

2022 was an exceptional year for our malls. The Mall, Mid Valley Southkey (MVS) in Johor, as well as Mid Valley Megamall (MVM) and The Gardens Mall (TGM) in the Klang Valley, enjoyed strong growth in the year as Covid-19 restrictions were lifted and Malaysia's borders reopened. People were eager to physically return to the malls to satisfy their shopping needs, and were keen to enjoy new retail experiences while spending time with friends and family.

(a) IGB REIT

MVM and TGM welcomed visitors back with engaging events, experiential retail, a fresh tenant mix, and a welcoming and comfortable infrastructure. Both malls carried out AEIs, refreshing toilets, installing new lighting features to brighten up spaces, and servicing and upgrading equipment to ensure that they are operating at optimal levels, amongst others. New tenants were also welcomed in the year, offering visitors a wide range of exciting shopping choices. Examples of new tenants include: 2XU, Ali Muthu & Ah Hock, Estee Lauder, H&M, Yin's Sourdough Bakery & Café, Bananabro, and TIT TAR MAN Bone Setting Specialist 跌打 at MVM; and Cartier, BookXcess, Yew Yew Coffee KL, Liang Yi TCM, MST Golf, Issey Miyake, and Tiffany & Co at TGM.

Management Discussion and Analysis
(continued)

To celebrate greater freedom for travel and leisure after two years of lockdowns and restrictions, MVM and TGM organised fun, engaging and interactive events, celebrating festivities with activities, performances, and decorations; partnering with tenants and international brands to put up fun and interactive installations; and offering event-exclusive deals and offers.

The LEGO Group celebrated 90 years of play with a fun and interactive installation at the Centre Court, Ground Floor of MVM. Visitors could learn about LEGO's history, track the evolution of the LEGO minifigures, build, race and take home LEGO vehicles, make LEGO cupcakes and so much more.

LEGO Group Celebrating 90 Years of Play at MVM

Children at the LEGO Group's Installation at MVM

TGM also ran fun campaigns through the year. For example, from 27th June to 17th July, they held the Sweet Summer Campaign where shoppers could receive a sweet treat from Tealive, Koi Thé, or Inside Scoop when they spent RM200 and above, or RM150 and above if they were The Gardens Club members. Free summer-themed gifts were also handed out to visitors every weekend.

Sweet Summer Campaign Installation

Voucher for a sweet treat during the Sweet Summer campaign

With the reopening of the Malaysian economy and through efforts to engage the public with exciting and experiential retail, both MVM and TGM enjoyed an exceptional year. As the world and Malaysia continue on this path towards a normalcy enjoyed pre-Covid, IGB REIT remains committed to continuing to elevating the shopping experience cementing its position as one of the top retail destinations in the Klang Valley.

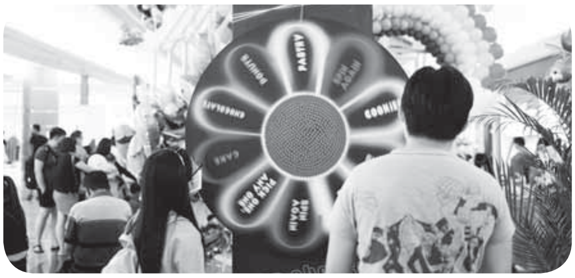
(b) The Mall, Mid Valley Southkey

2022 saw a renewed interest in physical retail with MVS registering a surge in visitors from both Malaysia as well as Singapore as travel became easier both within the country as well as across the Singapore-Malaysia border. We leveraged this interest through creating unique and engaging shopping experiences as well as launching focused marketing campaigns that engaged our community through on-site activation programmes as well as online engagement.

Management Discussion and Analysis
(continued)

In July, MVS ran a fun and cheerful campaign called "It's Up to You", to welcome visitors back and to celebrate a fresh start after almost two years of lockdowns and restrictions. The bright and cheerful campaign engaged shoppers with interactive prompts throughout the mall. For example, shoppers could play hopscotch across the mall to discover fun things to do. They could also spin the "Wheel Decide" and discover new offers and delights, and at the "Happy Corner" complimentary goodies awaited our shoppers, including items such as bubble wands, temporary tattoos, and lollipops. During "Happy Hours" shopper were also treated to cotton candy, popcorn, and balloons.

It's Up to You Campaign Installation



Shoppers at the "Wheel Decide"

We also commemorated many cultural celebrations with mall-wide decorations, engaging activities, performances, and special giveaways. For Hari Raya for example, cultural performances were held at the Centre Court, Ground Floor, including The Symphony of Angklung, Harmonious Busker Music, Classical Poetic Ghazal, as well as the Indigenous Gamelan Melody. An interactive corner was also set up allowing shoppers to learn how to weave ketupat and personalise their own Hari Raya greeting cards. We also partnered with HSBC Bank, and shoppers were entitled to redeem exclusive Raya packets or a set of four placemats when they spent a minimum of RM100 on an HSBC Credit Card in a single receipt. The Raya packets could also be redeemed with a minimum spend of RM200 in cash or other payment methods.

Hari Raya Decorations

For Christmas, workshops allowing shoppers to make their own Snow Doll, Stuffed Penguin, or Whipped Soap, were set up, and visitors to MVS were treated to balloon giveaways, character and Santa walkabouts, carolling and Christmas storytelling performances. Gift wrapping services were also offered to shoppers who made purchases at any specialty store. We also partnered with HSBC Bank, and shoppers were entitled to redeem gifts when they spent a minimum of RM200 on a HSBC Credit Card in a single receipt. Christmas gifts could also be redeemed with a minimum spend of RM300 in cash or other payment methods.

LEGO Group also celebrated their 90 years of play at MVS with a fun and interactive installation at the Centre Court, Ground Floor. Similar to what was done in MVM, visitors could learn about LEGO's history, track the evolution of the LEGO minifigures, build, race and take home LEGO vehicles, make LEGO cupcakes and so much more.

LEGO Group Celebrating 90 Years of Play at MVS

Shoppers participating in the Make Your Own Stuffed Penguin Workshop

Shoppers enjoying the Gift-Wrapping Services Offered

MVS also enjoyed an increase in the number of tenants, with an occupancy rate of 94%. We welcomed 45 new tenants in the year, including such brands as Subway, B.O.D 包栈, Mahnaz Food, Chateraise, Empire Sushi, empro One Mask. One Life, Jang Won Korean BBQ, Bonia, Zen Oriental, Jo Malone London, Clinique, Felancy, ANTA, Kappa, and Mr. Toy.

Management Discussion and Analysis
(continued)

(c) Outlook

2023 is expected to be a challenging year for the retail industry as Malaysia remains susceptible to external shocks from a weaker than expected global growth. Additionally, it does not look like the war in Ukraine will end soon, and as such, global supply chain disruptions, high energy prices, and a shortage of raw materials are likely to continue. In Malaysia, the Tenaga Nasional Berhad surcharge will also lead to increased operating costs. These factors will inevitably translate into higher prices for consumers as businesses pass on the higher costs to them. As the cost of living continues to increase, the purchasing power of Malaysians will be eroded.

Despite the challenging times ahead, both IGB REIT and MVS remain confident that we will be able to build on the momentum gained in 2022, and will continuing to engage our customers through offering elevated retail experiences and creating spaces where they can spend time with their friends and families, making memories and starting traditions that will last for generations.

The construction sector continued to be mired by challenges brought on by the pandemic, which were exacerbated by the war in Ukraine. Supply chain disruptions, lower production volumes globally, and a severe shortage of manpower due to a freeze on foreign worker recruitment in Malaysia, have impacted construction timelines as well as raised construction costs.

Moving forward to 2023, the construction industry is expected to grow at a slower rate and will be challenging due to labour shortages and increase cost of building materials.

(a) Southpoint Properties, Mid Valley City

Southpoint Properties is a 55-storey tower comprising offices and residential units. It is the last major component of the Mid Valley City (MVC) development. Architecture and mechanical and engineering (M&E) works are expected to be completed by the second quarter of 2023.

(b) St Giles Southkey, Johor Bahru

The St Giles Southkey is a 4-star hotel located above the podium roof of SKM. This project was fully completed in 2022 and handed over on 31 August 2022.

(c) North Tower and South Tower, Mid Valley Southkey, Johor Bahru

The Mid Valley Southkey North and South Towers houses 24 storey of lettable office space each and comes with a Lower Ground Floor and Lobby. The Net Lettable Area (NLA) is 32,300 m2 (North Tower) and 33,450 m2 (South Tower). This year, works on the North Tower were fully completed and handed over. Architecture and M&E works for the South Tower are scheduled to be completed by the second quarter of 2023. The expected date of completion is by 30 June 2023.

(a) Water Treatment in China

2022 saw continued regional lockdowns across China as the country worked to combat the spread of Covid-19. Consequently, the tenants within the industrial parks serviced by the China Water Group were affected as they could not operate at full capacity. This combined with the increased costs from Covid-19 prevention, led to lower collections in the year.

As China is expected to resume its growth following the reopening of its economy, we are confident that things will improve in 2023. The China Water Company remains committed to high standards of operation, quality and sustainability.

Management Discussion and Analysis
(continued)

(b) Education

2022 has been a challenging year for international schools across Malaysia. The country reopened its borders to expatriates in January, however international families have been slower to return to Malaysia than expected, impacting student enrolment. To address this, IGB International School (IGBIS) have been more active with our overseas student recruitment agents, more than doubling the virtual open houses held for their clients. This has led to an increase in inquiries. Additionally, we have adopted a more aggressive marketing approach, working to secure key locations for digital and passive brand awareness materials to help bolster brand recognition. We have also worked to revamp our website this year. As a first point of contact for overseas and local families, it is important that our website is easy to navigate, and offers useful and complete information about our school. Since our revamped website was launched in the second half of 2022, we have seen an increase in traffic to our site, and the length of time that visitors stay on our site has also increased.

2022 has also seen an increase in water and electricity costs, which have added to the ongoing repair and maintenance costs incurred by the school. To mitigate this, we have tightened our spending, delaying non-essential projects, which have helped to keep our budgets on track.

IGBIS continues to offer an attractive educational programme in Malaysia, and our students have achieved exceptional results. This year, we achieved the highest International Baccalaureate® (IB) Diploma Programme (DP) average exam score in IGBIS' history, we also achieved the highest IB DP average exam score in Malaysia, scoring 8 points above the world average. IGBIS was also the first school in the world to pilot the Council of International Schools new Pathway 2 for reaccreditation.

As we look towards 2023, we are cautiously optimistic as expatriates return in tandem with the uptick in the Malaysian economy. IGBIS offers a unique programme in Malaysia and we continue to strive to translate that into sustainable financial success.

(c) Post-Operative and Eldercare

2022 was the first year of operations for ReU Living @ MiCasa (ReU), IGB's recently launched eldercare operator. ReU seeks to build communities for senior-living and post-hospitalisation recovery, and has opened it's first retirement and recovery village in the heart of Kuala Lumpur. In its first year, ReU's post-operative recovery business has performed to industry standards, enjoying growth in guest check-ins.

This year, we focused on building, training, and retaining a strong team, growing our reputation in the market, and refining our two product offerings. We have hired experienced personnel to join our team, and through establishing strong standard operating procedures and a signature brand of hospitality, have developed an appealing offering for our clients.

We are wary of the anticipated increase in costs for labour, utilities and food as we move into 2023, as well as the continued labour shortage, particularly as looking after the elderly is often seen as considerably more work than alternative employment options.

We are confident in the operating model that we have built and in the attractiveness of our two product offerings. We are excited about the growth potential for our business and we look forward to being able to announce further plans for expansion and development in 2023.

(d) New Ventures

i. 18@Medini, Johor Bahru

This mixed development in Iskandar Malaysia, Johor Bahru, has been put on hold pending an improvement in market conditions and its surrounding areas.

ii. Chao Phraya River, Bangkok

This 6-acre, mixed-use project in Bangkok, Thailand, is currently going through the planning process.

4. Poised for Growth Despite Challenges Ahead

As we head into 2023, the global economy looks poised to slow down with growth expected to remain weak as the fight against inflation and the ongoing war in Ukraine continue to weigh on activity. In Malaysia, the economy is expected to expand at a more moderate pace as global uncertainties remain. Domestic demand is expected to continue to drive growth, supported by sustained improvements in the labour market. However, there are still significant downside risks, mainly due to weaker global growth, tighter financial conditions, uncertainty around geopolitical conflicts, and worsening supply chain disruptions.

Against this backdrop, we expect 2023 to be a challenging year for IGB as our businesses navigate a post-Covid-19 landscape still suffering from challenges brought on by the pandemic, and vulnerable to a global economy fraught with uncertainties and ongoing geopolitical conflicts. Despite this however, we are confident that our businesses have emerged from the pandemic in a position of strength, and believe that we are well-placed to continue to grow, creating long-term value and enhancing returns to our stakeholders.

Management Discussion and Analysis
(continued)

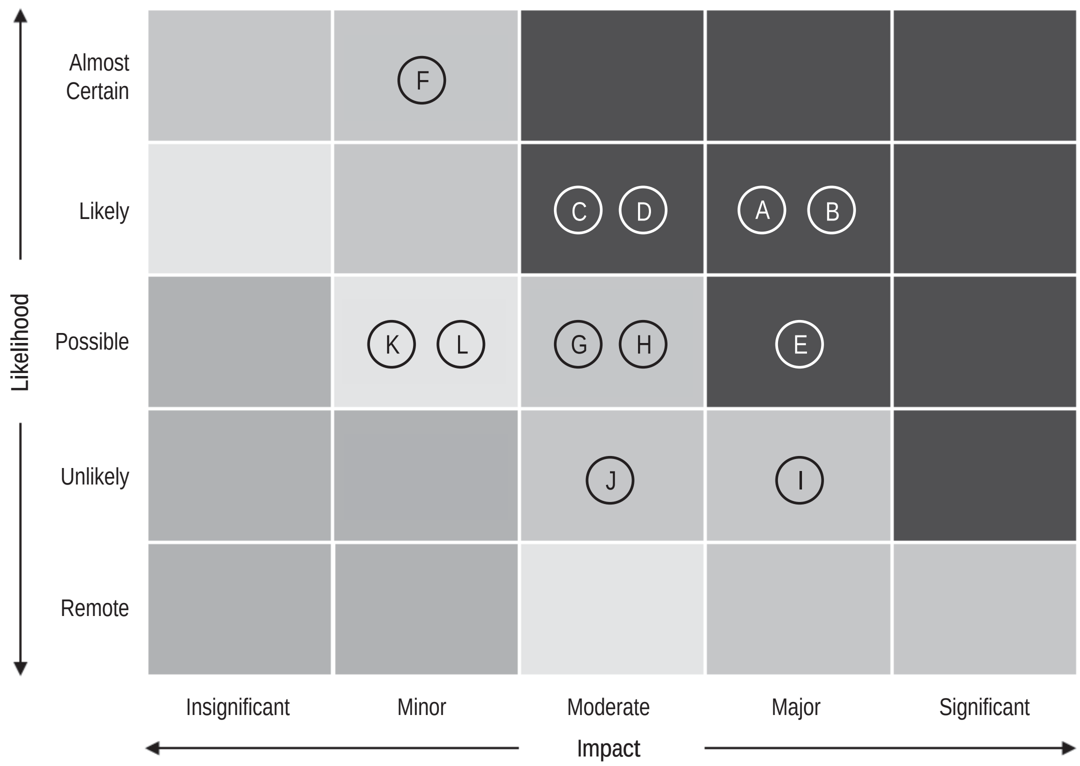
5. Risk Management

Risk Management Integral to Sustained Success

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 Enterprise Risk Management updated framework of 2017 – Integrating with Strategy and Performance, which focuses on integrating risk and strategy in the organisation.

The Framework puts in place a robust risk management process which allows us to not only identify, assess and manage significant business risks in a timely manner but also to help achieve our strategic objectives.

During the year, the following were deemed key risk focus areas in working towards achieving IGB's strategic objectives.



- A Business/Market Risk
- B Supply Chain Risk
- C Information & Cyber Security Risk
- D Competition Risk
- E Credit Risk
- F Interest Rate Risk
- G Regulatory & Compliance Risk
- H Foreign Currency Exchange Risk
- I Security, Health & Safety Risk
- J Talent & Resource Management Risk
- K Liquidity & Cash Flow Risk
- L Climate Change Risk

Management Discussion and Analysis
(continued)

A. Business / Market Risk

Rising inflation and interest rates have continued to impact the people drawing in a negative outlook towards the market. Despite this, we have continued to ensure that our operations are steady and able to weather the headwinds that may come in the future.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Decline in revenue due to poor market conditions and, increasing operational costs.</td><td>• Improve operational efficiencies to mitigate rising costs.
• Differentiation through high level of services and amenities provided to customers and tenants.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Maintain a diversified investment portfolio to mitigate the risks of a slowdown within any particular sector.
• Cultivate collaboration between subsidiaries to maximise operational and business synergies.
• Strict monitoring of operational cost levels and regular review of process efficiencies.</td></tr>
</table>

B. Supply Chain Risk

Supply chain risk arises from unanticipated disruptions to our supply chain due to internal and external factors such as wars, infectious diseases, extreme weather, changes in regulations, etc.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Disruptions to operational and maintenance activities resulting in poor service to our customers and tenants.
• Increased costs resulting from an imbalance in supply and demand of goods and services.
• Delays in projects due to supply chain disruption for both raw materials and services.</td><td>• Increase vendor management system to have a larger vendor database to choose from.
• Improve inventory management system to account for unexpected disruptions.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Ongoing monitoring and management of costs amid inflationary surge in expenses.
• Bulk-up key machinery component inventory to mitigate long lead times in order fulfilment.</td></tr>
</table>

C. Information & Cyber Security Risk

In the ever-evolving digital era, our information technology systems face threats of breach or failure that could lead to loss, leaked or compromised confidential data.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Disruptions to IGB's operations from loss of key data.
• Financial and reputational implications from data breach of confidential customer and tenant data.</td><td>• Establish a strong cyber security process within our information security systems.
• Establish a business continuity plan (BCP) and recovery plan in case of a breach / attack.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Established IGB's Group IT BCP.
• IGB's Cybersecurity Policy & IT Acceptable Use Policy in place.
• Deployed critical cybersecurity software including ransomware protection, log management and privilege access management across key systems.
• Regular cyber security trainings through e-portals as well as ad hoc social engineering tests throughout the year.</td></tr>
</table>

D. Competition Risk

IGB faces increasing risks from existing and new competitors who offer similar products and services.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Decline in business revenue and lower market share due to customer and tenant attrition.</td><td>• Differentiating our products and services from our competitors will provide us with the basis for long-term sustainable performance.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Focus on customer experience to strengthen brand preference and enhance customer loyalty.
• Stay abreast of business trends and developments to seize new opportunities and remain relevant.</td></tr>
</table>

Management Discussion and Analysis
(continued)

E. Credit Risk

Credit risk arises from credit exposures to outstanding receivables, as well as cash, cash equivalents, and deposits held with banks and financial institutions.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Financial losses from having to impair uncollectible receivables.</td><td>• Establish procedures for differentiating various credit risks through an internal risk rating system.
• Establish stringent counterparty due diligence and credit collection policies to maintain low exposure to outstanding receivables.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Strict selection of counterparties with on-going monitoring of credit balances via compliance with standard operating and reporting procedures.
• Cash, cash equivalents and deposits are only held with financial institutions with high credit ratings assigned by credit rating agencies.</td></tr>
</table>

* *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*

F. Interest Rate Risk

IGB's borrowings are made up of floating rate term loans, Medium-Term Notes and revolving credits which expose IGB's cashflows to the risk of fluctuations resulting from changes in interest rates.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Inability to manage interest rates effectively will result in fluctuations in our interest payment obligations.</td><td>• Managing interest rates effectively will allow for better financial planning and returns to stakeholders.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Actively monitor the market changes in interest rates to ensure that any impact from significant fluctuations is managed effectively.</td></tr>
</table>

* *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*

G. Regulatory & Compliance Risk

IGB is subject to Malaysia's local laws and regulations which include those relating to employment, data privacy, and anti-corruption, amongst others.

<table>
<tr><th>Potential Impact</th><th>Opportunities</th></tr>
<tr><td>• Financial and reputational impact from failure to comply with regulations.</td><td>• Establishing strong policies and frameworks to ensure utmost operational, financial and legal compliance with regulations.</td></tr>
<tr><th colspan="2">Mitigating Actions</th></tr>
<tr><td colspan="2">• Regular monitoring of regulatory requirements with timely updates to our policies and procedures.
• IGB's Group Anti Bribery and Corruption Policy and Group Whistleblowing Policy in place.</td></tr>
</table>

Management Discussion and Analysis
(continued)

H. Foreign Currency Exchange Risk

Foreign currency exchange risk arises as a result of amounts owing to subsidiaries, advances to associates, advances to joint ventures, deposits with licensed banks and borrowings denominated in foreign currencies.

Potential Impact	Opportunities
• Adverse currency fluctuation may significantly affect the expected future operating cash flows and financial statements in reporting currency.	• Putting foreign currency exchange risk management processes in place effectively protects cash flows.
Mitigating Actions	
• Foreign currency-denominated monetary assets are maintained in their respective currencies to fulfil obligations and to capitalize on potential investment opportunities available in those currencies. • Closely monitoring of exchange rate movements and adjust our exposures accordingly.	

* *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*

I. Security, Health & Safety Risk

Security, health and safety incidents that occur in our properties affect the lives of our communities. Not only could they result in loss of life, any lapses may also cause a loss of confidence in our business and impact our reputation.

Potential Impact	Opportunities
• Loss in profitability and long-term sustainability of our business due to reputational loss.	• Embed strong safety measures and recovery plans within our operations.
Mitigating Actions	
• All security, health and safety incidences occurring within our properties are tracked and investigated with the necessary follow up actions taken. • Regular safety briefings, trainings, and inspections (including annual fire drills) are carried out to ensure compliance with the Occupational Safety and Health Act, and to manage safety risks within our properties. • Our Safety, Health, and Environment Committee meets once every quarter to review all matters pertaining to health and safety within our properties. • Continually invest in the training of our security teams as well as in electronic security devices which help to monitor, detect, and deter crime. • Ongoing preventive measures to keep infectious diseases at bay (e.g. face masks for staff, sanitising stations throughout our properties, air purifiers at all elevators, etc).	

J. Talent & Resource Management Risk

In IGB, we believe our employees are our greatest asset. We strive to attract, retain, and develop employees with the relevant skills and expertise which will be critical to the success of our business.

Potential Impact	Opportunities
• Significant impact to business operations if unable to attract, retain and develop talent.	• Including talent development and succession planning as key strategies.
Mitigating Actions	
• We continue to invest in our people through talent development (training, professional certification, etc) and competitive employment packages (including medical coverage, insurance and other benefits). • Other areas of focus include identifying potential staffing gaps and redeploying staff where required, reviewing existing succession plans, and exploring initiatives to better retain staff.	

Management Discussion and Analysis
(continued)

K. Liquidity & Cash Flow Risk

Liquidity & cash flow risks arises when funds are inadequate to meet financial obligations.

Potential Impact	Opportunities
• Significant impact in business operations if inadequate funds available.	• Establishing strong financial control policies reduces unexpected interruptions in our business operations and avenues for further expansion.
Mitigating Actions	
• Adequate cash, cash equivalents and bank facilities are maintained and monitored to finance operations, distribute income to unitholders, and mitigate the effects of fluctuations in cash flows.	

* *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*

L. Climate Change Risk

Climate change risk has become more prominent as communities face storms, floods, droughts, extreme heat, and other risks.

Potential Impact	Opportunities
• Physical risks include floods, water seepage, extreme heat effects on our buildings, etc. • Transitional risks include taxation or penalties imposed by authorities on carbon emissions.	• Establishing high levels of efficiency in energy, water, waste and material management will lead to lower operating costs. • Developing resilience to climate change will allow for long term sustainable performance.
Mitigating Actions	
• Ongoing efforts to improve energy and water usage efficiency within our properties. • Ongoing food composting and recycling initiatives to divert waste from landfills.	

Profile of Directors

TAN LEI CHENG
(Malaysian, female, age 66)
Chairman, Non-Independent Non-Executive Director

Board Appointment	:	20 September 2000
Board Committee(s)	:	Investment and Risk Committee (Member)
Academic/ Background/ Working Experience	:	Tan Lei Cheng has over 40 years of experience in the property industry and corporate sector. She was Chief Executive Officer (CEO) of Tan & Tan Developments Berhad (Tan & Tan) from March 1995, a property development company that was listed on Bursa Malaysia Securities Berhad (Bursa). 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 CEO of Goldis Berhad (Goldis) (which took over the listing of Tan & Tan). Following her retirement on 31 December 2016, she assumed the role as Non-Executive Chairman (NEC) of Goldis. After the privatisation of IGBC by Goldis on 16 March 2018, Goldis was renamed as IGB Berhad (IGB), and she remains as NEC of IGB. Tan Lei Cheng is also a board director of IGB REIT Management Sdn Bhd (IGB REIT Management) (Manager of IGB Real Estate Investment Trust (IGB REIT) and IGB Commercial Real Estate Investment Trust (IGB Commercial REIT)), a wholly-owned subsidiary of IGB, managing IGB REIT and IGB Commercial REIT which are listed on the Main Market of Bursa. 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.
Public Company Directorship(s)	:	Listed Issuer ▪ IGB REIT Management Public Company ▪ Dato' Tan Chin Nam Foundation

TAN BOON LEE
(Malaysian, male, age 59)
Non-Independent Executive Director/Group Chief Executive Officer (GCEO)

Board Appointment	:	29 August 2022 (appointed as GCEO on 1 January 2023)
Academic/ Background/ Working Experience	:	Tan Boon Lee was appointed a Board member of IGB on 29 August 2022 then GCEO on 1 January 2023. Currently, he is also Exco Chair of Hotel division. Prior to that, he was Deputy GCEO from 1 June 2018 to 31 December 2022. Previous positions held by him were Executive Director of IGBC (delisted and privatised on 16 March 2018 by IGB, then known as Goldis) and CEO of Tan & Tan (the property-arm of IGBC) from January 2008 until he relinquished his posts in January 2019. Tan Boon Lee has over 30 years of operational and executive management experience in the property and hotel industries, giving management and technical assistance to hotel and hospitality projects in Malaysia and Asia. He had served as President of Malaysian Association of Hotel Owners from 2002 to 2004. Tan Boon Lee is also a board director of IGB REIT Management, a wholly-owned subsidiary of IGB, managing IGB REIT and IGB Commercial REIT which are listed on the Main Market of Bursa. Tan Boon Lee holds a Bachelor of Economics from Monash University, Australia and a Master of Business Administration from Cranfield School of Management, United Kingdom.
Public Company Directorship(s)	:	Listed Issuer ▪ IGB REIT Management Public Company ▪ IGBC ▪ Dato' Tan Chin Nam Foundation

Profile of Directors
(continued)

TAN MEI SIAN
(Malaysian, female, age 39)
Alternate Director to Tan Lei Cheng/Deputy Group Chief Executive Officer (DGCEO)

Board Appointment : 7 December 2020 (appointed as DGCEO on 1 January 2023)

Academic/ Background/ Working Experience : Tan Mei Sian was appointed to the Board of IGB on 7 December 2020 as alternate director to Tan Lei Cheng then DGCEO on 1 January 2023. Currently, she is Exco chair of Property Investment (Commercial) and Other Investments divisions. Prior to that, she was the Head of Group Strategy & Risk, a role she held until 31 December 2022. Preceding that, she was Non-Independent Executive Director (NIED) of Goldis (renamed IGB on 20 March 2018) from 18 May 2016 to 30 August 2018.

Tan Mei Sian is currently Executive Director and Head of Strategy & Risk of IGB REIT Management, a wholly-owned subsidiary of IGB, managing IGB REIT and IGB Commercial REIT which are listed on the Bursa.

Earlier in her career, Tan Mei Sian was 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.

Tan Mei Sian graduated with a 2.1 from the London School of Economics and Political Science with a Bachelor of Science in Economics.

Public Company Directorship(s) : Listed Issuer
- IGB REIT Management

Public Company
- Tan & Tan

DATO' SERI ROBERT TAN CHUNG MENG
(Malaysian, male, age 70)
Non-Independent Non-Executive Director (NINED)

Board Appointment : 8 December 2014 (redesignated as NINED on 1 January 2023)

Board Committee(s) : Investment and Risk Committee (Chairperson)

Academic/ Background/ Working Experience : Dato' Seri Robert Tan, who has been on the Board of IGB Group since 1995, has held various leadership positions over the course of his 27-year career in the Group. He was GCEO of IGB from 30 March 2018 to 31 December 2022, and before that, had served as Group Managing Director (MD) of IGBC (delisted and privatised on 16 March 2018 by IGB, then known as Goldis) from 30 May 2001 to 29 March 2018, and as Joint MD from 18 December 1995 to 29 May 2001. He had also served as MD of IGB REIT Management (the management company to which IGB REIT and IGB Commercial REIT entrust management of their assets) from 21 March 2012 to 31 December 2022. Dato' Seri Robert Tan has been redesignated as NINED of IGB and IGB REIT Management effective 1 January 2023.

With more than 30 years of operational and leadership experience as IGB's leader, Dato' Seri Robert Tan is well regarded for expertise in property development, hotel construction, retail design and development as well as corporate management. After studying Business Administration in the United Kingdom, he was attached to a firm of chartered surveyor for a year. He has developed a housing project in Central London before returning to Malaysia. He was involved in various development projects carried out by IGB Group, notably the Mid Valley City (MVC). From inception to the realisation of Mid Valley Megamall (MVM) and The Gardens Mall (TGM) (collectively, the MV Malls), he was actively involved in every stage of their developments. He has been instrumental and crucial to the success of the MV Malls.

Dato' Seri Robert Tan Chung Meng's achievements have been recognised by prestigious awards, namely 'The Edge Malaysia Outstanding Property CEO Award 2019' and 'Personality of the Year' in the Des Prix Infinitus Media ASEAN Property Developer Awards 2021/2022.

Public Company Directorship(s) : Listed Issuer
- IGB REIT Management
- Wah Seong Corporation Berhad *(Chairman)*

Public Company
- IGBC
- Yayasan Tan Kim Yeow

Profile of Directors
(continued)

DATO' DR. ZAHA RINA BINTI ZAHARI
(Malaysian, female, age 61)
Independent Non-Executive Director

Board Appointment	:	1 June 2018
Board Committee(s)	:	Nomination Committee (Chairperson) Audit Committee (Member) Remuneration Committee (Member)

Academic/ Background/ Working Experience :

Dato' Dr. Zaha Rina has over 20 years of 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.

Dato' Dr. Zaha Rina was a 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, CEO 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.

Dato' Dr. Zaha Rina holds Bachelor of Arts (Honours) degree in Accounting and Finance from Leeds Metropolitan University, United Kingdom, a Masters 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.

Public Company Directorship(s) :

Listed Issuer
- Hibiscus Petroleum Berhad
- Manulife Holdings Berhad *(Chairman)*
- Keck Seng (Malaysia) Berhad
- Pacific & Orient Berhad

Public Company
- Manulife Investment Management (M) Berhad *(Chairman)*
- Mizuho Bank (Malaysia) Berhad *(Chairman)*
- Pacific & Orient Insurance Co Berhad *(Chairman)*

Profile of Directors
(continued)

LEE CHAING HUAT
(Malaysian, male, age 69)
Senior Independent
Non-Executive Director
(Senior INED)

Board Appointment : 8 December 2014 (redesignated as Senior INED on 30 August 2018)

Board Committee(s) : Audit Committee (Chairperson)
Nomination Committee (Member)
Remuneration Committee (Member)

Academic/ Background/ Working Experience : Lee Chaing Huat, who has been on the Board of IGB since 8 December 2014, was redesignated as Senior INED on 30 August 2018.

Lee Chaing Huat 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), Kwong Yik Bank Berhad (now known as 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.

Lee Chaing Huat is a fellow member of The Association of Chartered Certified Accountants, United Kingdom and a member of Malaysian Institute of Accountants.

DATO' LEE KOK KWAN
(Malaysian, male, age 57)
Independent
Non-Executive Director

Board Appointment : 25 February 2022

Board Committee(s) : Remuneration Committee (Chairperson)
Audit Committee (Member)
Nomination Committee (Member)

Academic/ Background/ Working Experience : Dato' Lee Kok Kwan was Deputy CEO 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 (CMDF) and Chairperson of the Bond and Sukuk Information Platform (BIX Malaysia). He holds directorships in various other companies.

Dato' Lee holds a Bachelor of Business of Administration (First Class Joint Honours in Economics) and a Master in Business Administration from Simon Fraser University, Canada.

Public Company Directorship(s) : Listed Issuer
- CIMB Group Holdings Berhad

Public Company
- CIMB Bank Berhad
- CIMB Investment Bank Berhad
- Cagamas Holdings Berhad
- RAM Rating Services Berhad

Profile of Directors
(continued)

ELIZABETH TAN HUI NING
(Malaysian, female, age 39)
Alternate Director to Dato' Seri Robert Tan Chung Meng

Board Appointment	:	29 August 2022
Academic/ Background/ Working Experience	:	Elizabeth Tan was appointed to the Board of IGB on 29 August 2022 as alternate director to Dato' Seri Robert Tan Chung Meng. Elizabeth Tan is also a NIED and Joint Deputy CEO (Joint DCEO) of IGB REIT Management (the management company to which IGB REIT and IGB Commercial REIT entrust management of their assets). Prior to her appointment as Joint DCEO on 1 January 2023, she was Joint Chief Operating Officer and Head of Operations/Leasing (TGM) of IGB REIT Management overseeing and managing the day-to-day operations of leasing including asset enhancement strategies. Elizabeth Tan has close to 19 years of retail management and operations experience; in particular, she was a key member of TGM pre-opening team. She joined Mid Valley City Gardens Sdn Bhd, a wholly-owned subsidiary of IGB, in August 2004 as Head of Operations/Leasing, and in January 2011 as Executive Director, then elected CEO, a position she still holds. Elizabeth Tan holds a Bachelor of Business Administration (First Class Honours) from Cardiff University, Wales, United Kingdom.
Public Company Directorship(s)	:	Listed Issuer ▪ IGB REIT Management

Other disclosures

1. *Except for Tan Lei Cheng, Dato' Seri Robert Tan Chung Meng, Tan Boon Lee, Tan Mei Sian and Elizabeth Tan Hui Ning, none of the Directors 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 Corporate Governance Overview Statement.*
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 financial year ended 31 December 2022 (FY2022).*
5. *Details of attendance of Board and Board Committees by each Director held in FY2022 as disclosed in Corporate Governance Overview Statement.*
6. *Details of shareholdings held by each Director in IGB as disclosed in Shareholding Statistics.*

Profile of Management

TAN BOON LEE
Group Chief Executive Officer (GCEO)

Description under the heading **Profile of Director** in this Annual Report.

