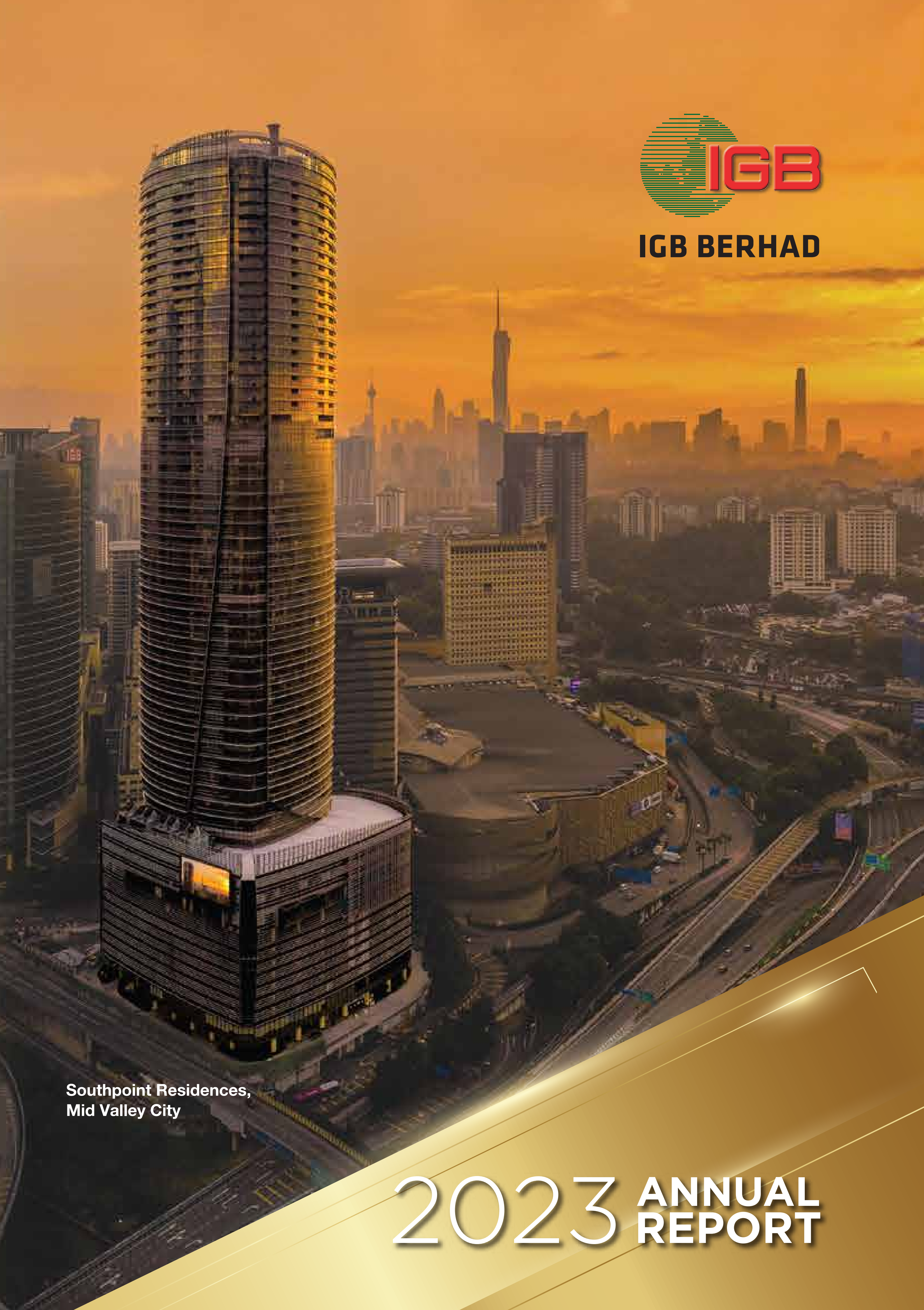
IGB BERHAD



Southpoint Residences,
Mid Valley City

2023 ANNUAL REPORT

2024
ANNUAL GENERAL MEETING

Day and Date

Tuesday
28 May 2024

Time

2.30 pm

Online Meeting Platform

https://tiih.online

QR Code for
2023 Annual Report

CONTENT

ABOUT THIS REPORT

INTRODUCTION

Listed on the Main Board of Bursa Malaysia Securities (Bursa), IGB Berhad group of companies (IGB or the Group) is a prominent Malaysian property company that boasts a diversified portfolio spanning all areas of the property industry. IGB's legacy is built on its deep commitment for creating spaces that enable communities to thrive and grow in harmony with the environment.

IGB's reach spans across Asia, Australia, The United States and the United Kingdom through a core focus in the property industry, encompassing retail, commercial, residential, construction and hospitality, alongside strategic investments in education, assisted living, co-living and water treatment markets.

With a vision of 'Creating and Managing Spaces that Work Now and The Future' and core values of Integrity, Innovation, Quality and Sustainability, IGB's developments have achieved many firsts, become iconic landmarks, and enriched the lives of countless individuals.

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.

REPORTING PERIOD

IGB's 2023 Annual Report covers the reporting period from 1 January to 31 December 2023 unless stated otherwise.

REPORTING FRAMEWORKS AND STANDARDS

This annual report has been developed according to the regulations and rules set forth by the regulatory bodies:

- Bursa Malaysia Corporate Governance Guide (4th Edition)
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance ("MCCG") 2021 issued by Securities Commission Malaysia ("SC")
- Main Market Listing Requirements ("MMLR") issued by Bursa
- United Nations Sustainable Development Goals ("SDGs")
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")
- Companies Act 2016

ASSURANCE

All data contained within this annual report has been sourced internally and has been verified by the respective business units or information owners. PricewaterhouseCoopers PLT is the statutory auditor appointed to audit IGB's financial statements for the financial year ended 31 December 2023. The audit was limited to the financial statements on pages 120 to 228 of this annual report.

MATERIALITY

Information disclosed in this annual report is relevant to our material matters, which have been determined by extensive stakeholder engagement, as well as internal evaluation. These material matters reflect existing and emerging risks and opportunities, which could affect our ability to create value for the organisation and stakeholders.

FORWARD LOOKING STATEMENT

This annual report contains a range of forward-looking statements in relation to our plans, objectives, goals, strategies, future operations and performance of the Group. Such statements are premised on forecast and present market conditions, which could change, and are not intended to guarantee future operating, financial or other results involving uncertainty. Shareholders are advised not to place undue reliance on such statements as our businesses are subject to risks and uncertainties beyond our control.

NAVIGATION ICONS

6 Capitals

Financial · Manufactured · Intellectual · Human · Social · Natural

Material Matters

- Health, Safety & Security
- Customer Satisfaction
- Economic Performance
- Human Capital Management
- Data Privacy & Security
- Corporate Governance
- Climate Change
- Diversity, Equity & Inclusion
- Water Management
- Community/ Society
- Waste Management
- Supply Chain Management

United Nations Sustainable Development Goals Adopted

- 03 GOOD HEALTH & WELL-BEING
- 05 GENDER EQUALITY
- 06 CLEAN WATER AND SANITATION
- 08 DECENT WORK AND ECONOMIC GROWTH
- 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 16 PEACE, JUSTICE AND STRONG INSTITUTION

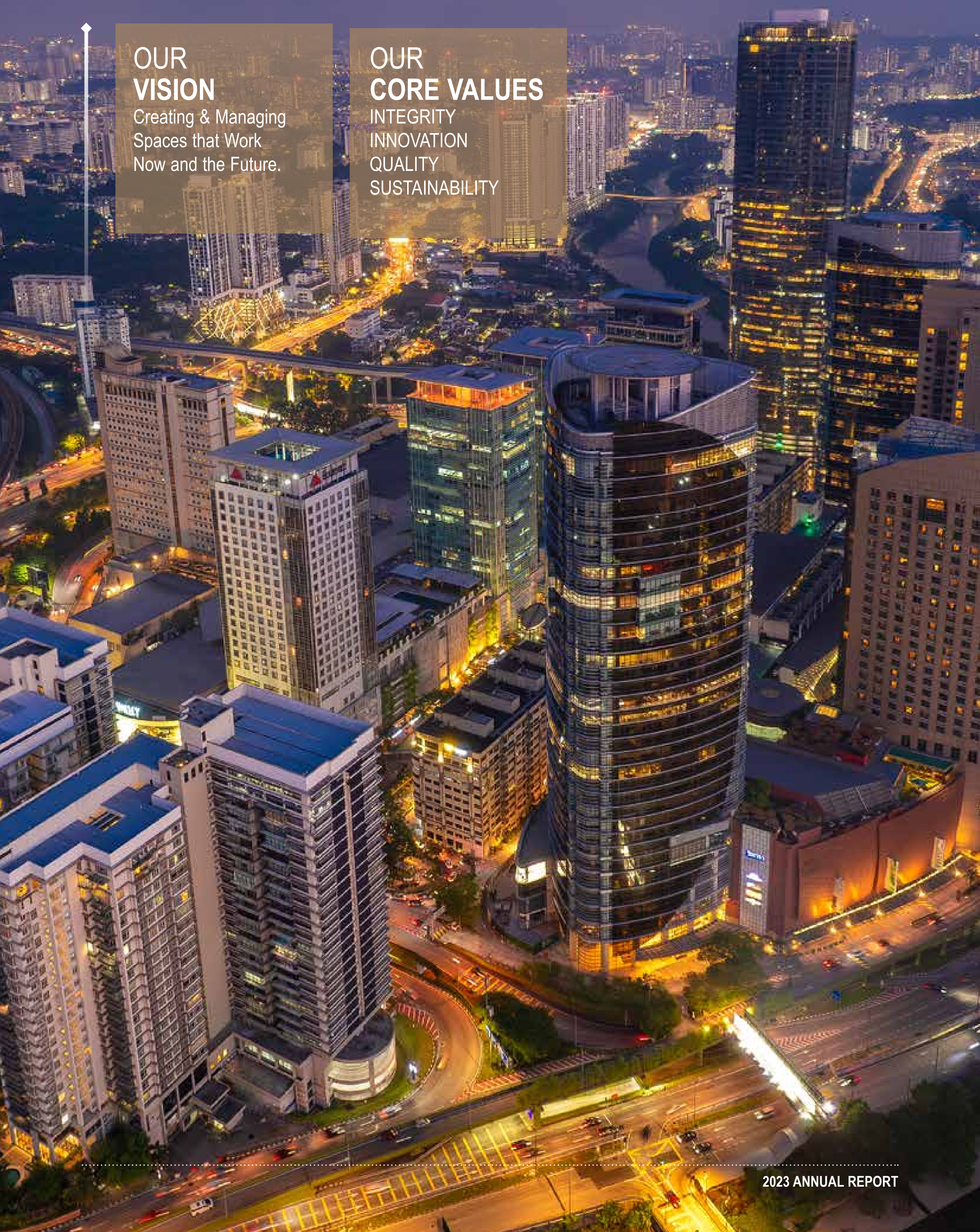
VISION AND CORE VALUES

OUR VISION

Creating & Managing Spaces that Work Now and the Future.

OUR CORE VALUES

INTEGRITY
INNOVATION
QUALITY
SUSTAINABILITY



KEY MILESTONES

1964	Ipoh Garden Berhad incorporated
1964-1993	Ipoh Garden township
1971	Tan & Tan Developments Berhad ("TTDB") incorporated
1979	Malaysia's first high end lifestyle condominium, Desa Kudalari
1981	IGB Corporation Berhad ("IGBC") listed on Bursa Malaysia Securities Berhad ("Bursa")
1984-1986	Restoration of Queen Victoria Building, Sydney
1988	Malaysia's first hotel apartment, MiCasa All Suite Hotel
1993	Malaysia's first gated community, Sierramas
1996	Renaissance Hotel completed
	Gleneagles Hospital completed
1999	Mid Valley Megamall ("MVM") completed
2000	Dimensi Subuh Sdn Bhd was incorporated
	Converted to a public limited company
2001	Dimensi Subuh Sdn Bhd was renamed Gold IS Berhad
2002	TTDB and IGBC merged
	Gold IS Berhad assume the listing status of TTDB
2005	Gold IS Berhad was renamed to Goldis Berhad
2007	The Gardens Mall ("TGM") completed
2010	GTower, first green certified building was completed
2012	Listing of IGB REIT
2014	Launch of IGB International School
	Goldis Berhad made a voluntary general offer for the remaining shares of IGBC
2018	Goldis Berhad completed the acquisition of IGBC's remaining shares resulting in 100% ownership. The company changed its name to IGB Berhad
2019	Launch of The Mall, Mid Valley Southkey ("MVS")
	Launch of the first co-living space in Malaysia
2021	Listing of IGB Commercial REIT

BUSINESS DIVISIONS

Retail

Malls

Crafting exceptional retail experiences for our community.

The Group's retail business is a market leader in Malaysia. It consists of three iconic malls.

MVM opened its doors in 1999 and made history by being the first large-scale shopping mall in Malaysia and the region.

TGM opened its door in 2007 and complimented MVM as a premium high-end mall.

IGB REIT was established on 25 July 2012 and listed on the Main Board of Bursa on 21 September 2012. IGB REIT owns MVM and TGM.

MVS was completed in 2019. It is the first megamall in Johor.

Commercial

Offices
Mixed-used Developments

Building communities and exploring new ways to enhance office spaces.

The Group manages 12 commercial properties across Mid Valley City, Kuala Lumpur and Johor Bahru.

IGB Commercial REIT ("IGBCR") was listed on the Main Board of Bursa on 20 September 2021.

10 properties are held in IGBCR, the largest standalone office REIT in Malaysia, encompassing 7 properties in the prime location of Mid Valley City and 3 properties in Kuala Lumpur's Golden Triangle.

The remaining 3 are properties held through subsidiaries of the Group and located in Kuala Lumpur and Johor Bahru.

Residential

Landed and Townships
Apartments and Condominiums

A pioneer in the industry with a proven track record in high-rise, gated and landed residential properties.

The Group's achievements include many firsts in Malaysia:

- First high-end lifestyle condominium, Desa Kudalari
- First hotel apartment, MiCasa All Suite Hotel
- First gated community, Sierramas

Other noteworthy properties:

- U-Thant Residence
- Hampshire Residences and Offices
- Stonor 3 KLCC
- Seri Maya
- Southpoint Residences

BUSINESS DIVISIONS
(continued)

Hospitality

3-Star, 4-Star, 5-Star
Service Apartments

Creating exceptional value and convenience.

The Group's hospitality business spread across Asia, Australia, The United States and United Kingdom.

The St Giles and Cititel brands have a long-standing reputation for providing guests with high quality services, exceptional value, and unrivalled convenience. The hotels play a key role in supporting the tourism industry of their host countries.

Construction

Design and
Build Capabilities

Ensignia Construction Sdn Bhd has a wide range of capabilities in building, civil engineering and planning, as well as a deep understanding of the complexities and challenges of the construction landscape.

Among the most notable construction projects:

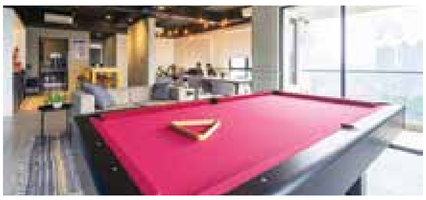
- The Gardens integrated development comprising residential, offices and retail
- U-Thant Residences
- Northpoint Apartments and Office Suites
- Designed and constructed the St Giles hotels

Other Investments

China Water Group
The China Water Group is involved in the treatment of waste water, providing clean, high-quality water in their respective industrial parks. It consists of 2 waste water treatment plants in the city of Yantai and Zoucheng. Both cities are located in Shandong province, China.

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

ReU Living @ MiCasa
ReU Living specialises in convalescent / post-hospitalisation care with its state-of-the-art facilities for those undergoing rehabilitation. Its services are supported by the 5-Star MiCasa All Suite Hotel, as well as a wide network of medical specialist, counsellors and more.



Coliv @ Damai Residence
Coliv @Damai Residence stands as a beacon of innovation in the realm of co-living. Launched in 2019, this distinctive residence has emerged as a pioneer in the industry. It is a hub for connections, collaboration, co-working and co-living.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

Tan Boon Lee
Executive Director/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

Lee Chaing Huat
Senior Independent Non-Executive Director

Dato' Dr. Zaha Rina binti Zahari
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

GROUP COMPANY SECRETARY

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

REGISTERED OFFICE

Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Telephone : 603-2289 8989
Telefax : 603-2289 8802
E-mail : corporate-enquiry@igbbhd.com
Web : www.igbbhd.com

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Telephone : 603-2783 9299
Telefax : 603-2783 9222
E-mail : is.enquiry@my.tricorglobal.com
Web : www.tricorglobal.com

AUDITOR

PricewaterhouseCoopers PLT
LLP0014401-LCA & AF 1146
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
Telephone : 603-2173 1188
Telefax : 603-2173 1288
E-mail : my_info@pwc.com
Web : www.pwc.com/my

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities
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

GROUP CORPORATE STRUCTURE

IGB BERHAD

RETAIL

53.7% → **IGB Real Estate Investment Trust ^**
- *Mid Valley Megamall*
- *The Gardens Mall*

100% →
- MVEC Exhibition & Event Services Sdn Bhd *(Mid Valley Exhibition Center)*
- Future Pinnacle Sdn Bhd *(MiCasa Shoppes)*
- Mid Valley City Developments Sdn Bhd
- G Village Retail Sdn Bhd

70% →
- Southkey Megamall Sdn Bhd *(The Mall, Mid Valley Southkey)*

50% →
- Permata Alasan (M) Sdn Bhd* *(The Grange @ Ampwalk)*

COMMERCIAL

53% → **IGB Commercial Real Estate Investment Trust ^**
- *Menara IGB & IGB Annexe*
- *Centrepoint South*
- *Centrepoint North*
- *Boulevard Offices & Retail*
- *The Gardens South Tower*
- *The Gardens North Tower*
- *Southpoint Offices & Retail*
- *Menara Tan & Tan*
- *GTower*
- *Hampshire Place Office*

100% →
- MVS North Tower Sdn Bhd *(Mid Valley Southkey North Tower)*
- MVS South Tower Sdn Bhd *(Mid Valley Southkey South Tower-under construction)*
- IGB Corporation Berhad *(Plaza Permata)*

HOSPITALITY

100% →
- Mid Valley City Enterprise Sdn Bhd *(St Giles Boulevard)*
- Salient Glory City Sdn Bhd *(The Wembley & Cititel Express Penang)*
- Mid Valley City Hotels Sdn Bhd *(The Gardens Hotel & Residences)*
- TTD Sdn Bhd *(MiCasa All Suite Hotel)*
- Tank Stream Holdings Pty Ltd *(The Tank Stream, Sydney)*
- MVS Northpoint Hotel Sdn Bhd *(St Giles Southkey)*
- Tanah Permata Sdn Bhd *(Cititel Mid Valley)*
- Rapid Alpha Sdn Bhd *(Cititel Express Ipoh)*
- Lagenda Sutera (M) Sdn Bhd *(Cititel Express Kota Kinabalu)*

60% →
- Cititel Hotel Management Sdn Bhd

49.5% →
- Ravencroft Investment Incorporated*
- St Giles Hotel Limited* *(St Giles London)*
- St Giles Hotel (Manila), Inc.* *(St Giles Manila)*
- St Giles Hotel, LLC*

49.6% →
- New Commercial Investments Limited*
- St Giles Hotel (Heathrow) Limited* *(St Giles Heathrow)*

PROPERTY DEVELOPMENT and CONSTRUCTION

100% →
- IGB Corporation Berhad
- Tan & Tan Developments Berhad
- Ensignia Construction Sdn Bhd
- Mid Valley City Southpoint Sdn Bhd *(Southpoint Residences)*

70% →
- Cipta Klasik (M) Sdn Bhd *(Stonor 3)*

50% →
- Kundang Properties Sdn Bhd* *(D'Laman Kundang)*

OTHERS

100% → **Wastewater Treatment**
- Goldchina Sdn Bhd *(and its subsidiaries)*
- Goldis Water Sdn Bhd *(and its subsidiaries)*

100% → **REIT Management**
- IGB REIT Management Sdn Bhd *(Manager of IGB REIT and IGBCR)*

100% → **Management Services/Service Provider**
- Mid Valley City Sdn Bhd
- Mid Valley City Gardens Sdn Bhd
- IGB Property Management Sdn Bhd
- Kondoservis Management Sdn Bhd

100% → **Co-living**
- Millenium Living Sdn Bhd *(Coliv)*

100% → **Selling and Distribution of Utilities**
- Mid Valley City Energy Sdn Bhd

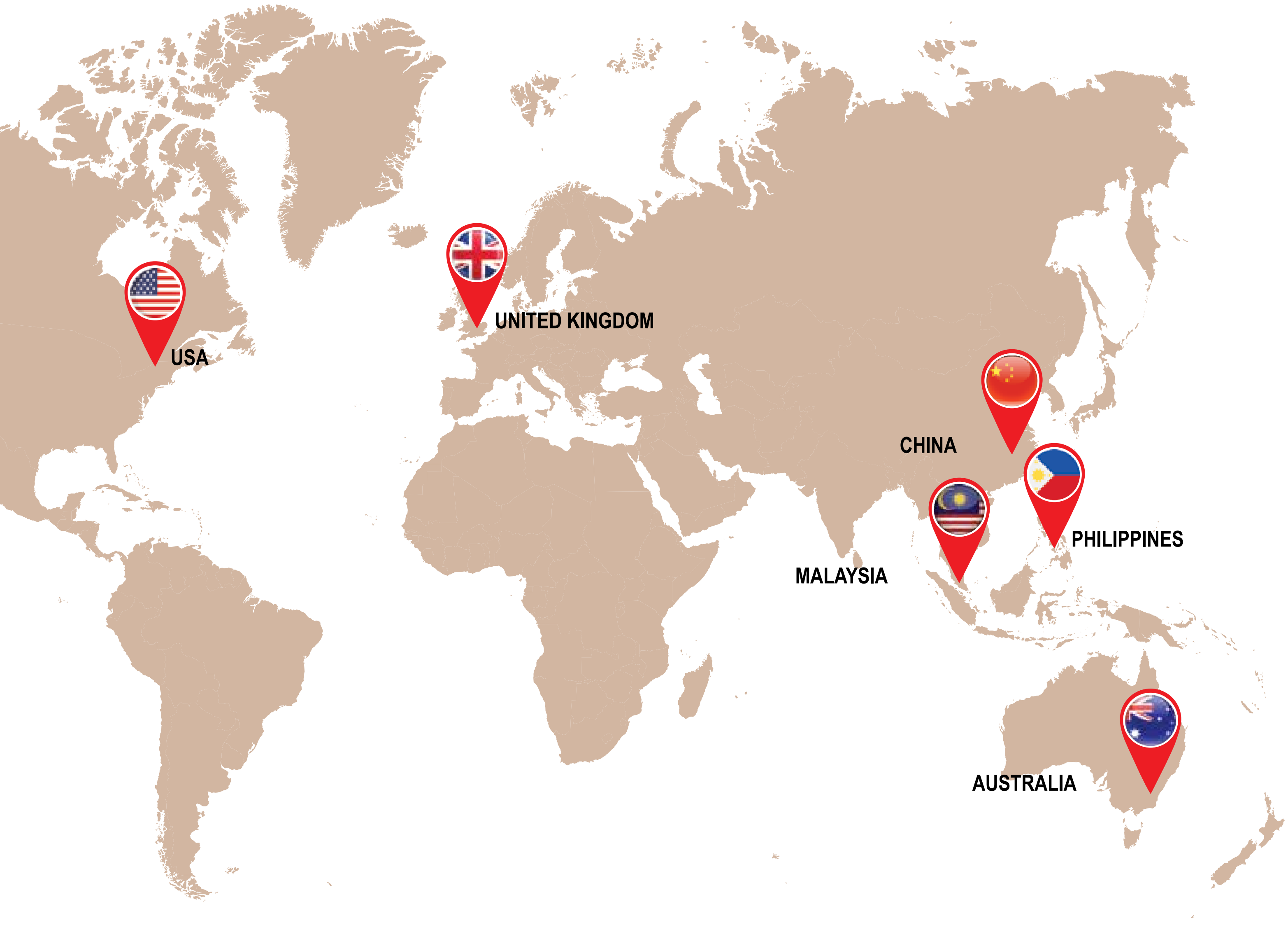
65% → **Assisted living**
- REU Living Sdn Bhd

60% → **Education**
- Detik Harapan Sdn Bhd *(IGB International School)*

^ Public listed company   * Joint venture/ Associated companies

* Holdings represent the Group's effective interest as at 31 December 2023. For further details on the full list of subsidiaries, joint ventures and associates, please refer to the notes to the financial statements.
* The group corporate structure excludes dormant companies or those without major operations.

GLOBAL FOOTPRINT



MALAYSIA
Retail
Hotel
Commercial
Residential
Others

PHILIPPINES
Hotel

CHINA
Water Treatment

AUSTRALIA
Hotel

UNITED KINGDOM
Hotel

USA
Hotel

AWARDS AND RECOGNITION

IGB Berhad ("IGB") received the following awards & recognition:

- IGB ranked 10th place in the Top-of-the-Chart Awards under the Top 10 for Market Capitalisation of RM1billion and above category at the Malaysian Developer Awards 2023
- IGB was a recipient of The EDGE Top Property Developers Awards 2023

Tan Boon Lee, Group CEO of IGB Berhad, receiving the Top-of-the-Chart Awards under the Top 10 for Market Capitalisation of RM1billion and above category at the Malaysian Developer Awards 2023

The EDGE Top Property Developers Awards 2023

IGB REIT received the following awards & recognition:

- Persatuan Pengurusan Kompleks Malaysia ("PPKM") Award for Best Experiential Marketing 2022-2023: TGM received the Gold award for its "A Gilded Christmas at The Gardens Mall" campaign
- The EDGE Billion Ringgit Club: Highest Return on Equity Over Three Years
- The EDGE Billion Ringgit Club: Highest Returns to Shareholders Over Three Years

TGM Team receiving the Gold Award for its "A Gilded Christmas at The Gardens Mall" campaign

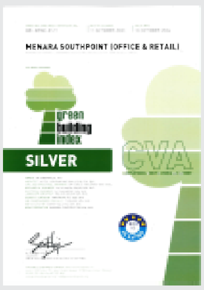
The EDGE Billion Ringgit Club: Highest Returns to Shareholders Over Three Years

The EDGE Billion Ringgit Club: Highest Return on Equity Over Three Years

IGB Commercial REIT ("IGBCR") received the following awards and recognition:

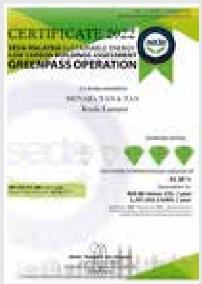
- GTower received the GreenRE (Gold) Commercial Category Award from Kuala Lumpur City Hall this year in recognition of the substantial impact on the greener built environment it has had on Malaysia over the last decade.
- Southpoint Offices & Retail achieved the Green Building Index ("GBI") Silver Certification, further highlighting our dedication to environmentally conscious practices.
- Menara Tan & Tan received a Greenpass Operation certification in 2023, for achieving a substantial 41.38% emissions reduction equivalent to 969.8 tonnes of CO2 annually.