TAN MEI SIAN
Deputy GCEO

Description under the heading **Profile of Director** in this Annual Report.

CHAI LAI SIM
(Malaysian, female, age 62)
Group Chief Financial Officer (GCFO)

Appointment : 1 June 2018

Academic/ Background/ Working Experience : Chai Lai Sim was appointed GCFO on 1 June 2018, after the privatisation of IGBC by IGB on 16 March 2018. Prior to that, she was GCFO of IGBC, and Senior Group General Manager of Group Finance following the merger of Tan & Tan and IGBC in 2002.

Chai Lai Sim joined Tan & Tan as Group Financial Controller in 1993, and earlier in her career, she was an articled student with Coopers & Lybrand (now known as PricewaterhouseCoopers PLT).

Chai Lai Sim 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 is a member of MIA and MICPA.

ANTONY PATRICK BARRAGRY
(British/Permanent Resident of Malaysia, male, age 71)
Chief Executive Officer (CEO) of IGB REIT Management (Manager of IGB REIT and IGB Commercial REIT)

Appointment : 1 September 2012

Academic/ Background/ Working Experience : Antony Barragry was appointed CEO of IGB REIT Management on 1 September 2012. He was CEO of Mid Valley City Gardens Sdn Bhd from January 2008 until he relinquished the post in September 2012.

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 MVC, including MVM; and subsequent, appointed Executive Director of Mid Valley City Sdn Bhd, a wholly-owned subsidiary of IGB, in 2002, where he spearheaded the development of more than 6 million square feet of commercial space in MVC's phase 2 (TGM and St Giles The Gardens Hotel & Residences), phase 3 (Menara Southpoint, of which Southpoint Residences 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).

He holds a Diploma in Architecture from the University of Sheffield. He is a member of Real Estate and Housing Developers' Association Maglaysia (REHDA) and The International Real-Estate Federation (FIABCI).

ELIZABETH TAN HUI NING
Joint DCEO of IGB REIT Management

Description under the heading **Profile of Director** in this Annual Report.

Profile of Management
(continued)

WONG KHIM CHON
(Malaysia, male, age 63)
Joint DCEO of
IGB REIT Management

Appointment : 1 January 2023

Academic/ Background/ Working Experience : Wong Khim Chon was the head of Group Property Management (GPM) of IGB in August 2018 and CEO of IGB Property Management Sdn Bhd (IGBPM) in January 2019 until he relinquished the posts on 31 May 2021. He was appointed Deputy CEO of IGB REIT Management on 1 June 2021, then Joint DCEO on 1 January 2023.

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 (GM) 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 GM, 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 IGBC to head its GPM division and was tasked in managing the commercial assets of the group in MVC 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 GM, 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 also served as the Vice Chairman of the Management Board of the Malaysian REIT Managers Association in 2016.

He 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.

TAN YEE SENG
(Malaysian, male, age 43)
CEO of Tan & Tan
(Property Development Division)

Appointment : 1 January 2019

Academic/ Background/ Working Experience : Tan Yee Seng joined IGBC as Senior General Manager in 2010; appointed Head of Property Development in 2017; and CEO of Tan & Tan on 1 January 2019.

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 TGM while working at Ensignia Construction Sdn Bhd *(Ensignia Construction)* where he was a Design Architect. There he used his training to create and fine tune the facades and key elements of TGM and MVM. He has also been a design architect at Eric Kuhne Associates in London where he worked on several large mixed-use proposals.

He holds a professional Diploma of Architecture (Royal Institute of British Architects, Part 2) from University of East London, United Kingdom.

Public Company Directorship(s) : Public Company
- Tan & Tan

Profile of Management
(continued)

LIM GIK CHAY
(Malaysian, male, age 61)
Executive Director of Ensignia Construction (Group Construction Division)

Appointment : 1 January 2007

Academic/ Background/ Working Experience : Lim Gik Chay was appointed Executive Director of Ensignia Construction (the construction arm of IGB) since 2007 to oversee construction projects of the Group.

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 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 MVC; 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 holds a Bachelor of Sciences in Civil Engineering from University of Memphis, United States of America. He is a graduate member of the Institution of Engineers, Malaysia.

JAMES LOO HOOI GUAN
(Malaysian, male, age 63)
CEO of Cititel Hotel Management Sdn Bhd (CHM)

Appointment : 1 January 2020

Academic/ Background/ Working Experience : James Loo 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 St Giles Southkey, Johor Bahru (Year 2022).

He has over 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 holds a Certificate from Cornell University's Executive Program in Hospitality Management in collaboration with the National University of Singapore.

Other disclosures

1. *Except for Tan Boon Lee, Tan Mei Sian, Elizabeth Tan Hui Ning 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 Corporate Governance Overview Statement.*
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 FY2022.*

Top 10 Properties by Value
held by IGB Berhad Group as at 31 December 2022

	Location/Address	Tenure	Age of Building (Years)	Description/Existing use	Date of Acquisition/ Revaluation	Group Net Book Value At 31 Dec 2022 RM'000
1	1, Persiaran Southkey 1, 80150 Johor Bahru	Leasehold expiring 2100	4	The Mall, Mid Valley Southkey, Johor Bahru	3-9-2013	1,304,185
2	Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur	Leasehold expiring 2120	5	27 office levels with 2 levels of retail within a 59-storey building known as Menara Southpoint, Mid Valley City	28-12-2004	542,456
3	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2103	16	The Gardens Mall, Mid Valley City	28-12-2004	437,054
4	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2104	23	Mid Valley Megamall, Mid Valley City	17-12-1999	323,162
5	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	268,881
6	199, Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	14	32-storey office building known as GTower	31-1-2002	259,057
7	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2104	23	646-room Cititel Hotel, Mid Valley City	31-12-2011	255,980
8	Mid Valley Southkey, 1, Persiaran Southkey 1, Kota Southkey, 80150 Johor Bahru	Leasehold expiring 2100	1	575-room St Giles Southkey Hotel, Johor Bahru	31-8-2022	197,928
9	97-99 Pitt Street Sydney, Australia	Freehold	8	281-room The Tank Stream Hotel, Sydney	6-7-2011	184,171
10	207 Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	29	26-storey office building known as Menara Tan & Tan	31-1-2002	178,792

Sustainability Statement

1. Introduction

IGB Berhad (IGB) is pleased to present our Sustainability Statement which covers the period 1 January 2022 to 31 December 2022. It has been prepared in accordance with Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements. This statement outlines our approach to sustainability, including how we work to embed it across all our businesses. It highlights our efforts and progress in achieving our Environmental, Social, and Governance (ESG) goals as we strive to create long-term value for our stakeholders and positively impact the communities in which we operate.

The scope of this report primarily covers our principal business activities within Malaysia. This year, we have included data and information on the operations of The Mall, Mid Valley Southkey (MVS) as we strive to improve our reporting performance. Where relevant and available, this report provides comparative historical data.

2. Our Commitment to Sustainability

At IGB, we have always partnered with our communities, adopting strategies that create long-term value for stakeholders and promote sustainability. In 2019, we crystallized our vision and set out core values that guide all our businesses towards cultivating a sustainable corporate culture. Today, all our businesses work towards our vision of "Creating and Managing Spaces That Work Now and The Future", guided by our four core values of "Integrity, Innovation, Quality, and Sustainability".

We are confident that the alignment of our businesses and the lessons learned from the recent disruptions will enable us to develop more impactful sustainability strategies in the future, which are integrated into our business model under the ESG themes. This year, we centralised the tracking and collection of our sustainability performance data which is presented to the Board on a quarterly basis. We have improved our sustainability data reporting by incorporating information from the following properties, wherever possible:

- The Mall, Mid Valley Southkey
- Southpoint Offices and Retail
- Hampshire Place Offices

At IGB, we remain firmly committed to driving sustainability across all our businesses, which is reflected in our strong governance structure, holistic social policies as well as deeply entrenched environmental principles that dictate how we build our projects and operate our properties. As we move forward, we will continuously enhance our approach and reporting, aligning our disclosures with international reporting frameworks and guidelines as recommended by Bursa Malaysia.

Our Purpose

The Group is united in our purpose and approach to create long-term value for our stakeholders while being cognisant of our impact on the economic, ecological, and social environments we operate in.

Preserve the Environment

By ensuring we implement measures that protect the planet.

Protect Our Communities

By continuously reaching out and supporting our Communities.

Expand the Circular Economy

By adopting green technology and embarking on resource recovery efforts such recycling and waste management.

Build Business Sustainability

By working towards a robust business model benefitting all stakeholders.

Strive for a Safe & Meaningful Workplace

By prioritising health and safety measures for our employees.

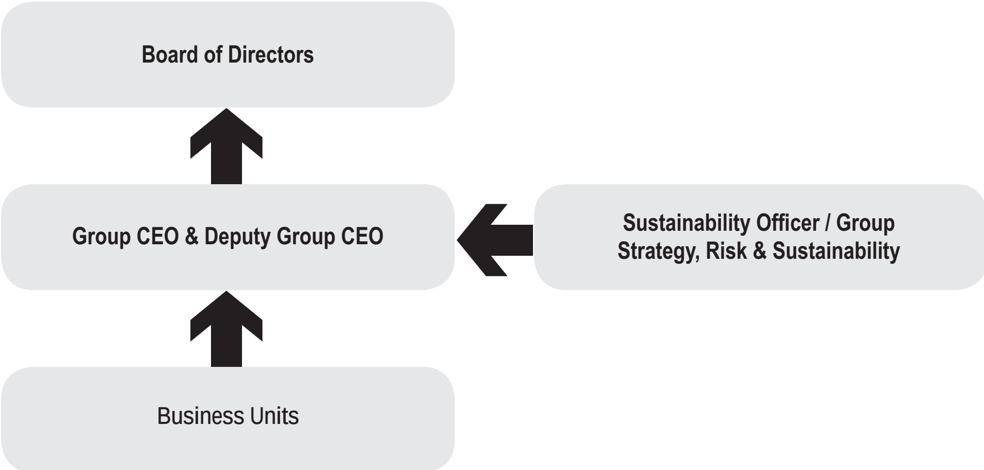
Strengthen Talent

By enhancing specialist skills and knowledge to elevate talent within our industry.

Sustainability Statement
(continued)

3. Our ESG Governance Structure

IGB's Board oversees the Group's sustainability strategies and initiatives. The Board is supported by the Group CEO (GCEO) and the Deputy Group CEO (DGCEO) who report to the Board on sustainability matters. The Sustainability Officer and the Group Strategy, Risk & Sustainability (GSRS) division assists the GCEO and DGCEO to ensure effective communication and integration of sustainability strategies and initiatives into the operations of the business units.



4. Materiality Process

Material Sustainability Matters

It is important to us that our identified material sustainability matters remain relevant to our business. We do this through regular stakeholder engagement, and through aligning ourselves with industry peers both domestically and abroad, and keeping up to date with the latest economic and sustainability developments.

This year, following an internal review of our material sustainability matters, we have introduced two new material sustainability matters and updated the names of two existing ones. In no particular order, IGB's Material Sustainability Matters are set out below.

Table 1: 2022 List of Material Sustainability Matters

New Material Sustainability Matters	Description & Significance
Anti-Corruption	• IGB adopts a zero-tolerance approach to all forms of bribery and corruption both within our organisation as well as across our supply chains • Corruption is detrimental to the Group and exposes us to fines and penalties, legal ramifications, as well as reputational risk
Data Privacy & Security	• Amid emerging technology and digital advancements, cybersecurity threats have become rampant • A failure to protect personal data and comply with data privacy regulations exposes the Group to financial, legal and reputational risks

Material Sustainability Matters	Description & Significance
Community/Society (previously known as Enriching Communities)	• We are committed to contributing to a better society and ensuring that our business operations create a positive impact on our local communities • In supporting our communities, we build goodwill and establish a positive reputation, which in turn helps support our business in the long-run
Energy Management (previously known as Energy Conservation)	• We work to reduce the environmental impact of our business through effective energy management. This is done through internal controls and monitoring mechanisms that track and manage emissions from the consumption of energy • With good energy management, we are supporting improved environmental outcomes which contribute to the sustainability of our planet, the welfare of humankind, and value creation for our business in the long-run

Sustainability Statement
(continued)

Material Sustainability Matters	Description & Significance
Water Management	• We are committed to effectively managing our water consumption through water conservation efforts. We work to raise awareness around the importance of water conservation and improve our data collection on water use so as to allow us to make better decisions • With good water management, we are supporting improved environmental outcomes which contribute to the sustainability of our planet, the welfare of humankind, and value creation for our business in the long-run
Waste Management	• We are committed to carrying out waste management initiatives that promote the sustainable management of resources. For example, through the recovery and reuse of resources, we reduce the consumption of raw materials and reduce waste • With good waste management, we are supporting improved environmental outcomes which contribute to the sustainability of our planet, the welfare of humankind, and value creation for our business in the long-run
Health, Safety & Security	• The Group is committed to prioritising the health, safety, and security of our community, including our employees, tenants, suppliers, and all visitors to our properties. We institute health and safety measures, and conduct regular audits, reviews, assessments, and training to upgrade and strengthen the safety measures in place as a matter of priority. We also work in collaboration with local enforcement agencies to maintain a safe work environment. • Prioritising health and safety promotes a healthy work environment and bolsters our reputation in the market
Human Capital Management	• We believe that employees are key to the growth and success of our business. We support workplace diversity and inclusivity and work to ensure that all employees are engaged, fairly remunerated, and given opportunities to strengthen their skills and competencies, allowing them to create value and contribute to the Group • Good human capital management helps attract and retain talent, who in turn help create value for the organisation and contribute to our sustainability

Good governance continues to be an integral part of our sustainability efforts, and it is with this in mind that we introduced two new material sustainability matters following an internal review. They are: Anti-Corruption and Data Privacy and Security.

1. Anti-Corruption

   IGB has adopted a zero-tolerance approach against all forms of bribery and corruption. This applies across all our businesses, as well as across our supply chains. Corruption can undermine public trust in an organisation, lead to the inefficient allocation of resources, wasteful spending of money, and unfairly provide an advantage to some at the expense of others. Additionally, it can lead to severe penalties, legal ramifications, as well as negatively impact a company’s reputation. Given the potential impact that corruption can have on our business, we have added Anti-Corruption to our list of material sustainability matters this year.

2. Data Privacy and Security

   Data has always been a key asset to any business. As the world has gone digital and companies expand the digital platforms that they use, the risk of a data breach has also increased. Companies are now vulnerable to data attacks on multiple fronts, for example on their company website, software systems, as well as mobile devices, amongst others. Additionally, any breach in data privacy opens the company up to the loss of critical information, customer compensation claims, reputational damage, as well as legal ramifications. It is therefore extremely important that steps are taken to minimise the risk to data privacy. Given the potential impact to our business, we have added Data Privacy and Security to our list of material sustainability matters.

We have also amended the names of two of our existing material sustainability matters, and incorporated “Security” under “Health & Safety”.

- “Enriching Communities” has been renamed “Community/Society”. Society was added as we felt that community did not adequately capture the scope and context covered by this matter.
- “Energy Conservation” has been renamed “Energy Management”. This was amended as the initiatives relating to this matter go beyond just energy conservation, and as such we wanted the name to reflect the broader scope.

Sustainability Statement
(continued)

Feedback Channels

Stakeholder engagement forms a critical part of our business. It is important to us that we understand what matters to them and what their expectations are, as these issues affect how our stakeholders make decisions, which in turn impact our ability to thrive as a sustainable business in the long-run. With this understanding, we are able to map out the sustainability matters that are important to both IGB as well as our stakeholders, which help us prioritise our resources and make medium- and long-term decisions that will build a business that remains relevant to our communities in the long-run.

IGB engages both internal and external stakeholders. The channels we use are set out in Table 2 and Table 3 below.

Table 2: Summary of Stakeholder Feedback Channels: Internal Stakeholders

Stakeholder Group	Engagement Approach	Frequency	Engagement Objectives
Board of Directors	• Board of Directors meetings	Quarterly	To provide business updates and governance oversight
	• Emails & Messenger applications for smartphones	As and when required	
Senior Management	• Senior Management Meetings	Fortnightly	For the purposes of business management
	• Emails & Messenger applications for smartphones	As and when required	
	• Messenger application groups on Crisis Management	As and when required	
Employees	• Employee satisfaction survey	Annually	• To support human capital development and employee retention • To communicate employee benefits and welfare matters • To support the creation of a safe and inclusive working environment
	• Appraisals	Annually	
	• Training programmes	Periodically	
	• Emails & Messenger applications for smartphones	As and when required	

Table 3: Summary of Stakeholder Feedback Channels: External Stakeholders

Stakeholder Group	Engagement Approach	Frequency	Engagement Objectives
Business Partners	• Annual report and sustainability statement	Annually	• To build long lasting and trusted relationships • To share knowledge • To discover business opportunities
	• Corporate events, meetings and discussions	As and when required	
Government & Authorities	• Physical and virtual meetings	As and when required	• To fulfil legal and compliance requirements • To fulfil reporting requirements
	• Participation in industry associations, forums and dialogues	As and when required	
Investment Community	• Annual General Meeting	Annually	• To keep the investment community informed of financial performance, as well as key business activities and decisions • To listen and respond to shareholders concerns and interests
	• Annual report and sustainability statement	Annually	
	• Announcements	As and when required	
	• Circulars	As and when required	
Customers	• Marketing and promotional events	As and when required	• To use feedback received to improve the customer experience • To keep up and adapt to the changing needs of our customers • To respond to customer feedback • To help build long lasting relationships with our customers
	• Company website	Ongoing	
	• Social media	Ongoing	
	• Customer loyalty programmes	Ongoing	
	• Feedback and enquiry channels	Daily	

Sustainability Statement
(continued)

Stakeholder Group	Engagement Approach	Frequency	Engagement Objectives
Tenants	• Physical and virtual meetings and discussion	Ongoing	• To support sustainability awareness • To facilitate operational practices and the maintenance of properties • To respond to queries and/or complaints
	• Feedback and enquiry channels	Ongoing	
Local Communities	• On-ground activities	Annually	• To build long lasting relationships with our customers
	• Activities and visits to local charities	Annually	
	• Social media platforms	Ongoing	
	• Industry training and partnerships	Annually	

(a) Environment

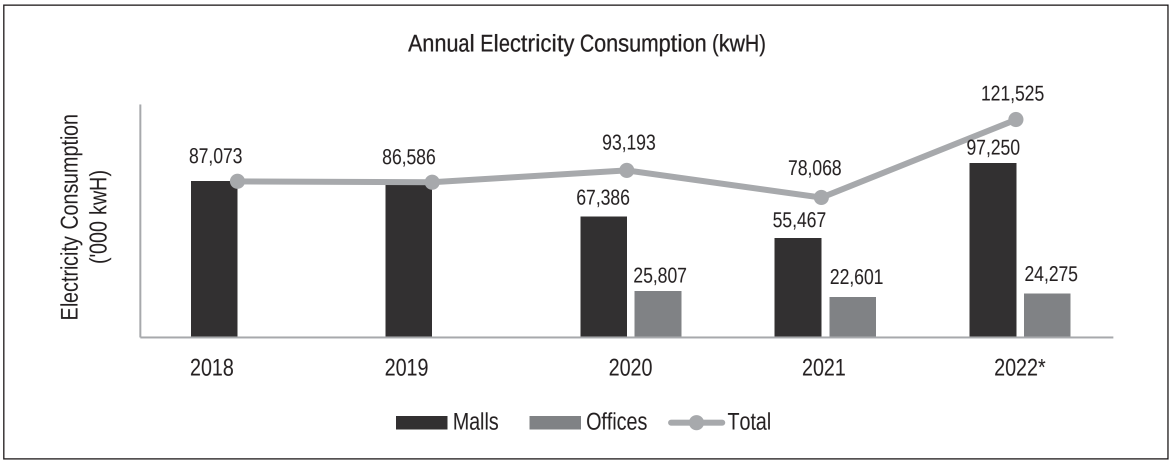
Energy Management

Demand for energy has continued to grow, putting a strain on natural resources and contributing to the production of greenhouse gases. Though efforts have been made to find renewable sources of energy, much of the world continues to depend on fossil fuels.

IGB remains committed to doing our part to reduce our energy consumption. We have taken steps to improve our infrastructure through the use of energy efficient fixtures and fittings, we continue to closely monitor our energy usage, and perform regular energy audits on equipment to monitor equipment efficiency and identify areas for improvement. Apart from the larger investments such as maintaining and upgrading our equipment, we also work to take smaller, everyday steps like ensuring that lights are switched off when they are not in use, and adjusting the temperature for our air conditioners so that they are at a level that is energy efficient.

This year, as Covid-19 restrictions have been relaxed, people have returned to work, resumed travel for both work and leisure, and embraced much of life as it was pre-Covid. As a result, overall energy consumption across our properties have increased in the year.

Chart 1: Annual Electricity Consumption (Five-year trend)



Note: Data is inclusive of The Mall, Mid Valley Southkey, which is a new addition for 2022

It is worth noting that Menara Tan & Tan recorded the most significant reduction in electricity consumption amongst our office properties this year. This was due to the installation of a new chiller system which started operations in January 2022. The new chiller system resulted in savings of 44% from the base line in 2019.

IGB International School (IGBIS) has also recently signed an agreement which will see the installation of a 360kW solar panel system on the roof of the school in the first quarter of 2023. It is estimated that this will generate approximately 400,000kWh of electricity during the course of the year. This is approximately 25% of IGBIS's annual usage. The usage of renewable energy will not only promote sustainability among the school community but also enhances IGBIS's reputation as a socially responsible and environmentally conscious school.

Moving forward, IGB will continue to explore avenues for further energy conservation and management as we do our part to positively impact our planet.

Sustainability Statement
(continued)

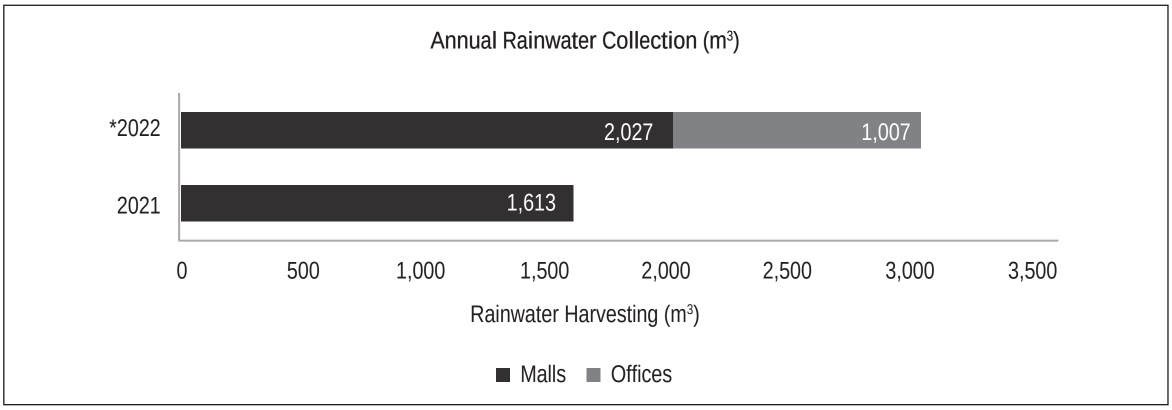
Water Management

Water is central to sustainable development as its uses are far reaching, impacting both daily living as well as commercial operations. As economies grow, countries develop, and the global population increases, the need to balance the competing demands on water resources have grown. Today, countries around the world are putting unprecedented pressure on our world's water resources.

IGB recognises the urgency with which the world needs to address the global water crisis and is committed to doing our part to help drive positive outcomes for our planet. In our malls for example, we continue to install and use water efficient facilities and infrastructure such as taps with sensors in all our washrooms. Rainwater harvesting systems are also in place at both Mid Valley Megamall (MVM) and MVS, as well as at our Southpoint Offices and Retail property.

We believe that our rainwater harvesting efforts have been impactful. At our Southpoint property for example, a total of 1,007 m^3 of water was collected in the year, which is equivalent to 2% of total water consumption for the property, or 0.38% of water consumed across all our office buildings. At MVM, through using the water collected by our rainwater harvesting system, we saved 0.21% of total water consumed in the year. We are therefore looking to expand the system in 2023 by installing a rainwater harvesting system at The Gardens Mall (TGM).

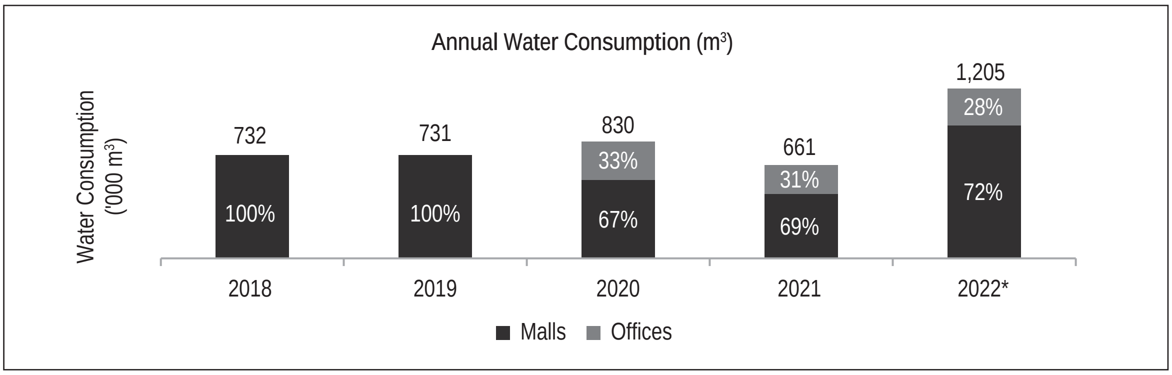
Chart 2: Rainwater Harvesting



Note: Data is inclusive of The Mall, Mid Valley Southkey and Southpoint Offices and Retail, which are new additions for 2022

This year, we recorded an overall increase in water consumption across our properties. This was due to the relaxation of Covid-19 restrictions which resulted in most employees returning to the physical workspace, and members of the public returning to the leisure activities they enjoyed pre-Covid.

Chart 3: Annual Water Consumption (Five-year trend)



Note: Data is inclusive of The Mall, Mid Valley Southkey, which is a new addition for 2022

Moving forward, we will continue to look for new and better ways to conserve and reduce our water consumption across all our businesses. Apart from investing in more efficient fixtures and fittings, and adopting new initiatives to save and reuse water, we will also continue to educate our communities on the importance of good water management, and what they can do to help make a difference.

Sustainability Statement
(continued)

Waste Management

The amount of waste that the world produces is increasing at an exponential rate as urbanisation and economic development continue. It is important that companies and communities around the world adopt a more sustainable approach to waste management so as to lessen our collective impact on the environment. Poor waste management contributes to climate change and air pollution, as well as impacts ecosystems.

IGB remains committed to sustainably managing our waste, with various waste management initiatives carried out across our businesses. Our hotels for example, have in place recycling programmes which include the recycling of plastic and glass bottles. They also ensure that all waste is segregated so that recyclable waste can be appropriately channelled. Dispensers for wet amenities have also been installed in guest rooms, and biodegradable packaging is now used for dry amenities.

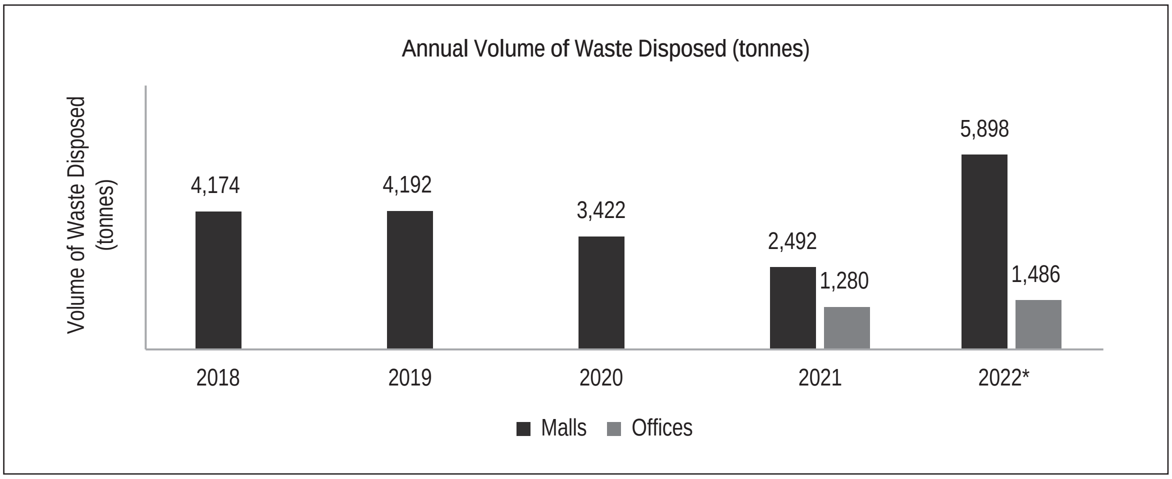
In the UK, our hotels have a sustainable programme in place called #CITIZENG, an initiative which seeks to help it become more sustainable. As part of the programme the hotels ensure that materials are sourced responsibly, they practice recycling and upcycling, breathing life into old items that can be reused. They also work to reduce food waste as well as eliminate plastic consumption where possible. Although it was born as a small-scale initiative in the London site, #CITIZENG has built on its early success to establish open dialogues about sustainability across the hotels and all its teams. So far, the London property has focused on responsible water management. It is fitting aerators for taps which can save 50% of the water used—up to 1,200 litres per month per tap, and rolling out a programme of fitting shower aerators which produce a luxurious spray while limiting water waste, as well as replacing old WCs with dual flush. In 2023 we plan to build on these successes by broadening our attention to waste management (separating food waste, ensuring recycling is practiced across the site, and eradicating single-use plastics altogether where possible). In light of increasing energy insecurity, we plan to shift to renewable energy sources where practicable and protect energy resources through our ongoing monitoring of leaks and waste, replacing low-efficiency lights with LEDs, and exploring infrastructural investments like solar panels and heat recovery volumes.

This year, to help encourage its community to recycle and drive behavioural change, IGBIS became the first school in Malaysia to host a KLEAN the World reverse vending machine on campus. IGBIS community members can recycle glass, plastic and aluminium bottles by placing them in the machine and collect KLEAN points which can then be redeemed for rewards via the KLEAN App.

Our malls also work to educate their food & beverage tenants about the importance of separating waste at the source so that they can be segregated into waste that is compostable, recyclable, and non-recyclable. Rubbish bins throughout all malls also have separate sections for recyclable materials, and there continues to be move towards the use of digital displays in place of the traditional paper ones.

This year at our malls and offices, we have seen a general increase in the volume of waste disposed of as well as the volume of recyclable materials collected. This has been due to the reopening of the economy and a relaxation of Covid-19 restrictions which have resulted in a greater footfall across all our properties.

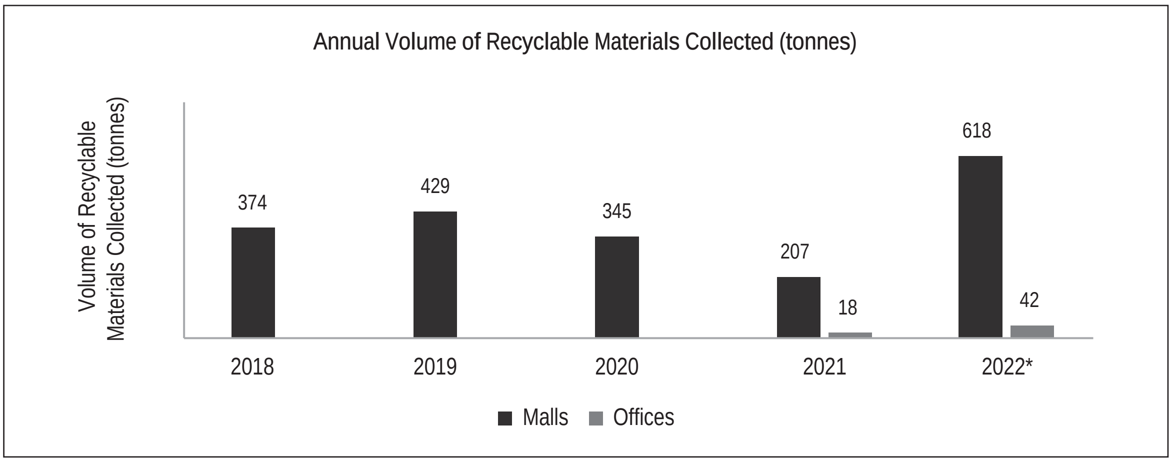
Chart 4: Annual Volume of Waste Disposed (Five-year trend)



Note: Data is inclusive of The Mall, Mid Valley Southkey, as well as Hampshire Place Offices, which are new additions for 2022

Sustainability Statement
(continued)

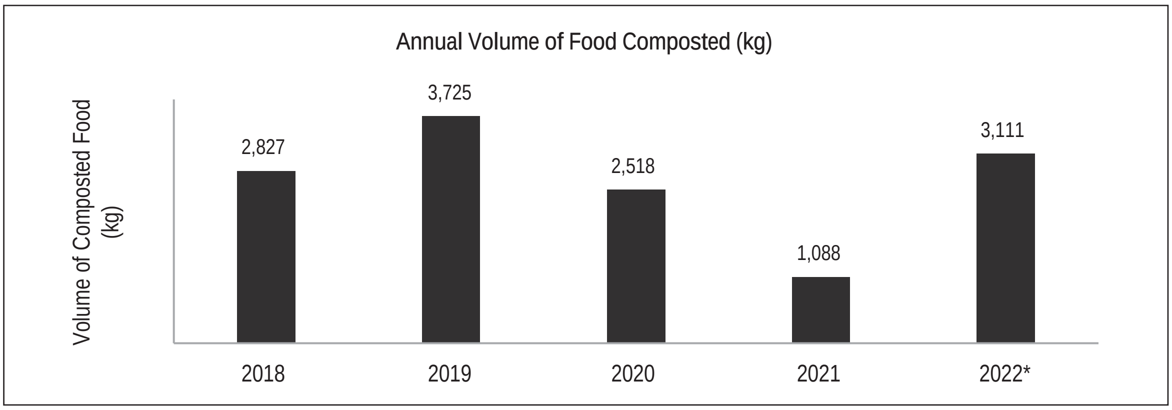
Chart 5: Annual Volume of Recyclable Materials Collected (Five-year trend)



Note: Data is inclusive of The Mall, Mid Valley Southkey, which is a new addition for 2022

MVM, MVS and TGM also have in place food composting initiatives. TGM started this year, implementing its own food composting exercise from August 2022. This has increased the overall amount of food waste that is diverted from disposal.