Article in IGBCR's Quarterly Tenant's Newsletter - "Community Circles", celebrating GTower receiving the GreenRE (Gold) Commercial Category Award



Green Building Index Silver Certification for Menara Southpoint (Office & Retail)

Greenpass Operation Certificate for Menara Tan & Tan



AWARDS AND RECOGNITION
(continued)

Tan & Tan Developments Berhad ("Tan & Tan") received the following awards and recognition:

- Stonor 3, a development by Tan & Tan was awarded the Green Building Gold Award by DBKL (Kuala Lumpur City Hall)
- Tan & Tan won the Joint Development Award at the Malaysia Developer Awards 2023 for Stonor 3

▲ *Tan Yee Seng, CEO of Tan & Tan Developments Berhad, receiving the Green Building Gold Award by DBKL (Kuala Lumpur City Hall)*

Tan Yee Seng, CEO of Tan & Tan Developments Berhad, receiving the Joint Development Award at the Malaysia Developer Awards 2023 for Stonor 3 ▼

ReU Living Sdn Bhd ("ReU") received the following awards and recognition:

- Anna Chew, CEO of ReU, received the Global Ageing Trailblazer Award
- ReU won the Operator of the Year Award – Assisted Living at the 11th Asia Pacific Eldercare Innovation Awards 2023

◄ *Anna Chew, CEO of ReU, receiving the Global Ageing Trailblazer Award*

IGB's hospitality business received the following awards and recognition:

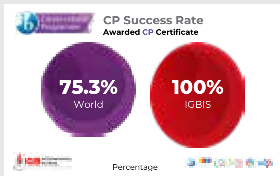
- St Giles Southkey in Johor Bahru, Malaysia, received the Rising Star Award 2023 by Trip.com (OTA)
- Cititel Hotel Management was awarded the Top Supporter Hotel Group by Tiket.com (OTA)

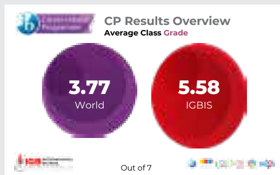
▲ *Trip.com's Rising Star Award 2023 for St Giles Southkey, Johor Bahru*

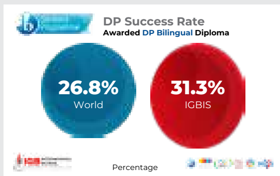
Cititel Hotel Management's Tiket.com Award ▲

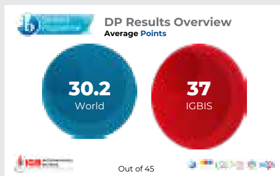
IGB International School ("IGBIS") achieved the following:

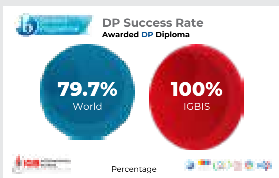
- IGBIS is the only school in Malaysia authorised to offer the full continuum of International Baccalaureate ("IB") programmes (the Primary Years Programme, the Middle Years Programme, the Diploma Programme, and the Career-related Programme)
- IGBIS was fully re-accredited by the Council of International Schools ("CIS") and the New England Association of Schools and Colleges ("NEASC") in 2023
- Achieved outstanding Diploma Programme and Career-related Programme results in 2023











BUSINESS EVENTS AND HIGHLIGHTS

RETAIL

IGB REIT:

The Gardens Mall ("TGM") celebrated its 16th anniversary in 2023, running several campaigns under the Sweet 16 umbrella, including:

- Sweet 16 Treats: a collaboration with selected food and beverage tenants.
- Sweet 16 Swag: a gift-with-purchase ("GWP") campaign. Visitors could also participate in a social media photo contest and win prizes.
- Sweet 16 Celebration: this included a private media event and a GWP campaign. Participants of the GWP campaign also stood a chance to win one of 16 grand prizes at a draw held during TGM's Sweet 16 Birthday Bash.
- Sweet 16 Birthday Bash: this included elaborate decorations and on-ground celebrations which shoppers could participate in. 16 lucky shoppers who participated in the Sweet 16 Celebration GWP campaign and won prizes at a draw held during the Sweet 16 Birthday Bash.

Lucky Shoppers who won prizes at a draw held during the Sweet 16 Birthday Bash

Performers at the Sweet 16 Celebrations

Media appreciation event in conjunction with TGM's Sweet 16 Celebrations

Mid Valley Megamall ("MVM") and The Mall, Mid Valley Southkey ("MVS"), ran 7 campaigns in 2023: Chinese New Year, Hari Raya, Oh So Sweet, Mid-Autumn Festival, Take a Break, Deepavali, and Christmas.

Shoppers participating in the Hari Raya Celebrations at MVS

Performers at the Mid-Autumn Festival Celebrations at MVS

Shoppers during the Oh So Sweet Campaign at MVS

Hari Raya Celebrations at MVM

Shoppers participating in MVM's Take a Break Campaign

BUSINESS EVENTS AND HIGHLIGHTS
(continued)

COMMERCIAL

IGB Commercial REIT ("IGBCR"):

- **Growth in Tenancies**: Total new tenancies increased from 269,000 sf in 2022, to 303,000 sf in 2023. Active tenant engagement has resulted in a good tenancy renewal rate of 75%.
- **Tenant Engagement**: Tenant engagement events organised throughout the year received a good response. Events including corporate social responsibility ("CSR") activities, a networking event, and a fitness event for fitness enthusiasts and wellness seekers, were held in the year.
- **Asset Enhancement Initiatives (AEI)**: AEIs were undertaken across our buildings to enhance our efficiency, accessibility, and environment, to ensure our properties remain relevant, comfortable and safe for everyone who enters our buildings.


The IGBCR teams donating necessities to select charities in 2023

Enhancement of lift interiors at Menara Tan & Tan

RESIDENTIAL

Tan & Tan Developments Berhad ("Tan & Tan"):

- Reviewed priorities and aligned our growth strategies.
- Pivoit to capture strategic opportunities including industrial sector.
- Rebalancing landbank to reflect the shifts in priorities.
- Expanded our marketing efforts to help grow our database and allow for better engagement going forward.

EDUCATION

IGB International School (IGBIS):

- Increase in enrolment numbers after 4 years of negligible growth
- Embarked on the creation of a 3-year strategic plan to be finalised by June 2024
- Installed solar panels on the roof of the school as part of its commitment to sustainable practices
- Organised community building events including: the annual IGBIS International Day 2023 and the Winter Carnival 2023
- Organised Open Days to provide potential families an opportunity to learn more about what IGBIS has to offer

Online	3
In School	8
Desa ParkCity Kindergarten	1

HOSPITALITY

Malaysia

Migrated our property management System ("PMS") from an "on-premise" operating and storage system to a "cloud-based" system which offers greater flexibility, reliability, and security for the storage of our hotel's data and guest profiles.

Makati, Philippines

- Saw an increase in Gross Operating Revenue ("GOR") in 2023 of 39.6% from the GOR recorded in 2022.
- Occupancy in the year also increased from 38.2% in 2022 to 49.1% in 2023.

Australia

Appointed EVT Hotels & Resorts to manage the St Giles Tank Stream Hotel. After a staged refurbishment, it will be rebranded as Rydges Australia Square.

United Kingdom

Our hotels in the UK performed exceptionally well this year, exceeding both annual performance targets and performance achieved in 2022.

ASSISTED LIVING

ReU Living

- Partnered with Thomson TCM, adding to our suite of services. The partnership has allowed us to provide holistic healing alternatives to our clients.
- Focussed on our high service standards, luxury living environment, and ability to provide customised care. We also have our intellectual property for care management which includes call detection and emergency beacons.

APPROACH TO VALUE CREATION

1 STRATEGIC PRIORITIES & GOALS

- Deliver exceptional and sustainable value to stakeholders.
- Execute value accreting strategies across the portfolio.
- Diversify into high-growth and future-oriented markets.

2 BUSINESS STRENGTHS

- Deep industry expertise and experience.
- Strong and sustainable financials.
- Strategic and high quality assets.
- Diversified and resilient portfolio.
- Strong corporate governance.
- Talented workforce.

3 INPUTS by Capitals

Financial

- Total Assets: RM8.7 billion
- Total Liabilities: RM4.5 billion
- Total Equity: RM4.2 billion

Manufactured

- 2 integrated developments:
  > Mid Valley City, Kuala Lumpur
  > Southkey, Johor Bahru
- Retail malls, commercial offices, hotels, residential buildings, water-treatment plants and a school.

Human

- Total employees: 2,105
- Employee turnover: 21.81%

Natural

- Electricity consumption: 163,593 MWh
- Water consumption: 2,070,000 m^3

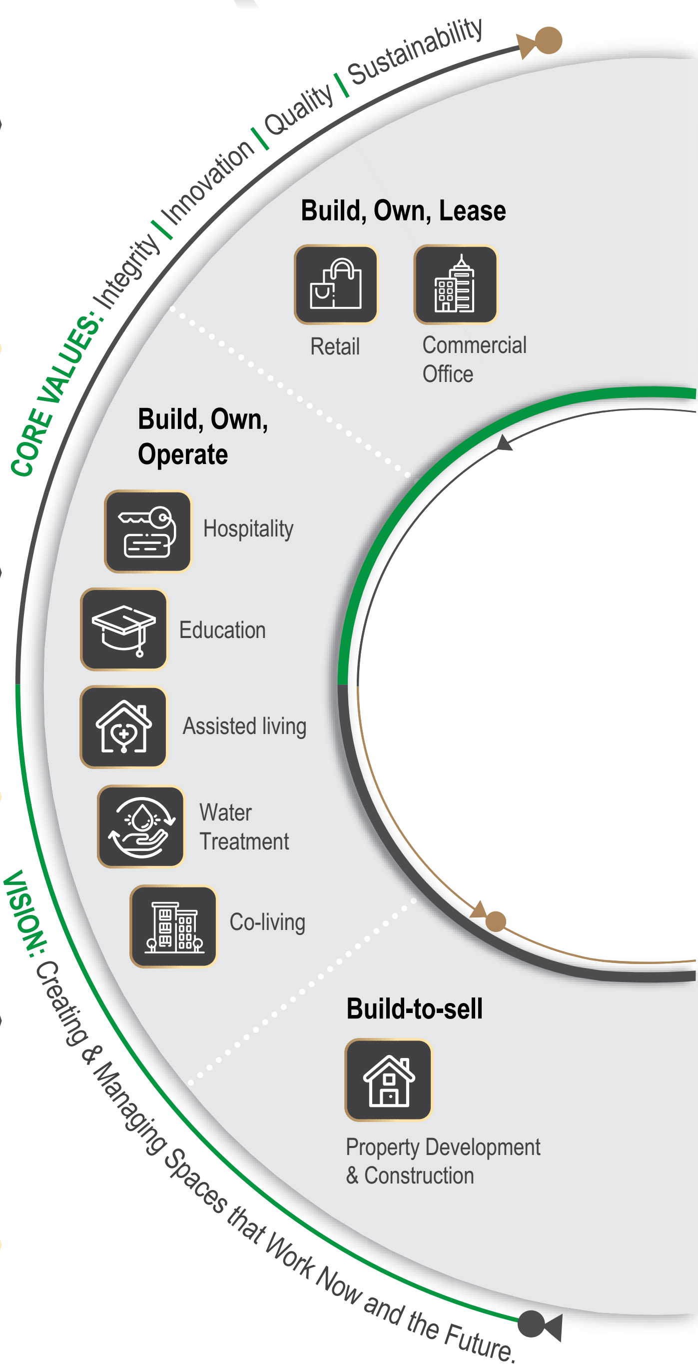
Social and Relationship

- 39 community initiatives.
- RM1.3 million contributed towards community investment.
- Regular stakeholder engagement.
- Creating sustainable business opportunities with local suppliers.

Intellectual

- Data and Cybersecurity Policies.
- Digitalisation.
- Analytics.

4 OUR BUSINESS MODEL & ACTIVITIES



APPROACH TO VALUE CREATION

(continued)

5 OUTPUTS by Capitals	6 OUTCOMES	7 TRADE-OFFS
Financial • Revenue: **RM1,597 billion** • PBT: **RM614 million** • Earnings per share: **23.11 sen**	• Continue to offer a strong value proposition through continual review of business plans, sales performance and initiatives that support our recurring income business. • Maintained a healthy balance sheet through effective capital, cashflow and cost management for shareholders.	Our financial resources fuel our growth, mitigate risks, and strengthen other capitals. Utilising financial capital for capital expenditure and investments allows for positive impact on the long-term performance, resiliency, and sustainability of our business activities and operations.
Manufactured • Retail: **4.32 million sq ft NLA** • Commercial: **4.04 million sq ft NLA** • Hotel: **3,461 rooms**	• Retail occupancy: **98%** • Commercial occupancy: **72%** • Hotel occupancy: **52%**	Navigating market shifts requires adjustments. Utilising short-term financial capital to improve our assets presents an opportunity to unlock long-term value and enhance other capitals, not just financially, but also through improved brand perception and sustainability.
Human • Employee retention: **78.19%** • Total training hours: **31,603 hours** • Average training hours per employee: **15 hours**	• Building employee engagement platforms to attract and retain a diverse workforce and create a positive employee experience. • Increased training programmes and learning hours to build talent and a resilient workforce. • Job opportunities created for the community.	Empowering our people is key. Investing in training and engagement might impact short-term financials, but the long-term gain is undeniable: a skilled, engaged workforce driving growth and societal impact across all capitals.
Natural • Waste Diversion Rate: **5.13%** • Rainwater harvested: **12,152 m^3** • **3,322 tCO_2e Scope 1** emissions. • **98,864 tCO_2e Scope 2** emissions. • **95,875 tCO_2e Scope 3** emissions.	• To ensure our long-term business strategies support environmental sustainability and climate-change resilience.	Investing in efficient resource management has proven beneficial. While initial costs exist, preserving natural capital improves our manufactured assets' value, brand equity, and demonstrates our commitment to sustainability, ensuring a balanced future.
Social and Relationship • **5,827** beneficiaries from community initiatives. • **24,977** bags of blood collected for Pusat Darah Negara ("PDN"). • **99.59%** spending on local suppliers.	• Bridging the connectivity gap and creating a seamless customer experience. • Support local issues and, in particular, to help the underprivileged and the needy. • Community development and partnerships	We leverage our financial resources to fuel impactful community programmes, empowering marginalised communities and contributing to a brighter, more sustainable future for all. This approach strengthens our social and relationship capital and ensures shared prosperity.
Intellectual • **Zero** cybersecurity incidents. • Upgraded to cloud-based IT infrastructure. • Improved workflow efficiency and business applications.	• Accelerate technology adoption to improve resilience and gain competitive advantage.	Investing in knowledge development might impact short-term financials, but the long-term benefits outweigh this. These investments empower our people, improve processes with digital technology, and enhance various capitals, driving sustainable growth and societal impact.

GROUP CEO'S STATEMENT

Dear Valued Stakeholders,

As we close another year of extraordinary challenges and triumphs, I am proud to share with you the milestones and strategic pivots that have marked 2023 as a year of significant progress and resilience for IGB. In a landscape shaped by uncertainties and rapid changes, our collective efforts have propelled us to new heights, underscored by robust financial health and strategic foresight.

FINANCIAL MILESTONES ACHIEVED

Our journey through 2023 has been remarkable, not least because of our notable financial performance. The Group's revenue surged by 24% to RM1,597.0m, an achievement that speaks volumes about our operational excellence and market acumen. Even more impressive is our Group profit before and after tax, which increased by 46% and 53% respectively, to RM614.3m and RM500.9m. This growth was predominantly driven by our retail segment, where we witnessed a surge in tenant sales. Additionally, our strategic positioning allowed us to benefit from favourable currency fluctuations, accruing a foreign currency exchange gain of RM58.9 million.

Tan Boon Lee
Group Chief Executive Officer, IGB Berhad

Highlights for FY2023

Group revenue increased by **24%** to RM1,597.0m, while **Group profit before tax** and **Group profit after tax** increased by **46%** and **53%** to RM614.3m and RM500.9m.

SUSTAINABILITY remains a cornerstone of our strategy. Asset enhancement initiatives through upgrades and renewable energy adoption.

1st OFFICE TOWER in Mid Valley Southkey North Tower was completed

EXPAND UPSKILLING EFFORTS through an enhanced training and development programme to cultivate a culture that encourages collaboration, mentorship, and efficiency.

ADAPTING TO MARKET DYNAMICS

The year was not without its challenges. Geopolitical uncertainties, natural disasters, and a global trade slowdown presented hurdles, yet Malaysia's resilience in its post-Covid recovery provided a backdrop for moderate growth. The retail sector, after a period of adjustment, began to find its footing, facing both a normalisation of market conditions and an influx of new mall spaces. The office sector saw sustained improvements although there was downward pressure on rental and occupancy rates from high costs and increased competition particularly in the KL City Centre. The hospitality sector however, saw revival amidst booming international travel despite a labour shortage in the service industry.

Our response to the evolving landscape was both innovative and strategic. We reimagined retail experiences and successfully reconfigured spaces for optimal tenant mix allowing us to maintain high occupancy rates through our malls. Building on the integrated offerings in Mid Valley City, Kuala Lumpur ("MVC") and strong tenant engagement allowed us to maintain above average occupancy rates in our commercial offices and we also embarked on a build-to-lease model in our KL City Centre offices that has seen positive feedback from prospective tenants. Our hotels did well to capitalise on pent-up-demand for travel and the reopening of the St Giles Boulevard Hotel, the first to carry the new St Giles logo, was well received. In particular, The Mall, Mid Valley Southkey ("MVS") and St Giles Southkey Hotel at Johor Bahru did particularly well in their segments as their integrated offerings and the weak Ringgit allowed them to become favourites of Singaporeans travelling over the border.

On the development end, our first office tower in Johor Bahru, MVS North Tower was completed. Its sister office tower, MVS South Tower is set for completion by mid-2024. Southpoint Residence, located in MVC, Kuala Lumpur is targeted to be launched mid-2024. We have also set about rebalancing our landbank portfolio to reflect the changing landscape in Malaysia, and will be returning to focus on our strengths of being a niche boutique builder.

GROUP CEO'S STATEMENT
(continued)

SUSTAINABILITY AS A GUIDING PRINCIPLE

Sustainability remains a cornerstone of our strategy. Our asset enhancement initiatives across energy efficiency through upgrades to chiller plant systems, switching to light-emitting diod ("LED") lighting and renewable energy adoption underscore our commitment to environmental stewardship and operational excellence. Further to this, Southpoint Offices & Retail became our second property to receive the GBI Silver green certification after GTower which holds a Green RE Gold certification. We also worked to consolidate and streamline our approach to sustainability through the establishment of the IGB Group Sustainability Policy in August 2023.

Not forgetting our people, we continued to expand our upskilling efforts through training programmes during the year and are currently working on the development of an enhanced training and development programme that will ensure an emphasis on core training components at every level, and cultivate a culture that encourages collaboration, mentorship, and efficiency. This will allow us to nurture our next generation of leaders, thereby maintaining a robust succession plan.

FORGING AHEAD WITH OPTIMISM

Looking ahead, we are poised to navigate the complexities of the market with a balanced approach focused on growth, innovation, and sustainability. Our strategic endeavours aim to not only expand our portfolio but also contribute positively to the communities and environments we operate in. The challenges ahead are many, but with our solid foundation and forward-looking strategies, we are well-equipped to turn these challenges into opportunities for sustainable and resilient growth.

A HEARTFELT ACKNOWLEDGEMENT

I would like to express my heartfelt appreciation to our employees who are the heart of our organisation and we would not be where we are today without their commitment, passion and dedication. The Board of Directors and I are excited for this next chapter of growth for the Group and we are thankful to be able to share this journey with each and every one of you.

I would also like to pay tribute to Mr. Daniel Yong Chen-I who passed away suddenly in December 2023. Daniel's 25 years of service and invaluable contribution to the group will forever be remembered.

Finally, I would like to thank all our stakeholders for their ongoing support and trust. Exciting times lie ahead for IGB, and my team and I remain committed to creating and bringing to life spaces and products that continue to excite the market and remain true to our brand.

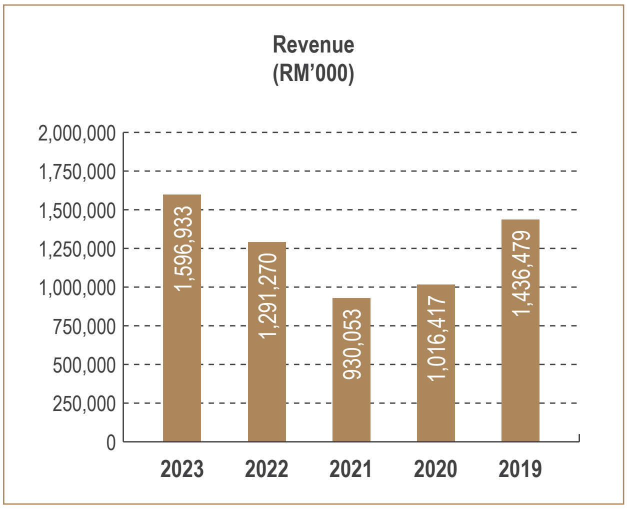
TAN BOON LEE
Group Chief Executive Officer, IGB Berhad

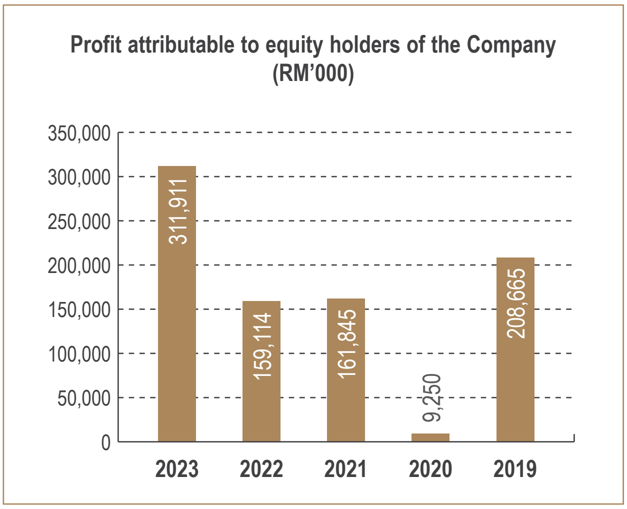
FINANCIAL HIGHLIGHTS

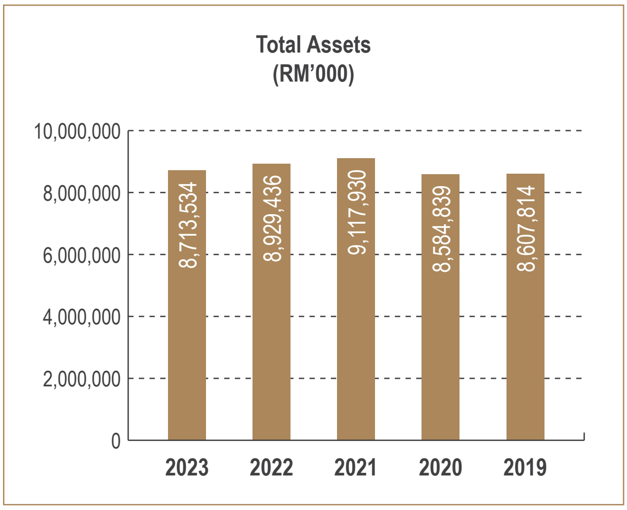
FINANCIAL YEAR ENDED 31 DECEMBER		2023	2022	2021	2020	2019
Revenue	RM '000	1,596,933	1,291,270	930,053	1,016,417	1,436,479
Profit before tax	RM '000	614,327	421,139	351,405	147,663	463,099
Profit attributable to equity holders of the Company	RM '000	311,911	159,114	161,845	9,250	208,665
Issued and paid-up share capital	RM '000	1,394,110	1,394,110	1,393,859	1,338,596	886,344
Capital and reserves attributable to equity holders of the Company	RM '000	4,019,619	3,759,486	3,840,996	3,611,760	3,614,372
Total Assets	RM '000	8,713,534	8,929,436	9,117,930	8,584,839	8,607,814
Earnings per share (basic)	sen	23.11	11.77*	12.07*	0.71*	18.35*
Net assets per share	RM	2.98	2.78*	2.84*	2.71*	3.19*
Gross dividend per ordinary share:						
- cash dividend	sen	7.0	5.0	15.0	-	1.0
- dividend-in-specie	sen	-	-	2.0	2.0	2.0
Share price as at 31 Dec	RM	2.20	2.32	1.96	2.58	3.61
Dividend yield	%	3.18	2.16	8.67	0.78	0.83
Total borrowings	RM '000	3,672,486	4,091,658	4,140,376	4,033,034	3,843,479
Net borrowings	RM '000	2,333,415	2,740,738	2,701,463	3,230,359	3,101,366
Net debt to Capital and Reserves attributable to equity holders of the Company	Times	0.58	0.73	0.70	0.89	0.86

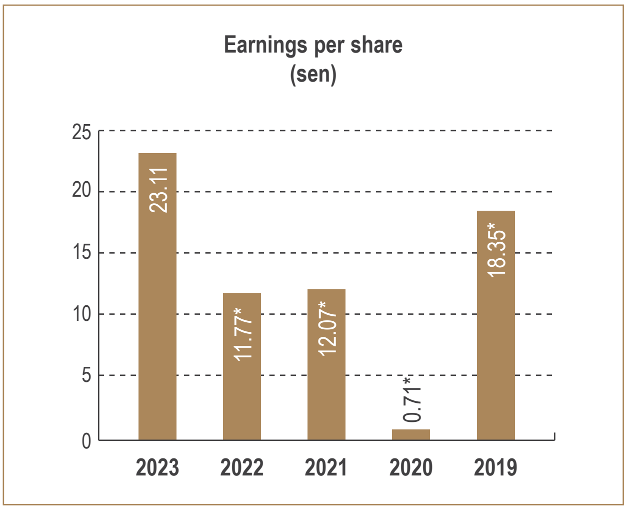
* *The comparative figures have been restated to reflect the impact of the Bonus Issue exercise, which was completed on 14 June 2023.*

FINANCIAL HIGHLIGHTS
(continued)









MANAGEMENT DISCUSSION AND ANALYSIS

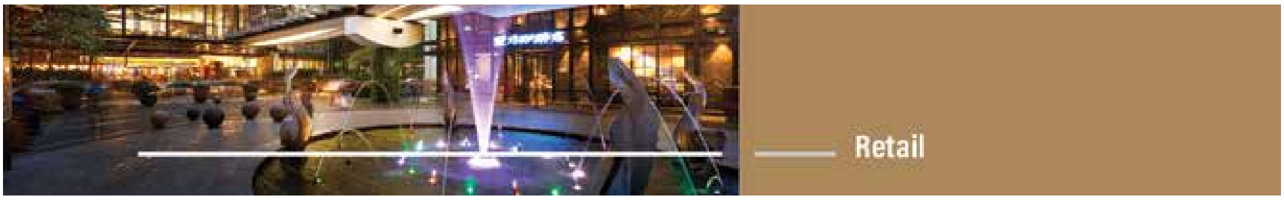
Economic Overview

The Malaysian economy demonstrated resilience in 2023, achieving 3.7% Gross Domestic Product ("GDP") growth as reported by the Department of Statistics Malaysia ("DOSM"). Domestic demand and private consumption fuelled growth, particularly in the services, wholesale & retail trade, and transportation & storage sectors. The labour market continued its trajectory of recovery, with the unemployment rate improving to 3.3%, in parity with pre-pandemic levels. Inflation, which reached a high of 4.5% in Q4 2022, moderated throughout the year due to easing cost pressures and price stabilisation, ultimately settling at 1.6% by year-end.

Looking ahead, the economy is expected to remain resilient in 2024 with the Ministry of Finance ("MOF") projecting GDP growth of 4%-5%. This will be supported by domestic demand, easing inflation, and a strong labour market. A record-breaking number of approved investments in 2023 highlight investor confidence, with further potential driven by initiatives like the National Energy Transition Roadmap ("NETR") and the National Industrial Master Plan ("NIMP") 2030. While potential challenges exist, including inflation and geopolitical uncertainties, Malaysia remains well-positioned for continued growth and stability.

Business Segment Review

1. Retail

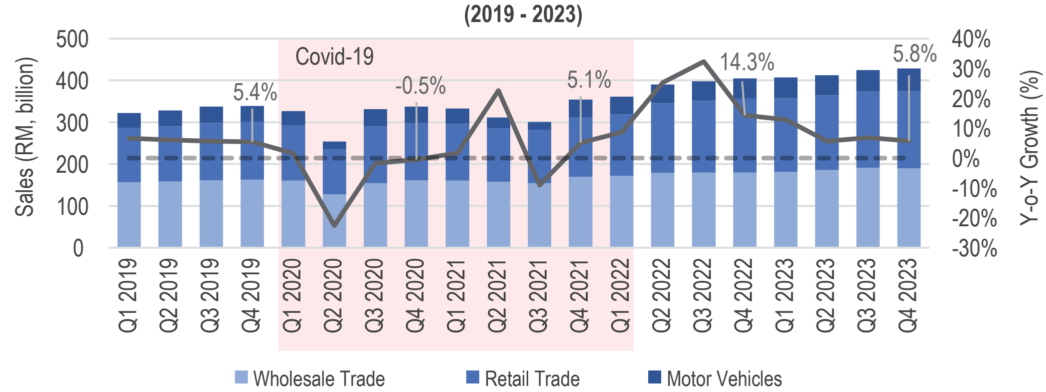


Operating Environment: Malaysia

The Malaysian retail market normalised in 2023. Footfall returned to pre-pandemic levels while shopping and spending patterns eased to a more moderate pace. Total wholesale & retail trade sales reached nearly RM429 billion ("bn") in Q4 2023, growing 0.9% quarter-on-quarter and 5.8% year-on-year. Cumulative sales for 2023 was recorded at RM1.67 trillion ("tr"), 7.7% and 26% higher than last year and 2019 respectively (Figure 1.1). While the 'revenge shopping' trend has dissipated and cost concerns are more prescient in the minds of consumers and businesses, all wholesale & retail trade sub-sectors showed resilience. Festive celebrations throughout the year such as Chinese New Year, Hari Raya Aidilfitri and Christmas, as well as school holidays, helped drive demand and traffic.

By specific retail trade groups, retail sales of food, beverages and tobacco in specialised stores registered a remarkable expansion of 10.3% year-on-year in Q4 2023. Other trade groups which also saw moderate sales growth were retail sales in non-specialised stores, such as supermarkets and department stores; and retail sales of other household equipment, consisting of items such as furniture, carpets, electrical appliances. Retail sales of information and communications equipment stood out as the only trade group to have shrunk during the period (-2.4%), reflecting the slump in the technology and consumer electronics markets (Figure 1.2).

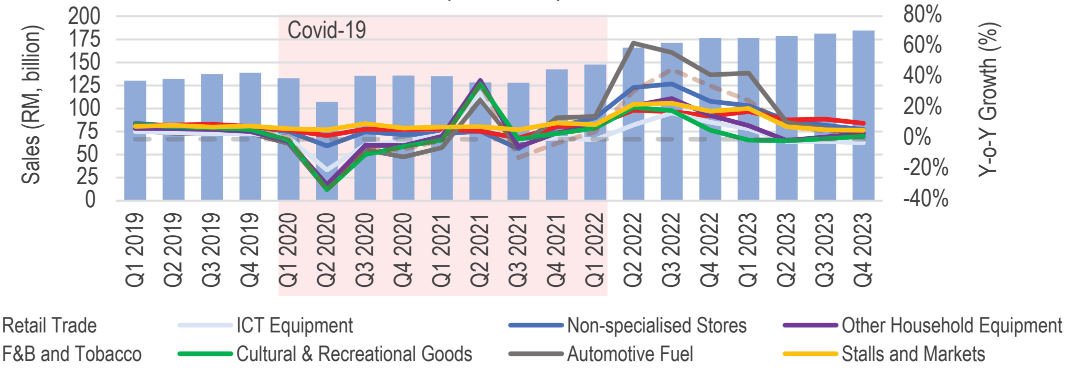
Figure 1.1: Wholesale & Retail Trade Sales and Growth (2019 - 2023)



Source: Department of Statistics Malaysia ("DOSM")

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Figure 1.2: Retail Trade Sales and Growth by Trade Group (2019 - 2023)



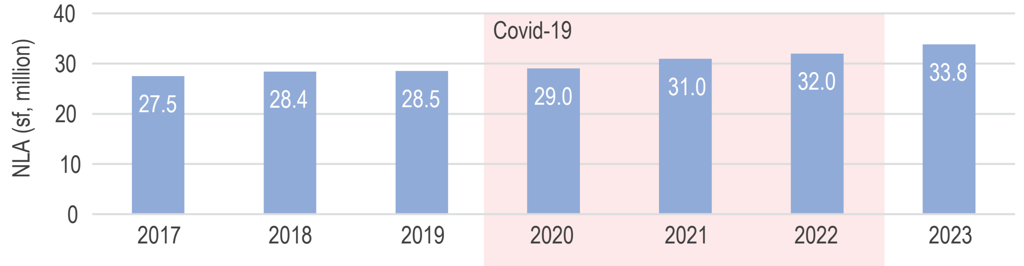
Source: DOSM

Supply and Demand of Retail Space

Kuala Lumpur

The cumulative supply of retail space in Kuala Lumpur increased to roughly 34 million ("m") square feet ("sf") of net lettable area ("NLA") in 2023 (Figure 1.3), The influx of new malls and shopping galleries over the year has seen supply continue to grow at a steady pace. Two landmark malls were opened to the public late in the year - Pavilion Damansara Heights (Phase 1) and The Exchange TRX @ TRX – adding around 1.83m sf of prime retail space to the market. Both are integrated developments targeting the mid-to-upper and high-income consumer segments. An additional 1.53m sf is slated for 2024 with the opening of Pavilion Damansara Heights (Phase 2) and Warisan Merdeka Mall @ Merdeka 118 (Figure 1.4).

Figure 1.3: Cumulative Supply of Retail Space in Kuala Lumpur (2019 - 2023)



Source: Knight Frank Research

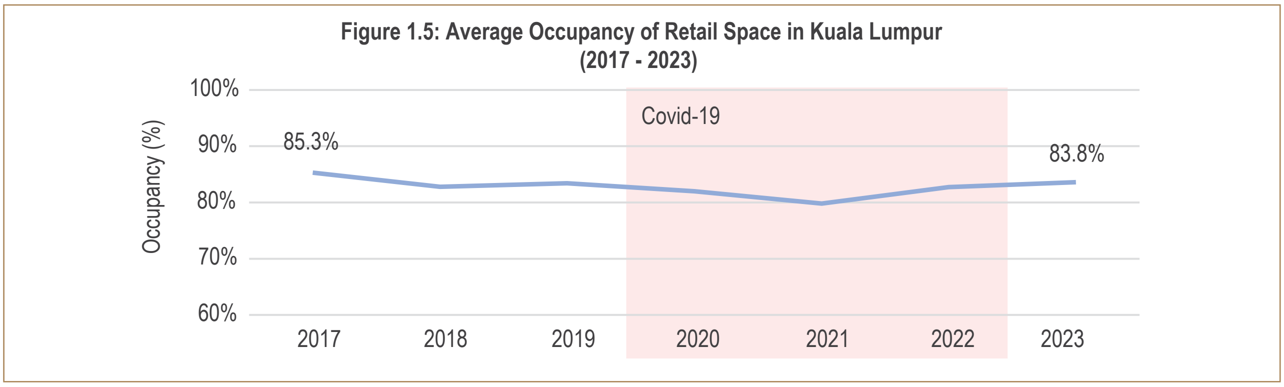
Figure 1.4: Notable Retail Completions and Incoming Supply in Kuala Lumpur

Shopping Complex	Location	Completion	NLA (sf)
Pavilion Damansara Heights (Phase 1)	Pusat Bandar Damansara	Q4 2023	533,000
The Exchange TRX @ TRX	Jalan Tun Razak	Q4 2023	1,300,000
Pavilion Damansara Heights (Phase 2)	Pusat Bandar Damansara	2024	530,000
Warisan Merdeka Mall @ Merdeka 118	Jalan Hang Jebat	2024	1,000,000

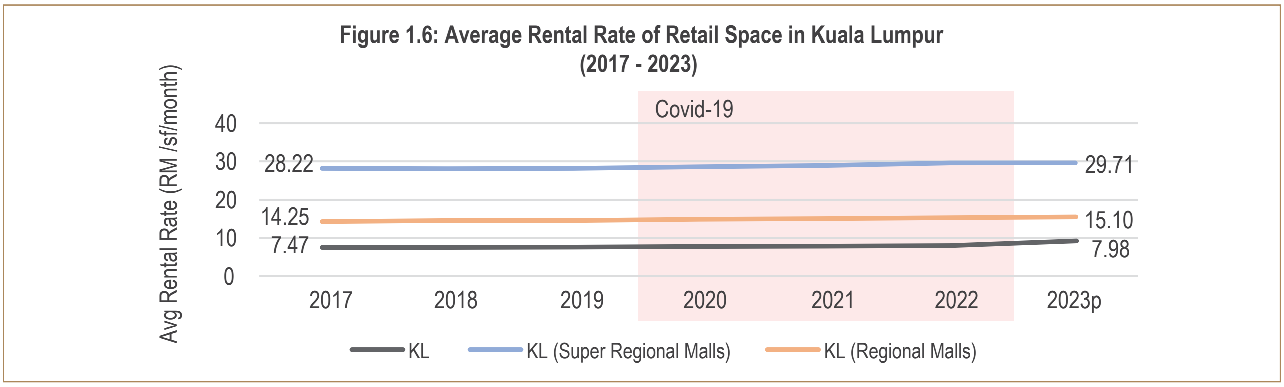
Source: Knight Frank Research

With the city consolidating existing retail stock, newly added supply, and more moderate consumer demand, occupancy and rental rates saw marginal positive movement. The former improved by 1.1 percentage points ("p.p."), while the latter increased by just 0.4%. Super-regional (> 1m NLA) and regional malls (500 thousand ("k") - 1m NLA) retained a strong position for rentals but nevertheless were equally subdued in terms of growth (Figure 1.5, Figure 1.6).

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)



Source: National Property Information Centre ("NAPIC")



Source: NAPIC
p = preliminary

Among select malls, Suria KLCC commanded the highest rental rates in 2023, between RM35 – RM206 per sf per month, owing to its prime location in the Golden Triangle. Further out, NU Sentral, Mid Valley Megamall and The Gardens Mall had rental rates ranging from RM12 – RM27, RM15 – RM80, and RM17 – RM40 respectively (Figure 1.7). With the exception of NU Sentral's Ground floor rental decrease, rental rates were overall relatively stable and in line with the market's muted trend.

Figure 1.7: Rental Rates of Select Malls in Kuala Lumpur

Shopping Complex	Floor	Rental Range (RM / sf / month)			Y-o-Y Change (%)	
		2019	2022	2023	Lower	Upper
Suria KLCC	LG	45.85 - 191.99	35.00 - 207.30	35.00 - 206.85	-	-0.2%
	G	10.35 - 191.99	44.10 - 151.00	44.10 - 154.35	-	2.2%
	1	31.15 - 114.40	95.40 - 113.10	95.40 - 116.10	-	2.7%
	2	43.85 - 102.82	36.54 - 100.54	36.30 - 103.15	-0.7%	2.6%
	3	35.05 - 106.58	43.95 - 100.20	42.00 - 100.20	-4.4%	-
	4	31.35 - 67.35	37.75 - 61.12	37.75 - 59.30	-	-3.0%
NU Sentral @ KL Sentral	LG	20.00 - 35.00	21.00 - 24.15	21.35 - 24.15	1.7%	-
	G	15.81 - 33.00	20.00 - 31.00	14.50 - 27.20	-27.5%	-12.3%
	1	12.38 - 28.00	13.70 - 16.95	13.70 - 16.95	-	-
	2	9.20 - 25.00	14.70 - 18.95	14.76 - 18.95	0.4%	-
	3	11.00 - 17.00	13.00 - 14.45	13.20 - 14.45	1.5%	-
	4	10.00 - 17.00	12.60 - 14.00	12.60 - 14.00	-	-
	5	12.00 - 18.02	13.05 - 15.20	13.21 - 15.20	1.2%	-

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

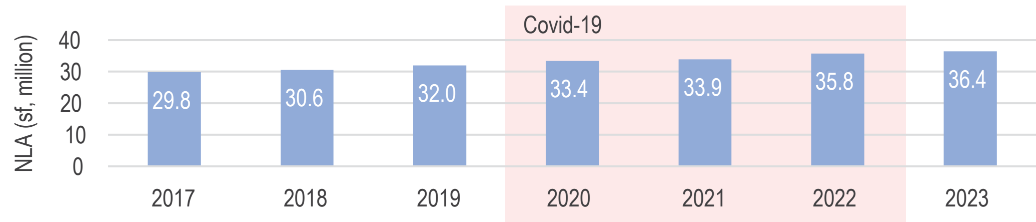
Shopping Complex	Floor	Rental Range (RM / sf / month)			Y-o-Y Change (%)	
		2019	2022	2023	Lower	Upper
Mid Valley Megamall	LG	27.65 - 63.65	25.00 - 36.00	25.00 - 36.00	-	1.0%
	G	38.65 - 72.65	45.00 - 80.00	45.00 - 80.00	-	-
	1	18.15 - 52.65	33.50 - 38.00	33.50 - 38.00	-	-
	2	11.15 - 32.65	23.35 - 25.00	23.35 - 25.00	-	-
	3	13.15 - 29.65	15.00 - 22.00	15.00 - 22.00	-	-
The Gardens Mall	LG	18.10 - 40.15	27.00 - 40.00	27.00 - 40.00	-	-
	G	23.65 - 38.55	31.50 - 37.50	33.00 - 37.50	4.8%	-
	1	18.15 - 38.15	23.50 - 30.00	23.50 - 30.00	-	-
	2	13.65 - 31.65	18.50 - 21.00	18.50 - 21.15	-	0.7%
	3	12.75 - 26.65	17.00 - 18.00	17.50 - 18.00	2.9%	-

Source: NAPIC

Selangor

In Selangor, the cumulative supply of retail space increased by approximately 600k sf to 36.4m sf in 2023 (Figure 1.8). Ongoing developments in new and existing townships, as well as the gentrification of older and underutilised urban areas continue to transform and revitalise the state's retail landscape.

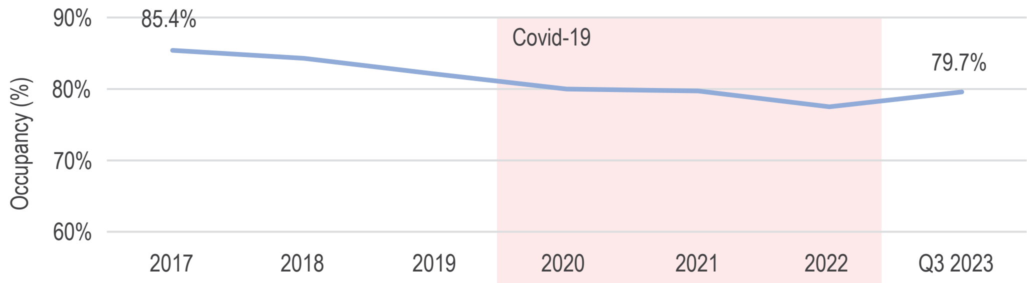
Figure 1.8: Cumulative Supply of Retail Space in Selangor (2017 - 2023)



Source: Knight Frank Research

With the normalisation of consumer footfall and shopping, occupancy rates finally reversed a 5-year long decline, recording a 2.2 p.p. improvement to just shy of 80% (Figure 1.9). Average rental rates, which have stayed more or less stagnant since 2022, are anticipated to gradually build momentum and see real growth. As with Kuala Lumpur, super-regional and regional malls in Selangor enjoyed significant rental premiums over non-prime retail spaces, though by a considerably smaller margin (Figure 1.10).

Figure 1.9: Average Occupancy of Retail Space in Selangor (2017 - 2023)



Source: NAPIC

MANAGEMENT DISCUSSION AND ANALYSIS
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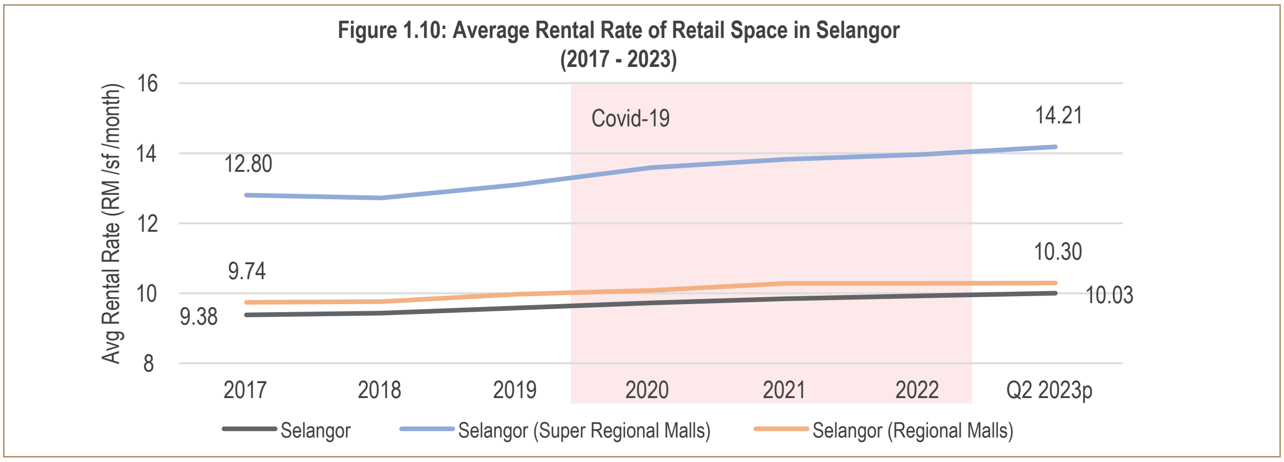


Source: NAPIC
p = preliminary

Rental rates held relatively steady among the selected malls below, with the exception of 1 Utama which had an adjustment to its reported lower bound rental range for the Second floor. Rental rates for The Curve narrowed to the RM2.20 – RM39 range, while Ikano Power Centre and Sunway Pyramid stayed pat at RM5 – RM28 and RM13 – RM58 respectively (Figure 1.11).

Figure 1.11: Rental Rates of Select Malls in Selangor

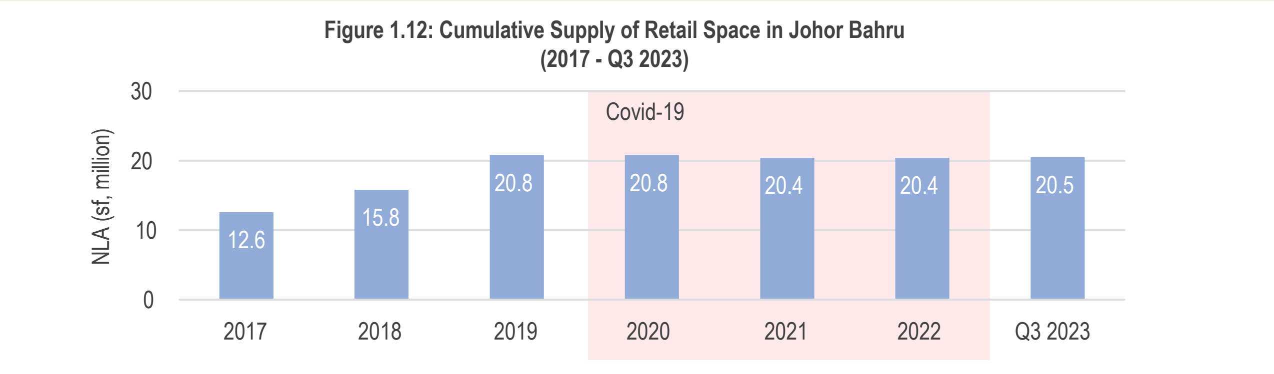
Shopping Complex	Floor	Rental Range (RM / sf / month)			Y-o-Y Change (%)	
		2019	2022	2023	Lower	Upper
The Curve	G	9.10 - 39.21	9.48 - 39.48	9.75 - 38.85	2.8%	-1.6%
	1	8.20 - 17.19	9.10 - 15.33	8.70 - 16.80	-4.4%	9.6%
	2	2.00 - 13.01	2.20 - 10.68	2.20 - 10.68	-	-
Ikano Power Centre	G	10.26 - 35.23	19.50 - 28.50	19.50 - 28.50	-	-
	1	12.70 - 21.03	8.80 - 25.36	8.80 - 25.36	-	-
	2	3.80 - 15.19	5.15 - 6.40	5.15 - 6.40	-	-
1 Utama	LG	11.88 - 36.74	12.00 - 41.00	12.00 - 46.12	-	12.5%
	G	19.50 - 35.00	12.50 - 34.00	12.50 - 35.00	-	2.9%
	1	18.70 - 34.10	12.50 - 38.00	12.50 - 38.00	-	-
	2	19.00 - 22.00	7.00 - 31.00	10.50 - 30.00	50.0%	-3.2%
Sunway Pyramid	LG2	16.80 - 33.15	16.80 - 35.80	16.80 - 35.80	-	-
	LG1	15.79 - 45.30	13.60 - 45.30	13.60 - 45.30	-	-
	G	21.60 - 43.79	22.60 - 43.79	22.60 - 43.79	-	-
	1	5.60 - 29.88	17.50 - 58.62	17.50 - 58.62	-	-

Source: NAPIC

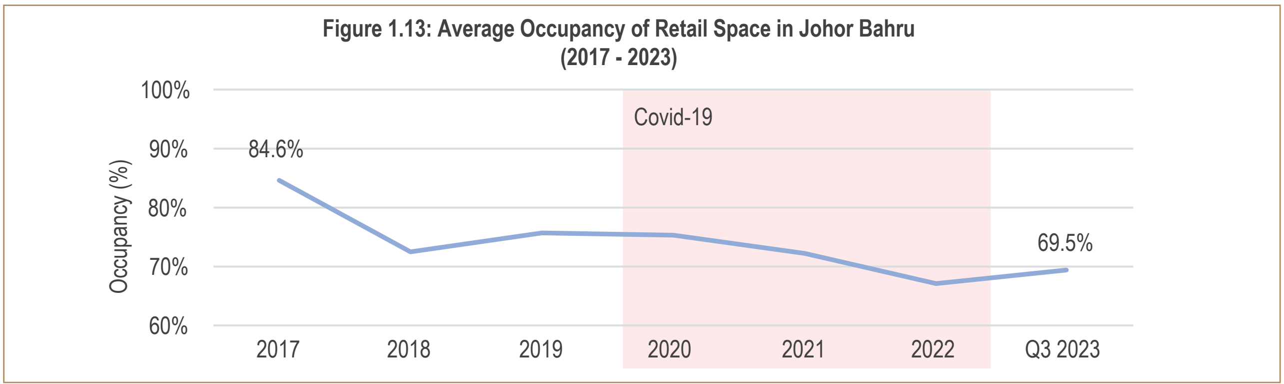
Johor Bahru

Johor Bahru's cumulative supply of retail space rebounded in Q3 2023, following its decrease during the pandemic years (Figure 1.12). The trend for average occupancy has encouragingly tilted up as well, rising by 2.4 p.p. and ending the city's multi-year downtrend (Figure 1.13). Improving tourism-related activities, particularly with travellers from across the causeway, have helped support and drive footfall at major retail destinations. The development of the Johor-Singapore RTS also continues to spur appetite and growth for retail activity and is anticipated to positively transform the local market upon its completion in Q4 2026.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)



Source: Knight Frank Research



Source: NAPIC

All rental rates for the selected malls below were unchanged year-on-year, save for two floors at Johor City Square and Paradigm Mall. The decreases reflect the rental range after accounting for previously excluded floor areas within the dataset for both malls (Figure 1.14). Traffic from Singapore and its spillover effects for the Johor economy are anticipated to provide favourable momentum.