Chart 6: Annual Volume of Food Composted (Five-year trend)



Note: Data is inclusive of The Mall, Mid Valley Southkey, which is a new addition for 2022

Moving forward, we will continue to explore new avenues for better waste management and expand existing initiatives that are positively impacting our environment and communities. We also recognise the importance of educating our communities about the need to both reduce and better manage their waste and will continue our efforts to do so across our stakeholder groups.

(b) Community/Society

Human Capital Management

People drive the success and long-term sustainability of our business. They are therefore our most important asset, and one that we continue to prioritise and invest in. We believe that to bring out the best in our people, we not only need to provide them with the necessary training and opportunities for growth, but a work environment that is supportive and inclusive.

We believe that great ideas can only come about through open and honest discourse amongst colleagues from diverse backgrounds who bring their unique insights into the discussion. Our Group human capital (HR) policies therefore, support and promote diversity within our organisation, and ensure that all employees are treated fairly and are offered ample opportunity for growth and promotion. We also strictly adhere to the latest Employment Acts, applicable regulations, as well as cultural practices wherever we operate, and work hard to ensure that our employees are protected from any form of discrimination or harassment.

Sustainability Statement
(continued)

Employee Well-Being

The well-being of our employees is important to us. We continue to offer comprehensive medical coverage, annual health and eye check-ups, and health and dental medical cards for outpatient and specialist treatments. Additionally, our employees are covered by the Group's Hospitalisation and Personal Accident insurance schemes, which provide coverage on top of what they receive through the Social Security Organisation (SOCSO). Through the year, we have also organised a number of health screening events and health talks for our employees.

Following the height of the pandemic, we realised that many employees required additional support as some had lost loved ones. The Group therefore implemented initiatives to support these employees, organising donation drives among colleagues, with funds collected matched with an equivalent grant by the Company to provide financial assistance to the affected family. Personal time off has also been offered to those who needed to attend to matters relating to the loss of a loved one.

Upskilling Our People

We believe that learning is a life long journey and that in order for our employees to be able to support our business and create value, they must be offered opportunities to grow both personally and professionally. The pandemic has caused significant learning challenges for our employees, including disruptions to traditional training programmes. To address this, we have leveraged the e-learning platform designed by Human Resource Development Corporation and have offered personalised coaching and mentorship. We work closely with our employees to identify their learning needs, empower them to take charge of their learning and development, while working to ensure that they have the support and resources they need to succeed. We are delighted that our employees invested a total of 12,325 hours in training programmes this year, a marked increase from the 8,488 hours invested in 2021.

As we emerge from the pandemic, we recognise that the provision of positive and engaging customer service is increasingly valued as people return to public physical spaces after a two-year hiatus. IGB offers customer service-oriented training programmes which cover topics such as communication skills, conflict resolution, active listening, and empathy, among others. We believe that through these programmes, our employees are better equipped be able to provide elevated customer experiences across our businesses.

Table 4: IGB Training Programmes

Type of Training	Total Training Hours	%
Technical	1,658	13
Safety	5,135	42
Communications	3,092	25
Problem Solving	1,135	9
Financial	242	2
Others*	1,064	9

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

Embracing Change to Drive Productivity & Efficiency

We believe that in order to continue to grow, we must be open to change. We are constantly exploring various HR technologies for example, to help streamline our HR processes. This will free up our team so that they are better able to focus on more strategic activities and have more time to support our employees, improve productivity, and enhance our overall performance. In 2022 we introduced the IGB Family phone application to enable consolidation of employee identification with staff benefits, door access and direct communication with employees.

Another example is providing staff in some roles the option of adopting a hybrid working model. During the pandemic, working from home had become the norm. As we emerged from the pandemic and were allowed to return to the physical workspace, we recognised that the hybrid model continued to be a viable option for some types of jobs. The Flexible Working Arrangement was therefore applied to some roles, enabling us to maintain our productivity, continue to deliver the highest standards of service to our clients, and provide our employees with greater flexibility and safety.

Sustainability Statement
(continued)

Health, Safety & Security

The health, safety, and security of our community is of utmost importance. We want anyone who walks into any of our premises to feel safe. Health and Safety has become ever more important following the pandemic, as such, as we entered the endemic phase this year, we have maintained many of the health and safety policies and procedures that we implemented at the height of the pandemic. For example, in our office buildings, we continued to sanitise the common areas and amenities every two hours, and on a weekly basis, disinfect our premises using an ultraviolet (UV) misting machine and approved disinfectant solution. In our malls, we continued to use UV light to sterilise high-risk areas and air purifiers in all elevators, suraus, and meeting rooms. High-performance UV light is also used to purify the air in all Air Handling Units (AHUs).

At the Group level, we recognised that employees have different health and safety risk appetites and as such, we continued to implement health and safety measures in the workplace including mandatory mask-wearing in the office. We also worked with each employee to understand their individual circumstances as we know that many may have additional concerns. This allowed us to provide targeted aid where needed.

Across our businesses, Health & Safety Committees have been set up who meet regularly to review all health & safety matters within their business. All complaints as well as all health & safety incidents are logged, thoroughly investigated and addressed in a proactive manner. Our teams are also committed to working to ensure that all incidents and the responses taken are reviewed, so that where there is room for improvement, the appropriate steps are taken.

Regular safety audits, training, and inspections are also conducted to ensure our compliance with the Occupational Safety and Health Act. Established security and safety protocols are also in place for responding to emergencies, including fires, natural disasters, and security incidents. Our employees and tenants are trained on these protocols, and we conduct regular fire drills to ensure that everyone knows what to do in the event of an emergency.

Security measures above and beyond what is required have also been undertaken. We continue to patrol our car parks and offer services to escort individuals to their cars in the buildings under our supervision. We also regularly enhance the verification and registration protocols for contractors coming in and out of our buildings, and work to ensure that our security teams are prepared and equipped to face issues that may compromise the safety of our community.

Additionally, we also work closely with local law enforcement agencies to ensure that we are up-to-date on the latest security trends and best practices. By staying informed and proactive, we can continue to provide a secure environment for everyone within our properties.

This year, we saw a marked increase in the number of safety incidents. This was due to the increase in the number of people coming on to our properties as Covid-19 restrictions relaxed and more people returned to the physical workspace, and were out and about enjoying time with friends and families at malls and other leisure establishments. We had one reported fatality. An individual committed suicide while on our premises. Our teams were quick to respond to this incident and were on hand to assist until the authorities arrived. Whilst we regret that such an incident happened on our premises, this was an isolated incident and beyond our control.

Table 5: Reported Health and Safety Incidences

Incidents / Cases	2016	2017	2018	2019	2020	2021	2022*
Death	-	-	-	1	-	2	1
Dangerous Occurrence	46	54	10	4	1	2	38
Injury	8	10	13	29	27	21	53
Near Misses	18	6	10	7	2	-	-
Occupational Poisoning or Disease	-	-	11	12	-	0	-
Motor Vehicle Accident or Property Damage	-	-	6	16	8	11	24

Note: Figures are inclusive of The Mall, Mid Valley Southkey, which is a new addition for 2022

We regret the occurrence of all health and safety incidents that have occurred on our premises and will continue to enhance our health, safety and security policies and standard operating procedures so that we can continue to improve year on year. IGB remains committed to providing a safe and secure environment for everyone who comes onto our properties, and will continue to work closely with our teams and the authorities to uphold the highest standards of health, safety and security.

Sustainability Statement
(continued)

Data Privacy & Security

Digital transformation has profoundly changed how businesses today operate and compete. The sheer volume of data that companies create and use, and the platforms on which they can be stored and manipulated have expanded tremendously. This has driven a greater need for data governance as data privacy and security have become increasingly complex to manage.

IGB is cognisant of this and recognises the importance of maintaining data privacy and security. We therefore have in place the IGB Group Cybersecurity Policy and IT Acceptable Use Policy as well as critical cybersecurity software including ransomware protection, log management, and privilege access management across key systems. Employees are also required to take cybersecurity assessments to familiarise themselves with common cyber threats and vulnerabilities. These assessments help them understand how threats occur, how to identify them, and what steps to take if systems have been compromised. We also carry out ad-hoc internal phishing simulations for all employees to raise awareness around email—based cybersecurity threats. This year, we are pleased to report that we have had zero incidents of substantiated data breaches across the Group.

Moving forward, the Group will continue to keep abreast of developments in the cybersecurity space, including any emerging threats, and work to ensure that we continue to protect our data while complying with the required data privacy regulations.

Community/Society

If our businesses are to remain sustainable, our sustainability efforts must extend to our communities. In doing so, we are contributing to creating and maintaining strong societal bonds and helping to cultivate an environment where people can flourish and grow. This in turn will help sustain our business in the long-run.

This year, with Covid-19 restrictions relaxed, we were able to resume many of the community initiatives and activities that we carried out pre-Covid.

<u>Giving Back to our Communities</u>

It has always been important to our Group that we give back to our communities, particularly to those in need. Across the festive periods celebrated in Malaysia, several initiatives were carried out to raise money for the less fortunate.

In conjunction with Chinese New Year, TGM organised a donation drive for the Beautiful Gate Foundation for the Disabled and United Voice, raising a total of RM11,011, with a further RM5,000 donated by TGM to each non-governmental organisation.

TGM Donated an Additional RM5k each to the Beautiful Gate Foundation for the Disabled and United Voice

For Hari Raya, TGM partnered with Teach for Malaysia (TFM), raising a total of RM1,194, with a further RM10,000 donated to TFM by TGM as part of their partnership.


TGM Donated an Additional RM10k to TFM

TGM Partnered with TFM During Hari Raya

Sustainability Statement
(continued)

During the Christmas period, TGM invited The Salvation Army to bring their Christmas Kettling to the mall to help raise funds for the less privileged and spread some Christmas cheer. A total of RM5,978 was raised, with TGM donating an additional RM10,000.

TGM Donated an Additional RM10k to The Salvation Army

The salvation Army brought their Christmas Kettling to TGM

Other charitable initiatives were also organised through the year. Through the “Give a Warm to Wanderer 2.0” initiative by the Lions Club of KL Finnamic for example, IGB Commercial REIT sponsored 250 warm meals which were distributed to the homeless in Kuala Lumpur. 23 volunteers from IGB Commercial REIT participated in this event.

IGB Commercial REIT Volunteers at the “Give a Warm to Wanderer 2.0” Initiative

IGB Commercial REIT Volunteers Handing Out Warm Meals to the Homeless

IGBIS also continued their support of the Zomi Education Centre (ZEC), a non-profit education centre that seeks to provide basic education to children who seek refuge in Malaysia. This year IGBIS held a food and basic necessities drive, with members of the community donating items such as rice, cooking oil, milk powder, and diapers. RM4,500 was also raised and donated to ZEC. In addition, approximately 50 Christmas gift boxes was given to the children at ZEC.

Donating food and basic necessities to ZEC

As an IB school, action and service continue to be a central part of the programme at IGBIS. Projects such as the school hosting KL’s 24-Hour Race in support of ending human trafficking or the school’s Walk for Refugees that raise money for displaced peoples around the world. These are examples of students taking action to positively impact their community.

KL’s 24-Hour Race in support of ending human trafficking

IGBIS staff members participating in the Walk for Refugees

Sustainability Statement
(continued)

MiCasa All Suite Hotel and ReU Living Sdn Bhd have jointly organised a charity event with Family of Charity (an NGO) in conjunction with the 59th Malaysia Day. The event was attended by approximately 250 guests. Breakfast was provided and children's activities during the day was organised as well. The hotel sponsored the event venue and a charity donation to the Family of Charity.

The children and staff together with Family of Charity

A cheque of RM5,000 was given to Persatuan Sinaran Hidup during the Family of Charity event

Promoting a Collective Consciousness to Look out for One Another

Various businesses within the Group also worked to help promote a collective consciousness for the need to look out for each other. Blood donations drives were carried out at GTower and Menara Tan & Tan this year for example. The latter was carried out in collaboration with Pusat Darah Negara Kementerian Kesihatan Malaysia and Baker Hughes (M) Sdn Bhd, a tenant at Menara Tan & Tan. Rental for the venues at both Blood Donation Drives were waived, amounting to RM4,000 at GTower and RM500 at Menara Tan & Tan.

At the Blood Donation Drive at Menara Tan & Tan

Tenants & Members of the Public Donating Blood at GTower

Additionally, in the first quarter of the year, MVM continued to hand out face masks to shoppers for a minimum donation of RM1. All proceeds raised through this initiative were channelled to Pusat Darah Negara.

MVS also supported efforts by the Commercial Crime Investigation Department of the Johor Bahru Police Contingent to drive awareness around commercial crimes, such as online scams and how not to be a victim.

Sustainability Statement
(continued)

Inaugural Mid Valley Southkey Charity Run

After being postponed due to Covid-19, we were able to organise the inaugural Mid Valley Southkey Charity Run which was held on 10 September. Registration fees from the run were donated to Make-A-Wish Malaysia, an organisation that grants life-changing wishes to critically ill Malaysian children. The theme for the run was "Crazy Hat", with participants encouraged to show their creativity through personalizing their own funny hat. The event was a huge success, with 2,128 runners signing up to participate. A total of RM60,000 was also raised.

Participants starting the marathon

A mock cheque of RM60,000 presented to Make-A-Wish Malaysia

Leveraging Spaces to Support Communities

In addition to the above, MVM and MVS lent their support to various organisations listed below:

Table 6: List of The Additional Sponsorships and Charitable Support

Mid Valley Megamall	
TSM Blood Donation Drive	Full waiver of rent and miscellaneous charges amounting to RM49,840
Terry Fox Charity Run 2022	Full waiver of rent and miscellaneous charges amounting to RM4,200
Pusat Darah Negara – Donation Suite	Yearly rental waiver amounting to RM184,452
Kedai BLESS	Yearly rental waiver amounting to RM158,400
OKU Dobi Sdn Bhd	Yearly rental waiver amounting to RM88,800
MAB Shoppe	Yearly rental waiver amounting to RM99,600
The Mall, Mid Valley Southkey	
Make-A-Wish Malaysia	Full waiver of rent and miscellaneous charges amounting to RM49,840
Kampen Anti-Scam PDRM	Full waiver of rent and miscellaneous charges amounting to RM4,400
Again-Again	Chinese New Year – Full waiver of rent and miscellaneous charges amounting to RM21,280 Hari Raya – Full waiver of rent and miscellaneous charges amounting to RM11,960 Mid-Autumn – Full waiver of rent and miscellaneous charges amounting to RM8,640 Christmas – Full waiver of rent and miscellaneous charges amounting to RM18,480
Johor Bahru Blood Donation Suite	Yearly rental waiver amounting to RM204,930

Sustainability Statement
(continued)

(c) Governance

Good corporate governance is intrinsically linked to value creation and long-term sustainability. Through having a structured set of policies, processes and practices which foster an environment of transparency, integrity, and accountability, companies are better able to efficiently manage their resources for equitable and sustainable development, bolstering their reputation, and supporting the long-term creation of sustainable value.

Good corporate governance sits at the core of everything we do at IGB and is both practiced and expected by our top management. IGB is committed to observing the highest standards of corporate conduct, and has in place good corporate governance policies and practices. Our Director's Code of Business Conduct and Ethics (CODE) for example is built on the concepts of transparency, integrity, and accountability. It is in compliance with all applicable laws and regulations, and requires the highest standards of professionalism, integrity and ethics across our organisation.

We also have in place the IGB Goup Anti-Bribery and Corruption (ABAC) Policy and the IGB Whistleblowing Policy, which reflect our commitment to supporting a culture where corruption in any form is not tolerated.

Good governance is therefore extremely important to IGB, and such, to better reflect this, we have added Anti-Corruption to our list of material sustainability matters this year.

For a full view of our governance efforts, please refer to the Corporate Governance Overview Statement which is on page 47 of the Annual Report.

5. Looking Ahead

IGB is committed to upholding sustainability as a fundamental pillar of our business. Going forward, we will intensify our efforts to integrate sustainability considerations into our operations and property management practices. This will include working towards reducing our energy and water consumption, waste generation, and implementing measures to divert waste from landfills.

In line with our commitment to sustainability, we will prioritize investment in our workforce. We will provide our employees with opportunities for training and development to enhance their sustainability knowledge and skills. Furthermore, we will acknowledge and incentivize their efforts towards sustainability.

As part of our commitment to responsible governance, we will integrate sustainability considerations into our decision-making processes. We will also enhance our sustainability performance reporting to provide our stakeholders with transparent and comprehensive information on our sustainability efforts and outcomes.

We believe that these actions will have a positive impact on the environment, society, and the economy, while also generating long-term value for our stakeholders.

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, maintained sound transparent policies and practices to align with market practices as well as to meet the specific business needs of IGB and its subsidiaries (Group). The board of directors of IGB (the Board or Directors and individually, the Director) has ultimate authority over, and oversight of, IGB and is 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.

IGB's main CG 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 sets out the details on the applicability of each of the principles and practices of the Malaysian Code on Corporate Governance (MCCG), and where applicable, other requirements, laws and regulations in the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa) and the Companies Act 2016, for the financial year ended 31 December 2022 (FY2022) and up until the date of this CGOS.

IGB has complied with the MCCG in all material respects. Where IGB's practices vary from any MCCG best practices, IGB has provided explanations 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 corporate website, **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 22 February 2023 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.

The Board has a Charter (last updated on 22 February 2023) that sets out the mandate, responsibilities and procedures of the Board and its committees (Board Committees or BCs), including the matters reserved for the Board's approval. Overall, the Board's role is to:

- provide leadership and set strategic business directions of the Group, which should include appropriate focus on value creation, innovation and sustainability with attention to environmental, social and governance (ESG) aspects;
- oversee and review Management's performance in the context of the strategies and objectives of IGB;
- oversee, review and monitor 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;
- review and approve major capital expenditure, acquisitions and divestitures, and monitor capital management;
- monitor the operational and financial performance of IGB;
- ensure measures relating to CG, financial regulations, and other required policies are in place and enforced;
- set IGB's values and standards (including ethical standards) and oversee the proper conduct of the Group; and
- ensure transparency and accountability to SHs and stakeholders.

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 Investment and Risk Committee (IRC) (replaced Policy and Implementation Council (PIC) which was disbanded on 1 January 2023), Audit Committee (AC), Nomination Committee (NC) and Remuneration Committee (RC), which are guided by their respective terms of references (ToR), each of which are chaired by Independent Non-Executive Directors (INEDs), save for IRC which is chaired by a Non-INED (NINED). While 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 on all matters lies with the entire Board. Diversity of experience and appropriate skills are considered in the composition of the respective BCs. 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 constitution of IGB (Constitution) as the Board sees fit. The BCs have never been more pivotal in supporting the Board. Further details of the BCs' activities during FY2022 are set out in the following pages.

The financial authority of the Board, IRC, Group Chief Executive Officer (GCEO) and Deputy GCEO (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 delegations of authority and approval sub-limits are also provided at Management-level to facilitate operational efficiency.

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

Corporate Governance Overview Statement
(continued)

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

The Board is led by Chairman and NINED, Ms Tan Lei Cheng (TLC) (Board Chairman) and, apart from the Board and BC members, is supported by GCEO, Tan Boon Lee (TBL) who has a wide range of expertise and experience. The separation of roles of Board Chairman and GCEO ensures non-repetition of duties, and appropriate balance of power and responsibilities, an effective system of checks and balances, increased accountability and greater capacity of the Board for independent decision making. Board Chairman and GCEO collectively play an important role in the stewardship of the strategic direction of the Group.

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. Board Chairman also presides over Annual General Meeting (AGM) each year and other general meetings (GMs) where she plays a crucial role in fostering constructive dialogue between SHs, Board and Management.

GCEO leads Management to execute the Group's strategies and plans in line with the direction of the Board, oversees the Group's operations and drives the Group's businesses and performance towards achieving the Group's visions and goals. In carrying out his tasks, GCEO, is supported by DGCEO, Tan Mei Sian (TMS), as well as divisional heads of the relevant key business and function units (collectively, Management and individually, Officer). 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 clear separation of roles of Board Chairman and GCEO provides a healthy professional relationship between the Board and Management, with clarity of roles and robust deliberations on the business activities of the Group.

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 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 the 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 Non-Executive Directors (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. During FY2022, GCS attended all meetings of Board and BCs.

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.

IGB practices early planning of meeting schedules so that Directors are able to plan ahead, provide the required time commitment and to ensure that there is sufficient time for the Board and BCs to deliberate and discuss the various matters.

Directors are expected to prepare for, attend, and contribute meaningfully in all Board and applicable BC meetings in order to discharge their obligations. When exigencies prevent a Board member from attending a meeting in person, the Constitution allows for participation in meetings via telephone conference, video conference or similar communications equipment. Where the presence of the Director at such meetings is not feasible, he/she may provide his/her comments to Board Chairman or the relevant BC chairmen 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 request for further explanations, briefings or informal discussions from Management in respect of significant matters raised in 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.

Corporate Governance Overview Statement
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At each scheduled Board meeting, the Board is apprised of the Group's financial and operational performance, including results announcements and business outlook (following AC's review of the same at its meeting which is typically scheduled before Board meeting), decisions made or salient issues discussed by BCs, risks and mitigation measures, regulatory and compliance updates, as well as mandate sought by Management, including, where applicable, relevant budgets and business plans. Consistent with their fiduciary duties, Directors should act objectively in the best interest of IGB. Where a Director faces a conflict of interest (COI), he/she will recuse him/herself from the discussions and decisions involving the issues of conflict. 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. In addition to scheduled meetings, the Board may also hold ad-hoc meetings as required by business imperatives or particular circumstances. 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 number of Board and BC meetings and each individual Director's attendances at such meetings during FY2022 are as shown in **Appendix**. As described in Practice 6.1, NC was satisfied that all Directors gave sufficient time and attention to the affairs of IGB and were able to and have adequately carried out their duties as Directors.

All Directors have separate and independent access to Management at all times, and they are entitled to request from Management additional information to make informed decisions. 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.

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 the Board/BC deliberations. To keep pace with new updates on laws and regulations and changes to accounting standards, the Board is briefed either during meetings or at specially convened sessions involving the relevant advisers and professionals, where necessary, or by email. Directors may also attend other relevant courses, conferences and seminars, at IGB's expense. Details of seminars/webinars that Directors attended during FY2022 are as shown in **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 22 February 2023), 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.

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 IRC with 2 out of 3 members are NINEDs. 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 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. As described in Practice 6.1, the board evaluation performed in February 2023 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 COI, preventing the abuse of power, corruption, insider trading and money laundering. The CCE is published on the company's website.

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

Policies are one method for safeguarding IGB's corporate compliance, but it is important that Directors and Management are educated and understand the regulatory environment. A combination of briefings and self-declarations keep them updated on changes and developments in laws, rules and regulations (Relevant Laws and Requirements).

IGB will continue to keep abreast of changing Relevant Laws and Requirements, where these changes have an important bearing on the disclosure obligations of IGB or its Directors. There were zero cases of fines and non-monetary sanctions for non-compliance with Relevant Laws and Requirements by IGB or its Directors during FY2022.

Below is a summary of the key governance policies IGB has implemented:

Corporate Governance Overview Statement
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(a) Directors' Code of Ethics (Code)
IGB has in place a Code which embodies IGB's commitment to highest standards of integrity and ethical behaviour. 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 are required to abide by the Group 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.

(b) Group Policy on Fit and Proper Criteria for Directors (FAP Policy)
IGB has a FAP Policy which sets out the criteria based on which new directors proposed to be appointed and existing directors whose appointments are intended to be continued can be evaluated. For the purpose of establishing whether a person is FAP prior to their initial appointment or reappointment as a director, the NC or the respective boards of subsidiary-level and joint venture should have regard to the person's probity, integrity and reputation, competence and capability, and financial soundness.

(c) Dealing with COI
The Charter and the Code provide 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 him/herself from any discussion on the matter.

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

As a general principle, Directors and Management will be notified of the closed trading period by an internal memorandum, which sets out prohibitions on dealing in Shares in the period commencing one month before the quarterly results announcement of IGB and at any time while in possession of price sensitive information.

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

(e) 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, the Directors, major SHs and persons connected with them are undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of 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 RPT/RRPT have been complied with, including the relevant provisions of MMLR. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to 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 approval process in relation to that transaction or arrangement.

At the Twenty-Second Annual General Meeting of IGB on 30 May 2022 (2022 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 2022 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 in FY2022 pursuant to the mandate are as shown in **Appendix**.

On 22 February 2023, IGB announced its intention to seek SHs' approval for the renewal of existing RRPT (RRPT Mandate) at the Twenty-Third AGM to be held on 29 May 2023 (2023 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 SHs' prior approval on a case-by-case basis before entering into such transactions. The RRPT Mandate will eliminate the need to convene a GM and/or to make announcement separately for the entry by the Group into such transactions. This will reduce the associated expenses, improve administrative efficiency and allow resources to be channelled towards attaining other corporate objectives. Directors who have interests

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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 2023 AGM. The details of the RRPT Mandate are set out in **Part B: Circular to Shareholders – RRPT Mandate** (Circular).

AC had at its meeting in February 2023 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.

(f) Group Anti Bribery and Corruption Policy (ABCP)

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 Relevant Laws and Requirements while adopting the highest standards of professionalism, honesty, integrity and ethics.

In line with this commitment, IGB has an ABCP 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 (Guidelines), 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.

During the year, GIA has performed a compliance review by IGB based on the 5 'TRUST' principles under the Guidelines, and the level of compliance of each principle. Overall, IGB has implemented most of the adequate procedures under the 5 guiding principles of TRUST.

There were zero instances of bribery, corruption and fraud reported during FY2022.

(g) Group Whistleblowing Policy and Procedures (GWPP)

IGB has a 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 to WBC for FY2022.

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).

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.

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.

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.

Sustainability plays an integral role in the Group's operations. Accordingly, the Board ensures IGB has the right governance processes in place to provide proper ESG oversight, monitoring and support of the Group's strategy development and execution.

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The Board and Management are committed to sustainability and believe that incorporating sustainability considerations and practices across the Group's businesses will not only enhance the performance of IGB but also create value for the stakeholders and the society in the long run. For this reason, IGB aims to continually monitor and manage any potential risks or opportunities in the areas of ESG as the Group progresses on its sustainability journey.

The Board assumes the overall responsibility for integrating sustainability considerations into IGB's strategic decisions with support from IRC with the assistance of senior representatives from the operations management, finance and strategy and risk functions. IRC with the support of Group Strategy, Risk and Sustainability (GSRS) 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.

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 **Sustainability Statement** section, IGB is transparent about how sustainability is embedded in the Group's business and initiatives driven by the Group in terms of material sustainability matters in the areas of environmental (energy, water and 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.

IGB's sustainability strategies, initiatives and performance are communicated to internal (email, employee engagement, monthly management meetings, presentations to leadership team, quarterly reporting to the Board, etc.) and external (corporate website, annual report (AR), press releases, investor presentations, quarterly analyst briefings, etc.) stakeholders.

In addition to discussion of ESG factors relevant to the Group's business at the Board table, Directors enhance their ESG competence by attending programs, peer-to-peer discussions or engage outside experts to provide guidance to the Board. An ESG and Real Estate: Towards Greater Value Creation training was conducted for the Board and Management in April 2022 to equip them with the keys to understanding how sustainability impacts the Group's strategy and long-term performance and their related duties as Directors and Officers.

The Board's 2022 evaluation which is facilitated through NC includes a section relating to ESG and sustainability issues. Management's performance evaluation is guided by the Remuneration Policies and Practices (RPP) which measures value creation to IGB through financial benefits and cost-savings as well as impact on IGB's long-term business sustainability.

More information on the material sustainability issues of IGB is set out in **Sustainability Statement** section.

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.*

The Sustainability Officer, Mr Soh Shang Serng, reports directly to the Head of GSRS and oversees the Group's sustainability activities.

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.

It is paramount that IGB continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of the businesses of the Group. To this end, the Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, IGB will consider candidates on merit against objective criteria set by the Board, having due regard to the overall balance and effectiveness of the Board.

There have been changes to the Board's membership during FY2022. Dato' Seri Robert Tan Chung Meng (DSRT) who has served as GCEO since 8 December 2014, stood down as GCEO on 31 December 2022 and redesignated as NINED. TBL was appointed as ED on 29 August 2022, and succeeded DSRT as GCEO, effective 1 January 2023. Also, effective from the same date, TMS, current Head of GSRS, assumed the role of DGCEO. Ms Elizabeth Tan Hui Ning (ETHN) was also appointed as alternate Director to DSRT. The changes are part of the succession planning for key leadership positions in IGB. The announcement has been made on 25 November 2022.

Following the leadership transition, the Board now comprises 6 members. All members of the Board except GCEO are NEDs. Of the 5 NEDs, 3 of them are INEDs, thus providing for a strong and independent element on the Board. Profile of the Board and the diverse skills and experience they bring to IGB is set out in **Profile of Directors** section.

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At every AGM one-third of the Directors shall vacate office (1/3-rotation rule) and new Directors shall submit him/herself for re-election at AGM immediately following his/her appointment (First-time re-election rule) pursuant to the 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, DSRT and Lee Chaing Huat (LCH) (Senior INED) will retire and submit themselves for re-election at the 2023 AGM. NC has assessed the individual Director's role, contribution and performance, and recommended (with the Board's concurrence and without participation by DSRT and LCH) the 2 retiring Directors to be nominated for re-election at the 2023 AGM. TBL has to stand for re-election at the 2023 AGM pursuant to the First-time re-election rule. Information about DSRT, LCH and TBL is provided in the **Notice of Annual General** Meeting and **Profile of Directors**.

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

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.*

The Board presently comprises 6 members, 3 of whom are INEDs or 50% of Directors being independent. None of the INEDs has served beyond 9 years on the Board.

The 3 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 Board assesses the independence of INEDs in accordance with the requirements of MMLR to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of IGB.

The INEDs individually complete an annual confirmation of independence whereby they are required to assess their own independence, including independence from the major SHs and Management. NC considers this review, with each of the NC members recusing him/herself from deliberations on his/her own independence.

In its review for FY2022, NC (each member recused him/herself when his/her independence was tabled for assessment), after considering the independence criterion given in MMLR, has ascertained that the INEDs remained objective and independent, evidenced by their ability to demonstrate the values and principles associated with independence during the 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) has considered and determined, taking into account the views of NC, that LCH, Dato' Dr. Zaha Rina Binti Zahari (DDZR) and Dato' Lee Kok Kwan (DLKK) have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors during FY2022 and was satisfied that each of them acted with independent judgement. The Board has also assessed the relationships or circumstances which were likely to affect or could appear to affect the INEDs' judgement. Based on the annual review of the INEDs' independence conducted by NC, the criteria of independence as set out in the MMLR and the declarations by INEDs of their independence, the Board was satisfied that, as at 31 December 2022, LCH, DDZR and DLKK were able to act in the best interests of all SHs of IGB as a whole.

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

NC, taking cognisance of the MMLR limiting the tenure of INEDs to a maximum of 12 years took the view that as long as the INED was 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 remained critical and independent in thinking, such INED may continue to serve on the Board for a cumulative period of 12-year as per the mandatory tenure limit for INEDs under the MMLR; for INED beyond 9-year tenure and whose continued appointment as an INED must seek annual shareholders' approval through a 2-tier voting process. This has been included in the Board Charter.

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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 process 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 by the Board after having given due regard to the benefits of diversity and the needs of the Board as described in Practice 5.1. NC in evaluating, assessing and making recommendations to the Board for approval shall take into consideration 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 in accordance with the Group's FAP Policy, taking into account his/her track record.

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. This is the approach taken during FY2022 for the appointments of TBL (GCEO) and TMS (DGCEO) as described in Practice 5.1. The Board, in determining the aptness of TBL and TMS, was satisfied that they having been a key part of the Management team, they have a strong grasp of the Group's businesses with appropriate management experience and skills for the roles, and approved the appointments to take effect on 1 January 2023.

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.***

Practice 5.7
The board should ensure SHs 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.*

As described in Practices 5.1 and 5.5, 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 consider recommendations from the Board, Management and the external search for candidates that fit the criteria. 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 in accordance with the Group's FAP Policy 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.

As described in Practice 5.1, NC has proposed that DSRT and LCH, being eligible and having consented to act, be re-elected at the 2023 AGM. The Board had focused on their commitment, competency, performance and contribution to the Board, and was satisfied that DSRT and LCH were able to and have adequately carried out their duties as a Director of IGB for FY2022, and recommended the re-election of DSRT and LCH as NINED and INED respectively, at the 2023 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 composed of a majority of INEDs, and be chaired by an INED. NC comprises 3 INEDs: LCH, DLKK and is chaired by DDZR.

The role of NC is to make recommendations to the Board on all board appointments (including alternate directors if any), 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, 5.3, 5.6 and 6.1 of this CGOS.

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Practice 5.9
The board comprises at least 30% women directors

As at 22 February 2023, the proportion of women employed by IGB was, Board @ 33.3%, and Management @ 48%.

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 is 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 covers 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 22 February 2023 in respect of FY2022. In its assessment, NC 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 credibility 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 size and composition of the Board with a view to ensure effective decision-making by taking into account the scope and nature of the operations of the Group. 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 discussions 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, experience, and other aspects of diversity such as gender and age 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.

Practice 7.1
The board has 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.*

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.

Corporate Governance Overview Statement
(continued)

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.

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.

In accordance with its ToR, RC must have at least 3 NEDs, be composed of a majority of INEDs, and be chaired by an INED. RC comprises 3 INEDs: LCH, DDZR and is chaired by DLKK. RC has oversight of the RPP in the context that these policies and practices fairly and responsibly reward individuals having regard to performance. Guided by the RPP, RC with the endorsement of the Board, reviews on an annual basis the NED fees and meeting attendance allowances as well as remuneration components of Management. In recommending the Directors and Management's remuneration to the Board for approval as a whole, with the Director concerned abstaining from the decision-making progress with regard to his/her own remuneration, 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. NEDs 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. GCEO and DGCEO do not receive any fee nor meeting allowance as they are salaried executives of IGB. 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/or 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 relevant 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.

The last performance evaluation for Directors and Management was carried out on 29 November 2022. RC had considered the quantum of NED fees (in respect of FY2022) and meeting allowances (in respect of year 2023), and recommended the fees and meeting allowances remained status quo. The Board had endorsed an amount of RM697,500 as NED fees for FY2022 and is subject to the approval of SHs at the 2023 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.

RC had also considered the gratuity payment to DSRT, the former GCEO, in recognition and appreciation of his long service, dedication and contribution to the Group, and recommended to pay a gratuity amounting to RM14,872,463.43 to DSRT, which had been endorsed by the Board and to be submitted for SHs' approval at the 2023 AGM.

Directors and Officers 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 Officers of IGB. Directors and Officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

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.*

Details of each individual Director's remuneration paid and payable at IGB-level, and Group-level in respect of FY2022 are set out in the table below:

Corporate Governance Overview Statement
(continued)

IGB-level	Remuneration[(d)] RM	BIK[(e)] RM	Fee RM	Meeting Allowance RM	Total RM
TLC	-	7,680	262,000	17,500	287,180
DSRT	3,748,899	42,980	-	-	3,791,879
LCH	-	480	143,000	32,000	175,480
DMA[(a)]	-	360	54,167	15,000	69,527
DDZR	-	480	130,000	31,500	161,980
DLKK	-	-	108,333	25,500	133,833
TBL	2,214,233	24,489	-	-	2,238,722
TMS[(b)]	1,053,930	11,482	-	-	1,065,412
ETHN[(c)]	-	-	-	-	-
Total	**7,017,062**	**87,951**	**697,500**	**121,500**	**7,924,013**

Group-level	Remuneration[(d)] RM	BIK[(e)] RM	Fee RM	Meeting Allowance RM	Total RM
TLC	-	7,680	392,000	45,000	444,680
DSRT	7,147,268	42,980	-	-	7,190,248
LCH	-	480	143,000	32,000	175,480
DMA[(a)]	-	360	54,167	15,000	69,527
DDZR	-	480	130,000	31,500	161,980
DLKK	-	-	108,333	25,500	133,833
TBL	2,214,233	24,489	130,000	20,000	2,388,722
TMS[(b)]	1,467,610	11,482	-	-	1,479,092
ETHN[(c)]	1,467,285	3,742	-	-	1,471,027
Total	**12,296,396**	**91,693**	**957,500**	**169,000**	**13,514,589**

Notes:
[(a)] *Daud Mah bin Abdullah (DMA) retired at 2022 AGM*
[(b)] *Alternate Director to TLC*
[(c)] *Alternate Director to DSRT*
[(d)] *Base salary, bonus, fixed allowance and EPF contribution*
[(e)] *Long service award, car, driver, parking season pass, club membership and mobile communication expenses*

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.

NC and Board are of the opinion 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 and operations of the Group with a competent and experienced Management, it is in the best interests 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 (who are not Director or GCEO or DGCEO) in bands of RM50,000 for FY2022 are as follows:

Remuneration Band	Number of Officer	Remuneration[(a)]	BIK[(b)]	Total
Between RM750,000 - RM800,000	1	99.33%	0.67%	100.00%
Between RM800,000 - RM850,000	1	98.63%	1.37%	100.00%
Between RM950,000 - RM1,000,000	1	98.33%	1.67%	100.00%
Between RM1,300,000 - RM1,350,000	1	98.52%	1.48%	100.00%
Between RM1,500,000 - RM1,550,000	1	99.08%	0.92%	100.00%

The aggregate remuneration paid to the top 5 Officers of IGB for FY2022 was RM5,367,782.

Notes:
[(a)] *Base salary, bonus, fixed allowances, gratuity and EPF contribution*
[(b)] *Long service award, driver, parking season pass, highway tolls, club membership and mobile communication devices and expenses*

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 3 INEDs: DDZR, DLKK and is chaired by LCH who 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, 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 AC member until at least 3 years after he/she ceases to be a partner of that firm. None of the AC members have had an employment relationship with 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 FY2022.

Cognisant that EA should be free from any business or other relationships with the Group that could materially interfere with its ability to act with integrity and objectivity, AC undertook a review of the independence of EA and gave careful consideration to the Group's relationships with them during FY2022, as well as considered the nature of the provision of non-audit services in FY2022 and ensure that the fees for such non-audit services did not impair or threaten auditor independence. AC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, PwC's experience in the Group industry and the size and complexity of the audit. AC was satisfied with the independence and objectivity of EA and their 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 FY2022. The Board has endorsed AC's recommendation for the re-appointment of PwC as EA for the fiscal year 2023 to be submitted for SHs' approval at the 2023 AGM. The statement of EA's responsibilities on IGB Financial Statements FY2022 is set out in **Independent Auditors' Report** section.

An analysis of fees paid to PwC, including breakdown of fees for non-audit services (predominantly tax compliance), is disclosed in the Notes to the **Financial Statements** section.

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.

The Board is of the view that all members of AC bring with them invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. AC members, as a whole, possess a wide range of necessary skills to discharge their duties and are financially literate.

Corporate Governance Overview Statement
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AC is responsible for the oversight and monitoring of the IGB's financial reporting, internal control systems, and of the adequacy of the external and internal audits, as well as reviewing COI situations and RPT.

AC has explicit authority to investigate any matter within its ToR. AC has full access to, and the cooperation of Management 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 FY2022, AC reviewed the financial statements and announcements relating to quarterly financial results of IGB before recommending to the Board for approval, the annual audit plans and reports issued by the internal and external auditors, the RPT/RRPT disclosures and the adequacy, effectiveness, independence, scope and results of the internal and external auditors. AC has met with EA and GIA, in each case without the presence of Management, 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 and internal control issues. A summary of AC's responsibilities under its ToR, which also represents a summary of the work and key matters undertaken by AC during FY2022 are described in greater details in Audit Committee Report section.

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 FY2022 as shown in **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 (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.

IRC, together with the Head of GSRS, 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, operational, IT and compliance. 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 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 AC.

Each year, in consultation with AC, GSRS 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 the Framework maintained by IGB, the audits conducted by internal and external auditors, reviews performed by GSRS, and assurances received from GCEO and Group Chief Financial Officer, the Board, with the concurrence of AC, was satisfied that, as at 31 December 2022, the Group's risk management system and internal controls to be adequate and effective in addressing 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 **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.

IRC 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 GSRS division, who monitors and evaluates the effectiveness on an on-going basis. IRC 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 quarterly.

Corporate Governance Overview Statement
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Practice 11.1
AC should ensure that the internal audit (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 2022, GIA has 10 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 with the 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. 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 FY2022, GIA conducted its audit reviews based on 2022 GIA 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 63 audit reports (including progress reports and special reports) were issued by GIAD for the assignment 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 scope of work includes assessing the adequacy and effectiveness of the risk management, governance and internal control processes and procedures. Details of GIA functions and activities are disclosed in Audit Committee Report and Statement on Risk Management and Internal Control sections.

Apart from the usual GIA function, GIA's other responsibilities include managing the feedback processes and attending the Group Tender Committee. The Head of GIA is a member of WBC and ABC 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 Malaysia 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 GIA function and was satisfied that GIA was independent, adequately resourced and effective in performing its functions, and has 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.

IGB is also committed to fostering long-term and strong relationships with all SHs and the wider investment community by engaging and communicating with them regularly and has put in place multi-communication channels, such as corporate website, feedback email address, AGM and investor relations.

Corporate Governance Overview Statement
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IGB's corporate website (**www.igbbhd.com**) allows for easy access to comprehensive information on the Group. Information such as announcements, financial results, press releases, presentation slides, ARs, and other corporate development are regularly updated to keep SHs and the investment community abreast of the Group's performance on a timely basis. Through publishing information on the corporate website, IGB provides insights into its growth strategy and latest developments. In addition, IGB actively encourages SHs to provide feedback or submit their enquiries to **corporate-enquiry@igbbhd.com**. 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 the investment community.

Other than publicly released announcements and its corporate website, IGB also provides a specific investor relations contact (**investorrelations@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 has been made.

Each year, IGB holds its AGM in May/June. Extraordinary General Meeting (EGM) may also be held, when relevant, to discuss specific issues. AGMs and EGMs serve as platforms for all SHs to interact with the Board and Management, as well as to decide on the proposed resolutions. These meetings allow IGB to share with SHs the strategic direction of IGB and for the Board and Management to address SHs' questions or concerns.

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 and climate-related risk management, and forward-looking statements comprising trends and the inclusion of the business review are set out in **Management Discussion and Analysis** and **Sustainability Statement** sections.

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.

The public can access the electronic copy of the AR via IGB's website with the option of receiving a printed version of the AR. Included in the AR are a notice of AGM and a proxy form with instructions on the appointment of proxies.

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 also invited to submit questions before the AGM. This helps IGB to understand SHs' issues and concerns and 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.

All Board members, including Chairman of each BC will be present at SH meetings, to address relevant questions raised by SHs. EA will also be present to provide professional independent clarification and to address SHs' queries about the conduct of audit and the preparation and content of the auditors' report.

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.

The proceedings of 2022 AGM of IGB on 30 May 2022 was conducted in a 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 2022 AGM, chaired by TLC, in the presence of members of the Board, was participated by 292 SHs and proxies. The voting results were displayed live on-screen, uploaded on 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 2022 AGM.

Corporate Governance Overview Statement
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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. The Group has deployed critical cybersecurity software including ransomware protection, log management and privilege access management across key systems. The Group staff are continuously trained on cybersecurity awareness that focuses on educating them about potential IT risks and vulnerabilities.

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.*

IGB supports and encourages active SH participation at GMs as GMs serve as an opportune avenue for SHs to meet and interact with the Board and Management. SHs are informed of GMs through notices published on IGB's website, through reports or circulars sent to all SHs and via BursaLINK. At a GM, each distinct issue is proposed as a separate resolution and put to vote by way of electronic polling to facilitate greater and more efficient participation of all SHs present or represented at the GM. SHs are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed. Prior to voting at GMs, the voting procedures will be made known to the SHs to facilitate them in exercising their votes. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at GMs. The voting results of all votes cast for, against or abstaining from each resolution are then displayed live on-screen to SHs immediately at such GM, and announced to BursaLINK after the GM 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 described in Practice 13.3, IGB hosted its 2022 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 Directors and to participate effectively in and vote at the 2022 AGM.

In the endemic stage of Covid-19 where safety precautions remain, the Board will hold the 2023 AGM as a virtual (online) meeting, the same manner as the 2022 AGM.

Details of how SHs will be able to join, vote and submit questions in advance of the 2023 AGM can be found in the **Notice of Annual General** Meeting accompanying **Virtual Meeting Guide** as set out in this AR. Should SHs wish to have a printed copy of the 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.

The GM minutes which capture the attendance of Board members, matters approved by SHs, voting results and substantial and relevant comments or queries from SHs relating to the agenda together with responses from the Board and Management, are prepared by GCS and will be published on IGB's website within 5 business days upon conclusion of the proceedings.

Corporate Governance Overview Statement
(continued)

Appendix

Attendance of Directors at Board, BCs and AGM in FY2022

	Board	AC	NC	RC	PIC[f]	AGM
Number of meetings in FY2022	**4**	**4**	**3**	**1**	**4**	**1**
TLC	4	4[e]	3[e]	1[e]	4	1
LCH	4	4	3	1	N.A.	1
DMA[a]	2	2	2	N.A.	N.A.	-
DDZR	4	4	3	1	N.A.	1
DLKK[b]	4	3	2	1	N.A.	1
DSRT	3	3[e]	2[e]	1[e]	4	-
TBL	4	2[e]	3[e]	1[e]	4	1
TMS[c]	4	4[e]	2[e]	1[e]	4[e]	1
ETHN[d]	1	N.A.	N.A.	N.A.	4[e]	N.A.

Notes:
[a] *DMA retired at 2022 AGM*
[b] *DLKK was appointed as Chair of AC and a member of NC on 25 February 2022*
[c] *TMS is alternate Director to TLC*
[d] *ETHN is alternate Director to DSRT (appointed on 29 August 2022)*
[e] *Attendance by invitation*
[f] *Disbanded on 1 January 2023*

Continuing Professional Development

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge. Through participation in training and professional development programmes, Directors are routinely updated on developments and changes in the operating environment and applicable laws and regulations, including directors' duties and responsibilities, CG matters and changes in financial reporting standards, to enable them to discharge their duties effectively as members of the Board and where applicable, as BC members. Below are the details of seminars/webinars that Directors attended during FY2022:

Training Focus	Seminars/Webinars
ESG	▪ Bursa – Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers ▪ Bursa – Bursa Voluntary Carbon Market Exchange ▪ Cagamas Holdings Berhad – Developing and Financing Green Housing in Asia Conference ▪ CHK Consultancy Sdn Bhd (CHK) – ESG, Stakeholder Capitalism and Sustainable and Responsible Investment ▪ Keck Seng (Malaysia) Berhad – Directors' Training: Understanding the Amendments to Listing Requirements 2022, Securities Commission Malaysia's (SC) Guidelines on Conduct of Directors of Listed Corporation and their subsidiaries, and the application of fit and proper policy winning the sustainability game through risk management ▪ ESG and Climate Risk Impacts on the Insurance Industry ▪ Financial Institutions Directors' Education (FIDE) – Climate Governance Malaysia Conversations with Chairmen: A Standing Item in Board Agendas ▪ Iclif Executive Education Centre – CG/Open Enrolment: Sustainability and its Impact on Organisations - What Directors Need to Know ▪ Kuala Lumpur Business Club (KLBC) – Climate Governance Malaysia (CGM) in collaboration with CEO Action Network: Exploring a Low Emission Pathway for Malaysia ▪ Malaysian Industries Development Finance (MIDF) Berhad – Green Conference ▪ PwC – ESG and Real Estate: Towards Greater Value Creation ▪ CIMB: Anti-Money Laundering ▪ RAM Holdings Berhad (previously, Rating Agency Malaysia Berhad) – Corporate Liability Provision on Briber ▪ Securities Industry Development Corporation (SIDC) – Sustainable and Responsible Investment (SRI 2022): Preserving the Climate through Sustainable Business and Living

Corporate Governance Overview Statement
(continued)

Training Focus	Seminars/Webinars
Industry	▪ Bursa – Invest Malaysia KL Series 2: The Road to Electric Vehicles ▪ CIMB – Cyber Security Senior Management Briefing ▪ Deloitte – Cyber Security Briefing ▪ KLBC – Dialogue with Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz: Pre-Budget 2023 ▪ KLBC – Dialogue with Mr Lawrence Wong, Singapore Deputy Prime Minister and Minister for Finance: Global Headwinds: A Singapore Perspective ▪ Mizuho Bank (Malaysia) Berhad – Cyber Security Training ▪ SC – Capital Market Director Programme ▪ SIDC – The Future of Work Redesigned in Hybrid ▪ Singapore Management University – Singapore Global Restructuring Initiative Inaugural Conference ▪ The Asian Institute of Chartered Bankers and The Association of Banks in Malaysia – Malaysian Banking Conference
Economics, Finance and Accounting	▪ CHK – Prevention of Financial Crime and Market Misconduct under Capital Markets and Services Act 2007 ▪ CHK – Sun Tzu's Art of War for Traders and Investors Series: Effective Corporate Strategy in Current Environment ▪ FIDE – Engagement session with Board Members of General Insurers and Takaful Operators on Motor Claims Reforms ▪ ISRA Consulting Sdn Bhd – International Centre for Education in Islamic Finance (INCEIF): Islamic Finance for Board of Directors Programme ▪ Offshore Technology Conference Asia
Internet of Things	▪ CHK – Digital Leadership for Sustainable Business in Industry 4.0

RRPT Mandate

At its 2022 AGM, IGB obtained a general mandate for the Group to enter into RRPT with RPs. Based on the actual amount utilised from the 2022 AGM up to the date of this CGOS, the actual value of RRPT has not exceeded the estimated value by the 10% under the mandate. The following table sets forth the RRPT entered into by the Group with RPs during FY2022 pursuant to the mandate:

Transacting parties	RRPT nature	Estimated value RM'000	Actual value FY2022 RM'000	Interested RPs
IGB Real Estate Investment Trust (IGB REIT)[(1)]	Retail leases, carparks and related services	10,000	6,270	DSRT[(a)] TLC[(b)] TBL[(c)] TMS[(d)] ETHN[(e)] Pauline Tan Suat Ming (PTSM)[(f)] Tony Tan Choon Keat (TTCK)[(g)] Tan Chin Nam Sendirian Berhad (TCNSB)[(h)] Tan Kim Yeow Sendirian Berhad (TKYSB)[(i)] Wah Seong (Malaya) Trading Co. Sdn Bhd (WSTSB)[(j)] Daniel Yong Chen-I (DYCI)[(k)] Gabrielle Tan Hui Chween (GTHC)[(l)]
	Provision of intellectual property	10	5	
	Receipt of chilled water and liquefied petroleum gas	8,000	3,984	
	Provision of upgrading, repair and maintenance works	2,000	523	
	Provision of information system services and products	1,500	413	
	Provision of tenant sales verification audit and special review	200	112	
	REIT management fee	40,000	37,162	
	TOTAL	**61,710**	**48,469**	
IGB Commercial Real Estate Investment Trust (IGBCR)[(2)]	Commercial leases, carparks and related services	12,000	8,152	
	Provision of intellectual property	8	-	
	Provision of upgrading, repair and maintenance works	500	23	
	Provision of information system services and products	400	296	
	Provision of tenant sales verification audit and special review	100	-	
	REIT management fee	25,000	15,484	
	TOTAL	**38,008**	**23,955**	

Corporate Governance Overview Statement
(continued)

Transacting parties	RRPT nature	Estimated value RM'000	Actual value FY2022 RM'000	Interested RPs
Wah Seong Corporation Berhad group of companies (WSCB Group)[3]	Purchase of building materials and related products/services	90	3	DSRT[a] TLC[b] TBL[c] TMS[d] ETHN[e] PTSM[f] TTCK[g] TCNSB[h] TKYSB[i] WSTSB[j] DYCI[k] GTHC[l]
	Provision of information system services and products	10	8	
	TOTAL	**100**	**11**	
WSTSB group of companies (WSTSB Group)[4]	Leases, carparks and related services	100	79	
	Purchase of building materials, audio equipment, electrical equipment/ appliances and related products and services	20,000	131	
	Receipt of installation and maintenance of light boxes, panels, signage, etc. and advertising	400	21	
	TOTAL	**20,500**	**231**	
Subsidiaries of IGB ▪ Cititel Hotel Management Sdn Bhd (CHM)[5] ▪ Tan & Tan Realty Sdn Bhd (TTR)[6] ▪ GTower Sdn Bhd (GTower)[7]	Provision/receipt of management consultancy and support services	6,000	3,740	
	Provision of information system services and products	500	-	
	TOTAL	**6,500**	**3,740**	

Principal activities of Transacting Parties

(1) IGB REIT is a real estate investment trust (REIT) 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) IGBCR is a REIT with the principal investment policy of investing, directly or indirectly, in a portfolio of income producing real estate used primarily for commercial purposes in Malaysia and overseas.

(3) 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 industrial trading and services.

(4) The principal activities of WSTSB Group are investment holding, trading in construction and building materials and other related products/services.

(5) The principal activity of CHM is hotel management services.

(6) The principal activity of TTR is property investment.

(7) The principal activity of GTower is property investment holding.

Interested RPs

(a) DSRT is NINED of IGB and IGB REIT Management Sdn Bhd (IGBRM) (the Manager of IGB REIT and IGBCR); Chairman and NINED of WSCB; a director of certain subsidiaries within IGB Group, WSTSB Group and TKYSB Group; a major shareholder of IGB; a major unitholder (UH) of IGB REIT and IGBCR; a substantial shareholder of WSCB and TKYSB; the father of ETHN and GTHC; and a brother of PTSM and TTCK.

(b) TLC is Chairman and NINED 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 GCEO and ED 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.

(d) TMS is DGCEO and alternate to TLC on the Board of IGB and WSTSB; NIED of IGBRM; and a director of certain subsidiaries within IGB Group.

(e) ETHN is alternate to DSRT on the Board of IGB; Joint Deputy CEO and NIED of IGBRM; a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of GTHC.

(f) PTSM is a director of TKYSB Group; a major shareholder of IGB; a major UH of IGB REIT and IGBCR; substantial shareholders of WSCB and TKYSB; the mother of DYCI; and a sister of DSRT and TTCK.

(g) TTCK is a director of TKYSB Group; a major shareholder of IGB; a major UH of IGB REIT and IGBCR; substantial shareholders of WSCB and TKYSB; and a brother of DSRT and PTSM.

(h) TCNSB is a major shareholder of IGB; a major UH of IGB REIT and IGBCR; substantial shareholders of WSCB and WSTSB; and a person connected to TLC, TBL and TMS.

(i) TKYSB is a major shareholder of IGB; a major UH of IGB REIT and IGBCR; substantial shareholders of WSCB and WSTSB; and a person connected to DSRT, PTSM, TTCK, ETHN, DYCI and GTHC.

(j) WSTSB is a major shareholder of IGB; a major UH of IGB REIT and IGBCR; a major shareholder of WSCB; a substantial shareholder of CHM and TTR, and a person connected to DSRT, PTSM, TTCK, TCNSB and TKYSB.

(k) DYCI is a director of certain subsidiaries within IGB Group and WSTSB Group; alternate to PTSM on the board of TKYSB; 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

The Audit Committee (AC) is delegated by the Board of Directors (Board) of IGB Berhad (IGB) with the authority to provide independent oversight of IGB's financial reporting, internal control systems, and of the adequacy of the external and internal audits, as well as review conflict of interest (COI) situations and related party transactions (RPT). AC's terms of reference (ToR) are available on IGB's website at **www.igbbhd.com** under the menu item 'Governance'.

AC is empowered to investigate any matter relating to IGB Group's accounting, auditing, internal controls and/or financial practices brought to its attention, with full access to records, resources and personnel, so as to enable it to discharge its functions properly.

In carrying out its function, AC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at IGB's cost.

Membership
AC comprises 3 Independent Non-Executive Directors; Dato' Dr. Zaha Rina Binti Zahari, Dato' Lee Kok Kwan and is chaired by Mr Lee Chaing Huat (AC Chairman), who is a fellow member of Association of Chartered Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

AC members collectively have accounting and/or related financial management expertise. None of AC members have had an employment relationship with the incumbent external auditor (EA), PricewaterhouseCoopers PLT (PwC).

Meetings
AC meetings in 2022 were pre-arranged in August 2021 together with the Board and other Committee meeting schedules.

AC met 4 times during the year and attendance at these meetings is disclosed in the **Corporate Governance Overview Statement** (CGOS) section. The management team of IGB (Management) who can provide additional insight on financial results and business operations of the group attended meetings as requested by AC. Head of Group Internal Audit (GIA) was also invited to AC meetings to present and provide deeper insight on its respective reports. After each AC meeting, AC Chairman reports to the Board on the key issues which have been discussed.

The audit led engagement partner and Head of GIA have direct access to AC Chairman at all times and meet with AC, without management being present, for open dialogue and feedback. AC had 2 private sessions with EA on 25 February 2022 and 29 November 2022 to discuss audit issues and concerns that EA wished to highlight to AC. Head of GIA also joined the November private session with AC. No major concerns were highlighted by EA and GIA and they received full cooperation from management.

Evaluation
As outlined in the CGOS, an internal evaluation of Board effectiveness included a review by AC of its own effectiveness. The output was discussed by AC and it was concluded that AC has discharged its mandate effectively.

Based on the evaluation for FY2022, the Board was satisfied that together, the members of AC, whose names and biographies are set out in **Profile of Directors** section, have the relevant knowledge, skills and experience to discharge their responsibilities effectively, and as a whole, have competence relevant to the businesses in which the Group operates.

Summary of Work
Throughout FY2022 and up until the date of this AC Report (ACR), AC has met its responsibilities in discharging its functions and obligations in accordance with its ToR as described below:

(a) Financial reporting

AC reviewed and deliberated with Management the IGB's quarterly financial results, annual financial statements and announcements relating to these statements before submitting them to the Board with a recommendation to approve. In the process, AC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the quarterly reports and financial statements. AC also reviewed and discussed with Management, among other matters, the key audit matters identified by EA for FY2022.

AC has, with the support of PwC as EA, reviewed the suitability of the accounting policies which have been adopted and whether management have made appropriate judgements and disclosures.

On 22 February 2023, AC reviewed the financial reporting checklist FY2022 completed by the Group Chief Financial Officer, and assessed by the Group Chief Executive Officer, 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 the preparation of the 2022 financial statements of IGB (IGB Financial Statements FY2022) and, in all material respects, IGB Financial Statements FY2022 complied with the applicable accounting standards as well as regulatory disclosure requirements, and fairly present the results of the operations, cash flow and financial position of the Group. Based on this, AC confirmed to the Board that IGB Financial Statements FY2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders (SHs) to assess IGB's financial position and results.

Audit Committee Report
(continued)

(b) Risk and control environment

AC reviewed the adequacy and effectiveness of IGB's policies and procedures regarding internal control system (including the financial, operational, information technology (IT), risk management, information security, outsourcing, compliance and those controls designed to detect material fraud) by reviewing the work of the internal and external auditors and regular reports from management including those on risk management and regulatory compliance.

Risk management and sustainability oversight is placed under the purview of the Investment and Risk Committee (IRC) (replaced Policy and Implementation Council which was disbanded on 1 January 2023) 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, as well as implementing sustainability strategy, including monitoring progress against agreed targets and considering the environmental, social and governance reporting requirements. The GIA function, as part of their audit review, provides objective assurance to AC that management has its strategy and risk framework and risk management policies and procedures in place.

In conjunction with IRC, GIA and EA, AC reviewed and concurred with management confirmation that IGB's risk management and internal control systems were adequate and effective. No significant irregularity or deficiency in internal controls came to the attention of AC during FY2022. AC has reported this opinion to the Board.

Further details of IGB's state of internal controls, which includes the risk management and key internal control process are set out in **Statement on Risk Management and Internal Control** (SORMIC) section.

(c) GIA

The Head of GIA function 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 (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.

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 the internal control systems to manage risk exposures as well as the governance processes of the Group. 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 (QAR) conducted by Crowe Malaysia Governance Sdn Bhd in October 2020. The next QAR review will be due in 2025. The GIA function also engages in quality improvement programs on an on-going basis to ensure that GIA 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 annual 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 and Anti-Bribery and Corruption Committee for the Group. She also manages the Feedback channel for the Group.

AC is responsible for monitoring and reviewing the operation and effectiveness of GIA function including its focus, plans, activities and resources. In fulfilling this responsibility, AC during FY2022 - reviewed and approved GIA function's charter and annual plan including its work programme and activities; considered and were satisfied that the competencies, experience and level of resources within the GIA team were adequate to achieve the proposed plan; considered the role and effectiveness of GIA in the overall context of the Group's internal controls and risk management of the Group, including financial, operational, compliance and IT controls; received quarterly updates on the delivery of the 2022 plan and on the principal findings from the work of GIA and management's actions to remediate issues identified; approved the 2023 GIA plan and scope of work and audit programme; and ensured co-ordination between GIA and EA to maximise the benefits from clear communication and co-ordinated activities. AC also held a private meeting with GIA, without the presence of management, to discuss any matters that AC should be aware of. A total of 63 reports, including progress reports and special reports, were issued for the audit reviews conducted on the Group based on the 2022 GIA plan.

On an annual basis, AC evaluates the role, performance and effectiveness of the GIA function and obtains confirmation on its independence and objectivity. AC concluded that for 2022 the GIA function operated effectively and was satisfied that the quality, experience and expertise of the function was appropriate for the Group.

The total cost incurred by GIA division for FY2022 was RM1,336,218.94.

Audit Committee Report
(continued)

(d) EA
Post completion of the 2021 audit, AC at its meeting in February 2022, reviewed PwC's audit report of the financial statements of IGB 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.

At the November AC meeting, PwC outlined to AC in detail the 2022 external audit plan for the Group, encompassing the planned scope and timing for the year's audit, as well as their proposed audit fees.

On 22 February 2023, AC met separately with PwC (without management present) to discuss any issues that may have arisen during the audit of IGB Financial Statements FY2022. AC also received a detailed presentation and final report from PwC on the conduct of IGB Financial Statements FY2022, the audit findings together with recommendations, in particular key audit matters included in the auditor's report.

The EA, as required by auditing standards, has also considered management override of controls. Nothing has come the attention of either AC or EA to suggest any material misstatement related to suspected or actual fraud involving management override of controls.

In assessing the effectiveness of EA, AC considered the quality of presentations to AC; the technical insights provided relevant to IGB; the key audit findings, including their robustness and perceptiveness in handling of key accounting and audit judgements; and their demonstration of a clear understanding of the Group's businesses and key risks. On the basis of this review, AC confirmed to the Board that it was satisfied with PwC's technical competency in terms of their skills, execution of audit plan and reporting and overall performance, and the non-audit fees (predominantly tax compliance) paid to PwC, which were minimal, did not compromise their independence or objectivity, and therefore recommended the reappointment of PwC (which has indicated its willingness to continue in office) as the Group's EA for 2023 for SHs' approval at the Twenty Third Annual General Meeting of IGB to be held on 29 May 2023 (2023 AGM). Requisite assurance was sought and provided by EA that internal governance processes within PwC demonstrate and support the firm's independence. AC also took note of the transparency report issued by PwC in 2022.

(e) RPT/COI
AC reviewed the RPT and recurrent RPT (RRPT) to ensure compliance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements; received quarterly reports from Group Company Secretary on RPT and RRPT (tracked against their mandated thresholds); and reviewed and assessed from time to time whether additional processes are required to be put in place to manage any material COI within the Group and proposed, where appropriate, the relevant measures for the management of such conflicts for approval by the Board.

AC was satisfied that all RPT and RRPT were in the best interest of the Group whereby the terms concluded were fair, reasonable and based on commercial viability, and which were no less favourable to the Group than an arm's length transaction between independent parties and the monitoring procedures to regulate such transactions were appropriate and sufficient.

On 22 February 2023, AC reviewed the circular in relation to the renewal of existing RRPT with related parties to be sought at the 2023 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 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 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 **Circular to Shareholders – RRPT Mandate**.

(f) Annual Reporting
AC reviewed and was satisfied with the ACR and SORMIC for publication in this Annual Report 2022.

The ACR and SORMIC were approved by the Board.

Continuing Professional Development
AC has kept the recent and relevant accounting or related financial management expertise or experience up to date by attending the training provided by the relevant regulatory parties. In addition, periodic updates on changes in accounting standards and their accounting implications on the Group are reported by EA at AC meetings.

This ACR is current as at 22 February 2023 and has been approved by the Board.

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 organised into five interrelated components:

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

2. **Strategy and Objective-Setting**: ERM, 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 prioritised by severity in the context of risk appetite. The organisation 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 organisation can consider how well the ERM components are functioning over time and in light of substantial changes, and what revisions are needed.

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

The 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.

In February 2022, the Board approved updates to the Framework to include cybersecurity as reflected in the IGB Group Cybersecurity Policy (CSP).

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 Framework. Business Units will monitor and measure the performance of their strategic plans and mitigation actions before submitting strategy and risk reports every quarter 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 is responsible for ensuring that risk management activities are implemented effectively to manage significant business risks in a timely manner. Group Internal Audit (GIA) reviews the risk management process for comprehensiveness and effectiveness.

During the financial year, GSR reviewed the quarterly strategy & risk reports which include key risks identified, the ratings accorded to each risk, their potential impact, 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. 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 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 whistle-blowers 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.

Cybersecurity

Recognising the increasing role of digitalisation and data security in our business, IGB has in place the CSP and the IT Acceptable Use Policy (ITAUP) 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.

In terms of cybersecurity, GSR is supported by IGB's IT Steering Committee (ITSC), which has overall responsibility for the CSP, and for reviewing its adequacy and effectiveness. The Head of Group IT (HoGIT) together with the Group IT Cybersecurity Team (CsT) are responsible for identifying, assessing, measuring, reviewing and reporting cybersecurity risks to the ITSC as well as implementing mitigating plans and actions for IGB.

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.
- On-going 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 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.

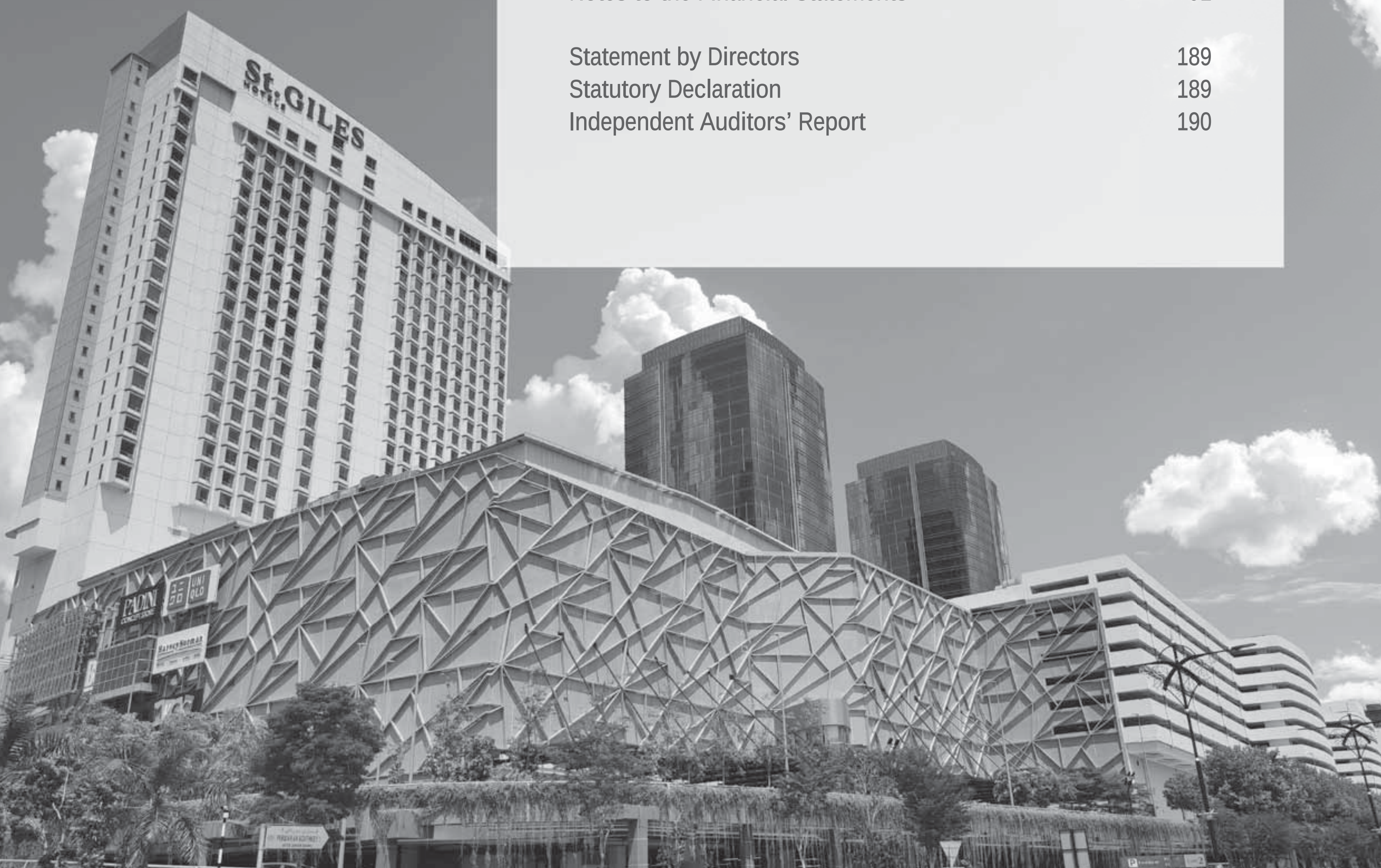
As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement. Their limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external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

Effective 1 January 2023, the PIC has been disbanded and replaced with the Investment & Risk Committee (IRC), which will assume all its roles and responsibilities. In addition, the GSR division has been renamed as the Group Strategy, Risk & Sustainability (GSRS) division to reflect its expanded function and responsibility in relation to sustainability within the Group.