Figure 1.14: Rental Rates of Select Malls in Johor Bahru

Shopping Complex	Floor	Rental Range (RM / sf / month)		Y-o-Y Change (%)	
		2022	2023	Lower	Upper
Mid Valley Southkey	LG	4.50 - 28.50	4.50 - 28.50	-	-
	G	2.50 - 39.50	2.50 - 39.50	-	-
	1	2.50 - 28.50	2.50 - 28.50	-	-
	2	3.50 - 24.50	3.50 - 24.50	-	-
Johor City Square	G	5.70 - 5.70	5.70 - 5.70	-	-
	2	10.20 - 33.00	10.20 - 33.00	-	-
	3	25.50 - 27.00	3.82 - 27.00	-57.6%	-
	5	22.00 - 22.00	22.00 - 22.00	-	-
KSL City	LG	4.29 - 27.23	4.29 - 27.23	-	-
	G	8.00 - 30.00	8.00 - 30.00	-	-
	1	10.39 - 20.00	10.39 - 20.00	-	-
	2	15.00 - 26.00	15.00 - 26.00	-	-

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Shopping Complex	Floor	Rental Range (RM / sf / month)		Y-o-Y Change (%)	
		2022	2023	Lower	Upper
Paradigm Mall	G	10.00 - 11.94	10.00 - 11.94	-	-
	1	13.98 - 13.98	11.53 - 13.98	-17.5%	-
	2	5.49 - 5.49	5.49 - 5.49	-	-
	3	12.74 - 18.91	12.74 - 18.91	-	-
Sunway Big Box	G	3.00 - 7.00	3.00 - 7.00	-	-
	1	2.00 - 3.50	2.00 - 3.50	-	-

Source: NAPIC

a) IGB REIT

Operations Review

IGB REIT performed well in 2023 and enjoyed sustained growth, recording revenue and net property income figures above those achieved in 2022. Costs increased in the year, with significant increases seen in manpower and electricity in particular. New malls have also continued to enter the market, increasing competitive pressures. Despite this, both malls achieved a positive overall performance.

Tenant sales have been the key driver of growth in the year. We believe that the positive and collaborative relationships that we have built with our tenants have helped ensure that they keep up service levels and regularly refresh their stock, providing a retail experience that continues to excite our customers.

Mid Valley Megamall ("MVM") and The Gardens Mall ("TGM") are in their 24th and 16th year of operations respectively, and with this, we have started working to overhaul equipment to ensure that our operations can continue to run smoothly and with increased efficiency.

Strategic Response

As the retail landscape has normalised post-Covid, consumers are emerging with a greater need for community and an increasingly discerning palette for retail. Malls therefore need to do more than just offer an exciting mix of tenants to remain competitive, they need to create engagement through experiences and design community-driven spaces.

We believe that our efforts to continually evolve and offer exceptional service levels are what sets our malls apart from our competitors.

In 2023, we have focused our efforts on the following areas:

i. Enhancing Retail Experiences

Active tenant engagement forms a cornerstone of our business strategy. It has allowed us to weather challenging times as well as thrive in positive market environments.

Asset Enhancement Initiatives (AEI)

In 2023, we kick-started a broader initiative to create more community spaces within our malls. We embarked on a reconfiguration exercise that will optimise the usage of space, create more areas for communities to gather, and convert low yield areas to higher yielding ones.

The use of mall space is also evolving as consumer tastes and expectations change. We are therefore working towards a space configuration that will allow for greater flexibility, so that we are able to continuously adapt as the retail landscape evolves.

The following AEIs were undertaken during the year to ensure our malls remain fresh and modern.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Completion of a new food waste recycling room


Repair and repainting of East Entrance Façade


Reconfiguration of North Ground Floor and Level 1 at TGM


Upgrading of 2F Ceiling at MVM


Upgraded Hall 1 Toilet at Mid Valley Exhibition Center ("MVEC")

Enhancing Service Levels

We work hard to ensure that our malls not only provide conducive spaces for our visitors but also positive experiences that will encourage them to stay longer, patronise us again, and bring their friends and family.

We have set our focus on delivering experiential engagement to generate "customer stickiness" and loyalty to our malls.

Bringing to Market Exciting Brands and Concepts

Creative Brand Pop-ups

The retail market is extremely competitive, and brands are constantly looking for ways to engage with their customers, bringing to market new ideas and concepts to stay fresh and relevant. New, up-and-coming brands are also looking to gain a foothold in the market and grow their customer base. To support these brands, we worked on bringing to life pop-ups with both existing tenants and brands who do not have a presence in our malls.

Some pop-ups with existing tenants at TGM

Some pop-ups with brands not currently represented at TGM

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Maintaining a Vibrant Tenant Mix

As consumer tastes and preferences evolve, it is important that our malls continue to offer a tenant mix that is relevant to today's consumers. In 2023, we welcomed the following new tenants:

MVM New Tenants in 2023		TGM New Tenants in 2023
Châteraisé	Plug+	Tamago EN
Lalezar	Crème De La Crème	MARCO Creative Cuisine
MSI	myBurgerLab	BookXcess
Vincci	Jungle House	éPure
TRT	BIBI'S POPIAH	MANJOE
Sugirl Desserts	MLB	Shojikiya Fresh Market
adidas Concept Store	Beutea	Res-Toe-Run
Luxasia Multi Brand	Vivid Concept Store	Yong Sheng
Fragrance	Montigo	CLUB21
Kenangan Coffee	Sun & Sand Sports	Chuck's
Miniso	Columbia	SushiHan
Mamaway	VTMT	Watch Clinic
Ed Hardy		

ii. Community Engagement

Malls have evolved to become community spaces that people visit to gather with friends and family, and to see exciting and engaging retail experiences come to life. Community engagement is therefore critical as we work to enhance retail experiences.

The Gardens Mall: Community Engagement, Visitors to Our Malls

In 2023, TGM celebrated its 16th anniversary with a variety of engagement events and activities. The mall also ran the Play Date Campaign on 25 and 26 November, as well as its festive campaigns, all of which continued to be a big hit with shoppers.

Festive Celebrations at TGM

Shoppers participating in TGM's Play Date Campaign

Mid Valley Megamall: Community Engagement, Visitors to Our Malls

In 2023, MVM continued with their much-anticipated festive campaigns. They also ran the "Oh! So Sweet" campaign from 12 July to 6 August 2023, as well as the "Take a Break" campaign from 25 October to 13 November 2023.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Festive Campaigns at MVM

Shoppers Enjoying MVM's "Oh! So Sweet" Campaign

iii. Tenant Engagement

We believe in building positive and collaborative relationships with our tenants. As we work to reconfigure our spaces to allow for greater flexibility and more community-centred engagement, it is important to us that our tenants understand our overarching strategy and long-term plans, and see how what we are doing today will support the long-term growth and longevity of our malls and their brands.

The good relationships that we have with our tenants have also allowed us to work collaboratively with them to explore new concepts and creative retail engagement initiatives.

Some of the creative concepts and engagement initiatives carried out with MVM's tenants

Some of the creative concepts and engagement initiatives carried out with TGM's tenants

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

b) The Mall, Mid Valley Southkey

Operations Review

The Mall, Mid Valley Southkey ("MVS") performed well in 2023, with tenant sales exceeding what was achieved in 2022. Growth was supported by the strong number of Singaporeans who crossed the Singapore-Malaysia border for leisure, particularly over the weekends, during the school holidays and on public holidays. These numbers were further bolstered by the weakening ringgit.

We believe that as part of a larger mixed development, MVS benefits from the vibrant environment created, and is supported by communities in the office and hotel spaces. The high occupancy at the St Giles Southkey Hotel and the opening of the MVS North Tower have helped to boost footfall and sales. Additionally, the mall offers a wide range of established tenants and boasts a high tenant occupancy of 97%. These factors have also contributed to making MVS an attractive retail destination.

The year was not without its challenges as we continued to grapple with high operating costs and the retention of quality staff.

Strategic Response

In 2023, we focused our efforts on the following:

i. Offering Interactive and Engaging Retail Experiences

We worked hard to engage our visitors and create interactive campaigns that would excite. We continued with our festive campaigns and also rolled out two unique campaigns in the year.

Photos from Festive Campaigns carried out at MVS

"Oh! So Sweet"

The "Oh! So Sweet" Campaign ran from 12 July to 6 August 2023, and offered visitors an opportunity to get away from the daily hustle and bustle of life and indulge in a sweet oasis of treats. Organised in collaboration with HSBC Bank Malaysia, visitors who spent RM250 (or RM200 with an HSBC Credit Card) in a single receipt could redeem a token and stand a chance to win gifts such as a voucher for ice cream or a doughnut, or a cute cup holder.

The campaign also engaged our social media communities who were asked to vote on the hottest fashion trend this summer. People were then encouraged to come down to the mall dressed in the winning trend, take a photo, and share it on Instagram with the campaign hashtag #SKMOhSoSweet2023.

Various other activities were also organised, for example, children could watch balloon artists make fun creations and take them home.

Shoppers enjoying the "Oh! So Sweet" Campaign

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

"Take a Break"

The "Take a Break" Campaign ran from 25 October to 13 November 2023 and invited visitors to take a break and play fun games and activities. Visitors could complete a fun "Take a Break" Activity Book filled with puzzles and brain teasers, or participate in six mini-games which included crafting paper airplanes and scoring a basket at a mini basketball hoop. The completion of each game would get you a stamp. Participants who completed all six games could redeem their stamp card for a free gift. New games and bonus challenges were rolled out every weekend, with fun prizes up for grabs! Visitors were also treated to performances by Breydon Lee, a young, up-and-coming Malaysian violinist.

Additionally, shoppers who spent RM200 with their AmBank Credit Card or RM300 using cash or other cards at participating stores could bring home an exclusive tumbler.

Shoppers enjoying the "Take a Break" Campaign

ii. Maintaining an Exciting and Relevant Tenant Mix

We understand that consumer tastes and preferences are constantly evolving and to keep customers coming back, we need to ensure that the tenants we have are aligned with the needs and wants of consumers today. It is therefore important that we constantly review our existing tenants, and look for new and upcoming brands to keep our tenant mix fresh and relevant.

To help support these efforts, we have looked into offering shorter tenancies as well as allow for brand pop-ups. This also helps us gauge consumer interest in new brands and concepts, as well as allow brands to test out the market.

For the financial year under review, we welcomed several new tenants:

MVS New Tenants in 2023

IMAXX	Nespresso	DI	The Coffee Bean & Tea Leaf Fun
Kedai Kopitiam Oriental Kopi	MLB	MH Clinic	X Factory
ZUS Coffee	Hours & Minutes	Vivid Concepts Gadget	Siam Oasis
Eggette Lab	Tonkatsu by Ma Maison	Gigi Coffee	小管家 Fix It All
Dunkin	Sime Darby Beyond Auto	Crossover Concept Store	Ramah Ramah
Udders	Carlo Rino	Impulse Gaming	Thai Odyssey
Garrett Popcorn Shops	Michael Kors	Common Sense	The Film
The Founders	Regency Medical Centre	HYPE	Glow House
Meng Meng	Antipodean	Rosewood Brew & Cook	Two Peck Crispy Chicken
Tudor	Madam Kwan's	Art Friend	Mr. Dakgalbi
	Mamaway	Tom & Danny Coffee	158 Concept Store
	OBJET	Beutea	

iii. Tenant Engagement

We believe that to get the best out of our tenants, we need to be proactive in our engagements with them, and work to understand their business and challenges. This allows us to provide support where we can, and work together to bring to life new concepts and experiences that will excite our shoppers.

Market Outlook: Malaysia

The strength of private consumption in Malaysia enabled the wholesale & retail trade sector to perform relatively well in 2023 despite a backdrop of fragile economic indicators and weaker consumer confidence. This resilience is likely to persist into 2024 as inflation moderates and travel and tourism-related activities to and within Malaysia improve. The Retail Group Malaysia ("RGM") conservatively forecasts retail sales to grow by 4% in 2024, matching projected GDP growth of 4% - 5%. The risks for a downturn in consumer demand however, remain tangible with the planned rationalisation of subsidies by the government across key commodities, increased utilities costs, and higher Sales and Service Tax ("SST"). Consumers are likely to remain cautious and value-driven with their purchases in the short to medium-term.

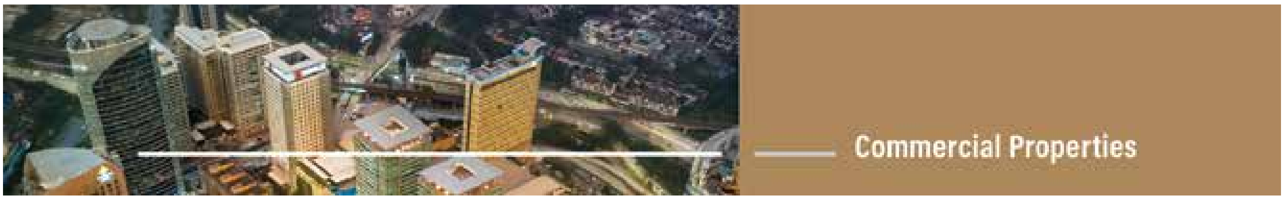
IGB REIT is entering the year ahead cautiously and will continue to invest in our malls to keep them relevant and community-centred. Evolving the way in which we use our spaces will support our strategy and allow us to remain flexible so that we are able to quickly adapt to emerging trends and changing customer tastes and preferences. We will continue to focus on elevating retail experiences and explore ways to better utilise the community and vibrant ecosystem at Mid Valley City ("MVC") to drive footfall and sales in our malls. We are confident that our approach will allow us to attract new visitors, build loyalty amongst those who frequent our malls, and bring first-to-market experiences that excite our community.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

MVS will work to elevate retail experiences for our customers, and offer a tenant mix that continues to excite and meet evolving consumer tastes and preferences. We will also review mall facilities, infrastructure, and amenities, so that we can continue to provide visitors a safe and comfortable space to visit. It will also allow us to incorporate new technologies where it makes sense, and carry out any upgrading works in a timely manner. Sustainability initiatives will also continue to be a priority. We will be looking into the installation of solar panels in the lateral car park rooftop as well as the open car park, for example. Additionally, we will closely monitor our costs.

We believe that all our malls are well-placed to benefit from the continued recovery of the retail sector in Malaysia and remain committed to driving value and ensuring the long-term sustainability of our business.

2. Commercial



Operating Environment

Offices in Kuala Lumpur maintained a modest, if encouraging, growth trajectory in 2023, recording greater interest and activity. The steady pace of economic growth, a robust labour market, and relatively accommodative interest rates, provided a supportive and stable environment for businesses to embark on expansion and relocation plans during the year. Flexibility continued to be a strong theme among landlords, tenants and employees, with flexible leases, customisable spaces, and hybrid and remote working arrangements now integral aspects of the commercial real estate and working landscape. Co-working spaces grew in lockstep, garnering more interest amongst businesses. Prime, Grade A, transit-oriented, and green certified buildings enjoyed sustained demand, driven by the ongoing flight-to-quality trend and increasing awareness on the importance of Evironmental, Social, Governenace ("ESG") features.

Supply and Demand of Office Space

Kuala Lumpur

Kuala Lumpur's cumulative office space reached 91.9m sf of NLA in Q4 2023, a 4.5% increase from the previous year. KL City, which constitutes the Golden Triangle area and its surrounding localities, had three notable completions during the year: Merdeka 118, Menara PNB 1194, and Sunway V2 Office Tower @ Sunway Velocity. These new spaces added 1.65m sf, 169k sf and 360k sf to the market respectively. In the KL Fringe area, comprising localities such as KL Sentral, Bangsar, Damansara Heights, Mont Kiara, Jalan Syed Putra and Taman Tun Dr. Ismail, Mercu Aspire Tower @ KL Eco City (687k sf) and Corporate Towers 2 – 9 @ Pavilion Damansara Heights (846k sf) finally welcomed their tenants. New office openings in 2024 are expected to include The Exchange TRX Campus Office and Felcra Tower in KL City, and Corporate Tower 1 @ Pavilion Damansara Heights and TNB Gold in KL Fringe. These will add 1.4m sf to existing office stock (Figure 2.1).

Figure 2.1: Notable Office Completions and Incoming Supply in Kuala Lumpur

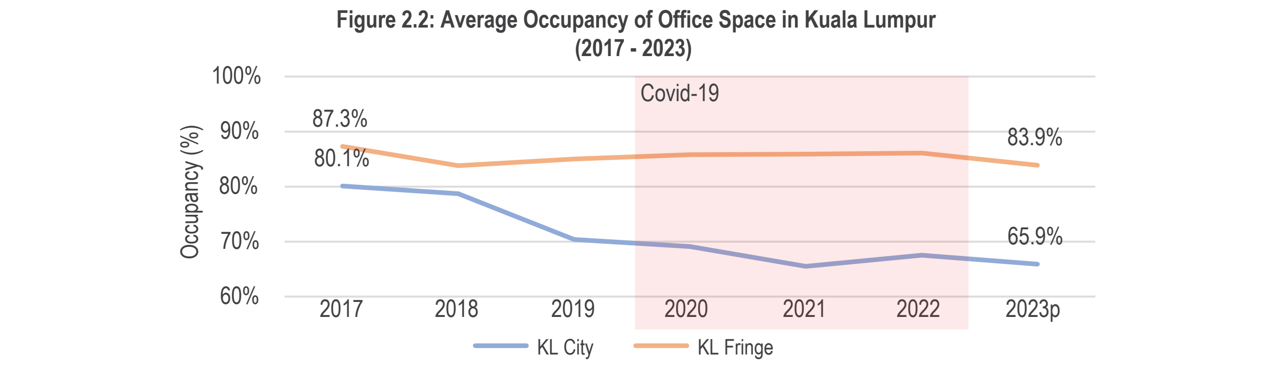
Office	Location	Area	Completion	NLA (sq ft)
Merdeka 118	Jalan Hang Jebat	KL City	2023	1,650,000
Menara PNB 1194	Jalan Sultan Ismail	KL City	2023	169,000
Sunway V2 Office Tower @ Sunway Velocity	Jalan Cheras	KL City	2023	360,000
Mercu Aspire Tower @ KL Eco City	Bangsar	KL Fringe	2023	687,000
Corporate Towers 2– 9 @ Pavilion Damansara Heights	Pusat Bandar Damansara	KL Fringe	2023	846,000
The Exchange TRX Campus Office	Jalan Tun Razak	KL City	2024	1,400,000
Felcra Tower	Jalan Semarak	KL City	2024	
Corporate Tower 1 @ Pavilion Damansara Heights	Pusat Bandar Damansara	KL Fringe	2024	
TNB Gold	Bangsar	KL Fringe	2024	

Source: Knight Frank Research

The relatively large pipeline of new office projects combined with the structural and cultural impacts of Covid-19 continue to put downward pressure on occupancy rates. The average occupancy for both the KL City and KL Fringe office buildings remained on a declining trajectory, with the former seeing a significantly deeper decline over the past six years. Average rental rates however, improved in both locations by a modest degree. KL City recorded a 1.1% increase, while KL Fringe grew slightly more at 1.8% (Figure 2.2, Figure 2.3).

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Within the basket of select office buildings in Kuala Lumpur, there was a general widening of rental ranges with lower bound figures decreasing between 4.8% - 26% and upper bound figures increasing by 2.2% - 19%. Tower II @ Petronas Twin Towers, Wisma Genting on Jalan Sultan Ismail, Integra Tower @ Intermark, The Exchange 106 @ TRX and Menara Shell in Brickfields stood out as properties with upper bound rental rates above RM10 per sf per month (Figure 2.4).



Source: Knight Frank Research
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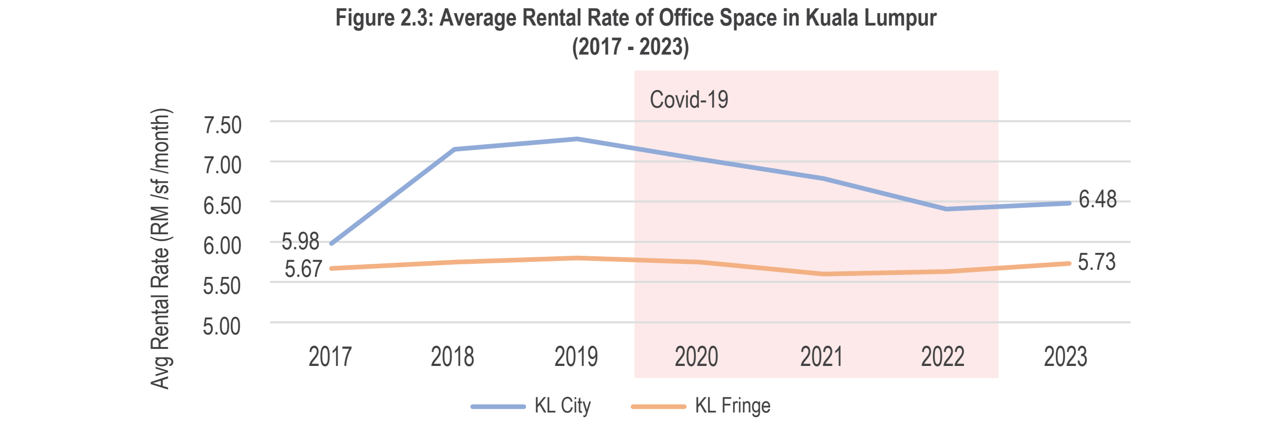


Source: Knight Frank Research

Figure 2.4 Rental Rates of Select Offices in Kuala Lumpur

Office	Rental Range (RM / sf / month)			Y-o-Y Change (%)	
	2019	2022	2023	Lower	Upper
KL City					
Tower II @ Petronas Twin Towers	9.00 - 12.00	10.88 - 10.88	10.88 - 10.88	-	-
Menara Pavilion Tower @ Pavilion Kuala Lumpur	6.20 - 7.75	6.35 - 7.95	6.35 - 7.95	-	-
Menara Prestige	6.88 - 8.90	5.74 - 7.72	6.00 - 7.72	4.5%	-
Wisma Genting	5.50 - 6.30	5.50 - 12.20	5.50 - 12.20	-	-
Menara Hap Seng 2	6.48 - 6.48	6.00 - 9.00	6.00 - 9.00	-	-
Menara HLX	6.00 - 7.90	4.20 - 6.70	4.00 - 8.00	-4.8%	19.4%
UOA Centre	3.43 - 5.17	4.20 - 6.70	4.00 - 6.70	-4.8%	-
Integra Tower @ Intermark	9.20 - 12.00	8.00 - 11.40	8.00 - 11.40	-	-
GTower	6.80 - 9.00	5.30 - 8.30	4.50 - 8.60	-15.1%	3.6%
Hampshire Place Office	4.60 - 6.50	4.50 - 6.80	4.50 - 7.10	-	4.4%
Menara Tan & Tan	7.10 - 7.40	5.30 - 7.50	5.30 - 8.30	-	10.7%
Menara See Hoy Chan	4.30 - 6.80	4.55 - 5.40	3.50 - 6.10	-23.1%	13.0%
The Exchange 106 @ TRX	*N/A*	5.00 - 11.00	4.50 - 13.00	-10.0%	18.2%
Plaza Berjaya	1.90 - 4.60	3.16 - 3.95	3.16 - 3.95	-	-

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Office	Rental Range (RM / sf / month)			Y-o-Y Change (%)	
	2019	2022	2023	Lower	Upper
KL Fringe					
1 Sentral @ KL Sentral	6.30 - 6.30	5.00 - 6.55	5.00 - 6.55	-	-
Menara Shell	N/A	3.00 - 9.45	4.31 - 10.77	43.7%	14.0%
Centrepoint South @ Mid Valley City	5.25 - 7.00	5.00 - 7.50	5.00 - 7.50	-	-
Centrepoint North @ Mid Valley City	5.00 - 6.80	4.00 - 6.80	4.10 - 7.00	2.5%	2.9%
Gardens South Tower @ Mid Valley City	6.50 - 8.30	6.50 - 7.50	6.50 - 8.50	-	13.3%
Gardens North Tower @ Mid Valley City	6.60 - 8.37	6.00 - 7.90	6.00 - 7.90	-	-
Menara IGB @ Mid Valley City	5.00 - 6.80	5.00 - 6.50	4.36 - 6.50	-12.8%	-
Southpoint Offices & Retail @ Mid Valley City	N/A	6.50 - 7.50	6.50 - 8.00	-	6.7%
Mercu 3 @ KL Eco City	N/A	5.10 - 5.70	5.13 - 6.00	0.6%	5.3%
UOA Corporate Tower	N/A	5.30 - 7.80	5.30 - 7.80	-	-
The Horizon Tower 8	6.00 - 8.60	6.10 - 6.93	5.00 - 7.20	-18.0%	3.9%
Menara UOA Bangsar	4.66 - 6.00	5.40 - 7.00	4.00 - 7.00	-25.9%	-
Menara Manulife	N/A	4.50 - 4.50	4.50 - 4.60	-	2.2%
Menara Milenium	N/A	4.62 - 6.10	4.62 - 6.10	-	-
Wisma Chase Perdana	N/A	2.30 - 4.10	2.38 - 3.80	3.5%	-7.3%
Wisma UOA Damansara I	N/A	3.80 - 6.00	3.80 - 5.70	-	-5.0%
Wisma UOA Damansara II	N/A	3.00 - 6.20	3.00 - 6.20	-	-

Source: NAPIC

Review of Operations

IGB Commercial REIT ("IGBCR") performed well in the year, seeing growth in revenue and average occupancies across our portfolio. We also worked hard to contain our expenses, which resulted in an overall improvement in our bottom line.

In the year, our leasing efforts led to an increase in the number of viewings, which translated to 62 new tenancies, amounting to 303,000 sf and a good tenancy renewal rate of 75%.

However, the year was not without its challenges. The increasing availability of new office developments, for example, has put downward pressure on rental rates. There has also been a flight-to-quality, with companies looking to set up their operations in Prime, Grade A, and green certified buildings. Costs have also increased in the year.

Within our portfolio, we have seen a stronger demand for office space amongst our MVC properties, driven by their location within MVC's established and vibrant ecosystem, frustration with KL City congestion, and the growing strength of an employee voice that has expressed a preference to work closer to home. As a result, we have had to adopt two distinct strategies this year.

- For our properties in MVC, our focus has been very much on the retention of tenants and building loyalty. As such, our teams have emphasised tenant engagement, working to support the evolving needs of existing tenants.
- For our properties in the KL City Centre, our focus has been on working to improve occupancy by allowing greater flexibility so that we can meet the needs of potential tenants.

Our overarching strategy however remained the same as we worked to build community through engagement.