This Statement has been approved by the Board.

Financial Statements and Reports

For the Financial Year Ended
31 December 2022



Directors' Report
for the financial year ended 31 December 2022

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 2022.

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 are as follows:

Tan Lei Cheng	
Dato' Seri Robert Tan Chung Meng	
Lee Chaing Huat	
Dato' Dr. Zaha Rina binti Zahari	
Dato' Lee Kok Kwan	
Tan Boon Lee (ceased as alternate Director to Dato' Seri Robert Tan Chung Meng on 29.08.2022)	(Appointed on 29.08.2022)
Tan Mei Sian (alternate Director to Tan Lei Cheng)	
Elizabeth Tan Hui Ning (alternate Director to Dato' Seri Robert Tan Chung Meng)	(Appointed on 29.08.2022)
Daud Mah bin Abdullah @ Mah Siew Whye	(Retired on 30.05.2022)

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 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	**327,986**	**75,050**
Attributable to:		
Owners of the parent	**159,114**	**75,050**
Non-controlling interests	**168,872**	**-**
	327,986	**75,050**

Directors' Report
for the financial year ended 31 December 2022
(continued)

DIVIDENDS

Dividends declared and paid since the end of the previous financial years 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 2021 up to and including 1 March 2022 was paid on 18 March 2022.	**2,796**
An Interim Single Tier dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the period from and including 2 March 2022 up to and including 11 April 2022 was paid on 11 April 2022.	**625**
A Second Interim Single Tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2021 was paid on 18 March 2022.	**45,181**
An interim Single Tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2022 was paid on 23 December 2022.	**45,061**

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 905,350,813 to 905,427,425 by the allotment of:

i) 76,612 ordinary shares arising from the conversion of 76,612 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 39,649,320 to 39,572,708.

ii) The remaining 39,572,708 RCCPS at the conversion ratio 1:1 at issue price per share of RM3.28 has been fully redeemed during the financial year and was paid by way of cash.

The new ordinary shares issued 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 30 May 2022, 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 interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,858,600 of its ordinary share capital from the open market for RM6,436,637. The average price paid for these shares repurchased was RM2.25 per share.

As at 31 December 2022, the number of outstanding ordinary shares in issue after the set off of treasury shares was 901,140,693 (2021: 903,922,681).

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 the Directors' remuneration section below) 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 36 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' Report
for the financial year ended 31 December 2022
(continued)

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 and units 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	**1.1.2022**	**Additions**	**Disposals**	**31.12.2022**
Tan Lei Cheng				
Direct	17,183,476	-	-	**17,183,476**
Dato' Seri Robert Tan Chung Meng				
Direct	5,284,613	-	-	**5,284,613**
Indirect *	266,358,981	-	-	**266,358,981**
Tan Boon Lee				
Direct	11,087,493	2,000,000	-	**13,087,493**
Tan Mei Sian				
Direct	913,305	-	-	**913,305**
Elizabeth Tan Hui Ning				
Direct	30,540	-	-	**30,540**

	Number of RCCPS[1]			
In the Company	**1.1.2022**	**Additions**	**Redeemed**	**31.12.2022**
Tan Lei Cheng				
Direct	254,400	-	(254,400)	**-**

1 The RCCPS have been fully redeemed on 11 April 2022. Further information is disclosed in Note 26 to the financial statements.

	Number of ordinary shares			
In GTower Sdn Bhd (subsidiary)	**1.1.2022**	**Additions**	**Disposals**	**31.12.2022**
Tan Lei Cheng				
Direct	1,571	-	-	1,571
Tan Boon Lee				
Direct	1,714	-	-	1,714
Tan Mei Sian				
Direct	143	-	-	143

Directors' Report
for the financial year ended 31 December 2022
(continued)

DIRECTORS' INTERESTS (continued)

	Number of units			
In IGB Real Estate Investment Trust (subsidiary)	**1.1.2022**	**Additions**	**Disposals**	**31.12.2022**
Tan Lei Cheng				
Direct	1,853,742	152,202	-	**2,005,944**
Dato' Seri Robert Tan Chung Meng				
Direct	16,272,721	-	-	**16,272,721**
Indirect *	1,921,104,761	11,332,210	-	**1,932,436,971**
Tan Boon Lee				
Direct	1,705,025	-	-	**1,705,025**
Elizabeth Tan Hui Ning				
Direct	3,844,000	910,000	-	**4,754,000**
Dato' Lee Kok Kwan				
Direct	11,171	-	-	**11,171**

	Number of units			
In IGB Commercial Real Estate Investment Trust (subsidiary)	**1.1.2022**	**Additions**	**Disposals**	**31.12.2022**
Tan Lei Cheng				
Direct	21,266,680	121,555	-	**21,388,235**
Dato' Seri Robert Tan Chung Meng				
Direct	5,330,424	-	-	**5,330,424**
Indirect *	1,470,601,793	26,669,686	-	**1,497,271,479**
Tan Boon Lee				
Direct	14,464,100	1,000,000	-	**15,464,100**
Tan Mei Sian				
Direct	1,291,140	-	-	**1,291,140**
Elizabeth Tan Hui Ning				
Direct	500,000	20,000	-	**520,000**

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

DIRECTORS' REMUNERATION

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees	**1,543**	1,510	**698**	665
Salaries, bonus and allowances	**14,661**	16,199	**6,386**	7,700
Defined contribution plan	**1,544**	1,837	**752**	908
	17,748	19,546	**7,836**	9,273
Benefits-in-kind	**126**	125	**88**	80
	17,874	19,671	**7,924**	9,353

Directors' Report

for the financial year ended 31 December 2022
(continued)

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 2022 amounted to RM121,510 (2021: RM121,510).

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) 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 2022
(continued)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:-

Ang Kim Pack
Anna Chew Li Urn
Antony Patrick Barragry @ Anuar Phauzi bin Abdullah
Au Lai Koong
Boelio Muliadi
Chai Lai Sim
Chan Lai Yin*
Chia Hwa Seng*
Colin Ng Cho Leng
Christopher Oh Jian Loong
Daniel Yong Chen-I
Dato' Dr. Kho Eng Hue @ Koh Eng Hooi
Datuk Mohamed Zaini bin Amran
Edwin Koh Wei Min
Gabrielle Tan Hui Chween
Halim bin Haji Din
Huang Boon Chong*
Kamonkan Phrasertphun
Klaus Robert Kinateder
Le Ching Tai @ Lee Chen Chong
Leong Sheong Yee^
Lim Ech Chan*
Lim Gik Chay
Lim Kah Ghee
Loo Hooi Guan
Mickey Ng Koon Yee
Mohamed Sayf Al-Rahman Tun-Ismail
Nor Aisyah binti Mohamed Zaini
Ohta Masaya*
Rubina binti Mustafa Kemal
Shane Guha Thakurta
Soichiro Kanada^
Supalurk Prasirtpun
Susan Then*
Tan Chai Toong*
Tan Eng Wah
Tan Kai Seng
Tan Ken Meng
Tan Nyap Keong @ Tony Tan
Tan Pei Lyn
Tan Siok Thieng
Tan Sri Dato' Prof Lin See Yan
Tan Yee Seng
Tham Siew Pang
Wong Kim Hon
Wong Khim Chon
Wong Tiek Fong
Wong Yew Mei*
Yee Yoke Moi^
Yeoh Seng Chong*
Yeow Chai Boon*
Yeow Jie Xiang
Yuki Hikasa

^ *Appointed during the financial year and up to the date of this report*
* *Resigned during the financial year and up to the date of this report*

SUBSIDIARIES

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

AUDITORS' REMUNERATION

Details of auditors' remuneration are as follows:

	Group RM'000	Company RM'000
Statutory audit fees:		
- PricewaterhouseCoopers PLT Malaysia	**1,549**	**255**
Tax and other non-audit services:		
- PricewaterhouseCoopers PLT Malaysia	**33**	**6**
- PricewaterhouseCoopers Taxation Services Sdn Bhd	**331**	**13**

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 2023.

Tan Boon Lee
Group Chief Executive Officer

Lee Chaing Huat
Director

Income Statements
for the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	6	**1,291,270**	930,053	**215,922**	2,331,656
Cost of sales	7(a)	**(594,614)**	(499,594)	**-**	-
Gross profit		**696,656**	430,459	**215,922**	2,331,656
Other operating income	7(b)	**27,575**	229,081	**1,083**	1,610
Administrative expenses	7(c)	**(169,644)**	(184,470)	**(61,091)**	(48,408)
Other operating expenses	7(d)	**(76,307)**	(5,312)	**(9,552)**	(611)
Profit from operations		**478,280**	469,758	**146,362**	2,284,247
Finance income	9	**38,379**	34,226	**3,359**	3,965
Finance costs	9	**(163,165)**	(157,524)	**(30,168)**	(38,605)
Share of results of associates and joint ventures	17	**67,645**	4,945	**-**	-
Profit before taxation		**421,139**	351,405	**119,553**	2,249,607
Taxation	10	**(93,153)**	(112,080)	**(44,503)**	(29,342)
Profit for the financial year		**327,986**	239,325	**75,050**	2,220,265
Attributable to:					
Owners of the parent		**159,114**	161,845	**75,050**	2,220,265
Non-controlling interests		**168,872**	77,480	**-**	-
Profit for the financial year		**327,986**	239,325	**75,050**	2,220,265

		Group 2022	Group 2021
Earnings per share (sen):			
Basic	11(a)	**17.63**	18.17
Diluted [Note1]	11(b)	**17.63**	17.52

Note 1 : As at 31 December 2022, the Group's diluted earnings per share is the same as basic earnings per share as the Group does not have any potential dilutive ordinary share in issue.

Statements of Comprehensive Income
for the financial year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	327,986	239,325	75,050	2,220,265
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss:				
Currency translation differences:				
Equity holders	**(8,472)**	2,496	**-**	-
Non-controlling interests	**9**	6	**-**	-
Share of other comprehensive (loss)/income of associates and joint ventures	**(20,566)**	588	**-**	-
	(29,029)	3,090	**-**	-
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	**8,454**	(3,992)	**8,454**	(3,992)
Other comprehensive (loss)/income for the financial year, net of tax	**(20,575)**	(902)	**8,454**	(3,992)
Total comprehensive income for the financial year	**307,411**	238,423	**83,504**	2,216,273
Attributable to:				
Owners of the parent	**138,530**	160,937	**83,504**	2,216,273
Non-controlling interests	**168,881**	77,486	**-**	-
Total comprehensive income for the financial year	**307,411**	238,423	**83,504**	2,216,273

Statements of Financial Position
as at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	**1,503,486**	1,506,761	**1,998**	1,320
Inventories	13	**445,168**	442,956	**-**	-
Investment properties	14	**3,915,400**	4,003,156	**-**	-
Intangible assets	15	**4,914**	5,393	**-**	-
Subsidiaries	16	**-**	-	**7,699,919**	7,677,145
Associates and joint ventures	17	**520,594**	490,582	**-**	-
Concession receivables	18	**110,846**	120,062	**-**	-
Deferred tax assets	19	**36,784**	41,058	**-**	-
Financial assets at fair value through other comprehensive income	20	**53,626**	68,360	**53,626**	68,360
Receivables and contract assets	22	**-**	243,913	**-**	-
Deposits, cash and bank balances	23	**-**	45,084	**-**	-
		6,590,818	6,967,325	**7,755,543**	7,746,825
CURRENT ASSETS					
Inventories	13	**536,491**	536,220	**-**	-
Concession receivables	18	**5,107**	5,289	**-**	-
Amounts owing from subsidiaries	31	**-**	-	**63,472**	67,121
Amounts owing from associates and joint ventures	21	**1,875**	182	**100**	-
Receivables and contract assets	22	**417,888**	186,267	**2,916**	1,123
Tax recoverable		**24,806**	28,818	**-**	-
Cash held under Housing Development Accounts	23	**1,607**	12,707	**-**	-
Deposits, cash and bank balances	23	**1,349,313**	1,381,122	**71,311**	262,475
Assets classified as held-for-sale	30	**1,531**	-	**-**	-
		2,338,618	2,150,605	**137,799**	330,719
TOTAL ASSETS		**8,929,436**	9,117,930	**7,893,342**	8,077,544

Statements of Financial Position

as at 31 December 2022
(continued)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	24	**1,394,110**	1,393,859	**1,394,110**	1,393,859
Treasury shares	25	**(9,747)**	(3,310)	**(9,747)**	(3,310)
Redeemable Convertible Cumulative Preference Shares ("RCCPS")	24, 26	**-**	96,626	**-**	96,626
Other reserves	27	**11,449**	32,033	**12,196**	3,742
Retained earnings		**2,363,674**	2,321,788	**5,621,554**	5,655,177
		3,759,486	3,840,996	**7,018,113**	7,146,094
Non-controlling interests	16	**236,655**	281,463	**-**	-
TOTAL EQUITY		**3,996,141**	4,122,459	**7,018,113**	7,146,094
LIABILITIES					
NON-CURRENT LIABILITIES					
Payables and contract liabilities	28	**17,780**	17,833	**577**	-
Deferred tax liabilities	19	**151,877**	138,129	**14,403**	12,641
RCCPS	26	**-**	13,210	**-**	13,210
Interest bearing bank borrowings	29	**3,966,069**	2,705,792	**753,500**	803,500
		4,135,726	2,874,964	**768,480**	829,351
CURRENT LIABILITIES					
Payables and contract liabilities	28	**651,501**	643,945	**21,442**	6,347
Amounts owing to subsidiaries	31	**-**	-	**69,720**	82,444
Amounts owing to associates	21	**4**	4	**-**	-
Current tax liabilities		**20,475**	37,271	**9,436**	7,613
RCCPS	26	**-**	4,703	**-**	4,703
Interest bearing bank borrowings	29	**125,589**	1,434,584	**6,151**	992
		797,569	2,120,507	**106,749**	102,099
TOTAL LIABILITIES		**4,933,295**	4,995,471	**875,229**	931,450
TOTAL EQUITY AND LIABILITIES		**8,929,436**	9,117,930	**7,893,342**	8,077,544

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2022

		Attributable to owners of the parent							
		Share capital (Note 24)	Treasury shares (Note 25)	Redeemable Convertible Cumulative Preference Shares (Note 24)	Other reserves (Note 27)	Retained earnings	Total	Non-controlling interests	Total equity
Group	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2022									
At 1 January 2022		1,393,859	(3,310)	96,626	32,033	2,321,788	3,840,996	281,463	4,122,459
Comprehensive income									
Profit for the financial year		-	-	-	-	159,114	159,114	168,872	327,986
Other comprehensive (loss)/income		-	-	-	(20,584)	-	(20,584)	9	(20,575)
Total comprehensive (loss)/income for the financial year		-	-	-	(20,584)	159,114	138,530	168,881	307,411
Transactions with owners									
Issuance of ordinary shares		-	-	-	-	-	-	291	291
Redemption of Redeemable Convertible Cumulative Preference Shares		-	-	(96,439)	-	(18,397)	(114,836)	-	(114,836)
Capital reduction of a subsidiary		-	-	-	-	-	-	(20,472)	(20,472)
Share buy-back		-	(6,437)	-	-	-	(6,437)	-	(6,437)
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		251	-	(187)	-	(34)	30	-	30
Dividends paid to ordinary shareholders	32	-	-	-	-	(90,242)	(90,242)	-	(90,242)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(202,063)	(202,063)
Changes in ownership interests in subsidiaries that do not result in a loss of control	16	-	-	-	-	(8,555)	(8,555)	8,555	-
Total transactions with owners		251	(6,437)	(96,626)	-	(117,228)	(220,040)	(213,689)	(433,729)
At 31 December 2022		1,394,110	(9,747)	-	11,449	2,363,674	3,759,486	236,655	3,996,141

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2021
(continued)

		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		-	-	-	-	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	32	-	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

Company Statement of Changes in Equity

for the financial year ended 31 December 2022

Company		Share capital (Note 24)	Treasury shares (Note 25)	Redeemable Convertible Cumulative Preference Shares (Note 24)	Other reserves (Note 27)	Retained earnings	Total equity
2022	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2022		1,393,859	(3,310)	96,626	3,742	5,655,177	7,146,094
<u>Comprehensive income</u>							
Profit for the financial year		-	-	-	-	75,050	75,050
Other comprehensive income		-	-	-	8,454	-	8,454
Total comprehensive income		-	-	-	8,454	75,050	83,504
<u>Transactions with owners</u>							
Shares buy-back		-	(6,437)	-	-	-	(6,437)
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		251	-	(187)	-	(34)	30
Redemption of Redeemable Convertible Cumulative Preference Shares		-	-	(96,439)	-	(18,397)	(114,836)
Dividends paid to ordinary shareholders	32	-	-	-	-	(90,242)	(90,242)
Total transactions with owners		251	(6,437)	(96,626)	-	(108,673)	(211,485)
At 31 December 2022		1,394,110	(9,747)	-	12,196	5,621,554	7,018,113

Company Statement of Changes in Equity

for the financial year ended 31 December 2021
(continued)

Company		Share capital (Note 24)	Treasury shares (Note 25)	Redeemable Convertible Cumulative Preference Shares (Note 24)	Other reserves (Note 27)	Retained earnings	Total equity
2021	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
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	32	-	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

Statements of Cash Flows
for the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Operating activities					
Cash receipts from customers		**1,376,358**	1,075,946	**10,872**	10,687
Cash paid to suppliers and employees		**(742,948)**	(633,634)	**(42,558)**	(48,737)
Cash flows from/(used in) operations		**633,410**	442,312	**(31,686)**	(38,050)
Dividends received		**-**	-	**196,402**	297,544
Interests received		**-**	-	**3,155**	3,679
Interests paid		**(158,815)**	(152,359)	**(24,775)**	(37,343)
Income taxes refunded		**4**	-	**-**	-
Income taxes paid		**(87,919)**	(110,646)	**(40,661)**	(27,228)
Net cash generated from operating activities		**386,680**	179,307	**102,435**	198,602
Investing activities					
Additional investment in:					
Subsidiaries	16	**-**	-	**(141)**	(160,020)
Associates and joint ventures	17	**(3,373)**	-	**-**	-
Additions in:					
Investment properties	14	**(29,613)**	(209,589)	**-**	-
Proceeds from disposal of:					
Joint ventures		**-**	338,569	**-**	-
Restricted offer for sale		**-**	359,336	**-**	359,336
Subsidiaries		**1,280**	-	**31**	-
Financial assets at fair value through other comprehensive income		**23,188**	-	**23,188**	-
Property, plant and equipment:					
Additions	12	**(28,954)**	(27,680)	**(252)**	(164)
Disposals		**1,017**	1,256	**7**	5
Advances to subsidiaries:					
Advances		**-**	-	**(44,431)**	(401,690)
Repayments		**-**	-	**450**	326,000
Repayments from associates and joint ventures		**625**	1,736	**-**	-
Advances to associates and joint ventures		**(786)**	-	**-**	-
Interest received		**29,867**	28,226	**-**	-
Dividends received from associates and joint ventures		**298**	43,166	**-**	-
Dividends received from financial assets at fair value through other comprehensive income		**12,694**	20,180	**-**	-
Movement in pledged deposits		**74,699**	(13,407)	**-**	300
Proceeds from capital reduction/return of capital from subsidiaries		**-**	-	**19,120**	111,552

Statements of Cash Flows
for the financial year ended 31 December 2022
(continued)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Investing activities (continued)					
Capital reduction of an associate and joint venture		**19,313**	144	**-**	-
Movement of fixed deposits with maturity of more than 3 months		**(7,664)**	(333,032)	**(24,936)**	-
Net cash generated from/(used in) investing activities		**92,591**	208,905	**(26,964)**	235,319
Financing activities					
Dividends paid to:					
Non-controlling interests		**(193,497)**	(106,712)	**-**	-
Ordinary shareholders	32	**(90,242)**	(89,467)	**(90,242)**	(89,467)
Holders of RCCPS	32	**(3,421)**	(6,780)	**(3,421)**	(6,780)
Purchase of treasury shares	25	**(6,437)**	(7,129)	**(6,437)**	(7,129)
Repayments of borrowings		**(173,402)**	(858,610)	**(50,000)**	(326,200)
Proceeds from borrowings		**113,500**	966,200	**-**	-
Repayments of lease		**(88)**	(408)	**(227)**	-
Settlement of redemption of redeemable preference shares		**(129,798)**	(10,236)	**(129,798)**	-
Issuance of new ordinary shares to non-controlling interests		**291**	14,500	**-**	-
Advances from subsidiaries:					
Advances		**-**	-	**122,000**	134,150
Repayments		**-**	-	**(134,350)**	(52,450)
Net cash used in financing activities		**(483,094)**	(98,642)	**(292,475)**	(347,876)
Net (decrease)/increase in cash and cash equivalents during the financial year		**(3,823)**	289,570	**(217,004)**	86,045
Currency translation differences		**(17,135)**	229	**904**	454
Cash and cash equivalents at 1 January		**1,031,182**	741,383	**262,475**	175,976
Cash and cash equivalents at 31 December	23	**1,010,224**	1,031,182	**46,375**	262,475

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 2022 is RM23.2 million (2021:RM4.8 million)
2. Additions to investment properties which remain unpaid as at 31 December 2022 is RM17.6 million (2021: RM9.3 million).

The principal non-cash transactions of the Company are as follows:
1. Dividend from IGB REIT and IGBCR amounting to RM42.6 million (2021: RM37.6 million) and RM17.9 million (2021: RM13.7 million) remained outstanding as at financial year end.
2. During the financial year, subscription of subsidiaries' ordinary shares amounting to RM56 million was set off against the amount owing by the subsidiaries to the Company.

Statements of Cash Flows
for the financial year ended 31 December 2022
(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 2022	**4,140,376**	**17,913**	**18,328**	**4,176,617**
Cash flows:				
Interest paid	**(158,774)**	**-**	**(41)**	**(158,815)**
Proceeds from borrowings	**113,500**	**-**	**-**	**113,500**
Repayments of borrowings	**(173,402)**	**-**	**-**	**(173,402)**
Repayments of lease	**-**	**-**	**(88)**	**(88)**
Dividend paid	**-**	**(3,421)**	**-**	**(3,421)**
Redemption of redeemable preference shares	**-**	**(14,706)**	**-**	**(14,706)**
Non-cash changes:				
Amortisation of transaction cost	**1,147**	**244**	**-**	**1,391**
Interest charged during the financial year	**167,791**	**-**	**41**	**167,832**
Financing related expenses	**(1,120)**	**-**	**-**	**(1,120)**
Conversion of ordinary shares	**-**	**(30)**	**-**	**(30)**
Translation differences	**2,140**	**-**	**-**	**2,140**
At 31 December 2022	**4,091,658**	**-**	**18,240**	**4,109,898**
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 of 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

Statements of Cash Flows

for the financial year ended 31 December 2022
(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	Lease liabilities RM'000	Total RM'000
At 1 January 2022	**804,492**	**17,913**	**82,444**	**-**	**904,849**
Cash flows:					
Interest paid	**(23,658)**	**-**	**(1,103)**	**(14)**	**(24,775)**
Repayments of borrowings	**(50,000)**	**-**	**-**	**-**	**(50,000)**
Dividend paid	**-**	**(3,421)**	**-**	**-**	**(3,421)**
Advances from subsidiaries	**-**	**-**	**122,000**	**-**	**122,000**
Repayments of advances received from subsidiaries	**-**	**-**	**(134,350)**	**-**	**(134,350)**
Redemption of redeemable preference shares	**-**	**(14,706)**	**-**	**-**	**(14,706)**
Repayment of lease	**-**	**-**	**-**	**(227)**	**(227)**
Non-cash changes:					
Interest charged during the financial year	**28,817**	**-**	**1,103**	**14**	**29,934**
Disposal of a subsidiary	**-**	**-**	**(370)**	**-**	**(370)**
Amortisation of transaction cost	**-**	**244**	**-**	**-**	**244**
Payment on behalf by subsidiary	**-**	**-**	**(5)**	**-**	**(5)**
Conversion to ordinary shares	**-**	**(30)**	**-**	**-**	**(30)**
New lease during the financial year	**-**	**-**	**-**	**1,201**	**1,201**
At 31 December 2022	**759,651**	**-**	**69,719**	**974**	**830,344**

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

Notes to the Financial Statements
for the financial year ended 31 December 2022

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 2022:

- Amendments to MFRS 16 'COVID-19 – Related Rent Concessions beyond 30 June 2021'
- Amendments to MFRS 116 'Proceeds before Intended Use'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'
- Annual Improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
- Amendments to MFRS 3 'Reference to the Conceptual Framework'

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) **IFRIC agenda decisions that are concluded and published**

In view that MFRS is fully converged with IFRS, the Group and the Company consider all agenda decisions published by the IFRS Interpretation Committee ('IFRIC'). Where relevant, the Group may change their accounting policy to be aligned with the agenda decision.

During the year, the Group has assessed the implication of the IFRIC agenda decision on demand deposits with restrictions on use arising from a contract with third party.

In line with the IFRIC agenda decision, the Group has as at the reporting date reassessed the presentation of its pledged deposits which are maintained in Debt Service Reserve Accounts, and determine that the deposits meets the definition of cash and cash equivalents. Prior year comparatives have not been restated as the impact to the comparative is not material. Refer to disclosure in Note 23.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(iii) **A number of new standards, amendments and improvements to standards and interpretation are effective for financial years beginning after 1 January 2022. None of these is expected to have significant effect on the financial statements of the Group and the Company:**

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023)
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024)
- Amendments to MFRS 101 'Presentation of Financial Statements' (effective 1 January 2024)

(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 the statement of comprehensive income. 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Consolidation (continued)

(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.

(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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Consolidation (continued)

(v) Associates (continued)

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.

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(q) 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 year 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

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.

(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(q) 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 off 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment of non-financial assets (continued)

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**

Classification

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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

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.

<u>Subsequent measurement – Impairment</u>

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.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) **Financial assets (continued)**

Subsequent measurement – Impairment (continued)

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.

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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) **Financial assets (continued)**

Subsequent measurement – Impairment (continued)

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.

(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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(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.

(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(u).

(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 2022
(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 2022
(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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Asset classified as held-for-sale

Non-current assets are classified as assets held-for-sale when their carrying value is to be recovered principally through a sale transaction and a sale is considered highly probable. They are at the lower of carrying amount and fair value less costs to sell.

(k) 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).

(l) 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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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.

(n) 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(q) on borrowings and borrowing costs and Note 2(y) 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.

(o) 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.

(p) 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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.

Borrowings subject to IBOR reform

When the basis to determine the future contractual cash flows of the borrowings are modified entirely as a result of IBOR reform, the Group apply the reliefs provided by the Phase 2 amendments related to IBOR reform to adjust the effective interest rate of the borrowings with no modification gain or loss is recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of the borrowings does not meet the criteria of the Phase 2 amendments, the Group first apply the practical expedient to the changes required by IBOR reform, including updating the effective interest rate of the borrowings. Any additional changes are accounted for as modification of borrowings in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain/loss recognised immediately in the statement of comprehensive income where the borrowings are not derecognised).

(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.

(r) 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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) 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.

(s) 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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) 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.

(u) 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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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 lessor.

(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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) 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 2022
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) 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.

(w) Deferred lease income

Deferred revenue represents leasing operations which will be recognised in the income statement upon expiry, utilisation or performance of services.

(x) 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.

(y) 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.

(z) 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.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

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 2022, the Group's and the Company's GBP, AUD and USD denominated net monetary assets/(liabilities) are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net monetary assets/(liabilities) denominated in:				
GBP	**568,982**	605,964	**-**	-
AUD	**28,329**	28,337	**-**	-
USD	**26,232**	(9,747)	**24,973**	30,568

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% (2021: 10%) against RM are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Increase/(Decrease) to profit after tax if the currency had strengthened by 10% (2021: 10%)				
GBP	**43,243**	46,053	**-**	-
AUD	**2,154**	2,154	**-**	-
USD	**1,994**	(741)	**1,898**	2,323
Increase to other component of equity if the currency had strengthened by 10% (2021: 10%)				
USD	**5,363**	6,836	**5,363**	6,836

A 10% (2021: 10%) weakening of the above currencies against RM as at 31 December 2022 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 2022, hence sensitivity analysis is not presented.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(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 (2021: 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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Increase/(Decrease) to profit after tax if:				
Increase by 25 (2021: 25) basis points	**(5,451)**	(5,561)	**(1,432)**	(1,527)
Decrease by 25 (2021: 25) basis points	**5,451**	5,561	**1,432**	1,527

(b) Credit risk

<u>Credit risk arising from trade receivables and accrued billing</u>

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 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from trade receivables and accrued billing (continued)

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:

Group

			Credit impaired balances		
	Not due RM'000	1-90 days RM'000	91-120 days RM'000	>120 days RM'000	Total RM'000
As at 31 December 2022					
Trade receivables (gross)	**26,767**	**27,251**	**12,741**	**52,765**	**119,524**
Accrued billing (gross)	**18,397**	**-**	**-**	**-**	**18,397**
Total	**45,164**	**27,251**	**12,741**	**52,765**	**137,921**
Expected credit loss*	**-**	**(3,320)**	**(4,602)**	**(9,876)**	**(17,798)**
Total (net)	**45,164**	**23,931**	**8,139**	**42,889**	**120,123**
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

*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	
	2022 RM'000	2021 RM'000
At 1 January	**41,824**	34,483
Provision for impairment of receivables	**5,034**	28,741
Bad debts recovered	**-**	(55)
Uncollected receivables written off during the financial year	**(13,305)**	(109)
Reversal of impairment loss	**(14,301)**	(8,707)
Credit note issued for rental support provided	**(1,454)**	(12,529)
At 31 December	**17,798**	41,824

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 2022
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from other receivables and deposits

The Group's remaining other receivables are not past due, 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 which are 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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January	**21,829**	21,859	**55**	110
Provision for impairment	**399**	-	**-**	-
Uncollected receivables written off during the financial year	**(810)**	-	**-**	-
Reversal of impairment loss	**(122)**	(30)	**(55)**	(55)
At 31 December	**21,296**	21,829	**-**	55

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.

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.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from amounts owing from subsidiaries (continued)

Movement of the Company's provision for impairment of amounts owing from subsidiaries are as follows:

Company	2022 RM'000	2021 RM'000
At 1 January	**19,727**	20,631
Reversal of impairment	**(98)**	(904)
Reclassification	**(4,238)**	-
At 31 December	**15,391**	19,727

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	2022 RM'000	2021 RM'000
Corporate guarantees provided to banks on subsidiaries' facilities	**280,000**	202,650

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 2022, the Group and the Company held cash and cash equivalents of RM980.5 million (2021: RM1,031.2 million) and RM71.3 million (2021: RM262.5 million) respectively and undrawn credit facilities amounted to RM217.8 million (2021: RM89.3 million) and RM 50.5 million (2021: RM0.5 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 2022
(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
2022					
Payables and contract liabilities (excluding deferred lease income, lease liabilities and contract liabilities)	**605,620**	**-**	**-**	**-**	**605,620**
Lease liabilities	**500**	**500**	**500**	**17,000**	**18,500**
Interest bearing bank borrowings	**300,573**	**1,200,096**	**911,921**	**2,366,811**	**4,779,401**
Amounts owing to associates	**4**	**-**	**-**	**-**	**4**
	906,697	**1,200,596**	**912,421**	**2,383,811**	**5,403,525**
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

Notes to the Financial Statements

for the financial year ended 31 December 2022
(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: (continued)

Company	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
2022					
Payables and contract liabilities (excluding deferred lease income, lease liabilities and contract liabilities)	**21,045**	**-**	**-**	**-**	**21,045**
Interest bearing bank borrowings	**39,009**	**32,858**	**780,867**	**-**	**852,734**
Lease liabilities	**414**	**414**	**172**	**-**	**1,000**
Amounts owing to subsidiaries	**69,720**	**-**	**-**	**-**	**69,720**
Corporate guarantees provided to banks on subsidiaries' facilities	**280,000**	**-**	**-**	**-**	**280,000**
	410,188	**33,272**	**781,039**	**-**	**1,224,499**
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

Notes to the Financial Statements
for the financial year ended 31 December 2022
(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 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) and RCCPS liabilities component less deposits, cash and bank balances. Total equity is as shown in the statement of financial position.

The gearing ratios were as follows:

	2022	**2021**
Group	**RM'000**	**RM'000**
Interest bearing liabilities	**4,091,658**	4,158,289
Less: Deposits, cash and bank balances (including cash held under Housing Development Accounts)	**(1,350,920)**	(1,438,913)
Interest bearing net debts	**2,740,738**	2,719,376
Total equity	**3,996,141**	4,122,459
Gearing ratio	**0.69:1.00**	0.66:1.00
Company		
Interest bearing liabilities	**759,651**	822,405
Less: Deposits, cash and bank balances	**(71,311)**	(262,475)
Interest bearing net debts	**688,340**	559,930
Total equity	**7,018,113**	7,146,094
Gearing ratio	**0.10:1.00**	0.08:1.00

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 2022
(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
2022	RM'000	RM'000	RM'000
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	53,626	-	53,626
Concession receivables	-	110,846	110,846
Current			
Concession receivables	-	5,107	5,107
Amounts owing from associates and joint ventures	-	1,875	1,875
Trade and other receivables (excluding deferred lease incentives and prepayments)	-	397,808	397,808
Cash held under Housing Development Accounts	-	1,607	1,607
Deposits, cash and bank balances	-	1,349,313	1,349,313
Total	53,626	1,866,556	1,920,182

Group	Financial liabilities at amortised cost	Total
2022	RM'000	RM'000
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	3,966,069	3,966,069
Trade and other payables	17,780	17,780
Current		
Trade and other payables (excluding deferred lease income and contract liabilities)	606,080	606,080
Interest bearing bank borrowings	125,589	125,589
Amounts owing to associates	4	4
Total	4,715,522	4,715,522

Notes to the Financial Statements
for the financial year ended 31 December 2022
(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
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 lease income 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 2022
(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
2022	**RM'000**	**RM'000**	**RM'000**
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	53,626	-	53,626
Current			
Amounts owing from subsidiaries	-	63,472	63,472
Amounts owing from associates	-	100	100
Trade and other receivables (excluding prepayments)	-	2,148	2,148
Deposits, cash and bank balances	-	71,311	71,311
Total	53,626	137,031	190,657

Company	Financial liabilities at amortised cost	Total
2022	**RM'000**	**RM'000**
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	753,500	753,500
Trade and other payables	577	577
Current		
Trade and other payables	21,442	21,442
Interest bearing bank borrowings	6,151	6,151
Amounts owing to subsidiaries	69,720	69,720
Total	851,390	851,390

Notes to the Financial Statements
for the financial year ended 31 December 2022
(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 2022
(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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Level 3				
Financial assets at fair value through other comprehensive income:				
Equity securities	**53,626**	68,360	**53,626**	68,360

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 hotel properties and properties in Johor

The Group performs impairment assessments of its hotel properties and properties in Johor 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 properties other than impairment totalling RM33.6 million for a vacant leasehold land in Medini, Johor which is disclosed under Note 14(a)(ii). The information on the impairment assessments is included in Note 13(a) and Note 14(a)(ii).

Sensitivity analysis on the recoverable amounts of the properties in Johor is disclosed in Note 14.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(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 malls
(b) Property investment – commercial - rental income and service charge from office buildings
(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	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Segment revenue	805,241	194,943	72,654	172,022	83,139	239,247	1,567,246
Inter-segment revenue	(89,060)	(9,793)	-	(2,792)	(83,139)	(91,192)	(275,976)
Revenue from external customers	716,181	185,150	72,654	169,230	-	148,055	1,291,270
Segment results	495,165	61,342	32,519	9,930	(4,106)	(46,359)	548,491
Unallocated corporate expenses							(70,211)
Profit from operations							478,280
Finance income	10,915	3,377	7,044	502	533	16,008	38,379
Finance costs	(95,715)	(36,259)	(3,525)	(1,626)	-	(26,040)	(163,165)
Share of results of associates and joint ventures	-	(842)	(981)	68,091	-	1,377	67,645
Profit before taxation							421,139
Taxation	(30,196)	(690)	(6,599)	(2,059)	297	(53,906)	(93,153)
Profit for the financial year							327,986
The timing of revenue from contracts with customers							
- Point in time	-	-	67,325	33,460	-	-	100,785
- Over time	174,858	67,000	3,375	135,633	-	134,018	514,884
	174,858	67,000	70,700	169,093	-	134,018	615,669

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Other information							
Assets							
Segment assets	2,636,821	2,218,098	737,079	1,400,654	41,578	1,190,529	8,224,759
Associates and joint ventures	-	24,394	143,128	330,444	-	22,628	520,594
							8,745,353
Unallocated assets							184,083
Total assets							8,929,436
Liabilities							
Segment liabilities	2,462,723	1,029,029	112,229	126,206	129,135	880,620	4,739,942
Unallocated liabilities							193,353
Total liabilities							4,933,295

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group 2022	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
Incurred for the financial year:							
- Property, plant and equipment	375	166	422	44,552	-	1,855	47,370
- Investment properties	22	23,694	-	-	-	14,179	37,895
Depreciation:							
- Property, plant and equipment	2,782	2,313	415	36,141	80	3,968	45,699
- Investment properties	58,664	34,529	-	-	-	1,990	95,183
Amortisation:							
- Intangible assets	-	-	-	-	240	239	479
Write-off of:							
- Property, plant and equipment	373	-	-	-	-	-	373
- Investment properties	115	75	-	-	-	-	190
Impairment:							
- Investment properties	-	-	-	-	-	30,278	30,278
- Land held for property development	-	-	-	-	-	3,298	3,298

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
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(continued)

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**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	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**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 2022
(continued)

6 REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Lease income:				
Retail malls	**503,081**	315,181	**-**	-
Commercial office buildings	**121,392**	109,646	**-**	-
Rent related	**38,434**	27,140	**-**	-
	662,907	451,967	**-**	-
Contracts with customers:				
Hotel room revenue	**135,178**	38,296	**-**	-
Property development revenue				
Sale of properties	**67,325**	54,552	**-**	-
Sale of land	**-**	11,604	**-**	-
Sale of food and beverages	**33,460**	11,729	**-**	-
Rendering of services	**27,760**	29,477	**-**	-
Service concession arrangement	**60,682**	65,060	**-**	-
Car park	**58,865**	34,285	**-**	-
Utilities	**68,579**	55,334	**-**	-
Management services	**-**	-	**10,377**	10,239
Service charges	**161,370**	155,299	**-**	-
Others	**2,450**	2,270	**-**	-
	615,669	457,906	**10,377**	10,239
Dividend income (gross)	**12,694**	20,180	**205,545**	2,321,417
	1,291,270	930,053	**215,922**	2,331,656
Revenue from contracts with customers is recognised by:				
Point in time	**100,785**	77,884	**-**	-
Over time	**514,884**	380,022	**10,377**	10,239
	615,669	457,906	**10,377**	10,239

Rental income included variable lease payments related to sales generated by tenants which approximates to 16.8% (2021: 7.2%) of the total lease income. There are no 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 RM12.7 million (2021: RM134.5 million), of which RM11.1 million (2021: 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 financial year is recognised over the lease term and the amount recognised during the financial year was RM6.3 million (2021: RM11 million).

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

7 PROFIT FROM OPERATIONS

(a) Cost of sales

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Inventories sold:				
- land held for property development	**-**	771	**-**	-
- completed properties	**45,007**	30,603	**-**	-
Assessment and quit rent	**35,326**	35,382	**-**	-
Utilities	**136,496**	105,031	**-**	-
Repair and maintenance	**19,240**	15,897	**-**	-
Depreciation of investment properties	**95,183**	92,435	**-**	-
Depreciation of hotel properties	**34,207**	33,374	**-**	-
Depreciation of right-of-use asset	**486**	1,572	**-**	-
Depreciation of intangible assets	**479**	528	**-**	-
Property maintenance	**28,027**	9,470	**-**	-
Cleaning and security services	**18,586**	17,506	**-**	-
Food and beverages	**11,735**	4,560	**-**	-
Commission	**7,332**	1,885	**-**	-
Staff cost				
- salaries, wages and bonus	**89,858**	73,247	**-**	-
- defined contribution plan	**9,310**	8,403	**-**	-
- other staff related expenses	**9,641**	8,100	**-**	-
Chemical costs for water treatment	**22,176**	37,174	**-**	-
Others	**31,525**	23,656	**-**	-
	594,614	499,594	**-**	-

(b) Other operating income

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Unrealised foreign exchange gain	**1,269**	8,122	**904**	454
Realised foreign exchange gain	**12**	60	**-**	-
Bad debts recovered (Note 3(b))	**-**	55	**-**	-
Reversal of impairment loss				
- trade and other receivables (Note 3(b))	**-**	-	**55**	55
- amounts owing from subsidiaries (Note 3(b))	**-**	-	**98**	904
Gain on disposal of property, plant and equipment	**86**	652	**6**	-
Gain on disposal/winding up of subsidiaries	**1,939**	-	**19**	-
Winding up/gain on disposal of associate and joint venture	**281**	203,138	**-**	-
Forfeited deposits	**665**	802	**-**	-
Other miscellaneous income	**23,323**	16,252	**1**	197
	27,575	229,081	**1,083**	1,610

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

7 PROFIT FROM OPERATIONS (continued)

(c) Administrative expenses

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Depreciation of property, plant and equipment	**11,006**	14,338	**779**	1,203
(Reversal)/Provision for impairment:				
- trade and other receivables (Note 3(b))	**(8,990)**	20,004	**-**	-
- investment in associates (Note 17(a))	**124**	70	**-**	-
Bad debts (recovered)/written off	**(1,108)**	109	**-**	-
Employee costs				
- salaries, wages and bonus	**64,230**	58,545	**23,849**	23,253
- defined contribution plan	**8,590**	8,034	**2,693**	2,466
- other employee related expenses	**24,921**	8,304	**17,628**	1,145
Directors' remuneration (Note 8)	**17,748**	19,546	**7,836**	9,273
Auditors' remuneration (statutory audit fees):				
- PricewaterhouseCoopers PLT Malaysia	**1,549**	1,495	**255**	262
- Firm other than member firm of PwC International Limited	**269**	190	**-**	-
Tax and other non-audit services:				
- PricewaterhouseCoopers PLT Malaysia	**33**	325	**6**	-
- PricewaterhouseCoopers Taxation Services Sdn Bhd	**331**	358	**13**	12
- Firm other than member firm of PwC International Limited	**61**	76	**-**	-
Legal and other professional fee	**2,076**	5,378	**(249)**	1,838
Repair and maintenance	**8,280**	6,145	**-**	-
Selling and marketing expenses	**13,831**	7,808	**-**	-
Low value/short-term leases				
- plant and equipment	**160**	176	**-**	-
- building	**879**	1,049	**4,055**	4,282
Assessment and quit rent	**3,276**	2,877	**-**	-
Other administrative expenses	**22,378**	29,643	**4,226**	4,674
	169,644	184,470	**61,091**	48,408

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

7 PROFIT FROM OPERATIONS (continued)

(d) Other operating expenses

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss on disposal of a subsidiary	**-**	-	**-**	611
Written off of property, plant and equipment	**246**	189	**2**	-
Unrealised foreign exchange loss	**38,198**	2,953	**-**	-
Realised foreign exchange loss	**2,082**	9	**-**	-
Provision for impairment:				
- investment in subsidiaries	**-**	-	**9,400**	-
- investment properties (Note 14)	**30,278**	-	**-**	-
- land held for property development (Note 13(a))	**3,298**	-	**-**	-
Other operating expenses	**2,205**	2,161	**150**	-
	76,307	5,312	**9,552**	611

* Staff cost and defined contribution plan for the Group of RM4,910,658 (2021: RM2,720,076) and RM522,580 (2021: RM285,127) 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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees	**1,543**	1,510	**698**	665
Salaries, bonus and allowances	**14,661**	16,199	**6,386**	7,700
Defined contribution plan	**1,544**	1,837	**752**	908
	17,748	19,546	**7,836**	9,273
Benefits-in-kind	**126**	125	**88**	80
	17,874	19,671	**7,924**	9,353

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

9 FINANCE INCOME AND COSTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income on:				
Deposits with licensed banks	**27,038**	19,530	**3,162**	3,598
Concession receivables	**5,384**	5,542	**-**	-
Late payments from tenants	**2,754**	8,455	**-**	-
Amount owing from subsidiaries	**-**	-	**197**	367
Others	**3,203**	699	**-**	-
Total finance income	**38,379**	34,226	**3,359**	3,965
Interest expense on:				
Term loans, revolving credits and Medium Term Notes	**162,510**	155,102	**28,817**	36,502
Redeemable Convertible Cumulative Preference shares (Note 26)	**244**	1,493	**244**	1,493
Amounts owing to subsidiaries	**-**	-	**1,093**	541
Lease liabilities	**41**	42	**14**	-
Others	**370**	887	**-**	69
Total finance costs	**163,165**	157,524	**30,168**	38,605
Net finance costs	**124,786**	123,298	**26,809**	34,640

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 4.81% (2021: 3.38%). The finance cost capitalised has been disclosed in Notes 13 and 14.

10 TAXATION

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax:				
Malaysian tax	**69,797**	120,473	**42,484**	26,022
Foreign tax	**5,429**	(2,467)	**-**	-
	75,226	118,006	**42,484**	26,022
Deferred tax	**17,927**	(5,926)	**2,019**	3,320
	93,153	112,080	**44,503**	29,342
Current tax:				
Current financial year	**75,733**	113,778	**42,553**	25,397
(Over)/Under accrual in prior financial year	**(507)**	4,228	**(69)**	625
	75,226	118,006	**42,484**	26,022
Deferred tax: (Note 19)				
Origination and reversal of temporary differences	**18,151**	(5,532)	**2,019**	3,320
Over accrual in prior financial year	**(224)**	(394)	**-**	-
Tax expense	**93,153**	112,080	**44,503**	29,342

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

10 TAXATION (continued)

The reconciliation between the effective tax rate and the Malaysian tax rate are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Malaysian tax rate	**24**	24	**24**	24
Tax effects of:				
Different tax rates	**-***	-*	**-**	-
Effect of prosperity tax	**1**	-	**4**	-
Share of results of associates and joint ventures	**(4)**	-*	**-**	-
Expenses not deductible for tax purposes	**13**	17	**12**	2
Income not subject to tax	**(13)**	(25)	**(3)**	(25)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(-)***	(-)*	**-**	-
Current year tax losses and deductible temporary differences not recognised	**1**	-*	**-**	-
Under/(Over) accrual of tax in prior financial year	**(-)***	1	**-***	-*
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	**22**	32	**37**	1

* *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 2022 are more than 90% (2021: 90%) of the total taxable income, no provision for income taxation has been made by IGB REIT and IGBCR for the current and prior financial year.

The Finance Act 2021 gazetted on 31 December 2021 enacted the prosperity tax on companies that generate chargeable income above RM100 million. The chargeable income up to first RM100 million will be taxed at 24% and the remaining chargeable income will be taxed at a one-off rate at 33%.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

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		2022	2021
Profit attributable to equity holders of the Company	RM'000	159,114	161,845
Weighted average number of ordinary shares in issue	'000	902,403	890,544
Basic earnings per share	sen	17.63	18.17

(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.

As at 31 December 2022, the Group's diluted earnings per share is the same as basic earnings per share as the Group does not have any potential dilutive ordinary share in issue.

Group		2022	2021
Profit attributable to equity holders of the Company	RM'000	159,114	161,845
Add: Interest on RCCPS (2021: RCPS and RCCPS) saved as a result of conversion	RM'000	-	1,492
Less: Tax relief thereon	RM'000	-	(391)
Adjusted earnings	RM'000	159,114	162,946
Weighted average number of ordinary shares in issue	'000	902,403	890,544
Adjustments for potential dilutive ordinary shares on conversion of RCPS and RCCPS	'000	-	39,649
Weighted average number of ordinary shares for diluted earnings per share	'000	902,403	930,193
Diluted earnings per share	sen	17.63	17.52

Notes to the Financial Statements
for the financial year ended 31 December 2022
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12 PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	ROU assets - Leasehold land (Note 12(c)) 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 2022	59,478	63,565	1,589,847	207,685	77,026	84,222	7,156	160,200	2,249,179
Additions	-	-	43,186	-	388	2,337	-	1,459	47,370
Written off	-	-	(4,333)	-	(8)	(1,468)	(41)	-	(5,850)
Disposals	-	-	-	(175)	(138)	(1,569)	(157)	-	(2,039)
Transfer to assets classified as held-for-sale (Note 30)	-	(1,558)	-	-	-	-	-	-	(1,558)
Reclassification	-	-	142,945	-	-	(5)	5	(142,945)	-
Currency translation differences	-	(30)	(3,551)	-	-	(61)	(6)	-	(3,648)
At 31 December 2022	59,478	61,977	1,768,094	207,510	77,268	83,456	6,957	18,714	2,283,454
Accumulated depreciation									
At 1 January 2022	-	3,823	546,226	45,128	72,209	68,790	6,242	-	742,418
Charge for the financial year	-	509	34,207	4,428	1,521	4,595	439	-	45,699
Written off	-	-	(4,083)	-	(8)	(1,095)	(41)	-	(5,227)
Disposals	-	-	-	(94)	(124)	(1,109)	(158)	-	(1,485)
Transfer to assets classified as held-for-sale (Note 30)	-	(409)	-	-	-	-	-	-	(409)
Reclassification	-	-	-	-	-	(3)	3	-	-
Currency translation differences	-	(18)	(1,000)	-	-	(4)	(6)	-	(1,028)
At 31 December 2022	-	3,905	575,350	49,462	73,598	71,174	6,479	-	779,968
Net book value									
At 31 December 2022	59,478	58,072	1,192,744	158,048	3,670	12,282	478	18,714	1,503,486

Property, plant and equipment with net book value of RM275.67 million (2021: RM80.05 million) has been charged as security for borrowings as disclosed in Note 29. Included in the Group's property, plant and equipment's additions in the previous financial year were interest expense capitalised amounting to RM1.9 million.

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

	Freehold land RM'000	ROU assets - Leasehold land (Note 12(c)) 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

Notes to the Financial Statements

for the financial year ended 31 December 2022
(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 2022	**155,698**	**1,013,913**	**130,730**	**289,506**	**1,589,847**
Additions	**-**	**29,180**	**1,253**	**12,753**	**43,186**
Written off	**-**	**-**	**(32)**	**(4,301)**	**(4,333)**
Reclassification	**-**	**142,945**	**-**	**-**	**142,945**
Currency translation differences	**(757)**	**(2,413)**	**(294)**	**(87)**	**(3,551)**
At 31 December 2022	**154,941**	**1,183,625**	**131,657**	**297,871**	**1,768,094**
Accumulated depreciation					
At 1 January 2022	**-**	**184,598**	**118,393**	**243,235**	**546,226**
Charge for the financial year	**-**	**22,300**	**1,779**	**10,128**	**34,207**
Written off	**-**	**-**	**(30)**	**(4,053)**	**(4,083)**
Currency translation differences	**-**	**(769)**	**(162)**	**(69)**	**(1,000)**
At 31 December 2022	**-**	**206,129**	**119,980**	**249,241**	**575,350**
Net book value					
At 31 December 2022	**154,941**	**977,496**	**11,677**	**48,630**	**1,192,744**
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

Notes to the Financial Statements

for the financial year ended 31 December 2022
(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. On 1 April 2022, Malaysia entered the "Transition of Endemic" phase of Covid-19 with all restrictions on business operating hours removed and Covid-19 rules and standard operating procedures relaxed. However, the Group has continue to update their impairment assessments to reflect the effects of the prolonged recover period and future outlook. In assessing for impairments, each 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) 1.5% - 7.1% per annum 1.5% - 10.0% per annum	(Year 3 to Year 7) 1.5% - 7.1% per annum 1.5% - 10.0% per annum
Occupancy rate on terminal year	56.6% to 79.1%	
Inflationary adjustments on other operating cost (Year 1 to Year 7)	1.0% to 2.0% per annum	
Capitalisation rates on terminal value	6.0% to 8.0%	
Discount rates	8.0% to 10.0%	
Covid-19 recovery period	2 – 3 years	2 years
Covid-19 recovery period (Occupancy rate and ARR)	Occupancy rate and ARR are expected to gradually recover over next two years before the business activity is estimated to resume to normalised level in the third year.	

Based on the above impairment assessments, no impairment loss has been identified.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(c) 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. The extension option are included in lease term as the Group is reasonable certain to be extended.

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.

(ii) Lease liabilities (included in payables and contract liabilities)

	2022 RM'000	2021 RM'000
At 1 January	**18,328**	18,736
Add: Interest expense on discounting	**41**	42
Less: Lease payments	**(129)**	(450)
At 31 December	**18,240**	18,328
Represented by:		
Current	**460**	495
Non-current	**17,780**	17,833
At 31 December	**18,240**	18,328

(iii) Amounts recognised in income statements

	2022 RM'000	2021 RM'000
Depreciation of right-of-use assets	**509**	1,572
Interest expense (included in finance cost)	**41**	42
Low value/short-term leases (Note 7(c))	**1,039**	1,225

(iv) Amounts recognised in statements of cash flows

	2022 RM'000	2021 RM'000
Cash used in financing activities		
- Repayment of lease	**88**	408
- Interest paid	**41**	42
Cash used in operating activities		
- Low value/short-term leases	**1,039**	1,225

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(c) Right-of-use assets – leasehold land (continued)

(iv) Amounts recognised in statements of cash flows (continued)

In addition to the impairment assessments of the Group's hotel properties and properties in Johor, 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.

Company

2022	ROU assets-Buildings RM'000	Furniture, fixtures, fittings and equipment RM'000	Total RM'000
Cost			
At 1 January 2022	**-**	**5,063**	**5,063**
Additions	**1,208**	**252**	**1,460**
Disposals	**-**	**(36)**	**(36)**
At 31 December	**1,208**	**5,279**	**6,487**
Accumulated depreciation			
At 1 January 2022	**-**	**3,743**	**3,743**
Charge for the financial year	**235**	**544**	**779**
Disposals	**-**	**(33)**	**(33)**
At 31 December	**235**	**4,254**	**4,489**
Net book value			
At 31 December	**973**	**1,025**	**1,998**

	Furniture, fixtures, fittings and equipment RM'000
Cost	
At 1 January 2021	4,914
Additions	164
Disposals	(15)
At 31 December 2021	5,063
Accumulated depreciation	
At 1 January 2021	2,550
Charge for the financial year	1,203
Disposals	(10)
At 31 December 2021	3,743
Net book value	
At 31 December 2021	1,320

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Company (continued)

(a) Right-of-use asset – buildings

(i) The Company's leasing activities

The Company leases two office suites for its business operations. The office suites used as director's office were leased for a period of three years.

(ii) Lease liabilities (included in payables and contract liabilities)

	2022 RM'000	2021 RM'000
At 1 January	**-**	-
Add: Additions	**1,201**	-
Add: Interest expense on discounting	**14**	-
Less: Lease payments	**(241)**	-
At 31 December	**974**	-
Represented by:		
Current	**397**	-
Non-current	**577**	-
At 31 December	**974**	-

(iii) Amounts recognised in income statements

	2022 RM'000	2021 RM'000
Depreciation of right-of-use assets	**235**	-
Interest expense (included in finance cost)	**14**	-
Low value/short-term leases (Note 7(c))	**4,055**	4,282

(iv) Amounts recognised in statements of cash flows

	2022 RM'000	2021 RM'000
Cash used in financing activities		
- Repayment of lease	**227**	-
Cash used in operating activities		
- Low value/short-term leases	**4,055**	4,282
- Interest paid	**14**	-

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

13 INVENTORIES

Group	Note	2022 RM'000	2021 RM'000
Non-current			
Land held for property development	(a)	**445,168**	442,956
Current			
At cost:			
Property development costs	(b)	**329,671**	284,663
At cost:			
Completed properties	(c)	**205,100**	250,107
Hotel operating supplies and raw materials		**1,154**	742
At net realisable value:			
Finished goods		**566**	708
		536,491	536,220

(a) Land held for property development

Group	Note	2022 RM'000	2021 RM'000
At 1 January		**442,956**	442,858
Land and development costs			
Costs incurred during the financial year: development costs		**5,892**	869
Costs recognised in income statement in current financial year	**7(a)**	**-**	(771)
Transfer to assets held-for-sale	**30**	**(382)**	-
Impairment	**7(d)**	**(3,298)**	-
		2,212	98
At 31 December		**445,168**	442,956
At cost		**368,768**	270,405
At net realisable value		**76,400**	172,551

Land held for property development at cost of RM75.8 million (2021: RM74.4 million) have been charged as security for interest bearing bank borrowings as disclosed in Note 29.

The Group recorded an impairment loss of RM3.3 million in respect of a land held for property development. See Note 14 for details.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

13 INVENTORIES (continued)

(b) Property development costs

Group	Note	2022 RM'000	2021 RM'000
At cost			
At 1 January			
Land and development costs		**284,663**	228,892
Accumulated costs charged to income statements		**-**	-
		284,663	228,892
Add land and development costs:			
Costs incurred during the financial year		**45,008**	55,771
At 31 December		**329,671**	284,663
Property development costs are analysed as follows:			
Land and development costs		**329,671**	284,663
Accumulated costs charged to income statements		**-**	-
		329,671	284,663
Land and development costs charged as security for borrowings	29	**15,343**	10,824
Interest costs capitalised as property development costs		**4,021**	109

(c) Completed properties

	2022 RM'000	2021 RM'000
At cost		
At 1 January	**250,107**	280,710
Sold during the financial year	**(45,007)**	(30,603)
At 31 December	**205,100**	250,107

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

14 INVESTMENT PROPERTIES

Group	Right -of-use assets	Property investment -retail [1]	Property investment -commercial [1]	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
At 1 January 2022	251,372	2,835,995	1,818,462	217,001	5,122,830
Additions	1,261	22	23,694	12,918	37,895
Reclassification	(23,541)	1,748	132,093	(110,300)	-
Written off	-	(115)	(75)	-	(190)
Impairment	(30,278)	-	-	-	(30,278)
At 31 December 2022	198,814	2,837,650	1,974,174	119,619	5,130,257
Accumulated depreciation					
At 1 January 2022	5,741	695,986	417,947	-	1,119,674
Charge for the financial year	1,990	58,664	34,529	-	95,183
At 31 December 2022	7,731	754,650	452,476	-	1,214,857
Net book value					
At 31 December 2022	191,083	2,083,000	1,521,698	119,619	3,915,400

[1] Included in property investment - retail and property investment - commercial are right-of-use assets (leasehold portion) of RM358.1 million (2021: RM403.3 million) and RM51.3 million (2021: RM34.4 million) respectively.

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 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] In previous 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] In previous financial year, 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

14 INVESTMENT PROPERTIES (continued)

Management has performed impairment assessments on certain investment properties that have impairment indicator during the financial year. The information on the impairment assessments are detailed below.

(a) Impairment assessment of properties in Johor

(i) Construction Work in Progress and Property Investment - Commercial

As at 31 December 2022, the Group has construction work-in-progress and ROU in Johor namely, MVS South Tower (“MST”) with a group carrying amount of RM133 million (2021: RM121 million) and investment property in Johor namely, MVS North Tower (“MNT”) with a group carrying amount of RM150 million (2021: RM132 million). MNT has obtained its Certificate of Completion in October 2022, whereas MST is expected to complete in 2023. On 1 April 2022, Malaysia entered the “Transition of Endemic” phase of Covid-19 with all restrictions on business operating hours removed and Covid-19 rules and standard operating procedures relaxed. However the oversupply of office spaces in Johor region posed a continuing challenge to the Group. The Group has continued to update the impairment assessments on the carrying amounts of the Johor properties against their respective recoverable amounts to reflect the effects of the prolonged recovery period and future outlook. In assessing for impairments, each property is regarded as a CGU.

Management has assessed the recoverable amounts of the investment properties by using income approach in financial year 2022. Under this approach, the fair values of the investment properties are derived from an estimate of the market rental which the investment properties can reasonably be let for. Two probability-weighted scenarios analysis are considered: base and secondary scenarios.

The key assumptions used by the management are as follows:

Assumptions	Base scenario	Secondary scenario
	Descriptions	
Weightage	50%	50%
Capitalisation rate		
MNT & MST	5.75%	6.75%
Allowance for void		
MNT & MST	15% - 25%	10% - 15%
Rental rate		
MNT & MST	RM4.00 psf – RM4.50 psf	RM4.00 psf – RM4.40 psf
Outgoing rate		
MNT & MST	RM1.20 psf	RM1.10 psf

Based on the above impairment assessments, no impairment loss has been identified for the respective properties.

Sensitivity to changes in key assumptions

Additional sensitivity analysis was performed of which reasonable change in the key assumption by an upward adjustment of 25 basis point to the capitalisation rate, RM0.10 to the outgoings per square feet and 250 basis point to the allowance for void will result in a decrease in the recoverable amount of properties in Johor by RM13.1 million, RM12.1 million and RM13.0 million respectively. These changes will not result in any impairment of the properties.

(ii) ROU assets

The Group has a vacant leasehold land in Medini, Johor (“Medini Land”) with a net book value of RM148.6 million (2021: RM148.9 million) classified as Investment Properties (ROU assets) of RM68.9 million (2021: RM69.2 million) and Inventories (Land Held for Property Development) of RM79.7 million (2021: RM79.7 million).

Management has obtained a valuation report from independent valuer, Henry Butcher Malaysia Sdn. Bhd. (“Henry Butcher”) for the Medini land as at 31 December 2022. The recoverable amount of the land is lower than the carrying value of the land at the reporting date. Accordingly, the Group has recorded an impairment loss of RM33.6 million, with RM30.3 million recognised under Investment Properties and RM3.3 million recognised under Land Held for Property Development (Note 13(a)) respectively.

Additional sensitivity analysis was performed of which reasonable change in the key assumption by a downward adjustment of RM10 to the market value per square feet will result in an additional impairment loss of RM7.9 million.

Notes to the Financial Statements
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(continued)

14 INVESTMENT PROPERTIES (continued)

Direct operating expenses from investment properties that generated rental income for the Group during the financial year were as follows:

Group	2022 RM'000	2021 RM'000
Depreciation of investment properties	**95,183**	92,435
Assessment and quit rent	**30,665**	29,174
Repair and maintenance	**42,674**	20,217
Staff costs	**130,065**	94,030
Utilities	**80,468**	53,424
Others	**48,975**	50,633
	428,030	339,913

	Fair value			
Group	2022 RM'000	2021 RM'000	Level	Valuation technique
Retail malls	**6,472,800**	6,416,633	3	Income approach & market approach
Commercial properties	**3,396,400**	3,230,463	3	Income approach
Others	**313,800**	452,633	3	Income approach & market approach
Total	**10,183,000**	10,099,729		

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 RM19.1 million (2021: 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.

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 feet 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 initiatives/upgrades expense and management 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.

Market approach

Price per square feet ("psf")	-	between a willing buyer and a willing seller.

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14 INVESTMENT PROPERTIES (continued)

Investment properties with net book value of RM3.07 billion (2021: RM3.14 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 RM2.4 million (2021: RM3.9 million).

15 INTANGIBLE ASSETS

Group	Building software development cost	License	Total
2022	**RM'000**	**RM'000**	**RM'000**
Cost			
At 1 January/31 December	**984**	**6,000**	**6,984**
Accumulated amortisation			
At 1 January	**457**	**960**	**1,417**
Charge for the financial year	**239**	**240**	**479**
At 31 December	**696**	**1,200**	**1,896**
Accumulated impairment losses			
At 1 January/31 December	**174**	**-**	**174**
Net book value			
At 31 December	**114**	**4,800**	**4,914**
2021			
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

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16 SUBSIDIARIES

Company	2022 RM'000	2021 RM'000
Investment in subsidiaries, at cost		
Quoted ordinary shares	**3,971,894**	3,991,014
Unquoted ordinary shares	**3,659,846**	3,604,604
Less: Accumulated impairment losses	**(22,744)**	(18,733)
	7,608,996	7,576,885
Advances to subsidiaries	**128,361**	128,298
Less: Accumulated impairment losses	**(37,438)**	(28,038)
	90,923	100,260
Total	**7,699,919**	7,677,145

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 (2021: RM2.86 billion) and RM0.65 billion (2021: RM0.76 billion) respectively as at 31 December 2022.

As at 31 December 2022, the market value of the Group's equity interest of 52.57% (2021: 52.02%) in IGBCR was RM669.0 million (2021: RM762.50 million) and the carrying value was RM1.27 billion (2021: RM1.47 billion). 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.

In the prior year, the Group acquired 10 investment properties amounted to RM3,160.5 million by IGBCR from its subsidiaries and a joint venture company namely Hampshire Properties Sdn. Bhd.. IGB Berhad had 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 effect of the transactions to the Group and the Company are disclosed in the Group's and the Company's statements of changes in equity.

During the financial year ended 31 December 2022, the Group made an impairment of RM9.4 million in respect of an advance made to a subsidiary to write down the amount to its recoverable amount.

Ordinary shares of subsidiaries with a carrying value of RM1.48 billion (2021: RM1.48 billion) have been charged as security for borrowings as detailed in Note 29(a).

The changes of the Group's investment in subsidiaries during the financial year are as follows:

(i) On 23 March 2022, the Group had entered into a Sale and Purchase agreement to dispose off 50% of its investment in Pekeliling Land Sdn. Bhd. for a consideration of RM1,280,000. The sale was completed on 10 May 2022.

(ii) On 14 November 2022, the Group announced to Bursa Malaysia that its dormant wholly-owned subsidiaries, IGB Development Management Services Sdn. Bhd., Mines Fiberlynx Sdn. Bhd., MLynx Sdn. Bhd., Murni Properties Sdn. Bhd., MVC Fiberlynx Sdn. Bhd. and Puncak Megah (M) Sdn. Bhd. had been placed under Members' Voluntary Winding-up.

(iii) The Group's interest in IGB REIT and IGBCR increased from 53.36% to 53.56% and 52.02% to 52.57% respectively due to the receipt of IGB REIT and IGBCR units by IGB REIT Management Sdn. Bhd., as consideration for management services rendered during the financial year. As a result, the Group recognised additional non-controlling interests of RM8.6 million (2021: RM9.6 million).

The advances to subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investment in the subsidiaries.

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16 SUBSIDIARIES (continued)

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 2022 RM'000	SKM 2022 RM'000	IGBCR 2022 RM'000	IGB REIT 2022 RM'000
Proportion of ordinary shares and voting rights held by non-controlling interests (%)	**30.00**	**30.00**	**47.43**	**46.44**
(a) Summarised income statement and statement of other comprehensive income:				
Net profit for the financial year	**14,394**	**28,613**	**28,419**	**313,632**
Total comprehensive income for the financial year	**14,394**	**28,613**	**28,419**	**313,632**
Total comprehensive income attributable to non-controlling interests	**4,318**	**8,584**	**13,479**	**145,657**
Dividends paid to non-controlling interests	**-**	**-**	**37,753**	**164,310**
(b) Summarised statement of financial position:				
Current assets	**162,300**	**218,752**	**122,873**	**295,822**
Current liabilities	**(42,603)**	**(139,502)**	**(138,419)**	**(247,461)**
Net current assets/(liabilities)	**119,697**	**79,250**	**(15,546)**	**48,361**
Non-current assets	**7,211**	**1,306,659**	**1,470,565**	**809,269**
Non-current liabilities	**-**	**(1,019,015)**	**(847,791)**	**(1,199,269)**
Net non-current assets/(liabilities)	**7,211**	**287,644**	**622,774**	**(390,000)**
Net assets/(liabilities)	**126,908**	**366,894**	**607,228**	**(341,639)**
Attributable to:				
Owners of the parent	**88,836**	**256,825**	**319,220**	**(182,982)**
Non-controlling interests	**38,072**	**110,069**	**288,008**	**(158,657)**
	126,908	**366,894**	**607,228**	**(341,639)**
(c) Summarised statement of cash flows:				
Net cash flow generated from operating activities	**73,091**	**130,190**	**113,533**	**424,689**
Net cash flows generated from investing activities	**685**	**2,061**	**18,514**	**36,621**
Net cash flows used in financing activities	**(68,619)**	**(37,654)**	**(106,538)**	**(396,309)**
Net increase in cash and cash equivalents during the financial year	**5,157**	**94,597**	**25,509**	**65,001**
Cash and cash equivalents at 1 January	**44,798**	**69,432**	**93,454**	**193,381**
Cash and cash equivalents at 31 December	**49,955**	**164,029**	**118,963**	**258,382**

The non-controlling interest of the other subsidiaries totalling of RM40.8 million (2021: RM38.0 million) were individually immaterial.