Strategic Response

Against a landscape that is seeing shifts in requirements and preferences, IGBCR has maintained our strategy of forging strong relationships with our tenants through active engagement. We understand that our success is intrinsically linked to the success of our tenants, and work hard to understand their business and evolving needs. The time and effort put into tenant engagement has allowed us to embark on AEIs that meet the needs of companies today while finding the right balance between cost, efficiency and quality. We believe that this approach and commitment to delivering exceptional service levels is what sets us apart from our competitors and promotes positive symbiotic relationships that benefit all parties involved.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

i. Active Engagement of Existing Tenants

Active tenant engagement forms a cornerstone of our business strategy. It has allowed us to weather challenging times as well as thrive in positive market environments.

Early Tenant Engagement

Early tenant engagement in particular has proven to be beneficial as it has allowed us to gauge renewal interest in advance, while providing us with the time to understand and address their changing space and cost requirements. Knowing early on that a tenant will not be renewing their tenancy also allows us to seek replacement tenants in a timely manner.

Tenant Events and Activities

We believe that through building communities, we positively impact people and businesses, supporting professional, personal growth and connection. One way that we have built our communities is through organising events that not only allow us to engage with our tenants, but allow them to network with the broader community.

Throughout the year, we organised several tenant events and activities, including Corporate Social Responsibility Activities such as a blood donation drive, a fitness event, and a clothes donation drive, amongst others; and a tenant networking event. We also circulate quarterly newsletters amongst our tenants to provide them with updates on happenings within the buildings across the IGBCR portfolio.

The IGBCR Team distributing necessities to charitable organisations

ii. Asset Enhancement Initiatives

We have undertaken various AEIs in the year to ensure that the buildings within the IGBCR portfolio continue to meet the evolving needs of companies and provide a modern, comfortable and safe working environment for tenants and visitors. These initiatives not only help keep our buildings relevant, they also work to enhance our performance and efficiency, and support our drive towards greater sustainability.

Installation of New Lifts at GTower

Replacement of Chiller at GTower to increase energy efficiency

iii. Customised Support for New & Renewing Tenants

Companies looking for office space today are increasingly coming with specific requirements that need to be fulfilled as the prioritisation of Environmental, Social, Governance ("ESG") factors becomes more entrenched and employers work to offer vibrant, community-driven office spaces. The ability to listen and remain flexible in engaging with new and renewing tenants has therefore been extremely important for our business.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

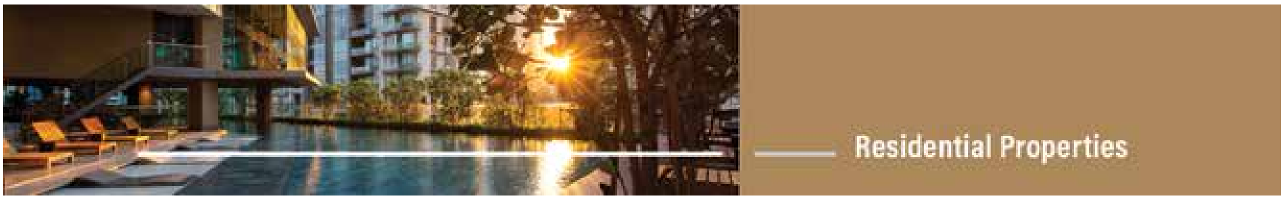
Market Outlook

The promising shoots of recovery in the Kuala Lumpur office market gives an optimistically cautious outlook for 2024. While enquiries and transactions have ticked up over the course of the year and are expected to continue to do so, the large existing stock of offices and incoming supply of new buildings mean occupancy and rental rates will continue to face challenges in achieving substantial growth. Non-prime, technologically outdated buildings, or those with poor mechanical and engineering infrastructure and connectivity, are anticipated to see weaker demand compared to newer properties with modern, amenity-rich or ESG-compliant characteristics. Hybrid and remote work, though less prevalent in Malaysia, will drive demand for more flexible and customisable office solutions, as well as growth for co-working spaces.

Some upside however, is anticipated from the catalysing effects of investments brought in by The Malaysian Investment Development Authority ("MIDA") and the government's planned startup and venture capital blueprint. Kuala Lumpur remains an attractive destination for both local and international firms to set-up and expand their offices in, thanks to its robust infrastructure, strong connectivity, and vibrant dynamism.

IGBCR is therefore cautiously optimistic as we enter 2024. We will continue to focus on building communities through actively engaging our tenants while ensuring that our buildings remain relevant through investing in AEIs. We are confident that our approach will continue to allow us to build tenant loyalty, better anticipate and plan for changes, and have the flexibility and ability to cater to evolving needs.

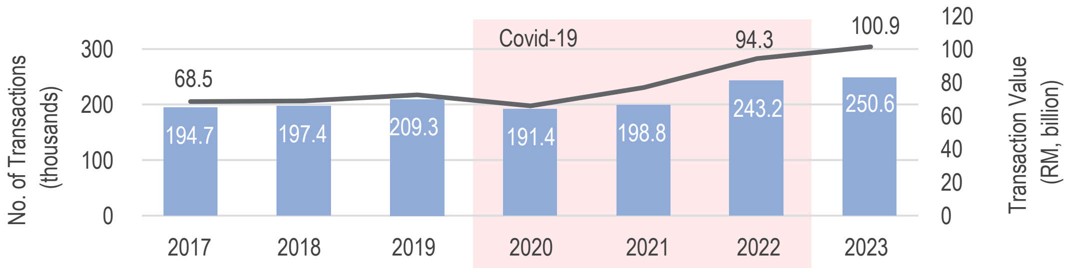
3. Residential



Operating Environment

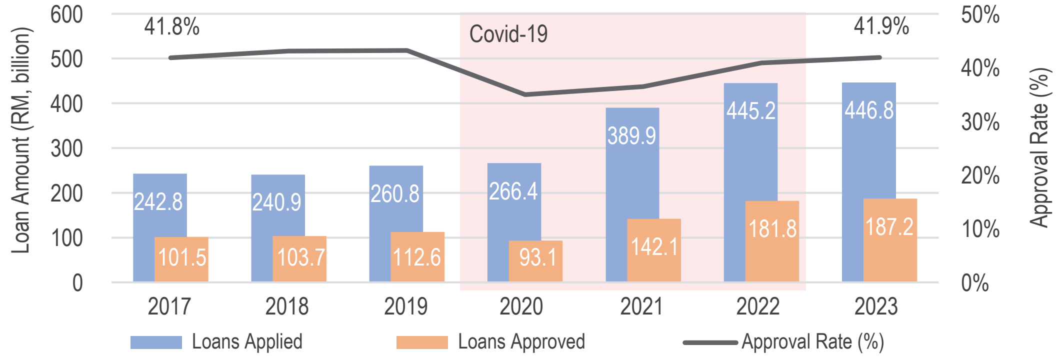
Malaysia's residential property market performed well in 2023 despite the challenges. Total residential property transaction volume grew by 3%, increasing from 243.2k to 250.6k units while transaction value rose by a remarkable 7.1% from RM94.2b to RM100.9b (Figure 3.1). Stabilising material costs and Bank Negara Malaysia's ("BNM") decision to hold the Overnight Policy Rate ("OPR") at 3.00%, provided an accommodative environment for residential property demand to maintain its post-pandemic recovery momentum. Both loan applications and approvals remained healthy, rising year-on-year by 0.3% and 3% respectively. Approval rates were 41.9%, higher by 1 p.p. compared to 2022 and just over a p.p. away from 2019's peak of 43.2% (Figure 3.2).

Figure 3.1: Residential Property Transaction Volume and Value (2017 - 2023)



Source: NAPIC

Figure 3.2: Residential Property Loan Applications and Approvals (2017 - 2023)



Source: BNM

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Supply and Demand of Residential Property

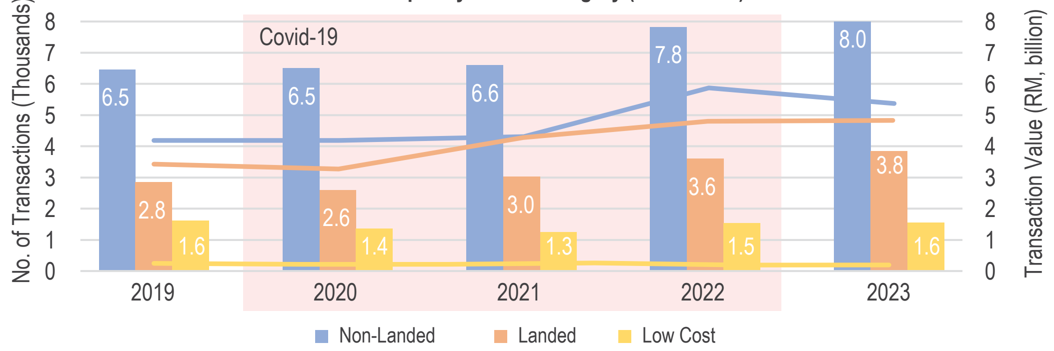
Kuala Lumpur

The cumulative of supply of residential properties in Kuala Lumpur expanded by 1.7%, rising from 536k to 545k units. Non-landed properties made up the vast majority of newly added homes, growing their share of the market by 0.6 p.p. to 61% of total existing stock. Land scarcity continues to skew incoming supply heavily toward high-rises (99%), with only a small number of landed properties in the pipeline.

Transaction volume recorded an uptick of 4.3% over the course of the year, increasing from 13.2k to 13.7k units. Most of the growth was concentrated in the landed (7%) and low cost (5%) house categories. Non-landed transactions rose by a more modest 2.2%, registering a healthy transaction volume of around 8k units. In terms of transaction value, the total decreased by 3.4% from RM11.8b to RM11.4b. Non-landed properties accounted for most of the contraction (-7%) while landed and low cost homes grew by 1.9% and 8.2% respectively (Figure 3.3).

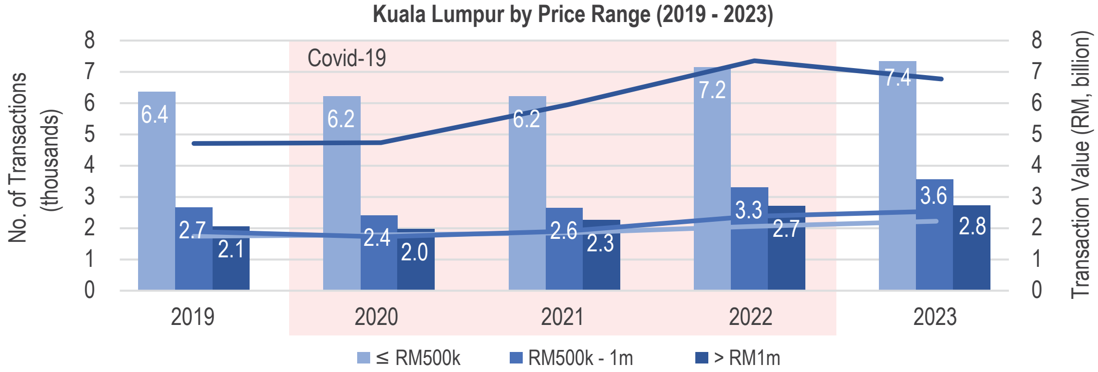
By price range, mid-priced homes (RM500k - 1m) saw the highest growth in transactions (8.2%) followed by low-priced (≤ RM500k) and high-priced (> RM1m) properties which both marked an increase of 3%. Low-priced homes continued to account for the lion's share of transaction volume (54%) during the review period. From the perspective of transaction value, high-priced homes were the only house category to register a contraction (-8.7%). Despite this, properties at this price range still retain a significant 59% of the total transacted value amount (Figure 3.4, Figure 3.5, Figure 3.6).

Figure 3.3: Residential Property Transaction Volume and Value in Kuala Lumpur by House Category (2019 - 2023)



Source: NAPIC

Figure 3.4: Residential Property Transaction Volume and Value in Kuala Lumpur by Price Range (2019 - 2023)



Source: NAPIC

MANAGEMENT DISCUSSION AND ANALYSIS

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Figure 3.5: Residential Property Transaction Volume in Kuala Lumpur by Price Range (2023)

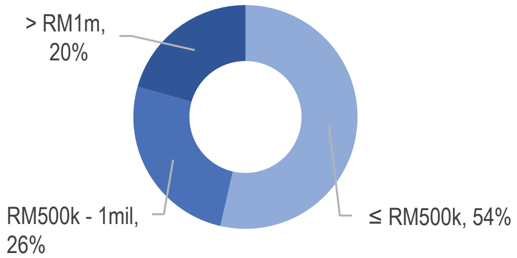
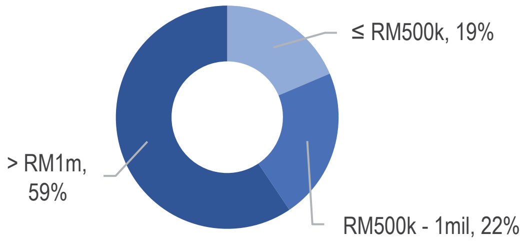


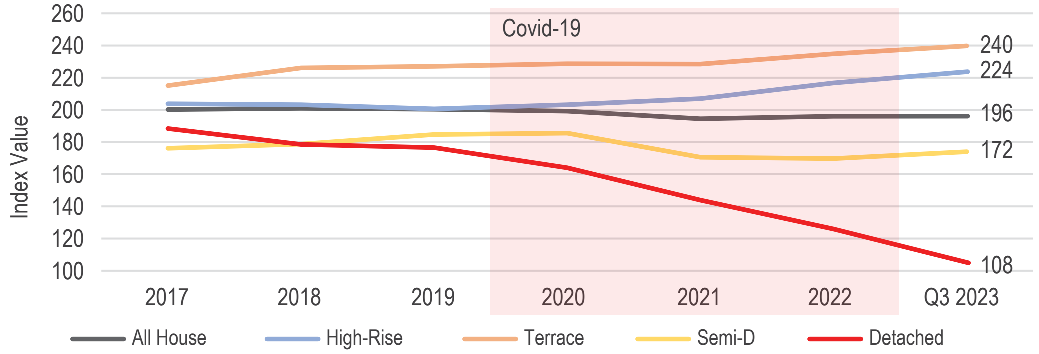
Figure 3.6: Residential Property Transaction Value in Kuala Lumpur by Price Range (2023)



Source: NAPIC

The mixed performance of transactions across residential property house categories and price ranges resulted in a rather constrained All House Malaysian House Price Index ("MPHI") for Kuala Lumpur in 2023. Terrace house price growth was marginal (0.7%) while detached homes continued their downtrend with a 3% decline. Providing buoyancy to the index were semi-detached houses and high-rises, registering a 6% and 3% increase respectively. Price appreciation for the latter remained resilient, in spite of lower transacted value and a persistent overhang (Figure 3.7).

Figure 3.7: Malaysian House Price Index (MHPI) in Kuala Lumpur by House Type (2017 - 2023)



House Type	Malaysian House Price Index (MHPI) in Kuala Lumpur						
	2017	2018	2019	2020	2021	2022	2023
All House	198	199	198	197	191	193	196
High-Rise	202	201	198	201	206	217	224
Terrace	215	228	229	231	231	238	240
Semi-D	170	173	180	181	163	162	172
Detached	184	172	170	155	132	111	108

Source: NAPIC

Selangor

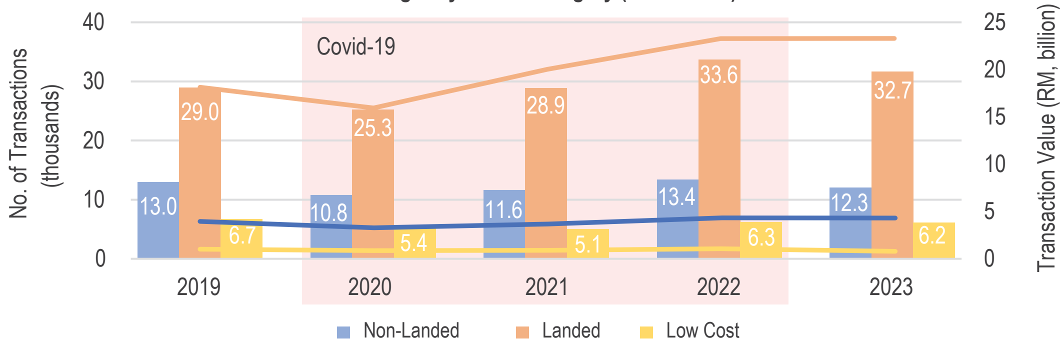
Selangor added 37.8k new houses to its cumulative supply in 2023, bringing existing stock from roughly 1.65m to 1.69m units. The state's residential property landscape continues to highly favour landed properties thanks to an ample supply of land, with terraces in particular making up a significant portion (57%) of new stock. Still, non-landed homes made further in-roads, most notably in mature townships and locales where land is scarcer. Almost a quarter (24%) of new homes were condominiums, apartments and flats.

Transaction activity in terms of volume and value were more moderate compared to 2022, cooling by 2.6% and 1.1% for both measures respectively. Non-landed houses experienced the largest fall in transacted units (-8%), with landed homes coming in second (-3%) and low cost houses in third (-1%). The relative intensity of contraction mirrored across to transaction value, where non-landed houses decreased by 4% and landed homes by 1%. Low cost properties transacted value however, bucked the trend with a 5% gain, though its contribution to the overall total remained low (Figure 3.8).

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

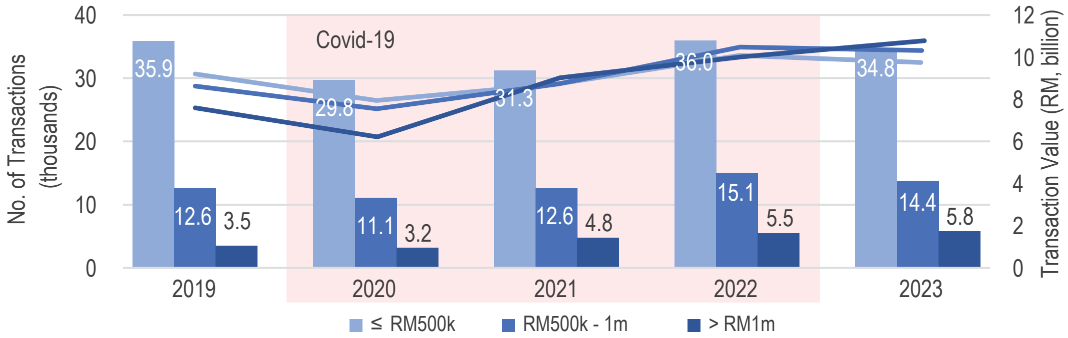
Grouped by price range, mid-priced properties bore the brunt of the decline in activity, registering a 4.5% and 3% fall in transaction volume and value respectively. Low-priced homes also saw fewer units changing hands (-3%) and at a lower aggregate value (-4%). Nevertheless, the latter continued to comprise 63% of the overall number of transactions. High-priced homes performed well despite the circumstances, garnering a nearly 7% rise in transacted units and 4% bump in transacted value (Figure 3.9, Figure 3.10, Figure 3.11).

Figure 3.8: Residential Property Transaction Volume and Value in Selangor by House Category (2019 - 2023)



Source: National Property Information Centre (NAPIC)

Figure 3.9: Residential Property Transaction Volume and Value in Selangor by Price Range (2019 - 2023)



Source: National Property Information Centre (NAPIC)

Figure 3.10: Residential Property Transaction Volume in Selangor by Price Range (2023)

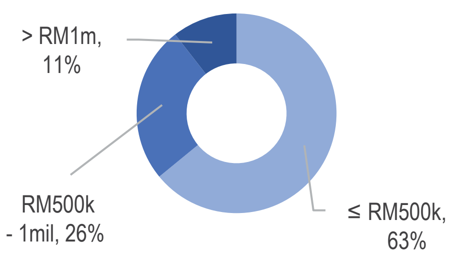
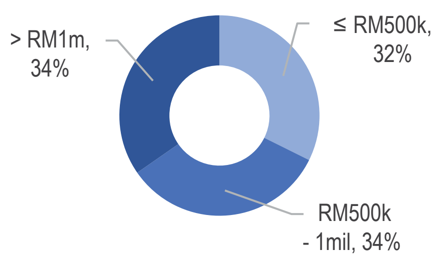


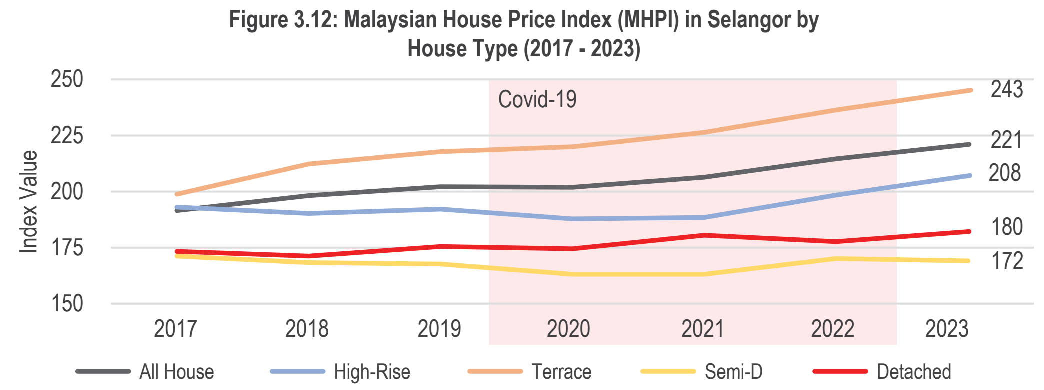
Figure 3.11: Residential Property Transaction Value in Selangor by Price Range (2023)



Source: National Property Information Centre (NAPIC)

Though disadvantaged by reduced transaction activity, the All House MHPI for Selangor managed to register a solid 2.9% increase, with the index rising across all house categories. High-rises remarkably outperformed their landed counterparts, growing by 4.8% compared to 2.8% for terraces, 1.5% for detached homes, and 1.3% for semi-detached homes (Figure 3.12). The trend showcases the state's diversified demand for all types of properties, as well as a growing appetite for high-rises.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)



House Type	Malaysian House Price Index (MHPI) in Selangor						
	2017	2018	2019	2020	2021	2022	2023
All House	192	198	202	202	206	215	221
High-Rise	193	190	192	188	188	198	208
Terrace	199	212	218	220	226	236	243
Semi-D	171	168	168	163	163	170	172
Detached	173	171	176	174	181	178	180

Source: NAPIC

Review of Operations

Tan & Tan spent 2023 reviewing our priorities post-Covid and rebalancing our landbank to accommodate the changing property development landscape in Malaysia. We made several land acquisitions, disposed of land, and continued to work on our pipeline of projects. We continued to face challenges in the year however. Homebuyers faced difficulties in obtaining loans, and we continued to grapple with a shortage of quality workers. Our teams have also worked hard to keep up to date with changes in regulatory requirements this year.

Following the pandemic, we are finding that people have become more discerning about how spaces in their homes are used. Buyers are placing greater emphasis on value and are looking for more flexibility in homes. There has also been an increased focus on sustainable development and a greater shift towards the use of technology across the development spectrum. For example, during the pandemic, 3D walkthrough of properties gained traction and has continued to be popular today. We have therefore continued to offer this as part of our sales offering. Property management applications ("apps") are also increasingly being used, replacing traditional interfaces. For example, apps are now being used in place of traditional intercoms and for communication.

Despite these developments, we are confident that the Tan & Tan brand, and the values and commitment that it encompasses, will continue to set us apart from our competitors. We remain committed to innovation, value, quality and service; and with our holistic approach, will continue work to ensure that we maintain all our projects, growing their community and value over time.

Strategic Response

To address the developments in the industry, Tan & Tan have focused on the following this year:

i. **Reviewed Priorities**

As we move forward, we want to ensure that we continue to remain relevant in an evolving industry. It was therefore important to us that we reviewed our priorities and made changes to ensure that our strategy is aligned with our focus going forward.

This year, we have decided to go back to our roots and focus on boutique developments. We will incorporate the changing tastes and preferences of the Malaysian homeowner, ensuring that new projects offer value and greater flexibility. We will also continue to explore new ways in which we can incorporate sustainable building materials, methods and features, into our new projects.

We will also be pivoting to capture strategic opportunities, including those in industrial development, given the demand and government incentives there.

The rebalancing of our landbank has reflected the shifts in our priorities.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

ii. Engaged with Authorities

Our teams have worked hard to keep abreast with regulatory changes, engaging in dialogues with the authorities as new guidelines and regulations are formed. It is important to us that we continue to be an engaged player in the industry and keep pace with the evolving regulatory landscape.

iii. Enhanced Marketing Efforts

To maintain brand recognition and reach out to new demographic groups, we expanded our marketing efforts. For example, we made a greater push with advertisements on social media platforms. These efforts have helped us grow our database and will allow for engagement as we launch new projects going forward.

iv. Others

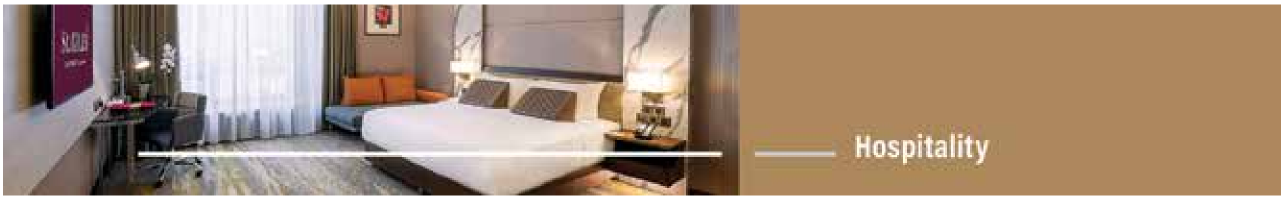
- As homebuyers have found it harder to obtain loans that meet their requirements, we have worked to package our sales offerings to help facilitate purchases.
- Contractors have continued to face a shortage or quality workers. We have therefore had to reach out to a broader pool of companies to help address the shortfall.

Market Outlook

Increased transactions, new launches, and a stable domestic economy bodes well for the Malaysian residential property market in 2024. The balanced interest rate policy set by BNM, possible United States America ("USA") interest rate cuts, and Budget 2024 initiatives are supportive of homebuyer and property developer confidence. Modification of the en-bloc sales threshold, as well as the proposed Urban Renewal Act stand to spur the redevelopment of abandoned projects and revitalise neglected urban areas. Greater support for the Housing Credit Guarantee Scheme and People's Housing Projects ("PPR") meanwhile, will enable financial assistance to be provided to more underserved families, in addition to promoting homeownership. The revision of Malaysia My Second Home ("MM2H") rules is also anticipated to attract foreign families and professionals. While challenges from credit access, affordability, and inflation are likely to persist, the overall outlook is favourable for the residential property market in the coming year.

We are confident that we are well-positioned to capitalise on the opportunities ahead and have in line projects that will meet the needs and preferences of today's market, while staying true to the Tan & Tan brand promise of value, quality and service.

4. Hospitality



Operating Environment

Amidst global uncertainties and local challenges, the Malaysian tourism industry experienced a revival in activity in 2023. International tourist arrivals soared by an impressive 100% from 10.1m to 20.1m visitors, while international tourist receipts increased by 153% from RM28.2b to RM71.3b (Figure 4.1). The average expenditure per tourist accordingly increased from RM2,800 in 2022 to RM3,540, a roughly 26% increase.

With seven unbroken quarters of recovery since 2022, demand for travel in the country has been robust and sustained. The industry's performance during Q4 2023 was particularly strong. The 5.7m visitors recorded was just 5% shy of the 6m welcomed in the same quarter pre-pandemic. Comparing tourist receipts paints an even better picture, where the total for the year was 10% higher as compared to Q4 2019 (Figure 4.2, Figure 4.3). Overall, the remarkable rebound narrowed the industry's shortfall to 2019's numbers significantly. Tourist arrivals and receipts improved by 38 p.p. and 50 p.p. respectively, with the gap for the former closing at -23% and the latter at -17%.

MANAGEMENT DISCUSSION AND ANALYSIS
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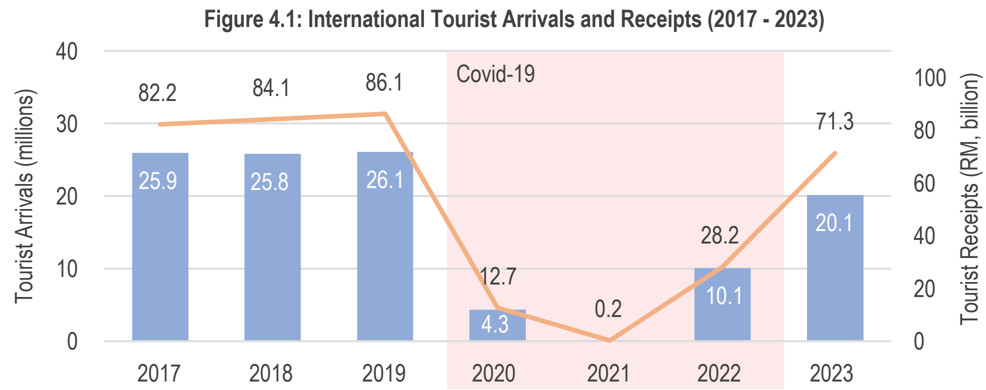
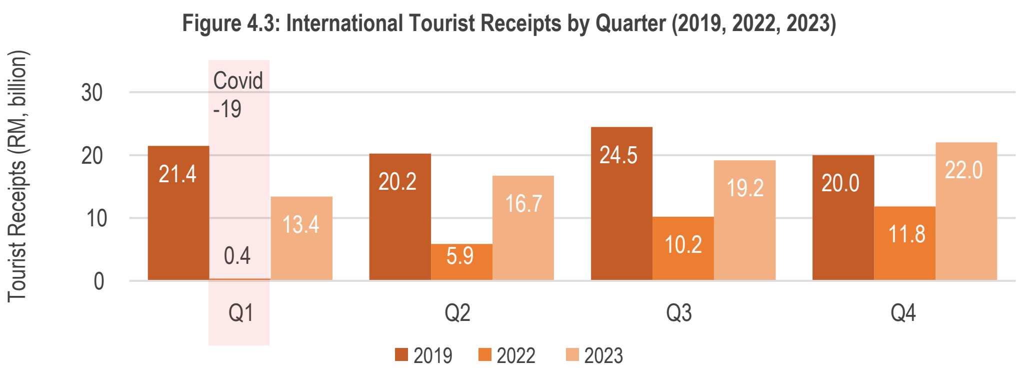


Source: Tourism Malaysia

Source: Tourism Malaysia



Source: Tourism Malaysia

By region, the majority of international tourist arrivals hailed from South East Asia, comprising 73% of the total. East Asia (12%) followed a distant second, with South Asia (5%), Europe (4%) and other regions (6%) making up the remainder. Within South East Asia, Singapore retained its position as the top contributor to tourist arrivals, accounting for a substantial 57% of the regional total. Indonesia (21%), Thailand (11%) and Brunei (6%) were other major players, each ferrying more than double the number of visitors compared to the previous year.

After a two-year hiatus due to strict Covid-19 restrictions, China finally reopened its borders, allowing its citizens to travel internationally again. The arrival of Chinese tourists to Malaysia gained momentum in 2023, increasing from a low of 212k to 1.5m individuals, and achieving an amazing year-on-year growth of 593%. Taiwanese sightseers also enthusiastically flocked back to Malaysian shores in 2023, recording a growth of 489% year-on-year. South Korean and Japanese arrivals, while fewer in number, also recorded triple digit growth rates.

Encouragingly, tourist arrivals from several countries neared their pre-Covid numbers in 2023. Among the European nations, the shortfalls for Germany (-3%), Spain (-7%), Ireland (-8%) and Switzerland (-9%) reduced substantially over the course of the year. Closer to home, Australia (-7%) and India (-9%) are on a promising trajectory for a full rebound. Notably bucking the trend however, were Sri Lanka (+111%), Myanmar (+87%), Russia (+37%), and Turkey (+13%), with tourist arrivals from these countries already exceeding their 2019 figures by a fair margin (Figure 4.4, Figure 4.5).

MANAGEMENT DISCUSSION AND ANALYSIS

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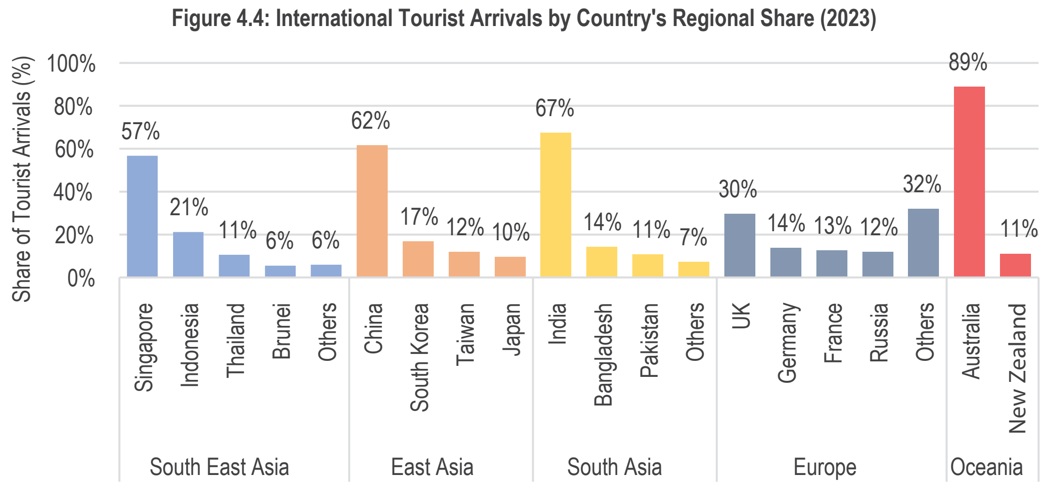

Source: Tourism Malaysia

Figure 4.5: Top 15 International Tourist Arrivals by Country

Country	Region	Tourist Arrivals			Y-o-Y Change (%)	
		2019	2022	2023	2019 vs 2023	2022 vs 2023
Singapore	South East Asia	10,163,882	5,222,991	8,308,230	-18.3%	59.1%
Indonesia	South East Asia	3,623,277	1,481,739	3,108,165	-14.2%	109.8%
Thailand	South East Asia	1,884,306	715,528	1,551,282	-17.7%	116.8%
China	East Asia	3,114,257	212,603	1,474,114	-52.7%	593.4%
Brunei	South East Asia	1,216,123	301,757	811,833	-33.2%	169.0%
India	South Asia	735,309	324,548	671,846	-8.6%	107.0%
South Korea	East Asia	673,065	146,384	400,853	-40.4%	173.8%
Vietnam	South East Asia	400,346	173,763	344,361	-14.0%	98.2%
Australia	Oceania	368,271	152,265	343,438	-6.7%	125.6%
Philippines	South East Asia	421,908	159,442	339,282	-19.6%	112.8%
Taiwan	East Asia	382,916	48,132	283,380	-26.0%	488.8%
UK	Europe	346,485	134,667	272,297	-21.4%	102.2%
Japan	East Asia	424,694	83,309	229,892	-45.9%	176.0%
USA	North America	269,928	108,141	229,476	-15.0%	112.2%
Bangladesh	South Asia	179,000	59,033	142,748	-20.3%	141.8%

Source: Tourism Malaysia

MANAGEMENT DISCUSSION AND ANALYSIS
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Supply and Demand of Hotel Rooms

Kuala Lumpur

As at Q3 2023, the cumulative supply of hotel rooms in Kuala Lumpur stood at 46.2k. Renewed tourism-related activity in the city saw the introduction of several new hotels during the year. Notable mentions include INNside by Spanish hotel chain Meliá, Aset Kayamas' foray into hospitality with the Sleeping Lion Suites, Malaysia's first Hyatt Place, and Crowne Plaza and Hotel Indigo on the Park by IHG. Rounding off the list is Renaissance Kuala Lumpur Hotel & Convention Centre, which reopened late in the year after renovations as a dual-branded property together with Four Points by Sheraton, Kuala Lumpur City Centre.

Incoming supply is projected at roughly 4,800 rooms. Upscale, luxury hotels such as the Waldorf Astoria, Conrad Kuala Lumpur, and Kimpton Hotel @ TRX are anticipated to open in 2024, further advancing Kuala Lumpur's reputation as a world-class destination fit for the discerning guest (Figure 4.6).

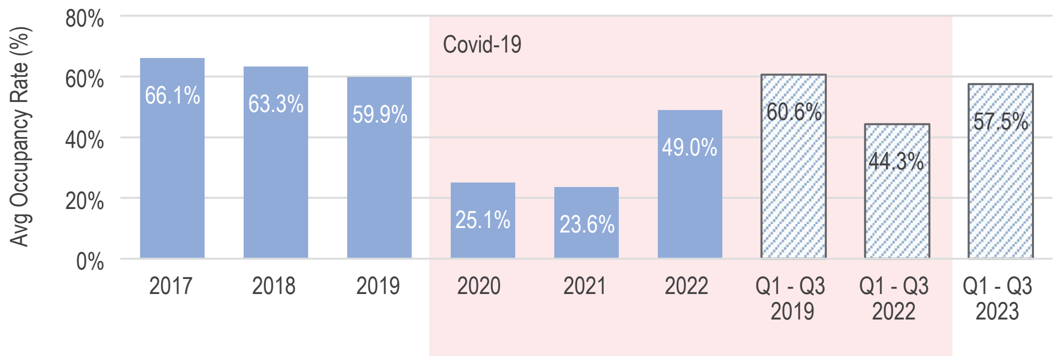
The average occupancy rate ("AOR") of hotels in Kuala Lumpur reached 57.5% for Q1 – Q3 2023. The figure marks a significant 13 p.p. improvement compared to the AOR recorded over the corresponding period in 2022, and just 3 p.p. less than in 2019 (Figure 4.7). This trend is expected to continue as tourism builds further momentum. Kuala Lumpur hotels are well-positioned to cater to the diverse needs of leisure and business travellers thanks to their vibrancy, adaptability, and excellent amenities and services.

Figure 4.6: Notable Hotel Completions and Incoming Supply in Kuala Lumpur

Hotel	Location	Completion	Rooms
INNside by Meliá	Cheras	Q1 2023	238
Sleeping Lion Suites	Bukit Bintang	Q3 2023	866
Hyatt Place Kuala Lumpur	Bukit Jalil	Q4 2023	250
Renaissance Kuala Lumpur Hotel & Convention Centre	Jalan Ampang	Q4 2023	406
Four Points by Sheraton, Kuala Lumpur City Centre	Jalan Ampang	Q4 2023	513
Crowne Plaza Kuala Lumpur	Jalan Yap Kwan Seng	Q4 2023	320
Hotel Indigo on the Park Kuala Lumpur	Bukit Nanas	Q4 2023	180
Waldorf Astoria	Jalan Raja Chulan	2024	272
Conrad Kuala Lumpur	Jalan Sultan Ismail	2024	488
Kimpton Hotel @ TRX	Jalan Tun Razak	2024	471

Source: CBRE | WTW Research

Figure 4.7: Average Occupancy Rate (AOR) of Hotels in Kuala Lumpur (2017 - Q3 2023)



Source: Tourism Malaysia

Penang

The number of existing keys in Penang stayed relatively stable during the year, increasing only marginally to settle at 23.3k. The George Penang by The Crest Collection and Citadines Prai Penang were two prominent additions to the market (Figure 4.8). Demand for stays picked up noticeably with the rebound in leisure tourism, and Meetings, Incentives, Conventions and Exhibitions ("MICE") events. Cruise activity at Swettenham Pier Cruise Terminal ("SPCT") increased substantially, while several airlines expanded their networks and reinstated old flight routes to Penang International Airport ("PIA"). Of note are the new connections between Penang and Hong Kong (AirAsia), Guangzhou (China Southern Airlines), Xiamen (Xiamen Airlines), Dubai (flydubai), Doha (Qatar Airways) and Bangkok (Firefly).

MANAGEMENT DISCUSSION AND ANALYSIS
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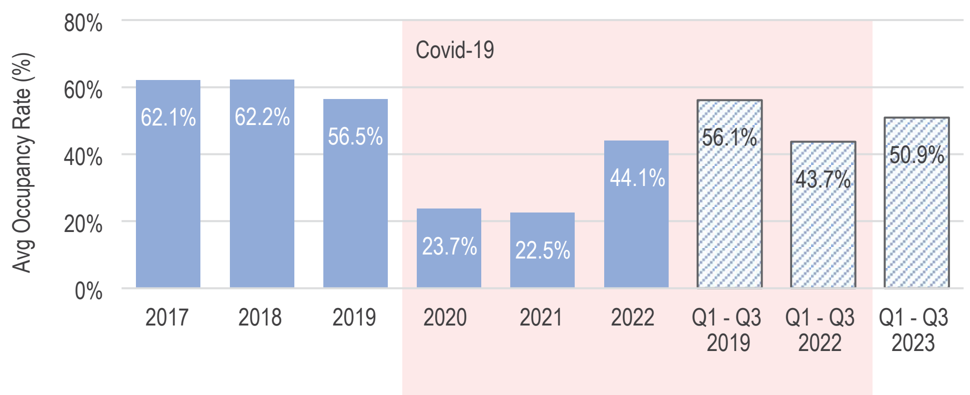
Hotel AOR for Q1 – Q3 2023 registered at 50.9%, a respectable 7 p.p. above 2022's muted 43.7%. The pre-pandemic variance also saw a reduction to 5 p.p. (Figure 4.9). (Figure 4.9). An additional 3.9k rooms are expected to be added in Penang, which is anticipated to impact occupancy rates in the short-term. Nevertheless, the state's unique heritage and strategic location lends it a long-term competitive advantage. The upgrading of PIA and efforts by Penang Global Tourism are also positive for the local tourism scene's sustained growth.

Figure 4.8: Notable Hotel Completions and Incoming Supply in Penang

Hotel	Location	Completion	Rooms
Citadines Prai Penang	Bukit Mertajam	Q2 2023	168
The George Penang by The Crest Collection	Jalan Penang	Q4 2023	92
Penang Marriott Hotel	Gurney Drive	Q1 2024	223
Crowne Plaza Butterworth Straits City	Butterworth	2024	343
Iconic Marjorie Hotel	Sungai Nibong	2024	298
Citadines Connect Cecil Georgetown	Lebuh Mcnair	2024	134
Citadines Connect Bertam Georgetown	Jalan Penang	2024	TBA
Hotel Equatorial Penang	Bukit Jambul	2025	TBA

Source: CBRE | WTW Research
TBA = to be announced

Figure 4.9: Average Occupancy Rate (AOR) of Hotels in Penang (2017 - Q3 2023)



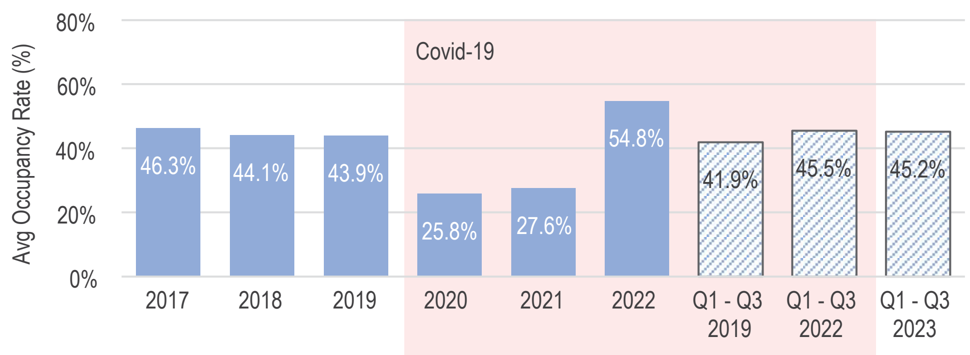
Source: Tourism Malaysia

Perak

Perak's cumulative supply of hotel rooms remained flat at 16.4k, with no new hotels launched in 2023. The pace of recovery moderated compared to 2022, with the AOR decreasing slightly by less than a p.p. to 45.2% from 45.5% (Figure 4.10). Despite the mild slowdown, indicating a softer tourism market compared to other states, initiatives by the state government and tourism-related bodies, such as Visit Perak 2024 are anticipated to spur demand and interest.

More direct flights to Sultan Azlan Shah Airport, as well as upgrades to tourist facilities and connectivity infrastructure are also being proposed and planned.

Figure 4.10: Average Occupancy Rate (AOR) of Hotels in Perak (2017 - Q3 2023)



Source: Tourism Malaysia

MANAGEMENT DISCUSSION AND ANALYSIS
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Johor Bahru

The total supply of hotel rooms in Johor Bahru hovered around 11.5k in 2023. Prominent hotel openings include Malaysia's second and the state's first Hyatt Place Johor Bahru @ Paradigm Mall and Suasana Suites, adding a combined 516 rooms to the market. Both properties are situated along strategic highway arteries with easy access to major retail centres. Shangri-La's JEN Johor Puteri Harbour meanwhile, shuttered its doors permanently in mid-2023, reducing existing keys by 283 rooms.

Brands such as Novotel Johor Bahru and Sheraton Johor Bahru are expected to enter the scene in the next two years, while a second Hyatt Place @ Quayside Johor Bahru City Centre ("JBCC") is also in the pipeline (Figure 4.11). The openings are indicative of a shift to higher quality accommodations and the Southern Jewel's growing appeal to well-known international hotel brands.

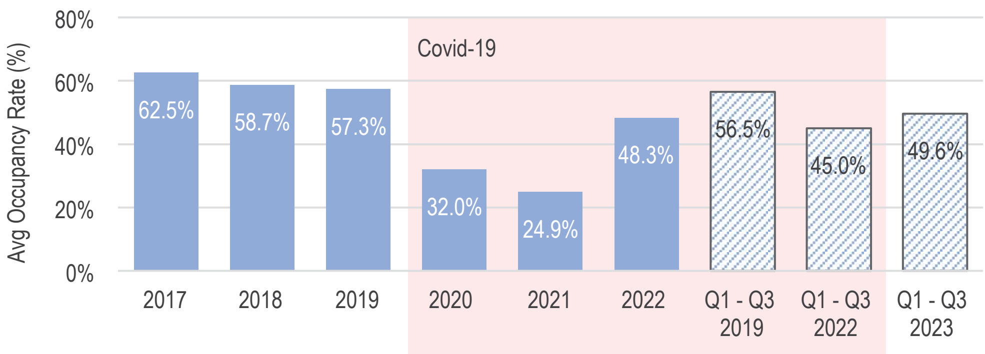
State-wide, the higher intensity of tourism in-and-around the region resulted in an influx of tourists, improving the AOR by 4.6 p.p. to 49.6% for Q1 – Q3 2023 (Figure 4.12). While still below pre-Covid levels, the prospects are bright for medium and long-term growth. Beneficial policy changes such as the designation of a special economic zone, upgrading of the Customs, Immigration and Quarantine ("CIQ") complex, and completion of the Johor-Singapore RTS project are positive, transformative catalysts for leisure and business travel.

Figure 4.11: Notable Hotel Completions and Incoming Supply in Johor Bahru

Hotel	Location	Completion	Rooms
Hyatt Place Johor Bahru @ Paradigm Mall Johor Bahru	Taman Bukit Mewah	Q4 2023	202
Suasana Suites Johor Bahru	Jalan Trus	Q1 2024	314
Novotel Johor Bahru	Taman Abad	2024	198
Sheraton Johor Bahru	Bukit Ungku Aziz	2025	345
Hyatt Place JBCC @ Quayside JBCC	Jalan Trus	2026	200

Source: CBRE | WTW Research

Figure 4.12: Average Occupancy Rate (AOR) of Hotels in Johor (2017 - Q3 2023)



Source: Tourism Malaysia

Kota Kinabalu

In Kota Kinabalu, the cumulative supply of hotel rooms was stable at approximately 10.5k. Resort-themed hotels highlighting Borneo's idyllic and serene landscape remain in favour, with several major additions expected in the coming few years. Under construction in Kota Kinabalu's prime waterfront area are Crowne Plaza Waterfront, Sheraton Hotel and Grandis @ The Peninsula. Avani Kota Kinabalu is also expected to welcome guests in the city sometime in 2025 (Figure 4.13). Further afield, progress for Alilia Resort in Tuaran, Club Med Borneo in Kuala Penyu, and InterContinental in Papar are well underway.

The state recorded a decent increase of 6.8 p.p. in AOR over the Q1 – Q3 2023 period on the back of higher international arrivals from East Asia and neighbouring South East Asian countries. However, the variance from 2019's figures remain significant at 19 p.p. (Figure 4.14). Efforts by Sabah's tourism ministry to organise landmark events such as the Mount Kinabalu Climbathon and Sabah Fest, collaborate with other tourism bodies, and channel funds to rural tourism development are facilitating a faster rebound.

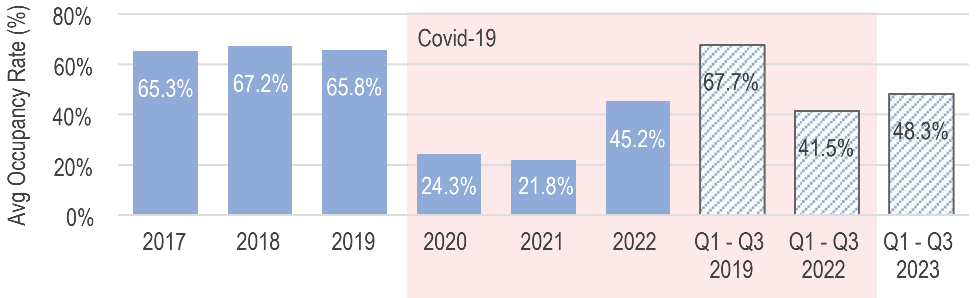
MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Figure 4.13: Notable Hotel Completions and Incoming Supply in Kota Kinabalu

Hotel	Location	Completion	Rooms
Crowne Plaza Waterfront	Kota Kinabalu	2024	367
Sheraton Hotel Kota Kinabalu	Kota Kinabalu	2024	345
Avani Kota Kinabalu	TBA	2025	378
Grandis @ The Peninsula Kota Kinabalu	Kota Kinabalu	2028	800

Source: CBRE | WTW Research
TBA = to be announced

Figure 4.14: Average Occupancy Rate (AOR) of Hotels in Sabah (2017 - Q3 2023)



Source: Tourism Malaysia

Review of Operations

a) Asia: Malaysia

In 2023, our hotels in the key cities of Penang, Kuala Lumpur, and Johor Bahru recorded average occupancies of 55%. However, it should be noted that several hotels were closed for varying periods for renovation works in 2023, and that the St Giles Boulevard Hotel, which was closed on 15 January 2021 due to the pandemic, only reopened its doors on 31 August 2023.

St Giles Southkey in Johor Bahru has performed well in particular, on the back of increased travel by Singaporeans, particularly on the weekends, public holidays, and the school holidays. The weaker ringgit has also helped to bolster travel.

However, the year was not devoid of its challenges. Shortage in the labour market continue to plague the service intensive industry. We have intensified training programs on upskilling and multi-skilling to mitigate the impact on our delivery of service to hotel guests. Additionally, as travel has resumed, we are seeing a greater emphasis on sustainable practices, with an increasing number of eco-conscious travellers.

In August 2023 we conducted a new customer survey to assess the impact of environmental sustainability initiatives on our business. 73.1% of our customers say that these initiatives are important factors that they consider when choosing a hotel, and 86.6% of respondents have said that the initiatives that our hotels currently undertake have positively impacted their stay with us.

Our portfolio of hotels are mainly situated in vibrant business districts in each city where we operate. Our delivery of service standards and quality of accommodation have been consistent and with a strong brand standard, we are able to meet expectations and achieve customer loyalty. This sets us apart from competitors. Also, with an inventory of 3,461 rooms, we are able to achieve the economies of scale in procurement of amenities, linens and food & beverage items hence meeting cost ratios to deliver the profit margins.

Hotel	Rooms
St Giles Gardens Hotel & Residences	647
St Giles Boulevard, KL	390
St Giles Wembley, Penang	415
St Giles Southkey, Johor Bahru	575
Cititel Mid Valley, KL	646
Cititel Express Penang	234
Cititel Express Ipoh	189
Cititel Express Kota Kinabalu	180
MiCasa All Suite Hotel	185
TOTAL	**3,461**

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Strategic Response

To address the challenges in 2023, we focused on the following:

i. Asset Enhancement

We recognise the importance of ensuring that our hotels remain relevant and provide a safe and comfortable place for visitors to retreat to at the end of the day. We have therefore embarked on an asset enhancement exercise, with several hotels kick starting renovation works this year.