The material changes of the non-controlling interest during the financial year is as follows:

(i) During the financial year, Cipta Klasik (M) Sdn. Bhd. has redeemed 20,000,000 redeemable preference shares in the Company at a redemption price of RM3.412 per share. Consequently, the non-controlling interest of the Group has reduced by RM20.47 million.

Notes to the Financial Statements
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16 SUBSIDIARIES (continued)

	CKSB 2021 RM'000	SKM 2021 RM'000	IGBCR 2021 RM'000	IGB REIT 2021 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)
(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 from 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

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

16 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2022	2021
*	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	**52.57**	52.02
	IGB Real Estate Investment Trust [3]	Real estate investment trust	Malaysia	**53.56**	53.36
	Lautan Bumimas Sdn. Bhd.	Dormant	Malaysia	**51.00**	51.00
	Multistock Sdn. Bhd. *(Members' voluntary winding-up completed in 2022)*	Investment trading and investment holding	Malaysia	**-**	100.00
	Silver Sanctuary Sdn. Bhd. *(Members' voluntary winding-up completed in 2022)*	Property investment holding	Malaysia	**-**	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
	<u>Held by Crest Spring Pte. Ltd.</u>				
*	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
	<u>Held by Crest Spring (Shanghai) Co. Ltd.</u>				
*	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

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(continued)

16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2022	2021
	Held by Crest Spring (Shanghai) Co. Ltd. (continued)				
*	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.				
*	ZouCheng 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	**52.57**	52.02
	Held by IGB Real Estate Investment Trust				
	IGB REIT Capital Sdn. Bhd. [13]	Special purpose vehicle to raise financing	Malaysia	**53.56**	53.36
	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] *(Members' voluntary winding-up completed in 2023)*	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
	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] *(Dissolved in 2022)*	Investment holding	Liberia	**-**	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

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16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2022	2021
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	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. *(Under members' voluntary winding-up)*	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
*	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

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for the financial year ended 31 December 2022
(continued)

16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2022	Group's effective interest (%) 2021
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	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. *(Under members' voluntary winding-up)*	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	Malaysia	**100.00**	100.00
	MLynx Sdn. Bhd. *(Under members' voluntary winding-up)*	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	Malaysia	**100.00**	100.00
	Murni Properties Sdn. Bhd. *(Under members' voluntary winding-up)*	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. *(Under members' voluntary winding-up)*	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	Malaysia	**100.00**	100.00
	MVEC Exhibition and Event Services Sdn. Bhd.	Exhibition services	Malaysia	**100.00**	100.00
	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
	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

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16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2022	2021
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
*	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. *(Under members' voluntary winding-up)*	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**	65.00
	Riraiance Enterprise Sdn. Bhd. *(Members' voluntary winding-up completed in 2022)*	Investment holding	Malaysia	**-**	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
	TTD Sdn. Bhd. [4]	Hotelier	Malaysia	**100.00**	100.00
	Verokey Sdn. Bhd.	Property investment	Malaysia	**100.00**	100.00
*	Wilmer Link Limited [5]	Investment holding	British Virgin Islands	**58.00**	58.00

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., 51.39% and 1.18% respectively.
3 - Held by IGB, IGB REIT Management Sdn. Bhd. and Tan & Tan Developments Berhad, 48.33%, 5.21% and 0.02% respectively.
4 - Held by Tan & Tan Developments Berhad.
5 - Held by IGB International Ventures Sdn. Bhd.
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.

* Companies audited by firms other than PricewaterhouseCoopers PLT Malaysia.

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for the financial year ended 31 December 2022
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17 ASSOCIATES AND JOINT VENTURES

	2022 RM'000	2021 RM'000
Group		
As at 31 December		
Investments in:		
Associates	**361,972**	328,702
Joint ventures	**158,622**	161,880
	520,594	490,582

	2022 RM'000	2021 RM'000
Financial year ended 31 December		
Share of results of:		
Associates*	**65,277**	(543)
Joint ventures	**2,368**	5,488
	67,645	4,945
Share of other comprehensive (loss)/income of:		
Associates	**(21,580)**	5,576
Joint ventures	**1,014**	(4,988)
	(20,566)	588
Share of total comprehensive income:		
Associates	**43,697**	5,033
Joint ventures	**3,382**	500
	47,079	5,533

* During the financial year, the management has performed the impairment assessment on certain investments in associates and joint ventures with share of loss amounted to RM8.9 million (2021: RM23.2 million). There is no material impairment noted from the assessment.

(a) Associates

Group	2022 RM'000	2021 RM'000
At cost		
Unquoted shares in Malaysia	**19,449**	28,449
Unquoted shares outside Malaysia	**24,736**	24,894
Amounts owing by associates	**26,945**	28,150
	71,130	81,493
Group's share of post-acquisition results and reserves	**301,846**	258,089
	372,976	339,582
Less: Accumulated impairment losses	**(11,004)**	(10,880)
At 31 December	**361,972**	328,702

During the financial year, Jutanis Sdn. Bhd. has carried out a capital reduction of 20 million ordinary shares at RM1.00 each. The Group has received RM9.0 million based on its proportion of the shareholding.

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.

Notes to the Financial Statements
for the financial year ended 31 December 2022
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17 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

Set out below are associates of the Group as at 31 December 2022, 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.

There are no contingent liabilities relating to the Group's interest in associates.

	2022		2021	
	Ravencroft Investments Incorporated	New Commercial Investments Limited	Ravencroft Investments Incorporated	New Commercial Investments Limited
	RM'000	RM'000	RM'000	RM'000
Summarised income statement and statement of comprehensive income				
Revenue	**47,410**	**17,823**	22,906	581
Other income	**16,126**	**-**	3,275	-
Total expense before interest and taxation	**(28,069)**	**(2,371)**	(20,690)	(2,392)
Interest income	**8,189**	**1,006**	3,920	215
Interest expense	**(4,032)**	**(817)**	(2,813)	(470)
Profit/(Loss) before taxation	**39,624**	**15,641**	6,598	(2,066)
Income tax	**(7,070)**	**(3,017)**	3,147	(1,891)
Net profit/(loss) for the financial year	**32,554**	**12,624**	9,745	(3,957)
Other comprehensive (loss)/income	**(28,702)**	**(5,790)**	11,058	2,489
Total comprehensive income/(loss)	**3,852**	**6,834**	20,803	(1,468)
Summarised statement of financial position				
Cash and cash equivalents	**185,073**	**81,901**	170,730	68,992
Other current assets (excluding cash and cash equivalents)	**225,858**	**26,559**	229,220	26,329
Total current assets	**410,931**	**108,460**	399,950	95,321
Other current liabilities (including trade and other payables and provisions)	**(17,077)**	**(75,418)**	(20,783)	(76,229)
Total current liabilities	**(17,077)**	**(75,418)**	(20,783)	(76,229)
Non-current assets	**86,284**	**100,053**	102,628	108,727
Financial liabilities (excluding trade and other payables and provisions)	**(86,195)**	**(24,374)**	(91,704)	(25,932)
Total non-current liabilities	**(86,195)**	**(24,374)**	(91,704)	(25,932)
Net assets	**393,943**	**108,721**	390,091	101,887

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

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:

2022	Ravencroft Investments Incorporated RM'000	New Commercial Investments Limited RM'000	Total RM'000
Net assets as at 1 January	**390,091**	**101,887**	**491,978**
Net profit for the financial year	**32,554**	**12,624**	**45,178**
Other comprehensive loss	**(28,702)**	**(5,790)**	**(34,492)**
Net assets as at 31 December	**393,943**	**108,721**	**502,664**
Interest in associates (%)	**49.47**	**49.55**	**-**
Share of net assets	**194,884**	**53,871**	**248,755**
Amounts owing to corporate shareholders	**-**	**21,377**	**21,377**
Carrying amount of interest in associates	**194,884**	**75,248**	**270,132**
2021			
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

Set out below are the financial information of all individual immaterial associates on an aggregate basis:

Group	2022 RM'000	2021 RM'000
Carrying amounts of interest in associates	**91,840**	62,496
Share of associates' profit/(loss)	**42,918**	(3,404)
Share of associates' other comprehensive loss	**(4,512)**	(1,128)
Dividend received/receivable during the financial year	**98**	13,598

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

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 (%) 2022	Group's effective interest (%) 2021
*	Cititel Express Pty. Limited [1] *(Members' voluntary winding-up completed in 2022)*	Investment holding	Australia	**-**	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] *(Members' voluntary winding-up completed in 2023)*	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 2022
(continued)

17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures

Group	2022 RM'000	2021 RM'000
At cost		
Unquoted shares in Malaysia	**30,550**	37,550
Unquoted shares outside Malaysia	**72,543**	69,170
Amounts owing by joint ventures	**30,092**	30,092
	133,185	136,812
Group's share of post-acquisition results and reserves	**25,437**	25,068
At 31 December	**158,622**	161,880

During the financial 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 RM3.4 million.

During the financial year, Hampshire Properties Sdn. Bhd. has carried out a capital reduction of 15 million ordinary shares at RM1.375 each. The Group has received RM10.3 million based on its proportion of the shareholding.

In the previous 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 RM203.14 million. The deferred consideration has been recognised as other receivables as disclosed in Note 22.

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 material joint ventures of the Group as at 31 December 2022. 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.

2022	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000
Summarised income statements and statement of comprehensive income		
Revenue	**-**	**27,467**
Cost of sales	**-**	**(19,809)**
Gross profit	**-**	**7,658**
Other income	**3**	**32**
Administrative expense	**(537)**	**(798)**
Selling and marketing expenses	**-**	**(18)**
(Loss)/Profit from operations	**(534)**	**6,874**
Finance income	**-**	**251**
(Loss)/Profit before taxation	**(534)**	**7,125**
Income tax	**-**	**(1,190)**
Net (loss)/profit for the financial year	**(534)**	**5,935**
Other comprehensive income	**2,089**	**-**
Total comprehensive profit	**1,555**	**5,935**

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

2022	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000
Summarised statement of financial position		
Cash and cash equivalents	**6,187**	**25,335**
Other current assets (excluding cash and cash equivalents)	**-**	**73,934**
Total current assets	**6,187**	**99,269**
Other current liabilities (including trade and other payables and provision)	**(1,033)**	**(73,892)**
Total current liabilities	**(1,033)**	**(73,892)**
Non-current assets	**153,753**	**2,749**
Net assets	**158,907**	**28,126**

2021	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
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

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

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:

2022	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000	Total RM'000
Net assets as at 1 January	**157,352**	**22,191**	**179,543**
Net (loss)/profit for the financial year	**(534)**	**5,935**	**5,401**
Other comprehensive income	**2,089**	**-**	**2,089**
Net assets as at 31 December	**158,907**	**28,126**	**187,033**
Interest in joint venture (%)	**49.0**	**50.0**	**-**
Share of net assets	**77,864**	**14,063**	**91,927**
Amounts owing to corporate shareholders	**-**	**30,092**	**30,092**
Carrying amount of interest in joint venture	**77,864**	**44,155**	**122,019**
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

Set out below are the financial information of all individual immaterial joint ventures on an aggregate basis.

Group	2022 RM'000	2021 RM'000
Carrying amounts of interest in joint ventures	**36,603**	43,590
Share of joint ventures' (loss)/profit	**(338)**	4,436
Share of joint ventures' other comprehensive loss	**(10)**	(149)
Dividend received/receivable during the financial year	**200**	95,318

Notes to the Financial Statements
for the financial year ended 31 December 2022
(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 (%) 2022	2021
*	Blackfriars Limited [1]	Property investment	Guernsey	**50.00**	50.00
*	Blackfriars Project Management Limited [1] *(Members' voluntary winding-up completed in 2022)*	Provision of project management	United Kingdom	**-**	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
	Pekeliling Land Sdn. Bhd. [3]	Property holding	Malaysia	**50.00**	-
	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	2022 RM'000	2021 RM'000
Non-current	**110,846**	120,062
Current	**5,107**	5,289
	115,953	125,351

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 2022
(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	2022 RM'000	2021 RM'000
Fair value	**117,351**	127,127

The fair values are based on cash flows discounted based on the discount rate of 4.03% (2021: 4.04%). 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 have been accounted as an adjustment to the revenue at the date of the contract modification. As at 31 December 2022, 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets	**36,784**	41,058	**-**	-
Deferred tax liabilities	**(151,877)**	(138,129)	**(14,403)**	(12,641)
Deferred tax liabilities (net)	**(115,093)**	(97,071)	**(14,403)**	(12,641)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**(97,071)**	(103,637)	**(12,641)**	(9,573)
(Charged)/Credited to statements of comprehensive income:				
Property, plant and equipment and investment properties	**(9,850)**	8,376	**(91)**	9
RCPS and RCCPS	**39**	390	**39**	390
Deferred lease incentives	**3,285**	7,224	**-**	-
Land revaluation	**(2,201)**	(948)	**-**	-
Unutilised tax losses and unabsorbed capital allowances	**(6,363)**	1,269	**-**	-
Deferred lease income	**(1,495)**	(1,364)	**-**	-
Provision and others	**(1,342)**	(9,021)	**(1,967)**	(3,719)
	(17,927)	5,926	**(2,019)**	(3,320)
Charged to equity:				
RCPS and RCCPS	**257**	252	**257**	252
Currency translation difference	**(352)**	388	**-**	-
At 31 December	**(115,093)**	(97,071)	**(14,403)**	(12,641)

Notes to the Financial Statements

for the financial year ended 31 December 2022
(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: (continued)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment and investment properties	**8,432**	16,954	**-**	-
Land revaluation	**7,570**	9,771	**-**	-
Provisions and others	**10,307**	8,920	**-**	-
Unutilised tax losses	**17,988**	24,351	**-**	-
Deferred lease income	**1,290**	2,785	**-**	-
	45,587	62,781	**-**	-
Offsetting	**(8,803)**	(21,723)	**-**	-
Deferred tax assets (after offsetting)	**36,784**	41,058	**-**	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment and investment properties	**(131,430)**	(130,102)	**(146)**	(55)
RCPS and RCCPS	**-**	(296)	**-**	(296)
Deferred lease incentives	**(739)**	(3,285)	**-**	-
Others	**(28,511)**	(26,169)	**(14,257)**	(12,290)
	(160,680)	(159,852)	**(14,403)**	(12,641)
Offsetting	**8,803**	21,723	**-**	-
Deferred tax liabilities (after offsetting)	**(151,877)**	(138,129)	**(14,403)**	(12,641)

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.

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:

	2022	**2021**
Group	**RM'000**	**RM'000**
Unutilised tax losses		
- expiry by year of assessment 2028	**200,573**	200,734
- expiry by year of assessment 2029	**6,341**	6,341
- expiry by year of assessment 2030	**5,207**	5,207
- expiry by year of assessment 2031	**717**	831
- expiry by year of assessment 2032	**8,644**	-
Deductible temporary differences with no expiry		
- unabsorbed capital allowance	**144,518**	134,807
- land revaluation	**84,413**	84,413
- investment tax allowance	**257,864**	257,864
	708,277	690,197
Deferred tax assets not recognised at 24% (2021: 24%)	**169,986**	165,647

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

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 and Company	2022 RM'000	2021 RM'000
Unquoted shares outside Malaysia		
Quadria Capital Fund L.P. ("Fund")	**53,407**	68,152
Rework Holdings Pte. Ltd.	**219**	208
	53,626	68,360

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 and Company	2022 RM'000	2021 RM'000
At 1 January	**68,360**	72,352
Disposal	**(23,188)**	-
Fair value gain/(loss)	**8,454**	(3,992)
At 31 December	**53,626**	68,360

Financial assets at fair value through other comprehensive income are denominated in the following currency:

Group and Company	2022 RM'000	2021 RM'000
USD	**53,626**	68,360

During the financial year, the following gains were recognised in profit or loss:

Group and Company	2022 RM'000	2021 RM'000
Dividends from equity investments held at fair value through other comprehensive income recognised in profit or loss:		
Related to investments held at end of financial year	**12,694**	20,180

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

21 AMOUNTS OWING FROM/(TO) ASSOCIATES AND JOINT VENTURES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Amounts owing from associates	**100**	-	**100**	-
Amounts owing from joint ventures	**1,775**	182	**-**	-
	1,875	182	**100**	-
Amounts owing to associates	**(4)**	(4)	**-**	-

The amounts owing from associates and joint ventures represent advances which are unsecured, interest-free (2021: interest-free) and payable on demand.

The amounts owing to associates are unsecured, interest-free (2021: interest-free) and repayable on demand.

22 RECEIVABLES AND CONTRACT ASSETS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Contract cost asset	**-**	15	**-**	-
Other receivables	**-**	243,898	**-**	-
	-	243,913	**-**	-
Current				
Trade and other receivables				
Trade receivables	**119,524**	151,820	**-**	-
Accrued billing in relation to lease income	**18,397**	7,488	**-**	-
Less: Provision for impairment	**(17,798)**	(41,824)	**-**	-
	120,123	117,484	**-**	-
Other receivables	**278,341**	43,914	**14**	57
Deposits	**20,640**	20,358	**2,134**	1,119
Less: Provision for impairment	**(21,296)**	(21,829)	**-**	(55)
	277,685	42,443	**2,148**	1,121
Deferred lease incentives	**13,064**	22,225	**-**	-
Prepayments	**7,016**	4,115	**768**	2
Total	**417,888**	186,267	**2,916**	1,123

In the previous year, other receivables (non-current) amounting to RM243.9 million is in relation to the deferred consideration receivable as disclosed under Note 17(b). This amount was classified as current in 2022 as the amount is receivable on 21 October 2023. This amount is secured against a first legal charge over a freehold land of the debtor.

The carrying amounts of trade and other receivables as at 31 December 2022 and 31 December 2021 approximated their fair values. The aging analysis of these trade and other receivables are disclosed in Note 3(b).

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

22 RECEIVABLES AND CONTRACT ASSETS (continued)

As at 31 December 2022, included in trade receivables is an amount of RM9.8 million (2021: RM18.2 million) being stakeholder sum for property development.

The provision 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Deposits placed with licensed banks	**-**	45,084	**-**	-
Current				
Deposits with licensed banks (Note 23(b))	**1,010,986**	974,205	**32,837**	39,118
Cash and bank balances	**338,327**	406,917	**38,474**	223,357
	1,349,313	1,381,122	**71,311**	262,475
Deposits, cash and bank balances	**1,349,313**	1,426,206	**71,311**	262,475
Cash held under Housing Development Accounts (Note 23(a))	**1,607**	12,707	**-**	-
Less: Restricted cash (Note 23(b))	**-**	(74,699)	**-**	-
Less: Fixed deposit with maturity of more than 3 months	**(340,696)**	(333,032)	**(24,936)**	-
Cash and cash equivalents	**1,010,224**	1,031,182	**46,375**	262,475

Deposits with licensed banks of the Group and the Company as at 31 December 2022 have an average maturity period of 113 days (2021: 149 days) and 148 days (2021: 33 days) respectively.

The weighted average effective interest rates of deposits with licensed banks as at 31 December were as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Deposits with licensed banks:				
RM	**2.73**	1.62	**2.94**	1.83
GBP	**4.35**	0.60	**-**	-
USD	**4.87**	0.49	**4.90**	0.50
AUD	**3.92**	-	**-**	-

Bank balances are deposits held at call with licensed banks and earn no interest.

(a) 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 1.33% (2021: 0.41%) per annum.

Notes to the Financial Statements

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23 CASH AND CASH EQUIVALENTS (continued)

(b) In 2021, included in the deposits placed with licensed banks of the Group is a pledged deposit of RM74.7 million which is maintained in a Debt Service Reserve Account to cover a minimum of six (6) months interest for borrowings (Note 29). In line with the IFRS Interpretations Committee ("IFRC") agenda decision on demand deposits with restrictions on use arising from a contract with third party, the Group has reassessed the presentation of the pledged deposit and determine that a portion of the deposits of RM52.3 million meet the definition of cash and cash equivalents as at 31 December 2022. The remaining balance of RM29.7 million is presented under fixed deposit with maturity of more than three months.

Debt Service Reserve Account maintained by the Group are as follows:

Group	2022 RM'000	2021 RM'000
IGB REIT Capital Sdn. Bhd.	**30,167**	29,615
IGB Commercial REIT Capital Sdn. Bhd.	**22,085**	15,887
Southkey Megamall Sdn. Bhd.	**29,733**	29,197
	81,985	74,699

24 SHARE CAPITAL

Group and Company	2022 Number of shares	2022 Value	2021 Number of shares	2021 Value
	'000	RM'000	'000	RM'000
Issued and fully paid				
Ordinary shares:				
At 1 January	**905,351**	**1,393,859**	888,502	1,338,596
Issued during the financial year	**76**	**251**	16,849	55,263
At 31 December	**905,427**	**1,394,110**	905,351	1,393,859
RCCPS:				
At 1 January	**39,649**	**96,626**	56,498	137,686
Converted during the financial year	**(76)**	**(187)**	(16,849)	(41,060)
Redemption during the financial year	**(39,573)**	**(96,439)**	-	-
At 31 December	**-**	**-**	39,649	96,626

During the financial year, the number of ordinary shares of the Company increased from 905,350,813 to 905,427,425 by the allotment of 76,612 ordinary shares arising from the conversion of 76,612 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 39,649,320 to 39,572,708.

The remaining 39,572,708 RCCPS at the conversion ratio 1:1 at issue price per share of RM3.28 has been fully redeemed during the financial year and was paid by way of cash.

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 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 30 May 2022, 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 2,858,600 (2021: 3,708,000) of its ordinary share capital from the open market for RM6.4 million (2021: RM7.1 million). The average price paid for these shares repurchased was RM2.25 (2021: RM1.92) per share.

As at 31 December 2022, a total of 4,286,732 (2021: 1,428,132) ordinary shares were held as treasury shares. The cost of treasury shares as at 31 December 2022 and 31 December 2021 is summarised as follows:

			Cost per share		
	No. of shares	Total cost	Low	High	Average cost per share
2022		RM	RM	RM	RM
Group and Company					
At 1 January	**1,428,132**	**3,310,108**			**2.32**
Repurchased in 2022:					
January	**211,900**	**414,029**	**1.93**	**1.95**	**1.95**
February	**59,100**	**117,130**	**1.92**	**1.98**	**1.98**
March	**613,900**	**1,358,775**	**2.00**	**2.34**	**2.21**
April	**336,000**	**783,239**	**2.28**	**2.33**	**2.33**
May	**130,400**	**302,767**	**2.25**	**2.33**	**2.32**
June	**352,900**	**809,886**	**2.20**	**2.36**	**2.29**
July	**191,800**	**434,284**	**2.21**	**2.33**	**2.26**
August	**305,800**	**697,839**	**2.25**	**2.33**	**2.28**
September	**280,300**	**660,574**	**2.24**	**2.38**	**2.36**
November	**264,500**	**599,954**	**2.24**	**2.28**	**2.27**
December	**112,000**	**258,160**	**2.26**	**2.32**	**2.30**
	2,858,600	**6,436,637**			**2.25**
At 31 December	**4,286,732**	**9,746,745**	**-**	**-**	**2.27**
2021					
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

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for the financial year ended 31 December 2022
(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 2022, the number of outstanding ordinary shares in issue after the setting off treasury shares against equity was 901,140,693 (2021: 903,922,681) ordinary shares.

26 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES

(a) 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.

(iii) The holders of the RCCPS shall have the right to receive a semi-annual preferential dividend at the rate of 4.30%. 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.

On 11 April 2022, the RCCPS were redeemed at redemption price of RM3.28 per RCCPS, plus the pro-rata dividend of 4.30% per annum due for the period including 2 March 2022 to 11 April 2022.

The RCCPS liabilities component recognised in the statements of financial position are summarised as follows:

Group and Company	2022 RM'000	2021 RM'000
Liabilities component:		
At 1 January	**17,913**	31,638
Amortisation of interest expense (Note 9)	**244**	1,493
Dividends paid (Note 32)	**(3,421)**	(6,780)
Converted into ordinary shares	**(30)**	(8,438)
Redemption	**(14,706)**	-
At 31 December	**-**	17,913
Represented by:		
Current	**-**	4,703
Non-current	**-**	13,210
	-	17,913

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

27 OTHER RESERVES

Group	Fair value through other comprehensive income RM'000	Exchange fluctuation reserve RM'000	Total RM'000
2022			
At 1 January	**3,480**	**28,553**	**32,033**
Currency translation differences	**-**	**(29,038)**	**(29,038)**
Net change in fair values of financial assets at fair value through other comprehensive income	**8,454**	**-**	**8,454**
At 31 December	**11,934**	**(485)**	**11,449**
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

Company	Fair value through other comprehensive income RM'000
2022	
At 1 January	**3,742**
Net change in fair values of financial assets at fair value through other comprehensive income	**8,454**
At 31 December	**12,196**
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

Notes to the Financial Statements

for the financial year ended 31 December 2022
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28 PAYABLES AND CONTRACT LIABILITIES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Trade and other payables:				
Trade payables	**102,853**	129,205	**-**	-
Trade accruals	**7,891**	13,650	**-**	-
Other payables	**30,613**	25,170	**55**	23
Accrued dividend payable to IGB REIT's and IGBCR's non-controlling interest	**57,477**	48,911	**-**	-
Accruals	**77,122**	48,435	**20,984**	6,307
Accruals in relation to construction activities	**76,206**	78,309	**-**	-
Deposits received from tenants and customers	**253,458**	259,240	**6**	17
Lease liabilities (Note 12(d)(ii))	**460**	495	**397**	-
Deferred lease income	**14,957**	25,199	**-**	-
Contract liabilities in relation to property development activities and education services (Note 28(A))	**30,464**	15,331	**-**	-
	651,501	643,945	**21,442**	6,347
Non-current				
Lease liabilities (Note 12(d)(ii))	**17,780**	17,833	**577**	-
Total	**669,281**	661,778	**22,019**	6,347

a. Included in trade and other payables of the Group is retention sum of RM41.8 million (2021: RM42.5 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 2022 and 31 December 2021 were not impacted by significant changes in contract terms.

	2022	**2021**
Group	**RM'000**	**RM'000**
Net carrying amount of contract liabilities is analysed as follows:		
At 1 January	**(15,331)**	(20,334)
Property development revenue and education services:		
Revenue recognised that was included in the balance at the beginning of the financial year	**14,385**	18,868
Revenue recognised during the financial year	**64,786**	47,201
Less: Billings during the financial year	**(94,304)**	(61,066)
At 31 December	**(30,464)**	(15,331)

The management expects 90% of the transaction prices allocated to the unsatisfied contract liabilities as at 31 December 2022 will be recognised as revenue during the next financial year.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

29 INTEREST BEARING BANK BORROWINGS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Secured:					
Revolving credits	(a)	**753,500**	803,500	**753,500**	803,500
Term loans	(b)	**165,799**	56,884	**-**	-
Medium Term Notes	(c)	**3,046,770**	1,845,408	**-**	-
		3,966,069	2,705,792	**753,500**	803,500
Current					
Secured:					
Revolving credits	(a)	**83,658**	77,015	**6,151**	992
Term loans	(b)	**2,214**	6,547	**-**	-
Medium Term Notes	(c)	**18,536**	1,217,212	**-**	-
Unsecured:					
Revolving credits	(a)	**21,181**	133,810	**-**	-
		125,589	1,434,584	**6,151**	992
Total:					
Revolving credits	(a)	**858,339**	1,014,325	**759,651**	804,492
Term loans	(b)	**168,013**	63,431	**-**	-
Medium Term Notes	(c)	**3,065,306**	3,062,620	**-**	-
		4,091,658	4,140,376	**759,651**	804,492

The carrying amounts of the Group's and the Company's borrowings denominated in the following currencies are as stated below:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revolving credits:				
RM	**858,339**	972,623	**759,651**	804,492
USD	**-**	41,702	**-**	-
	858,339	1,014,325	**759,651**	804,492
Term loans:				
RM	**166,199**	55,005	**-**	-
RMB	**1,814**	8,426	**-**	-
	168,013	63,431	**-**	-
Medium Term Notes:				
RM	**3,065,306**	3,062,620	**-**	-
Total	**4,091,658**	4,140,376	**759,651**	804,492

Notes to the Financial Statements

for the financial year ended 31 December 2022
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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	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Revolving credits:				
RM	**4.37**	3.15	**4.36**	3.15
USD	**-**	2.15	**-**	-
Term loans:				
RM	**5.21**	3.49	**-**	-
RMB	**5.55**	5.55	**-**	-
Medium Term Notes:				
RM	**4.95**	3.97	**-**	-

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:

	2022		2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revolving credits	**858,339**	**858,339**	1,014,325	1,014,325
Term loans	**168,013**	**168,013**	63,431	63,431
Medium Term Notes	**3,065,306**	**3,065,257**	3,062,620	3,082,171
	4,091,658	**4,091,609**	4,140,376	4,159,927
Company				
Revolving credits	**759,651**	**759,651**	804,492	804,492

The maturity profile of the borrowings are as follows:

	Maturity profile			Total carrying
	< 1 year	**1 - 2 years**	**2 - 5 years**	**amount**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2022				
Revolving credits:				
Floating interest rate, secured	**83,658**	**-**	**753,500**	**837,158**
Floating interest rate, unsecured	**21,181**	**-**	**-**	**21,181**
Term loans, secured:				
Floating interest rate	**2,214**	**-**	**165,799**	**168,013**
Medium Term Notes, secured:				
Floating interest rate	**3,332**	**999,710**	**847,791**	**1,850,833**
Fixed interest rate	**15,204**	**-**	**1,199,269**	**1,214,473**
	125,589	**999,710**	**2,966,359**	**4,091,658**

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29 INTEREST BEARING BANK BORROWINGS (continued)

The maturity profile of the borrowings are as follows: (continued)

Group	< 1 year RM'000	1 - 2 years RM'000	Maturity profile 2 - 5 years RM'000	Total carrying amount 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	-	1,845,408	1,847,915
Fixed interest rate	1,214,705	-	-	1,214,705
	1,434,584	3,379	2,702,413	4,140,376

Company	< 1 year RM'000	1 - 2 years RM'000	Maturity profile 2 - 5 years RM'000	Total carrying amount RM'000
2022				
Revolving credits:				
Floating interest rate, secured	**6,151**	**-**	**753,500**	**759,651**
2021				
Revolving credits:				
Floating interest rate, secured	992	-	803,500	804,492

(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% (2021: 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. Other than the RC 2 above, the other RCs of the Group are secured by way of:

(i) Fixed charge on a 26-storey office tower commercial building of a subsidiary company (Note 14);

(ii) Fixed charge on a two adjoining 11-storey commercial buildings of a subsidiary company (Note 14);

(iii) 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));

(iv) Memorandum of Deposit against the subsidiary's investment in IGB REIT units with a minimal security cover of at least 1.25 times at all times;

(v) Corporate guarantee granted by the Company.

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for the financial year ended 31 December 2022
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29 INTEREST BEARING BANK BORROWINGS (continued)

(a) Revolving credits (continued)

C. During the financial year, the Group's subsidiary has fully repaid a RC facilities with a total amounting to RM41.7 million.

D. Undrawn revolving credit facilities of the Group amounted to RM180.3 million (2021: RM60.3 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;

(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; and

(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. A subsidiary has a TL of RM84 million with a tenure of seven (7) years 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 2024;

(b) bears a floating interest rate of aggregate effective cost of funds and a margin of 1.00% per annum; and

(c) secured by:

(i) Corporated guarantee granted by the Company;

(ii) Fixed charge on the 26-storey of the building of a subsidiary company (Note 14).

The subsidiary has drawn down additional RM10 million during the financial year, totalling RM65 million.

C. During the financial year, a subsidiary obtained a TL of RM119 million with a tenure of seven (7) years from the date of 1st drawdown with the following terms:

(a) the TL is repayable over 20 quarterly principal amounts commencing on 22 November 2024;

(b) bears a floating interest rate of aggregate effective cost of funds and a margin of 1.25% per annum;

(c) legal charge over the Hotel erected or to be erected thereon upon issuance of relevant strata titles; and

(d) corporate guarantee by ultimate holding company.

The subsidiary has drawn down RM100 million during the financial year.

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29 INTEREST BEARING BANK BORROWINGS (continued)

(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 Security Commissions Malaysia ("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").

The REIT Tranche 1, MTN of RM1.2 billion was matured on 20 September 2022. On 20 September 2022, IGBRC issued the second tranche AAA-rated MTN ("REIT Tranche 2, MTN") of RM1.2 billion to fully redeem the REIT Tranche 1, MTN. The REIT Tranche 2, MTN has a tenure of 7.5 years ("Legal Maturity") effective 20 September 2022. For the first 5 years ("Expected Maturity"), the REIT Tranche 2, MTN bears a fixed coupon rate of 4.49% per annum. The RM1.2 billion has to be fully repaid on Expected Maturity which is on 20 September 2027, otherwise it will constitute a trigger event that will result in a coupon step-up to 5.49% per annum for the subsequent 2.5 years.

The REIT Tranche 2 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 Mid Valley Megamall ("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 2 MTN;

(v) a first-party first ranking legal assignment and charge over the Debt Service Reserve Account of the REIT Tranche 2 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 2 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 2, MTN's Trustee financing agreement.

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 2022. 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").

In the previous 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.

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29 INTEREST BEARING BANK BORROWINGS (continued)

(c) Medium Term Notes ("MTN") (continued)

B. Southkey Megamall Sdn. Bhd. ("SKM") (continued)

The MTN bears a floating interest rate of 6-months KLIBOR and a margin of 1.50% (2021: 1.50%) per annum. The weighted average effective interest rate of the 8 years MTN Programme as at 31 December 2022 was 5.18% (2021: 3.60%) 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;

(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 2022, 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 2022. 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.

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

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:

(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 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;

(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 ASSETS CLASSIFIED AS HELD-FOR-SALE

On 4 January 2023, Outline Avenue (M) Sdn. Bhd. and Kemas Muhibbah Sdn. Bhd. have entered into sale and purchase agreements for the disposal of lands for cash consideration of RM4,736,960 and RM5,000,000 respectively.