Table 1: Renovation Works Started in 2023

Hotel	Renovation Details
St Giles Gardens Residences	Renovation works commenced on 1 May 2023 and is scheduled for completion by June 2024. Upgrading works to the building's façade is expected to be completed in Q1 2025.
Cititel Express Kota Kinabalu	Renovation works commenced on 1 July 2023. The hotel has since reopened in January 2024. Room inventory reduced from 275 to 180 as a selection of rooms have been combined, providing larger rooms to accommodate demand and achieve a higher yield.
Cititel Express Ipoh	Renovation works commenced in June 2023 and was completed in December 2023. Room inventory was reduced from 210 to 189 as a selection of rooms have been combined, providing larger rooms to accommodate demand and achieve a higher yield.

ii. Adoption of Sustainable Practices

ESG principles have fast become a driving force in the industry, shifting the focus of businesses towards supporting a future that is both responsible and sustainable. As a responsible corporate citizen, we are committed to driving sustainability in and across our operations and are always exploring new ways in which we can adopt more sustainable practices.

In 2023, we completed the installation of purified water dispensers in five of our hotels. The dispensers are located in common areas near the rooms and have replaced the plastic bottled drinking water that were previously placed inside the rooms. We are committed to pursue this initiative across all our hotels in phases over the next 24 months.

In Q3 2023, we started replacing wet amenities in the bathrooms with shampoo and body wash dispensers. These amenities are certified environmentally friendly, and are free from parabens, triclosan, silicones, and drying alcohols. These dispensers replace the miniature plastic bottles that were previously used.

iii. Upgrading of Systems

We are constantly exploring ways in which we can improve our efficiency and ability to service our customers. In 2023, we migrated our Property Management System to a cloud-based system which will help streamline our operations, increase flexibility, reliability and security of data collected. At the end of 2023, three hotels (St Giles Southkey, Johor Bahru; St Giles Boulevard Hotel, Kuala Lumpur; the St Giles Tank Stream Hotel, Sydney Australia) fully migrated to the new system, while 4 more (St Giles Gardens Hotel & Residences, Kuala Lumpur; St Giles Wembley, Penang, Cititel Express, Penang; and Cititel Mid Valley, Kuala Lumpur) will do so in 2024. The remaining hotels will follow suit once their licenses with the current vendor expires.

Market Outlook

The Malaysian tourism industry is poised for a full recovery in 2024, bolstered by greater travel in the Asia Pacific region and robust tourism-promoting programmes. Relaxed visa policies announced in Budget 2024 provide significant tailwinds, ushering in extended stays for visitors and long-stay guests. The 30-day visa-free travel period granted to Chinese and Indian tourists in particular, is anticipated to spur activity throughout the tourism value chain. Tax breaks for entertainment events and venues, notably concerts and theme parks, is another welcome measure that is positive for the growth of the local entertainment scene. The Ministry of Tourism, Arts and Culture ("MOTAC") is also accelerating the frequency and intensity of its roadshows and sales missions, with events already planned for cities across India, China, Indonesia, the Middle East, North Africa and Europe.

While there are potential risks from increased costs, economic slowdowns and changing tourist preferences, the Malaysian tourism industry is resilient and adaptable. Continuous innovation in operational processes, sustainability and customer journey curation are laying a strong foundation for future growth and a successful Visit Malaysia 2026.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

We enter 2024 optimistically, and will continue to work hard to offer our guests accommodations that are modern, comfortable, and safe, whilst exploring further opportunities to imbed sustainable features across our operations. We will also continue to grow our brand, reach out to new customer demographics, and increase customer loyalty. In line with this, we will be launching our own Hotel Loyalty Programme in the second half of 2024. Our initial intention is to benefit all the Malaysian hotels due to its extensive combined customer base. However, we are mindful in developing a program that is scalable to include hotels outside of Malaysia and other entities, for example retail and property development at a later stage. Through these efforts, we aim to increase customer lifetime value, grow our online sales, boost revenue, and elevate our brand across a broader demographic.

b) Asia: Philippines

Covid travel restrictions were lifted in March 2023, boosting tourism in the Philippines. Both domestic and international travel saw growth in 2023, with the majority of people travelling for leisure.

In 2023, St Giles Makati delivered a Gross Operating Revenue ("GOR") of PHP 208.9m, an increase of 39.6% from the GOR recorded in 2022. Occupancy in the year also increase from 38.2% in 2022 to 49.1% in 2023. The strong pick up in domestic travel in particular, helped boost the number of visitors to Makati.

In 2023, corporate travel resumed, and the following industry segments supported our growth : maritime/shipping, banking and finance, airlines, insurance, manufacturing, non-government agencies, energy, oil and gas, and logistics. Training and meetings held by the government sector also picked up significantly from Q2 2023. This has benefitted the hotel.

Looking forward, we are cautiously optimistic and expect to see continued growth as the industry normalises following the pandemic. Tourist arrivals for 2024 is projected to grow to 8.2m from 5.4m in 2023, with visitor arrivals driven by key markets in Asia, Europe, and North America. Additionally, Philippine Airlines ("PAL") and Singapore Airlines ("SIA") have recently signed a new codeshare agreement which will enhance flight options for customers traveling between the Philippines and Singapore, as well as to other domestic and international destinations via their respective hubs. This agreement will allow PAL to tap into SIA's vast global network and should augur well for tourism in 2024 and beyond.

We will continue to enhance our offerings, working to provide guests a modern, comfortable, and safe place to stay. In 2024, plans are in place to upgrade some of our service facilities including guest elevators and our air-conditioning systems.

c) Australia

In Sydney, Australia, EVT Hotels & Resorts has been appointed to manage the St Giles Tank Stream Hotel. The hotel has been restructured with new management under EVT. This new arrangement commenced in August 2023. The Tank Stream Hotel has been placed under EVT's Independent Collection and will undergo a staged refurbishment of both rooms and lobby, with an expected completion in Q3 2024, and following this will be rebranded as Rydges Australia Square.

The Rydges brand has 45 hotels within its portfolio and enjoys a strong presence in Australia and New Zealand. Combined with The Tank Stream Hotel's strategic position in Sydney's central business district, and EVT's experience, marketing reach, loyal membership base and track record, we are confident this arrangement will bring significant value to the future success of the Hotel.

d) United Kingdom

Review of Operations

The hotel sector in the United Kingdom ("UK") performed well in 2023, boosted by a surge in overseas visitors and strong demand for corporate meetings and events. IGB's hotels in the UK performed exceptionally well this year, exceeding both annual performance targets and performance achieved in 2022. However, this year did not pass without facing its challenges. In particular, multiple strike actions took place throughout the year across transport networks, causing significant disruptions to travel. These resulted in cancellations and impacted revenue. We have also noticed that post-Covid, fewer travellers are choosing to book accommodation in advance and are instead leaving bookings to the last minute.

Growth in the year has been driven by the return of corporate travel, a strengthening industry Average Daily Rate ("ADR"), and a close focus on monitoring and measuring costs. Increased staff morale and productivity post-Covid, have also helped drive our growth this year. Additionally, we believe that our hotels provide a distinct offering, benefiting from their strategic locations, the high service standards offered to guests, and price point. These factors have all contributed to our ability to drive performance, sustaining growth and returns to our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Strategic Response

In 2023, we have focused on the following:

i. Enhancing Our Offering

This year, we have:

- Undertaken efforts to improve our hotels, spending capital to upgrade 2 guest lifts, make improvements to our lift lobbies, and install a key water filtration system, amongst others. These enhancements will allow us to continue to provide a product that exceeds the value expectation by our guests and increase overall satisfaction.

- Invested in our people by providing relevant training. We have sponsored 2 senior managers to attend a Masters Course on Leadership at the University of Cranfield, and also have 15 apprentices attending training at the YMCA. Additionally, if a member of staff expresses interest in a course that enhances knowledge and skills that are relevant to their role, we will also provide sponsorship for these courses. It is important to us that all our staff are equipped to provide a level of service that is higher than what people expect from a 3-star property.

- Improved our value-added offerings to elevate the guest experience and the value they get from staying with us. We launched a VIP programme that provides our corporate and VIP guests an arrival surprise and amenities usually only offered at 4-to-5-star hotels. These enhanced offerings are also used for guest recovery and experience enhancement, such as when we receive a guest complaint or notification that a guest is celebrating a special occasion during their stay with us.

ii. Enhancing Booking Management

To encourage guests to make their bookings in advance, we have offered advanced booking campaigns with competitive rates. With the use of Duetto, a revenue management software for hotels, we are also able to better manage our inventory, allowing us to have a forward view of the group bookings we can take and how flexible we can be with them. This enables us to choose groups which offer better rates, and push for a longer cancellation period.

Market Outlook

The hotel industry in the UK is expected to continue to be resilient in 2024, and is well-placed to deliver growth. We enter the year optimistic, and anticipate both rates and occupancy to pick up in the year. Leisure and corporate travel are also expected to return with greater consistency. Challenges for the industry remain however. As global uncertainties persist for example, travel from affected countries will be impacted. Additionally, in the UK, General Elections are upcoming, which may see changes in leadership and government. We may therefore see changes in factors such as taxes, minimum wages, and access to migrant workers, amongst others.

Despite these uncertainties, we are confident that our brand positioning and offering will continue to appeal to a broad market. We will continue to explore new growth segments, in particular strengthening our reach into the UK, USA and European leisure and corporate markets; and look at attracting younger travellers, designing creative campaigns and crafting experiential stays that will appeal to them.

We are also excited to officially launch our charity arm – Hotels with Heart, along with the St Giles Hospitality Academy, which will provide jobs and skills training to the homeless, rough sleepers, and asylum seekers. Following the launch, we will be the first hotel group to have committed to tackling homelessness at such a large scale. Going forward, we will continue to grow this initiative with the government and local councils.

Work on our sub-brand is also ongoing and is part of our strategy to strengthen the group brand as well as create a differentiation between the 4-to-5-star products offered and our 3-star product. With this new sub-brand, we will be able to expand our reach into new international markets with a product that appeals to a broader demographic. With the sub-brand, we will continue to ensure that we offer a service standard that exceeds that offered by our competition and offer our guests experiences that go beyond their expectations.

e) USA

The Tuscany Hotel is under a two-year lease which ends on 28 February 2025. Rental is at USD1.5 million per annum. At the expiration of this initial term, the lessee has the option to extend for a further two years at a rent of USD2 million per annum.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

5. Construction

Review of Operations

The construction sector in Malaysia registered strong growth in the year, underpinned by the government's expansionary fiscal spending and further progress in private and public sector projects. However, in 2023, Ensignia Construction Sdn Bhd ("Ensignia"), IGB's in-house construction arm, continued to face challenges from rising costs as well as a shortage of workers. These factors impacted the cost of construction as well as the time required to complete construction works, and were exacerbated in the year as a result of a weakening ringgit and inflation.

As construction works picked up pace post-Covid, the industry has seen the focus on sustainable building practices gain momentum, with the use of green building materials, energy efficient designs, and renewable energy integration, becoming standard requirements in new construction projects.

In 2023, Ensignia has continued to focus on ongoing projects.

Project Updates

a) Menara Southpoint, Mid Valley City

Menara Southpoint is a 59-storey tower comprising offices and residential units. It is the last major component of the MVC development. The offices have been in operation since 2018 whilst the residences were completed with Certificate of Completion and Compliance ("CCC") on 18 Dec 2023.

b) Mid Valley Southkey South Tower, Johor Bahru

The Mid Valley Southkey South Tower is a 31-storey building that houses 24-storeys of office space. The tower has a gross floor area of 40,197 square metres ("sqm") and a net floor area of approximately 30,000 sqm. Architecture & Mechanical and Engineering works for this tower is scheduled to be completed by the second quarter of 2024.

Strategic Response

In 2023, to tackle the challenges faced in the year, Ensignia has worked hard to address challenges faced. Specifically, we have focused on the following:

i. Working Collaboratively

We believe that working collaboratively with our sub-contractors is beneficial for all. As such, we have continued to work closely with them this year, supporting them where required. For example, we have helped them look for workers when there has been a shortfall and have purchased materials on their behalf where required.

ii. Improve Workforce Skills and Development

We understand that it is our people who drive our business and ensure that we are able to address any challenges that come our way. As such, it is important to us that we create a culture of continuous learning so that our people are not just able to do their job, but do it well while adding value in the process. We therefore offer a range of training programmes to our staff, including personal development training, technical knowledge training, and health and safety training.

iii. Focus on Safety and Risk Mitigation

The well-being of workers who are engaged to work on our construction sites is important to us. A large part of looking after their well-being is working to mitigate risk and being committed to safety on the construction site. As such, we continue to be stringent in our safety requirements on all sites that we work on, and require regular safety checks. In addition to looking after the well-being of workers, a focus on safety and risk mitigation also helps minimise the number of accidents on site, which may contribute to delays.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Market Outlook

The outlook for 2024 for the construction industry in Malaysia is positive as we expect to see continued growth supported by key infrastructure projects and positive momentum in foreign direct investment under the NIMP 2030. This plan will see the development of new industrial parks as well as the construction and upgrading of infrastructure to support the growth of the manufacturing sector.

To keep pace with the changing landscape, we will need to remain flexible and able to adapt quickly to change. We will continue to focus on building up our sustainable building practices and explore the feasibility of adopting advanced construction technologies and new construction methods.

Though the outlook for the industry remains positive, we approach 2024 cautiously as we continue to find our bearings in a fast-evolving landscape.

6. Other Investments

a) Water Treatment

The China Water Group's operational performance and capacity has improved during the year in tandem with China's continued recovery from Covid-19. Tenants within the industrial parks serviced by the China Water Group have steadily increased their operations.

Moving forward, the China Water Group intends to strategically upgrade its existing plants to meet the revised environmental standards for the water treatment industry that aligns with China's strategy on carbon emissions. These efforts underscore our unwavering dedication to delivering high-quality water services while safeguarding the environment for future generations.

b) Education

Review of Operations

The last few years have been challenging for IGB International School ("IGBIS"). Many expatriates left Malaysia during the pandemic, and once borders reopened, they have been slow to return. As a result, enrolment at IGBIS recorded negligible growth in the last 4 years. In 2023 however, we have seen an uptick in enquiries and an increase in enrolment.

No. of students enrolled on the first day of school for the 2022/23 academic year	344
No. of students enrolled on the first day of school for the 2023/24 academic year	404

This year, IGBIS was fully re-accredited by two accrediting agencies, namely the Council of International Schools ("CIS") and the New England Association of Schools and Colleges ("NEASC"). We are the only school in Malaysia to be accredited by the latter. Our overall results have also been good, and we are particularly proud of the results obtained by students enrolled in our Diploma and Career-related Programmes.

IGBIS welcomed a new Head of School in 2023. Dr. Gregory Brunton joined at the start of the 2023/24 academic year. Since joining, he has been working on enhancing the IGBIS offering, bringing new programmes and partnerships to the community.

As expatriates returned to Malaysia, we have seen a significant number of enquiries from non-native English-speaking families. Competition from international schools in Malaysia has also been fierce post-Covid. Expectations for education today are also evolving and different from a decade ago. Despite this, we are confident that the IGBIS offering lends us an advantage in this competitive landscape. Our campus equipped with state-of-the-art facilities and we are staffed with IB experienced teachers. We boast a diverse community and are an inclusive school. IGBIS is the only school in Malaysia authorised to offer the full continuum of IB programmes (Primary Years Programme, Middle Years Programme, Diploma Programme, and the Career-related Programme) and is also the only school in the country that offers the career-related programmes.

Strategic Response

IGBIS is committed to meeting the needs of students today, and works hard to remain competitive by providing unparalleled opportunities for our student community.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

i. Programmes that Provide Unparalleled Opportunities for our Students

Expanded Our Dual Enrolment Programmes

This year, we have expanded our dual enrolment programmes as part of the IB's Career-related Programme ("CP"). Dual enrolment programmes allow students to complete high school and university classes at the same time, giving them a head start in university work and providing them a competitive advantage.

Existing Dual Enrolment Programme	
Savannah College of Art & Design ("SCAD")	Major in art or design. Classes are taught by SCAD professors and supported by IGBIS.

New Dual Enrolment Programmes Introduced in 2023	
Embry-Riddle Aeronautical University ("ERAU")	Major in aeronautics, aerospace, or engineering. Classes are taught by ERAU professors and supported by IGBIS.
Sustainability Management School ("SUMAS")	Major in business with an emphasis on sustainability. Classes are taught by SUMAS professors and supported by IGBIS.
World Academy of Sport ("WAoS")	Major in International Sport Management through practical, real-world approaches to learning and designed to prepare them for higher education and the industry.

Introduced Programmes that Meet Evolving Needs

In order to remain competitive, it is important that we continue to evolve to meet the changing needs of today's international students, the following programmes were introduced in 2023:

New Programmes Introduced in 2023	
FirstPoint USA	IGBIS is the exclusive school partner for Malaysia of FirstPoint USA, the world's leading scholarship agency. They will be visiting IGBIS for trials in 2024.
Intensive English Academic Programme	To address the increasing number of non-native English-speaking applicants, IGBIS has started the Intensive English Academic Programme.

ii. Showcase the Unparalleled Learning Experience at IGBIS

This year, we continued to better engage potential families through our Open Days providing families an opportunity to learn more about IGBIS, visit the school and meet our faculty and staff.

Open Days	No
Online	3
In School	8
In Desa ParkCity Kindergarten	1

The following are several marketing and engagement initiatives to boost enrolment:

- Digital Marketing Campaigns on Google Ads, Facebook and Instagram platforms.
- Educational Consultant Partnerships by collaborating with local and international. educational agencies to promote the school.
- Community Engagement through local events like the Puay Chai 2 Carnival and hosting information booths. The school also conducted Information Day sessions at preschools like My Little World and established collaborations with KPJ Damansara Specialist Hospital 2.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

iii. Build Community

Some of the community events organised in 2023:

International Day

The IGBIS International Day has consistently served as a celebration, bringing everyone together to appreciate our cultures and backgrounds. Under the theme “Embracing Diversity” in 2023, we acknowledged the various cultures, traditions, and beliefs within our community.

Students, Parents, and Staff Enjoying the annual IGBIS International Day

Winter Carnival

The IGBIS Winter Carnival, held on 8 December, celebrates the holiday spirit with the enchantment of Christmas. The event brings the IGBIS community together for a day of games, treats, shopping and more. Elementary students added to the festivities with a captivating performance.

Students, Parents, and Staff Enjoying the IGBIS Winter Carnival 2023

Market Outlook

IGBIS will celebrate its 10th anniversary in 2024, marking a decade of educational excellence. We approach the year positively and anticipate continued growth. We are also currently working on a 3-year strategic plan and expect this plan to be finalised by June 2024. The objective of the plan is to review our operations, identify what we are doing well, where our gaps are, and ultimately where we want to be. The plan will also allow us to ensure that resources are channeled to the opportunities and pathways that will have the greatest impact, and that roles and responsibilities for implementing the plan are clearly set out.

We are therefore excited for what is to come and expect to see continued growth going forward as we aspire to be known as the unparalleled IB school of choice that enjoys sustained growth, provides innovative opportunities, and meets the language needs of our community.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

c) Assisted Living

Review of Operations

2023 has seen ReU Living ("ReU") continue to make significant in-roads into the Retirement Living and Post-Operative Care industries. We continue to see growth in the number of clients who come to us for our services through our marketing efforts, as well as referrals from doctors and former clients who have seen very good outcomes for recovery at our centre.

There has been an increasing focus on the need to address senior care in Malaysia as the country's population ages. With many households now categorised as dual-income, the need to find alternative care for the elderly will increase over time. There has been a call to prioritise investment in the care economy, of which senior care is included. Demand for private facilities is likely to increase, with demand for caregivers growing in tandem. New companies are expected to enter the market to fill this gap.

Despite the growing competition, we are confident that our high service standards, luxury living environment, and ability to provide customised care, distinctly set us apart from our competitors. We have our intellectual property for care management which includes call detection and emergency beacon. As such, we believe that ReU is well-positioned to capitalise on the opportunities ahead and will continue to retain its position as market leader.

Strategic Response

ReU continues to push forward in growing brand awareness. We have received a significant number of new clients through referrals from former clients as well as doctors, who have had positive experiences and seen good recovery outcomes at our centre. We also worked to strengthen our search engine optimisation, which increased our visibility on search engines such as Google. This has helped attract visitors to our website, which in turn have resulted in an increase in enquiries and clients.

This year, we have partnered with Thomson TCM, adding to our suite of services. The partnership has allowed us to provide holistic healing alternatives to our clients. The feedback we have received so far has been positive, with the targeted treatments provided by specialists from Thomson TCM being particularly noted in the treatment of stroke patients and for general pain management for other post-surgeries. We have also become the recovery partner of choice for a few other specialist centres.

These initiatives have worked to help raise our brand awareness and build our reputation in the market as a leader in Retirement Living and Post-Operative Care.

Market Outlook

We remain positive going into 2024 and will continue to focus on elevating the services offered at our centre, as well as raising brand awareness in the region.

d) Co-living

Coliv @ Damai Residence has seen consistent year-on-year growth, with the occupancy rate increasing from 36% in 2022 to 65% in 2023. Coliv @ Damai Residence is committed to providing hassle-free living and offers tenants all-inclusive rental fees that cover fully furnished rooms, WiFi, water, and electricity. It is a pioneer in the industry, offering young adults a place to live, work, and connect, with like-minded individuals.

The residence exemplifies sustainable living. It is committed to resource efficiency, and promotes space and resource sharing which supports the reduction of consumption and waste. Shared amenities also contribute to reduced energy, water, and material consumption per resident.

We believe that as international travel gains pace and we see a resurgence of travel by young adults and an increasing wave of digital nomads seeking to explore new cities, Coliv @ Damai Residence will see continued growth.

7. New Ventures

18@Medini, Johor Bahru

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

Chao Phraya River, Bangkok

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

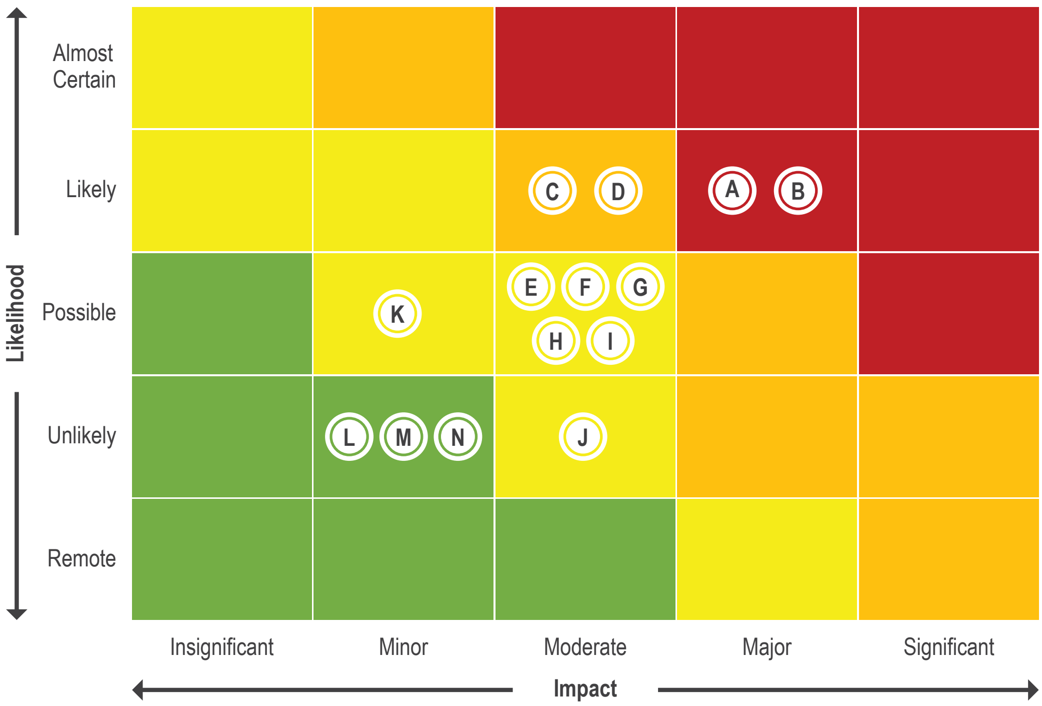
MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

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 ("COSO") Enterprise Risk Management ("ERM") 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 the 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) Regulatory & Compliance Risk
- (F) Foreign Currency Exchange Risk
- (G) Health, Safety & Security Risk
- (H) Talent & Resource Management Risk
- (I) Infrastructure & Facilities Risk
- (J) Credit Risk
- (K) Climate Change Risk
- (L) Liquidity & Cash Flow Risk
- (M) Interest Rate Risk
- (N) Capital Management Risk