The movements during the financial year relating to assets classified as held-for-sale are as follows:

Group	**2022** **RM'000**	**2021** **RM'000**
At 1 January	**-**	-
Transfer from land held for property development (Note 13(a))	**382**	-
Transfer from property, plant and equipment (Note 12)	**1,149**	-
At 31 December	**1,531**	-

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

31 AMOUNTS OWING FROM/(TO) SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Amounts owing from subsidiaries	**78,863**	86,848
Less: Provision for impairment	**(15,391)**	(19,727)
	63,472	67,121
Amounts owing to subsidiaries	**(69,720)**	(82,444)

The amounts owing from subsidiaries are unsecured, repayable on demand and carry interest rates of 4.38% (2021: 3.32%) per annum.

The amounts owing to subsidiaries are unsecured, have no fixed terms of repayment and carry interest rates of 2.62% (2021: 1.90%) per annum.

The amounts owing from/(to) subsidiaries as at 31 December 2022 and 31 December 2021 approximated their fair values.

32 DIVIDENDS

Dividends on ordinary shares, RCCPS paid or declared by the Company were as follows:

	2022		2021	
	Gross dividend per share	Amount of dividend, net of tax	Gross dividend per share	Amount of dividend, net of tax
		RM'000		RM'000
RCCPS				
Single tier	**4.30%**	**3,421**	4.30%	6,780
Dividend-in-specie	**-**	**-**	-	539,004
Ordinary shares				
First interim single tier	**5.0 sen**	**45,061**	12.0 sen	110,946
Second interim single tier	**5.0 sen**	**45,181**	-	-
	10.0 sen	**90,242**	12.0 sen	110,946

Dividends paid in 2021

RCCPS

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, amounting to RM3,984,000.

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, amounting to RM2,796,000.

Ordinary shares

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) for the financial year ended 31 December 2021 which was paid on 24 December 2021, amounting to RM539,004,000 Distribution-in-Specie ("DIS") and RM110,946,000 in cash.

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.

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

32 DIVIDENDS (continued)

Dividends paid in 2022

RCCPS

On 25 February 2022, 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 2021 up to and including 1 March 2022 which was paid on 18 March 2022, amounting to RM2,796,000.

On 10 March 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 period from and including 2 March 2022 up to and including 11 April 2022 which was paid on 11 April 2022, amounting to RM625,000.

Ordinary shares

On 25 February 2022, the Directors declared a Second Interim Single Tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2021 which was paid on 18 March 2022, amounting to RM45,181,000.

On 29 November 2022, the Directors declared an Interim Single Tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2022 which was paid on 23 December 2022, amounting to RM45,061,000.

33 OPERATING LEASES (LEASE COMPONENT)

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 2022 are as follows:

Group	2022 RM'000	2021 RM'000
Less than one (1) year	**519,772**	494,005
Between one (1) and two (2) years	**377,026**	353,409
Between two (2) and three (3) years	**173,877**	212,124
Between three (3) and four (4) years	**37,894**	66,318
Between four (4) and five (5) years	**19,174**	20,962
More than five (5) years	**87,172**	106,346
	1,214,915	1,253,164

34 OPERATING LEASES (NON-LEASE COMPONENT)

The following table shows remaining performance obligation resulting from non-lease components of the lease contracts:

Service charges:

Group	2022 RM'000	2021 RM'000
Less than one (1) year	**161,965**	144,751
Between one (1) and two (2) years	**121,907**	108,722
Between two (2) and three (3) years	**58,839**	70,001
Between three (3) and four (4) years	**10,100**	24,900
Between four (4) and five (5) years	**5,681**	6,396
More than five (5) years	**23,467**	29,148
	381,959	383,918

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

35 CAPITAL COMMITMENTS

Group	2022 RM'000	2021 RM'000
Approved and contracted for:		
Property, plant and equipment	-	20,667
Investment properties	**30,846**	49,404
	30,846	70,071

36 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, bonus and allowances	**36,450**	35,360	**14,813**	16,083
Defined contribution plan	**3,756**	3,580	**1,594**	1,677
Other short-term benefits	**607**	463	**209**	176
	40,813	39,403	**16,616**	17,936

Included in the key management compensation is Executive Director's remuneration as disclosed in Note 8 to the financial statements.

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

The significant related party transactions during the financial year are as follows:

Group	2022 RM'000	2021 RM'000
Light boxes rental, pedestrian bridge and office rental:		
Strass Media Sdn. Bhd.	**414**	408
Lease of space and related facilities:		
Wasco Management Services Sdn. Bhd.	**962**	818
Purchase of building materials, electrical equipment and appliances and related services:		
Wah Seong (Malaya) Trading Co. Sdn. Bhd.	**1,768**	1,950

Notes to the Financial Statements
for the financial year ended 31 December 2022
(continued)

36 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

The significant related party transactions during the financial year are as follows: (continued)

Company	2022 RM'000	2021 RM'000
Dividend income from subsidiaries:		
IGB Corporation Berhad	**-**	1,838,938
GTower Sdn. Bhd.	**-**	344,000
IGB REIT	**170,935**	104,537
IGBCR	**21,916**	13,763
Rental of premises payable to subsidiaries:		
GTower Sdn. Bhd.	**-**	345
Mid Valley City South Tower Sdn. Bhd.	**-**	3,129
Tan & Tan Developments Berhad	**93**	113
IGBCR	**3,962**	695
Fees from management services receivable from subsidiaries:		
Mid Valley City Sdn. Bhd.	**1,331**	1,134
IGB REIT Management Sdn. Bhd.	**2,212**	1,510
Tan & Tan Developments Berhad	**961**	1,063
IGB Property Management Sdn. Bhd.	**1,503**	616

The significant related party balances are as follows:

Group	2022 RM'000	2021 RM'000
Amount owing from associate:		
New Commercial Investments Limited	**21,377**	22,512
Amount owing from joint venture:		
Kundang Properties Sdn. Bhd.	**30,092**	30,092
Company		
Amounts owing from subsidiaries:		
IGBCR	**17,879**	18,521
IGB REIT	**42,813**	37,692
Pangkor Island Resort Sdn. Bhd.	**1,450**	1,040
Amounts owing to subsidiaries:		
Idaman Spektra Sdn. Bhd.	**(15,000)**	(15,000)
Mid Valley City North Tower Sdn. Bhd.	**(5,000)**	(5,000)
Mid Valley City Southpoint Sdn. Bhd.	**-**	(53,000)
Tan & Tan Realty Sdn. Bhd.	**(7,700)**	(8,700)
Mid Valley City Sdn. Bhd.	**(16,000)**	-
IGB Corporation Berhad	**(26,000)**	-

Notes to the Financial Statements

for the financial year ended 31 December 2022
(continued)

37 SUBSEQUENT EVENT DISLOSURE

On 3 January 2023, Kundang Properties Sdn. Bhd., a joint venture company entered into a sale and purchase agreement for disposal of mixed development land for a cash consideration of RM360 million. The disposal is pending fulfilment of conditions precedent, and is expected to be completed by end of 2023.

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.

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 has been discontinued on 1 January 2023. The remaining 1-, 3- and 6-month KLIBOR tenors have been reviewed by BNM in the second half of 2022.

As at reporting date, there is no change to the Group's KLIBOR-linked contracts. 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. The carrying amounts of these borrowings which reference to KLIBOR and have not transition to MYOR are disclosed in Note 29.

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 2023.

Statement by Directors
pursuant to Section 251(2) of the Companies Act 2016

We, Tan Boon Lee 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 79 to 188 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 2022 and of the financial performance of the Group and of the Company for the financial year ended 31 December 2022, 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 2023.

Tan Boon Lee
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 79 to 188 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 2023.

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 2022, 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 2022 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 79 to 188.

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 RM1,193 million as at 31 December 2022. With the reopening of borders and loosening of travel restrictions by various countries, the tourism and the hotel industry's recovery have been accelerated. The results of the Group's Hotel division have shown improvement contributed by the economic recovery post Covid-19 pandemic.	Our audit procedures included the following: (i) reviewed the appropriateness of the multiple scenarios value-in-use calculations used for certain properties 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)

Key audit matters	How our audit addressed the key audit matters
1) Valuation of hotel properties (continued) Management have updated their impairment assessments on the carrying amounts of the hotel properties against their recoverable amounts to reflect the effects of the prolonged recovery period and outlook in the near future. The recoverable amounts of hotel properties have been determined either by the management using discounted cash flow projections based on the value-in-use method or determined by the independent valuer using the comparable approach. We focused on this area because the determination of the recoverable amounts via management's value-in-use calculations and external valuer's valuation involved significant judgements and estimates that could result in material misstatements. Refer to Note 12 Property, Plant and Equipment for the basis and key assumptions adopted in impairment assessments of the Group's hotel properties.	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 comparable approach for a hotel property 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 management the methodology and challenged the key assumptions used in the value-in-use calculations; and (vi) tested the mathematical accuracy of the models. Based on the above procedures, we did not identify any material exception.
2) Valuation of properties in Johor The Group has certain properties in Johor consisting of an investment property under construction with a carrying amount of RM133 million, a recently completed investment property with a carrying amount of RM150 million and a vacant leasehold land in Medini, Johor with a net book value of RM148.6 million comprising a portion classified as Investment Property (ROU assets) of RM68.9 million and Inventories (Land held for property development) of RM79.7 million. On 1 April 2022, Malaysia entered the "Transition to Endemic" phase of Covid-19 with all restrictions on business operating hours removed and Covid-19 rules and standard operating procedures relaxed. However the oversupply of office spaces in Johor region posed a continuing challenge to the Group. Management have updated their impairment assessments on the carrying amounts of the Johor properties against their respective recoverable amounts to reflect the effects of the prolonged recovery period and outlook in the near future. The recoverable amounts of these properties have been determined either by the management using discounted cash flow projections based on the value-in use method or determined by the independent valuer using the comparable approach. Based on management's assessment, the Group has recorded an impairment loss of RM33.6 million as at 31 December 2022 in respect of the vacant leasehold land in Medini, Johor. We focused on this area because the determination of the recoverable amounts via management's value-in-use calculations and external valuer's valuation involved significant judgements and estimates that could result in material misstatements. Refer to Note 13 Inventories and Note 14 Investment Properties for the basis and key assumptions adopted in impairment assessments of the Group's Johor properties.	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; (ii) discussed with management the methodology and challenged the key assumptions used in the value-in-use calculations; (iii) assessed the reasonableness of data inputs used in the determination of the estimated value-in-use of the properties such as weightage of each scenario, allowance for void rates, rental rates and outgoing rates; (iv) agreed the construction cost to complete to the latest approved budgets of the property where relevant; (v) assessed the appropriateness of capitalisation rates used by management, with reference to comparable hotel and office properties in the market; (vi) tested the mathematical accuracy of the models; (vii) evaluated competency of external valuer which include consideration of their qualifications, expertise and objectivity; and (viii) tested the significant inputs underpinning the comparable approach such as the basis of adjustment made to the comparable land transactions prices by considering factors such as its location, size and comparable transaction date. 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.

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)

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 2022 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, 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.

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.

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)

Auditors' responsibilities for the audit of the financial statements (continued)

(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.

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
03253/01/2025 J
Chartered Accountant

Kuala Lumpur
25 April 2023

Shareholding Statistics
as at 31 March 2023

Issued Ordinary Shares	:	905,427,425
Number of Shareholders	:	4,701
Voting Rights	:	1 vote per Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	781	16.61	24,646	0.00
100 - 1,000	415	8.83	184,658	0.02
1,001 - 10,000	2,557	54.39	8,919,514	0.99
10,001 - 100,000	776	16.51	20,802,917	2.31
100,001 - less than 5% of Issued Shares	168	3.57	499,761,006	55.52
5% and above Issued Shares	4	0.09	370,549,852	41.16
Total	**4,701**	**100.00**	**900,242,593#**	**100.00**

Note:
 # Excluding 5,184,832 treasury shares retained by IGB as per Record of Depositors as at 31 March 2023

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect*	
Name of Shareholders	**No. of Shares**	**% of Shares**	**No. of Shares**	**% of Shares**
Tan Chin Nam Sendirian Berhad	246,553,015	27.39	191,397,844	21.26
Tan Kim Yeow Sendirian Berhad	89,029,687	9.89	177,329,294	19.70
Pauline Tan Suat Ming	358,866	0.04	266,358,981	29.59
Dato' Seri Robert Tan Chung Meng	5,284,613	0.59	266,358,981	29.59
Tony Tan Choon Keat	-	-	266,358,981	29.59
Wah Seong (Malaya) Trading Co. Sdn Bhd	142,456,307	15.83	34,872,987	3.87
HSBC Holdings plc	-	-	69,739,129	7.75
HSBC Asia Holdings Limited	-	-	69,739,129	7.75
The HongKong and Shanghai Banking Corporation Limited	-	-	69,739,129	7.75
HSBC International Trustee (Holdings) Pte Ltd	-	-	69,739,129	7.75
HSBC International Trustee Limited	-	-	69,739,129	7.75

Note:
** Deemed interest held by other corporations by virtue of Section 8(4) of the Companies Act 2016*

Shareholding Statistics

as at 31 March 2023
(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	1.91	-	-	2,005,944	0.06	-	-	21,787,210	0.93	-	-	1,571	0.79
Tan Boon Lee	13,087,493	1.45	14,899,349	1.65	1,705,025	0.05	-	-	18,546,667	0.79	-	-	1,714	0.86
Tan Mei Sian (Alternate Director to Tan Lei Cheng)	913,305	0.10	-	-	-	-	-	-	2,568,204	0.11	-	-	143	0.07
Dato' Seri Robert Tan Chung Meng	5,284,613	0.59	266,358,981	29.59	16,272,721	0.45	1,939,738,471	54.02	5,330,424	0.23	1,503,932,955	64.23	-	-
Elizabeth Tan Hui Ning (Alternate Director to Dato' Seri Robert Tan Chung Meng)	30,540	0.00	-	-	4,754,000	0.13	-	-	636,200	0.03	-	-	-	-
Dato' Lee Kok Kwan	-	-	-	-	11,171	0.00	-	-	-	-	-	-	-	-

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 5,184,832 treasury shares)

	Name of Shareholders	No. of Shares	% of Shares
1.	Tan Chin Nam Sendirian Berhad	125,751,474	13.97
2.	Wah Seong (Malaya) Trading Co. Sdn Bhd	101,359,076	11.26
3.	Tan Chin Nam Sendirian Berhad	77,381,413	8.60
4.	Tan Kim Yeow Sendirian Berhad	66,057,889	7.34
5.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)	42,185,014	4.69
6.	CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS-PB)	34,250,373	3.80
7.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Chin Nam Sendirian Berhad (PB)	32,920,128	3.66
8.	HSBC Nominees (Asing) Sdn Bhd Exempt An for The HongKong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	32,794,585	3.64
9.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for Pangolin Asia Fund	21,126,726	2.35
10.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	20,221,006	2.25
11.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Wang Tak Majujaya Sdn Bhd (PB)	19,032,346	2.11
12.	Wah Seong (Malaya) Trading Co. Sdn Bhd	18,764,131	2.08
13.	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Securities Pte Ltd for Tan Kim Yeow Sendirian Berhad	16,716,445	1.86
14.	Wah Seong Enterprises Sdn Bhd	15,375,952	1.71

Shareholding Statistics

as at 31 March 2023
(continued)

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (continued)

	Name of Shareholders	No. of Shares	% of Shares
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Boon Lee (PB)	14,899,349	1.66
16.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	14,709,896	1.63
17.	Amanahraya Trustees Berhad Public Smallcap Fund	13,368,597	1.49
18.	Tan Boon Lee	13,087,493	1.45
19.	Tan Lei Cheng	12,464,271	1.38
20.	Scanstell Sdn Bhd	11,567,128	1.29
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	0.74
24.	Tan Kim Yeow Sendirian Berhad	6,255,353	0.69
25.	Lim Kuan Gin	6,161,487	0.68
26.	HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse (SG BR-TST-Asing)	6,146,157	0.68
27.	Wah Seong (Malaya) Trading Co. Sdn Bhd	6,073,727	0.67
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.	Dasar Mutiara (M) Sdn Bhd	5,226,317	0.58

Notice of Annual General Meeting

Notice convening the Twenty-Third Annual General Meeting of IGB (2023 AGM) To be held on **Monday, 29 May 2023, beginning at 2.30 p.m.** in a **virtual** (online) format at **https://tiih.online**

Items of business

The 2023 AGM is for the purpose of transacting the following businesses, and if thought fit, to pass the following resolutions as Ordinary Resolutions (except agenda item 1.0 is a non-voting item):

1.0 Financial Statements and Reports

To receive the Audited Financial Statements of IGB (together with reports of the Directors and Auditors) for the year ended 31 December 2022 (FY2022).

2.0 Resolution 1: Re-election of Dato' Seri Robert Tan Chung Meng (DSRT)

To re-elect DSRT, a Director retiring pursuant to Clause 84 of IGB's Constitution.

3.0 Resolution 2: Re-election of Lee Chaing Huat (LCH)

To re-elect LCH, a Director retiring pursuant to Clause 84 of IGB's Constitution.

4.0 Resolution 3: Re-election of Tan Boon Lee (TBL)

To re-elect TBL, a Director retiring pursuant to Clause 90 of IGB's Constitution.

5.0 Resolution 4: Non-Executive Directors' (NEDs) **remuneration**

To approve the payment of fees of RM697,500 for FY2022 and meeting attendance allowances of up to RM162,000 for year 2023, to the NEDs.

6.0 Resolution 5: Gratuity payment to DSRT

To approve the gratuity payment of RM14,872,463.43 to DSRT, the former Group Chief Executive Officer (GCEO) of IGB, in recognition and appreciation of his long service, dedication and contribution to the IGB Group.

7.0 Resolution 6: Re-appointment of Auditors

To re-appoint Messrs PricewaterhouseCoopers PLT (PwC) as the Auditors of IGB for financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.

8.0 Resolution 7: Authority to allot and issue Shares pursuant to sections 75 and 76 of the Companies Act 2016 (Share Issue Mandate)

"THAT the Directors be and are hereby empowered, pursuant to sections 75 and 76 of the Companies Act 2016 (CA2016), 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 interests of IGB and that such authority shall continue to be in force until IGB's AGM in 2024."

9.0 Resolution 8: Renewal of share buyback mandate (SBB Mandate)

"THAT authorisation be and is hereby conferred on the Directors to exercise all the powers of IGB to make market purchases of Shares at such price(s) as may be determined by the Directors from time to time, 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 issued Shares (excluding treasury 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 SBB Mandate, unless varied or revoked by IGB in a general meeting, shall continue for the period ending on the date of the AGM to be held in 2024;

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 CA2016, rules and regulations made pursuant thereto);

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of IGB to give effect to the transactions contemplated and/or authorised by this resolution."

10.0 Resolution 9: Renewal of recurrent related party transactions (RRPT Mandate)

"THAT authorisation be and is hereby accorded to IGB and its subsidiary companies (Group) to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions set out in Item 2.0 Part B of the Statement/Circular to Shareholders dated 28 April 2023 (Statement/Circular) with the Transacting Parties mentioned therein, provided that such transactions are entered into in the ordinary course of business of the Group and carried out on terms not more favourable to the Transacting Parties than those generally available to the public and not detrimental to the minority shareholders;

Notice of Annual General Meeting
(continued)

THAT the RRPT Mandate, unless varied or revoked by IGB in a general meeting, shall continue for the period ending on the date of the AGM to be held in 2024;

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of IGB to give effect to the transactions contemplated and/or authorised by this resolution."

11.0 Resolution 10: Proposed Bonus Issue of up to 452,713,712 new Shares (Bonus Shares)**, on the basis of 1 Bonus Share for every 2 existing Shares held on an entitlement date to be determined and announced later** (Proposed Bonus Issue)

"THAT subject to the approvals of all relevant regulatory authorities being obtained for the Proposed Bonus Issue, approval be and is hereby given to the Directors to allot and issue up to 452,713,712 Bonus Shares, to be credited as fully paid-up, on the basis of 1 Bonus Share for every 2 existing Shares held by the Shareholders whose names appear in the Record of Depositors of IGB as at the close of business at 5.00 p.m. on an entitlement date to be determined and announced by the Directors at a later date;

THAT the Bonus Shares shall be issued as fully paid Shares at nil consideration and without any capitalisation of IGB's reserves;

THAT any fractional entitlements that may arise from the Proposed Bonus Issue will be disregarded and dealt with in such manner as the Directors shall in their absolute discretion deem fit, expedient and in the best interest of IGB and its Shareholders;

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Shares;

AND THAT in order to implement, complete and give full effect to the Proposed Bonus Issue, the Directors be and are hereby empowered and authorised to do all such acts, deeds and things and to execute, sign and deliver on behalf of IGB, all such documents and enter into any arrangements, agreements and/or undertaking with any parties, as they may deem fit, necessary or expedient to implement, finalise and/or give full effect to the Proposed Bonus Issue (including without limitation, the affixation of IGB's common seal in accordance with IGB's Constitution) with full powers to assent to any term, condition, modification, variation and/or amendment as may be required by any relevant regulatory authority or as the Directors may deem necessary, expedient and/or appropriate in connection with the completion of the Proposed Bonus Issue and in the best interest of IGB."

By order of the Board

Tina Chan
MAICSA 7001659/SSM PC No. 201908000014
Group Company Secretary

Kuala Lumpur
28 April 2023

Explanatory Notes

This Explanatory Notes sets out further information regarding the proposed Resolutions to be considered by Shareholders at the 2023 AGM:

1. Financial Statements and Reports
There is no requirement for members to approve the Financial Statements and Reports. However, members will be given the opportunity to raise questions about, or make comments on, the reports and the management of IGB at the 2023 AGM.

2. Re-election of DSRT
Last year on 31 December 2022, DSRT had stepped down as GCEO of IGB, but remained as Non-Independent Non-Executive Director (NINED) of IGB (as announced on 25 November 2022).

Clause 84 of IGB's Constitution provides that one-third of the Directors shall vacate office (1/3-rotation rule) at every AGM. DSRT is obliged to retire pursuant to the 1/3-rotation rule and being eligible, he has consented to be re-elected as NINED of IGB.

3. Re-election of LCH
LCH is also obliged to retire pursuant to the 1/3-rotation rule and being eligible, he has consented to be re-elected as INED of IGB.

4. Re-election of TBL
TBL was appointed a Board member on 29 August 2022 and succeeded DSRT as GCEO on 1 January 2023. TBL is the former Deputy GCEO of IGB since June 2018 and previously alternate to DSRT.

Clause 90 of IGB's Constitution provides that newly appointed Directors shall hold office only until the next following AGM of IGB, and shall then be eligible for re-election (First-time re-election rule). TBL shall stand for re-election under the First-time re-election rule and being eligible, he has consented to be re-elected as Executive Director of IGB.

Notice of Annual General Meeting
(continued)

On items 2, 3 and 4 above, the Board in its meeting of 22 February 2023, having received a favourable report from the Nomination Committee (NC), and having done an assessment of the Directors seeking re-election at the 2023 AGM, inclusive of their professionalism, experience, competency, commitment, fitness and propriety and individual's contributions in performing their respective duties, concurred with NC that DSRT, TBL and LCH have continued to effectively discharge their roles diligently, and LCH satisfied the independence criterion given in the Main Market Listing Requirement (MMLR). Brief biographical details of each of the Directors standing for re-election are set out in the Annual Report 2022 (AR2022) in the section headed **Profile of Directors**.

5. NEDs' remuneration

Section 230(1) of CA2016 and paragraph 7.24 of the MMLR require that fees and any benefits payable to directors of a listed company be approved at a general meeting. Pursuant thereto, Shareholders' approval is sought for the payment of fees (in respect of FY2022) and meeting attendance allowances (in respect of year 2023 which is based on the number of scheduled meetings as well as the number of NEDs involved in these meetings) payable to NEDs. As there is no change to the prevalent fees and meeting attendance allowances, the Board is recommending an estimated total amount of RM859,500. The Board opined that the payments to NEDs are just and equitable taking into account their roles and responsibilities towards IGB.

Given the interests of NEDs in the remuneration, the NEDs will not vote on Resolution 4 at the 2023 AGM.

6. Gratuity payment to DSRT

DSRT, who has been on the Board of IGB Group since 1995, has held various leadership positions over the course of his 27-year career in the Group. He was GCEO of IGB from 30 March 2018 to 31 December 2022, and before that, had served as Group Managing Director (MD) of IGB Corporation Berhad from 30 May 2001 to 29 March 2018, and as Joint MD from 18 December 1995 to 29 May 2001. DSRT has been redesignated as NINED of IGB effective 1 January 2023.

The proposed gratuity payment of RM14,872,463.43 is a token of appreciation to DSRT for his long service, dedication and contribution to IGB Group.

The proposed gratuity payment is tabled for the approval of Shareholders in compliance with section 230(1) of the CA2016 and paragraph 7.24 of the MMLR.

Given the interests of DSRT in the gratuity payment, DSRT will not vote on Resolution 5 at the 2023 AGM.

7. Re-appointment of Auditors

In its meeting of 22 February 2023, the Audit Committee (AC) undertook the annual assessment of PwC, and being satisfied with their technical competency in terms of skills, execution of audit plan, reporting and overall performance, the AC/Board have recommended that PwC be reappointed until the conclusion of IGB's 2024 AGM.

8. Share Issue Mandate

The authority given to the Directors at the 2022 AGM will expire at the conclusion of 2023 AGM. Resolution 7 seeks to extend the Directors' 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.

9. SBB Mandate

The authority given to IGB at the 2022 AGM will expire at the conclusion of 2023 AGM. Resolution 8 seeks to enable IGB to make market purchases of its own 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 are set out in **Part A of the Statement/Circular**. If granted, the authority sought in Resolution 8 will be effective until the conclusion of IGB's 2024 AGM.

10. RRPT Mandate

The authority given to IGB at the 2022 AGM will expire at the conclusion of 2023 AGM. Resolution 9 seeks to enable IGB Group to enter into RRPT with the Transacting Parties during the mandate period, the details are set out in **Part B of the Statement/Circular**. If granted, the authority sought in Resolution 9 will be effective until the conclusion of IGB's 2024 AGM. The Interested Directors and their Persons Connected as indicated in Item 6.0 Part B of the Statement/Circular will not vote on Resolution 9.

11. Proposed Bonus Issue

Clause 125 of IGB's Constitution provides that the approval of Shareholders by an ordinary resolution in a general meeting is required for the allotment and issuance of Bonus Shares.

The Proposed Bonus Issue is to reward Shareholders for their continuous support, as well as to enhance the trading liquidity of Shares on the Main Market of Bursa Malaysia.

12. Voting procedures

For the purposes of this AGM Notice, the issued Shares (excluding treasury shares) of IGB on 31 March 2023, being the latest practicable date of the Statement/Circular was 900,197,593 ordinary shares and carrying one vote each with total voting rights of 900,197,593. For the Ordinary Resolutions to be passed, more than half of the votes cast must be in favour of the resolutions.

Notice of Annual General Meeting
(continued)

Conduct of 2023 AGM

1. There will be no physical meeting where members can attend. The Broadcast Venue at Matahari 3 & 4, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur is to facilitate the conduct of the virtual 2023 AGM.

2. Members will be able to attend 2023 AGM by joining the online platform: **https://tiih.online**. The procedures to register, participate at the 2023 AGM are set out in the Virtual Meeting Guide which is attached to the AGM Notice.

3. Members may submit questions prior to the 2023 AGM, through **investorrelations@igbbhd.com** before 22 May 2023. IGB will address the question to the extent appropriate in view of the orderly conduct of the 2023 AGM. The relevant questions-and-answers will be published on IGB's website **www.igbbhd.com** after the 2023 AGM.

4. No recording or photography of the 2023 AGM proceedings is allowed without prior written consent of IGB.

Online registration and voting

1. Members at the close of business on 22 May 2023 (Record Date) may participate and vote at the 2023 AGM or appoint proxy(ies)/ corporate representatives to participate and vote on his/her/their behalf.

2. A member is entitled to appoint up to 2 persons as proxies to attend the 2023 AGM and vote on a poll. A proxy need not be a member of IGB.

3. A member, who is an authorised nominee, may appoint not more than 2 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.

4. Where a member appoints 2 proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.

5. Proxy Form (and any power of attorney under which it is signed) may be sent 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 TIIH portal at **https://tiih.online** by 2.30 p.m. on Saturday, 27 May 2023. Proxy Forms received later than this time will be invalid.

6. Members may contact TIIH at 603-2783 9299 or email to **is.enquiry@my.tricorglobal.com** if they have questions or require assistance on e-proxy submission and the process to register, participate and vote at the 2023 AGM, or encounter any log-in difficulties.

7. The AGM Notice, AR2022 and Statement/Circular (AGM Documents) can be accessed online on IGB's website: **www.igbbhd.com**. Members may request a printed copy of the AGM Documents by sending an email to **corporate-enquiry@igbbhd.com**. Printed copies will be provided without charge.

Virtual Meeting Guide

(1) Virtual AGM

In the endemic stage of Covid-19 where safety precautions remain, the Board will hold the 2023 AGM as a virtual (online) meeting, the same manner as the 2022 AGM.

There will be no physical meeting where members can attend. The Broadcast Venue is to facilitate the conduct of the virtual 2023 AGM. Members can attend the virtual 2023 AGM by joining the online platform: **https://tiih.online**.

Members may submit questions prior to the 2023 AGM, through **investorrelations@igbbhd.com** before 22 May 2023. IGB will address the questions to the extent appropriate in view of the orderly conduct of the 2023 AGM. The relevant questions-and-answers will be published on IGB's website **www.igbbhd.com** after the 2023 AGM.

The Board look forward to members participation at the 2023 AGM.

(2) Instructions for Remote Participation and Voting (RPV)

Procedure		Action
BEFORE IGB 2023 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 email on the approval/rejection of your user registration.
(b)	Submit your request to attend 2023 AGM	▪ Registration is open from 2.30 p.m. on Friday, 28 April 2023 **until the day of AGM Monday, 29 May 2023**. ▪ Login with your user ID and password and select the corporate event: **"(REGISTRATION) IGB BERHAD 2023 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 email notifying your registration for remote participation is received and to be verified. ▪ After verification of your registration against the Record of Depositors as at 22 May 2023, the system will send you an email, approving or rejecting your registration for remote participation.
IGB 2023 AGM DAY		
(c)	Login to TIIH Online	▪ Login with your user ID and password for remote participation at the 2023 AGM from 2.10 p.m. i.e., 20 minutes before the commencement of 2023 AGM at 2.30 p.m. on Monday, 29 May 2023.
(d)	Participate through Live Streaming	▪ Select the corporate event: **"(LIVE STREAMING MEETING) IGB BERHAD 2023 AGM"** to engage in the 2023 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 2023 AGM) submitted by remote participants during the 2023 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 2023 AGM"**. ▪ Read and agree to the Terms and Conditions and confirm the Declaration. ▪ Voting session commences from 2.30 p.m. on Monday, 29 May 2023 until a time when the Chair announces the completion of the voting session of the 2023 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.
(f)	End of RPV	▪ Upon the announcement by the Chair on the closure of 2023 AGM, the Live Streaming will end.

Virtual Meeting Guide
(continued)

(3) e-Proxy Submission

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., email address) and password. ▪ Select the corporate event: **"IGB BERHAD 2023 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 email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email 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., email address) and password. ▪ Select the corporate exercise name: **"IGB BERHAD 2023 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

(i) Please call TIIH's Help Lines at 011-40805616/ 3168/ 3169/ 3170 or email to **tiih.online@my.tricorglobal.com** for assistance if you encounter problems with the RPV at the 2023 AGM.

(ii) 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)

PROXY FORM

CDS Account No.	
No. of Shares Held	

*I/We (full name as per NRIC no./Certificate of Incorporation) ______________________________

NRIC no./Company no. ______________________ of (full address) ______________________________

____

being a Member of IGB and entitled to attend and vote 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 Chairman of the 2023 AGM as my/our proxy to act as my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the 2023 AGM to be held at 2.30 p.m. on Monday, 29 May 2023.

VOTING DIRECTIONS					
		First Proxy		**Second Proxy**	
	Ordinary Resolution	**For***	**Against***	**For***	**Against***
1.	Re-election of Dato' Seri Robert Tan Chung Meng				
2.	Re-election of Lee Chaing Huat				
3.	Re-election of Tan Boon Lee				
4.	Non-Executive Directors' remuneration				
5.	Gratuity payment to Dato' Seri Robert Tan Chung Meng				
6.	Re-appointment of PricewaterhouseCoopers PLT as Auditors				
7.	Share Issue Mandate				
8.	SBB Mandate				
9.	RRPT Mandate				
10.	Proposed Bonus Issue				

* *Please only mark either "For" or "Against" for each item. If no direction is given on all of the items, or if you complete both "For" or "Against" your vote may be passed to the Chairman of the 2023 AGM as your proxy.*

Dated this ________ day of ____________________ 2023

____
Signature/Common Seal of Shareholder

Notes:

1. Members at the close of business on 22 May 2023 (Record Date) may participate and vote at the 2023 AGM or appoint proxy(ies)/corporate representatives to participate and vote on his/her/their behalf.
2. A member is entitled to appoint up to 2 persons as proxies to attend the 2023 AGM and vote on a poll. A proxy need not be a member of IGB.
3. A member, who is an authorised nominee, may appoint not more than 2 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.
4. Where a member appoints 2 proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.
5. Proxy Form (and any power of attorney under which it is signed) may be sent 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 TIIH portal at **https://tiih.online** before 2.30 p.m. on Saturday, 27 May 2023. Proxy Forms received later than this time will be invalid.
6. Members may contact TIIH at 603-2783 9299 or email to **is.enquiry@my.tricorglobal.com** if they have questions or require assistance on e-proxy submission and the process to register, participate and vote at the 2023 AGM, or encounter any log-in difficulties.
7. The AGM Notice, Annual Report 2022 and Statement/Circular can be accessed online on IGB's website: **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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IGB BERHAD
200001013196 (515802-U)

ANNUAL REPORT 2022 REQUEST FORM

Please select the document(s) you would like to receive by ticking (✓) within the box provided:

☐ Annual Report 2022

☐ Statement/Circular

For further information, you may contact Ms. Tan Lay Ling at 03-22898821 or Ms. Anita Kumary at 03-22898823.

Name of Shareholder : ____________________

NRIC/Company No. : ____________________

Mailing Address : ____________________

____

Email Address : ____________________

Contact Number : ____________________

Signature : ____________________

Date : ____________________

Fold this flap for sealing

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www.igbbhd.com

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