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
A Business / Market Risk Risks associated with macroeconomic factors and real estate trends such as low business and consumer sentiment, changing customer preferences, and disruptions to the supply and demand of goods and services.	▪ Lower revenue and profit due to poor economic conditions and increasing operational costs.	▪ Differentiation of our assets, products and services by delivering operational excellence, exceptional amenities, innovative solutions, and crafting engaging and memorable customer experiences. ▪ Strengthening the relationships with our business partners and tenants through win-win negotiations. ▪ Improvement of operational efficiencies to mitigate rising costs.	▪ Continual improvement of our offerings, and customer engagement practices to drive higher customer satisfaction. ▪ Maintain a diversified investment portfolio to mitigate the impacts of a slowdown within any particular sector. ▪ Cultivate collaboration between subsidiaries to maximise operational and business synergies. ▪ Strict monitoring of operational costs and regular reviews on process efficiencies.
B Supply Chain Risk Internal and external events such as geopolitical conflicts, infectious disease outbreaks, extreme weather and changes in regulations that result in unanticipated disruptions to supply chains.	▪ Disruptions to operational and maintenance activities, resulting in lower service levels to our customers and tenants. ▪ Increased operating costs due to the mismatch in the supply and demand of goods and services. ▪ Delays in project timelines due to supply chain disruptions for materials, manpower, and services.	▪ Diversification and enlargement of the vendor management system database to allow for a wider selection of vendors. ▪ Improvement of inventory management systems and processes to account for unexpected supply chain disruptions.	▪ Ongoing monitoring and management of costs amid inflationary surge in expenses. ▪ Maintain an adequate inventory surplus of critical operational equipment and components to mitigate long lead times in order fulfilment and other unexpected disruptions.
C Information & Cyber Security Risk Incidents related to information technology systems which have the potential to result in compromised system security or access, or the loss or exposure of confidential data.	▪ Disruptions to operations from compromised information technology systems or loss of key operational data. ▪ Financial and reputational implications from the exposure of confidential company, customer or tenant data.	▪ Establishment of strong cyber security policies and processes related to information technology management, with emphasis on security protocols. ▪ Establishment of a business continuity plan ("BCP") and recovery plans in the event of a cyber security incident.	▪ Established an IT BCP for IGB Group. ▪ IGB Group's Cybersecurity Policy, IT Acceptable Use Policy and Data Governance and Data Privacy Policies in place. ▪ Deployed critical cyber security software across key information technology systems (e.g. privilege access management, end point protection, log management systems etc). ▪ Regular cyber security trainings, as well as ad hoc social engineering tests throughout the year.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
D Competition Risk New products and services introduced to the real estate landscape intensifies competition for customers and tenants.	▪ Decline in market share, revenue and profit due to customer and tenant attrition.	▪ Differentiation of our assets, products and services from those of our competitors through providing exceptional customer experience, continuous asset enhancement initiatives, innovation of product offerings and harnessing the synergistic power of our portfolio of real estate and accompanying ecosystem.	▪ Enhance tenant and customer experience across all touch points by delivering operational excellence and meticulously crafting journeys and events. ▪ Monitor business trends and developments to seize new opportunities and retain competitiveness. ▪ Carried out AEIs throughout the year in the malls, offices and hotels to improve operational efficiencies and building aesthetics (*Further details can be found in the Asset Enhancement Initiatives section of the Management Discussion & Analysis ("MD&A")*).
E Regulatory & Compliance Risk Compliance to laws and regulations, which include those related to employment, health & safety, data privacy, and anti-corruption, amongst others.	▪ Financial and reputational impact from failure to comply with applicable laws and/or regulations.	▪ Establishment of strong corporate governance policies and frameworks to ensure the highest level of operational, financial and legal compliance with all applicable laws and regulations.	▪ Keep abreast with regulatory requirements and roll out updates to policies and frameworks in a timely manner. ▪ IGB Group's Anti-Bribery and Corruption Policy and Group Whistleblowing Policy in place.
F 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. *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*	▪ Increased uncertainty and potential adverse impacts on expected future operating cash flows and financial statements in the reporting currency due to currency fluctuations.	▪ Implementation of foreign currency exchange risk management processes to effectively protect cash flows.	▪ Maintain foreign currency-denominated monetary assets in their respective currencies to fulfil obligations and to capitalise on potential investment opportunities available in those currencies. ▪ Closely monitor exchange rate movements and adjust our exposures accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
G **Health, Safety & Security Risk** Incidents related to health, safety & security which have the potential to result in significant adverse outcomes for individuals and communities.	▪ Loss in profitability and long-term sustainable performance due to reputational loss.	▪ Embed strong health, safety & security procedures and protocols, as well as recovery plans within our operations.	▪ All health, safety & security incidents occurring within our properties are tracked and promptly investigated for implementation of corrective actions. ▪ Regularly hold health, safety & security briefings, trainings and inspections (including annual fire drills) to manage the risks within our properties and ensure compliance with the Occupational Safety and Health Act. ▪ Quarterly Safety, Health and Environment Committee meetings to review all matters pertaining to health and safety.
H **Talent & Resource Management Risk** The inability to attract, retain or effectively utilise talent.	▪ Reduced operational and business capabilities, adversely impacting profitability and long-term sustainable performance.	▪ Inclusion of talent development and succession plans as key strategies. ▪ Expansion and diversification of responsibilities for high potential talent to drive career development.	▪ Invest in development programs, offer competitive packages, and monitor skills gaps. ▪ Develop succession plans and employee-centric initiatives. ▪ Encourage inclusivity through regular engagement and events. ▪ Ensure adherence to all labor and employment regulations.
I **Infrastructure & Facilities Risk** Risks relating to potential events or conditions that could damage or disrupt the physical structure, systems, and operations of our assets, leading to financial losses, safety hazards, and reputational damage.	▪ Failure of mechanical, electrical or plumbing ("MEP") infrastructure, resulting in disruptions to service levels, higher operating costs and lower customer satisfaction. ▪ Loss of reputation from customer interactions with noticeably weathered or overused infrastructure or equipment. ▪ Reduction in infrastructure and equipment efficiency, leading to higher operating costs and lower service levels over time.	▪ Establishment of strong policies and procedures related to preventive maintenance of infrastructure and equipment to drive long-term sustainable performance. ▪ Continuous AEIs across our assets to ensure their upkeep.	▪ Adhere to strict maintenance policies and procedures, with preventative maintenance conducted regularly. ▪ Replace worn-out or underperforming infrastructure and equipment with modern, effective and efficient upgrades. ▪ Carried out AEIs throughout the year in the malls, offices and hotels *(Further details can be found in the Asset Enhancement Initiatives section of the MD&A).*

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
J Credit Risk Credit exposure to outstanding receivables from customers, tenants, or other business partners, as well as cash, cash equivalents and deposits held with banks and financial institutions. *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*	▪ Financial losses from the impairment of uncollectible receivables.	▪ Establishment of procedures for differentiating various credit risks through an internal rating system. ▪ Establishment of stringent counterparty due diligence and credit collection policies to maintain low exposure to outstanding receivables.	▪ Employ strict counterparty selection procedures, with close monitoring of credit balances. ▪ Ensure cash, cash equivalents and deposits are only held with financial institutions with high credit ratings assigned by reputable credit rating agencies.
K Climate Change Risk The physical and transitional risks of climate change, such as extreme weather events, disruptions to commodity and resource production, and the implementation of sustainability-related laws, regulations and financing.	▪ Increased maintenance costs and potential damage to our properties from the impact of extreme weather events such as floods, water seepages, extreme heat, etc. ▪ Taxation, penalties or restrictions imposed by authorities due to new regulations concerning carbon emissions, supply chains and sustainable financing.	▪ Establishment of sustainability policies and frameworks to build operational resilience towards climate change risks. ▪ Improvement of energy, water, waste and material management practices to achieve higher levels of operational efficiency and lower operating costs.	▪ IGB Group's Sustainability Policy in place alongside targets for energy usage intensity ("EUI") and waste diversion. ▪ Ongoing efforts to improve energy and water usage. ▪ Carried out AEIs throughout the year in the malls, offices and hotels to improve consumption efficiency (*Further details can be found in the Sustainability Statement*).
L Liquidity & Cash Flow Risk Arises when funds are inadequate to meet financial obligations. *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*	▪ Significant impact to business operations from inadequate funds.	▪ Establishment of strong financial control policies to reduce the likelihood and impact of unexpected interruptions to business operations and new growth ventures.	▪ Close monitoring and prudent maintenance of adequate cash, cash equivalents and bank facilities to finance operations, distribute income to unitholders, and mitigate the effects of fluctuations in cash flows.
M Interest Rate Risk Exposure to changes in interest rates, which affect borrowing and loan obligations. *For further information, please refer to the financial risk management objectives and policies section under the notes to the financial statements.*	▪ Inability to effectively manage interest rates, leading to fluctuations in interest payment obligations.	▪ Management of interest rates to facilitate better financial planning and returns.	▪ Actively monitor market trends and the sentiment and monetary decisions of the central bank to effectively manage interest rate changes and fluctuations in interest payments.

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
N **Capital Management Risk** The mismanagement of capital, which adversely impacts the ability to operate as a going concern or to provide returns for shareholders and benefits for other stakeholders. *For further information, please refer to the financial risk management objectives and policies section under the notes to the Financial Statements.*	■ Inability to maintain a going concern, resulting in the reduction of value delivered to shareholders and other stakeholders.	■ Maintain an efficient capital structure to facilitate long-term sustainable performance and delivery of returns to shareholders and other stakeholders.	■ Maintain an appropriate gearing level and employing an interest rate management strategy. ■ Diversifying our funding sources, securing favorable terms, and maintaining a strong debt servicing capacity. ■ Managing exposures to interest rate fluctuations to optimize our cost of capital.

SUSTAINABILITY STATEMENT

IGB BERHAD
SUSTAINABILITY STATEMENT

Introduction

IGB Berhad ("IGB") is committed to building a business that not only remains relevant with the changing times, but that positively impacts our community and environment. This year, we have continued to make strides in our sustainability journey and are proud to present IGB's Sustainability Statement for the year ended 31 December 2023. This statement sets out the progress we have made, and includes our strategies, implemented initiatives, as well as future goals and targets.

Scope and Basis of Scope

This statement reports on the sustainability performance of IGB and its subsidiaries in Malaysia and China, which are under IGB's management.

The following are excluded from the scope of this report:

a. Operations in Australia which are managed by a third party, and as such, their sustainability performance is not directly under IGB's control, and

b. Operations in the Philippines and the United Kingdom, as they are classified as associates of IGB. IGB has a different level of control and influence over these businesses as compared to its subsidiaries.

Approach to **sustainability**

Our sustainability journey reflects a deliberate shift from cost-focused and piecemeal efforts, towards a comprehensive and long-term strategy. Recognizing the evolving importance of sustainability, we established the IGB Group Sustainability Policy in August 2023, which now guides the integration of sustainability into our medium and long-term plans.

This commitment extends across all our businesses, and is evident in our robust governance structure, well-defined social policies, and unwavering environmental principles which are embedded within our project development and property operations. To further strengthen transparency, we are continuously refining our approach and reporting practices, aiming to align our disclosures with international frameworks and guidelines recommended by Bursa.

Sustainability Governance Structure

Board of Directors ("Board")

- Holds ultimate responsibility for oversight of IGB's sustainability matters.
- Approves sustainability strategies, targets, and policies set.
- Reviews and approves the results of the materiality assessments conducted.
- Approves sustainability statement.

Investment & Risk Committee ("IRC"), **Group CEO** ("GCEO") **and Deputy Group CEO** ("DGCEO")

- Reviews and recommends sustainability strategies, targets, and policies.
- Reviews the results of the materiality assessments conducted as well as the sustainability statement before obtaining Board approval.
- Oversees the management of IGB's material sustainability matters.
- Monitors the implementation of approved strategies and policies, as well as the performance against targets set.

Sustainability Officer and Group Strategy, Risk & Sustainability

- Develops sustainability strategies and policies to be recommended to the DGCEO, GCEO, IRC and Board.
- Evaluates overall sustainability risks and opportunities.
- Undertakes the materiality assessment process.
- Consolidates the sustainability report and data for the DGCEO, GCEO, IRC and Board.
- Coordinates with and provides support to Business Units in relation to the implementation of sustainability initiatives.

Business Units

- Execution of sustainability actions and monitoring of performance against sustainability targets set.
- Aligning operational procedures with IGB's sustainability strategies.

SUSTAINABILITY STATEMENT
(continued)

STAKEHOLDER ENGAGEMENT

Feedback Channels

In order to ensure that we are building a business that continues to remain relevant, it is important that we regularly engage with our stakeholders to understand what is important to them and their expectations. Insights garnered through these engagements enable us to develop medium- and long-term strategies, and align our sustainability practices so that they meet stakeholder needs and expectations. It also helps us make decisions that improve our day-to-day operations and remain accountable.

Regular engagement with our stakeholders also supports the cultivation of strong relationships that are built on trust and mutual respect. Stakeholder engagement is therefore important to us, and various channels are utilised throughout the year to engage them. We work to ensure that all engagements are inclusive and that we are responsive to any feedback received.

The channels used to engage our stakeholders are set out in the table below.

Stakeholder Group	Engagement Objectives	Engagement Approach	Key Concerns	Our Responses
Business Partners & Industry Associates	• To nurture strong and lasting relationships with business partners. • To discover business opportunities. • To share knowledge and best practices. • To keep up to date with changes in the operating environment.	**Ongoing** • Digital communication channels • Participation in industry associations **Periodically** • Forums & dialogue sessions **As Required** • Formal engagement through meetings organised	• Identify business opportunities and share knowledge. • To contribute to industry advancement. • To have fair representation of the industry with authorities.	• Attend and participate in forums, dialogues, workshops, and other events. • Collaborate with business partners to further shared goals. • Contribute to industry advancement initiatives. • Hold memberships in industry associations.
Government & Authorities	• To fulfil legal and compliance requirements. • To keep up to date with the regulatory landscape. • To listen and respond to concerns and interests of the authorities. • To seek clarification on applicable laws, guidelines and frameworks. • To share industry-related issues and concerns.	**Ongoing** • Digital communication channels **Periodically** • Forums & dialogue sessions **As Required** • Formal engagement through meetings organised	• Regulatory and legal compliance. • Health, safety and security management. • Fair and balanced view of key material topics. • Contribution to economic growth. • Contribution to industry advancement.	• Establish policies to align to and ensure compliance with relevant legislation. • Attend physical / virtual meetings to keep up with regulatory changes. • Conduct briefings and inspections with the relevant authorities in their areas of interest. • Timely communication with authorities to provide information.
Employees	• To support human capital development and talent retention. • To communicate employee benefits and welfare matters. • To ensure the overall welfare of employees are addressed. • To support the creation of a safe and healthy work environment. • To foster a culture of diversity, inclusivity and excellence. • To provide fair and equal opportunities that recognise the talent of individuals.	**Ongoing** • Employee Communication platforms • Company websites **Periodically** • Workshops, trainings & team building **Quarterly** • Company newsletter • Townhalls & dialogue sessions **Annually/Bi-annual** • Employee satisfaction survey • Performance appraisals	• Career development and progression. • Opportunities for upskilling and learning. • Remuneration and benefits. • Job security. • Healthy, safe and inclusive work environment. • Fair and ethical labour practices and standard. • Non-discrimination and equal opportunity. • Work-life balance. • Strategy and future orientation of the business. • Opportunities to contribute to CSR programmes.	• Offer competitive benefits and remuneration packages. • Develop a high performing workforce through structured training programmes. • Provide enriching employee engagement activities on a regular basis. • Communicate updates on company financial performance and growth plans. • Promote a culture of inclusivity, openness and collaboration. • Provide equal employment opportunities without discrimination. • Ensure compliance with all applicable health & safety and labour laws. • Conduct fair and constructive employee appraisals.

SUSTAINABILITY STATEMENT
(continued)

Stakeholder Group	Engagement Objectives	Engagement Approach	Key Concerns	Our Responses
Investment Communities	• To communicate financial performance, key business activities and decisions. • To listen and respond to shareholders concerns and interests. • To nurture strong and lasting relationships with the investment community. • To obtain access to capital and other financial resources.	**Ongoing** • Digital communication channels • Company websites • Social media **As Required** • Corporate announcements • Physical & virtual meetings **Quarterly** • Investor & analyst briefings • Quarterly results **Annually** • Annual reports & General Meetings	• Economic and financial performance. • Business strategy and future orientation. • Long-term sustainable value creation. • Timely and accurate disclosure of information. • Return on investment/equity. • Corporate governance practices. • Sustainability initiatives and climate change strategies.	• Deliver operational excellence to our customers and tenants. • Employ sound investment and capital management strategies. • Ensure full compliance with all regulatory requirements. • Establish policies to align to and ensure compliance with relevant legislation. • Timely communication and dissemination of information to investors. • Provide appropriate channels for investor engagement and communication. • Integrate sustainability into business decisions and strategies.
Customers	• To keep abreast with changing customer needs and preferences. • To further improve our spaces and services to drive customer satisfaction. • To listen and respond to queries and/or complaints. • To build market and brand reputation. • To nurture strong and lasting relationships with customers. • To communicate and raise awareness about events and happenings.	**Ongoing** • Customer service platforms • Company websites • Social Media **As Required** • Customer feedback & satisfaction surveys • Marketing & Promotional campaigns	• High quality assets and amenities. • Excellent operational service and standards. • Timely and appropriate responses to queries/issues. • Positive and convenient customer experience. • Onsite safety and security. • Data privacy and security. • Attractive customer loyalty programme benefits. • Engaging and memorable events and experiences. • Clean and hygienic spaces.	• Regular and thorough maintenance of assets. • Deliver operational excellence. • Timely response to customers queries / issues. • Engage and communicate with customers to gauge their satisfaction. • Maintain high health and safety operating standards. • Ensure compliance with all relevant data privacy and security laws. • Offer a diverse product range/ retail mix. • Craft engaging and enriching customer experiences. • Provide a range of lifestyle amenities for customers.
Tenants	• To facilitate operational practices and the maintenance of properties. • To further improve our spaces and services to drive tenant satisfaction. • To listen and respond to queries and/or complaints. • To build market and brand reputation. • To nurture strong and lasting relationships with tenants. • To communicate and support sustainability initiatives and awareness.	**Ongoing** • Digital communication channels • Company websites • Social Media • Tenant feedback and enquiry channels. **As Required** • Collaborative / joint events • Physical and virtual meetings **Annually** • Festive / corporate greetings and events	• High quality assets and amenities. • Excellent operational service and standards. • Safety and security of managed properties. • Timely and appropriate responses to queries/issues. • Fair and transparent lease/ rental agreements. • Good value for rental. • Data privacy and security. • Opportunities to collaborate. • Upgrading the quality of assets and amenities through AEIs.	• Regular and thorough maintenance of assets. • Deliver operational excellence. • Enforce health and safety standard operating procedures. • Timely response to tenants queries/issues. • Engage and communicate with tenants to gauge their satisfaction. • Offer competitive rental rates and packages. • Ensure compliance with all relevant data privacy and security laws. • Notify tenants of possible service disruptions in advance. • Craft engaging and enriching tenant experiences. • Collaborate with tenants on sustainability initiatives and activities.

SUSTAINABILITY STATEMENT
(continued)

Stakeholder Group	Engagement Objectives	Engagement Approach	Key Concerns	Our Responses
Local Communities	• To build strong and long-lasting relationships with our local communities. • To contribute to the well-being of our local communities.	**Ongoing** • Company websites • Social media **As Required** • Digital communication channels • Donation drives, sponsorships, volunteer work • Festive and cultural theme events	• Economic and financial aid. • Sustained, long-term support. • Social impact of business activities. • Environmental impact of the business activities. • Job opportunities. • Opportunities to collaborate. • Opportunities for upskilling and learning.	• Contribute to the economic well-being of our local communities. • Contribute manpower and resources to support community initiatives. • Communicate and engage with local communities to understand their needs. • Collaborate with local authorities and non-governmental organisations ("NGOs") to deliver positive social impact.
Media	• To communicate financial performance, key business activities and decision. • To communicate and raise awareness around events and happenings. • To listen and respond to queries. • To build market visibility and brand recognition. • To nurture trust and confidence with media organisations.	**Ongoing** • Company websites • Social Media **As Required** • Digital communication channels • Press briefings, conferences and statements **Quarterly** • Investor & analyst briefings • Quarterly results **Annually** • Annual reports & General Meeting	• Economic and financial performance. • Business strategy and future orientation. • Timely and accurate disclosure of information. • Timely and accurate responses to queries. • Events, advertisements and promotions. • Engagement with media. • Accessibility to corporate communications / investor relations.	• Timely communication and dissemination of information to the media. • Communicate market outlook and future orientation. • Timely response to media queries. • Organise press briefings and media interviews. • Engage and nurture relationships with media organisations. • Provide appropriate channels for media engagement and communication.
Vendors	• To engage with reputable and reliable vendors for supplies and services. • To ensure fair, ethical and transparent procurement of supplies and services. • To mitigate supply chain risks.	**As Required** • Digital communication channels • Tender briefings and interviews • Occupational health & safety briefings and updates • Contract negotiations • Vendor/supplier feedback surveys **Periodically** • Vendor evaluations and assessments	• Smooth and efficient procurement processes. • Fair and transparent procurement processes. • Regular and clear communication between parties. • Fair compensation for scope of work and deliverables. • Timely and reasonable payment schedules. • Occupational health and safety. • Regulatory and legal compliance. • Contract extensions or cancellations.	• Conduct fair and thorough vendor evaluations and assessments. • Regularly engage and communicate with vendors. • Offer competitive rates and contract terms. • Adhere to strict deliverable timelines and payment schedules. • Require vendors to comply with the Group's business ethics and sustainability policies. • Provide equal opportunities for vendors. • Support local vendors and employment through our supply chain.

SUSTAINABILITY STATEMENT
(continued)

MATERIAL MATTERS

Identifying material matters that are relevant to our business is important as it allows us to continue to meet the needs of our stakeholders as well as mitigate risks and identify opportunities. In addition to regularly engaging our stakeholders, we work to align our business with global developments, current trends, and industry peers at home and abroad.

This year, we conducted a comprehensive review of our material matters to gain a better understanding of our business, the issues that matter, and how it impacts our stakeholders. Our review included garnering insights from industry benchmarks, sustainability standards, and stakeholder engagement. We have since updated our list of material matters, ensuring our focus remains firmly on the issues that drive long-term value for all.

IGB's MATERIALITY **ASSESSMENT PROCESS**

1 REVIEW

- We reviewed our existing sustainability matters to assess their relevance in the current operating environment.
- A wide range of internal and external sources were considered, including global and local trends, industry peers and benchmarks, and business risks and opportunities.

2 ENGAGEMENT

- We engaged our senior internal stakeholders through group discussions and an online survey to better understand their perspectives.
- Their domain expertise and extensive industry experience provided valuable insight into the needs and preferences of external stakeholders.

3 PRIORITISATION

- The results from our stakeholder engagement were collated and analysed.
- The relative importance and significance of each sustainability matter was carefully determined by taking into consideration their ESG impacts and their influence on stakeholder assessments and decisions.

4 ENDORSEMENT

- The results of the materiality assessment process were presented to the Board for endorsement.

OUR MATERIAL MATTERS

HIGH

1. Health, Safety & Security
2. Customer Satisfaction
3. Economic Performance
4. Human Capital Management
5. Data Privacy & Security
6. Corporate Governance
7. Climate Change

MEDIUM

8. Diversity, Equity & Inclusion
9. Water Management
10. Community / Society
11. Waste Management
12. Supply Chain Management

Note:

1. Anti-Corruption is managed under "Corporate Governance".
2. Energy management and emissions management are collectively managed under "Climate Change".
3. Labour practices and standards are managed under "Human Capital Management" and "Diversity, Equity & Inclusion".

SUSTAINABILITY STATEMENT
(continued)

FOCUS AREAS

The IGB Group Sustainability Policy outlines the following strategies and how they align with our material matters:

SUSTAINABILITY STRATEGIES & FOCUS AREAS

Ethics-Driven Performance	Safeguarding the Environment	Positive Community Impact	Responsible Supply Chain
MATERIAL MATTERS			
Economic Performance	Climate Change	Diversity, Equity & Inclusion	Diversity, Equity & Inclusion
Customer Satisfaction	Water Management	Human Capital Management	Supply Chain Management
Data Privacy & Security	Waste Management	Health, Safety & Security	Supply Chain Management
Corporate Governance	Waste Management	Community / Society	Supply Chain Management

We have also set the following sustainability targets:

MATERIAL MATTERS

Climate Change

Targets

To achieve reduction in property Energy Usage Intensity ("EUI") based on 2019 baselines:

Division	by 2025	by 2030
Retail	5.8%	9.5%
Commercial	-	18%
Hotel	-	10%

* Targets exclude properties located in Southkey which will have targets set in due time once operations are normalised.

2023 Performance

Reduction from 2019 baselines

Division	reduction from 2019
Retail	3.7%
Commercial	14.4%
Hotel	4.4%

Waste Management

Targets

To achieve waste diversion rates:

Division	by 2030
Retail	17.5%
Commercial	10%
Hotel	10%

2023 Performance

Diversion rate.

Division	diversion rate
Retail	7.3%
Commercial	5.5%
Hotel	0.3%

Data Privacy & Security

- Target: To achieve zero substantiated complaints concerning breaches of customer privacy and loss of customer data annually.
- 2023 Performance: Achieved zero substantiated complaints concerning breaches of customer privacy and loss of customer data.

Corporate Governance

- Target: To achieve zero confirmed incidents of corruption annually.
- 2023 Performance: Achieved zero confirmed incidents of corruption.

Health, Safety & Security

- Target: To achieve zero work-related fatalities annually.
- 2023 Performance: Zero work related fatalities.

Diversity, Equity & Inclusion

- Targets:
  - A minimum of 30% of positions within the Board of Directors to be represented by women.
  - To achieve zero substantiated complaints concerning human rights violations annually.
- 2023 Performance:
  - Women representation on the Board at 33.3%.
  - Achieved zero substantiated complaints concerning human rights violations.

We have identified the following United Nations Sustainable Development Goals that align with our sustainability strategies and focus areas:

03 GOOD HEALTH & WELL-BEING; 05 GENDER EQUALITY; 06 CLEAN WATER AND SANITATION; 08 DECENT WORK AND ECONOMIC GROWTH; 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABILITY STATEMENT
(continued)

MANAGEMENT APPROACH TO MATERIAL MATTERS

1 Health, Safety & Security

Related UNSDGs: 03 GOOD HEALTH & WELL-BEING; 08 DECENT WORK AND ECONOMIC GROWTH

Why this is important to us:

At IGB, it is important to us that we prioritise the health, safety, and security of everyone who enters our properties. We create a welcoming and secure environment for all our visitors. This fosters repeat visits and longer dwell times – ultimately benefiting our business and tenants. Similarly, a safe and healthy environment for employees leads to their increased well-being, and happy employees are generally more productive and efficient. As such, prioritising health, safety, and security is not just our duty, but a strategic investment in the long-term sustainability and success of IGB for all stakeholders.

Our approach:

Our Health & Safety Committees convene quarterly to meticulously review all health and safety aspects within our properties. Incident reviews extend to those that take place in other properties across Malaysia and the world. This allows our teams to better mitigate potential risks, enhance our response strategies, and be better equipped to handle similar situations should they occur on our premises. All complaints and health & safety incidents undergo comprehensive investigation, with our teams working proactively to ensure an appropriate resolution is found.

STEP 01

Regular safety audits, training sessions, and inspections are conducted to uphold compliance with the Occupational Safety and Health Act, and to ensure we are able to manage safety risks within our properties. Annual fire drills are executed to familiarise all employees and tenants with evacuation procedures in the event of an emergency.

STEP 02

Collaboration with Polis Diraja Malaysia ("PDRM") enables us to stay updated on potential threats, facilitating our preparedness and ability to implement necessary preventive measures. Our emphasis on readiness drives our efforts to consistently enhance the efficiency and effectiveness of our security services, focusing on controls, intelligence, and training. We also undertake preventive measure through strategic deployment of personnel and conduct routine patrols to ensure a visible security presence. Additionally, we have installed electronic security systems across our properties.

In addition to our collaboration with PDRM, ongoing communication with various enforcement agencies allow us to collaborate on investigations, share information, and facilitate training sessions for enhanced preparedness and responsiveness.

Our performance:

Health and safety trainings

Employee Category	2023
■ Number of employees trained on health and safety standards	721

Work-related fatalities and lost-time injuries

During the year, we achieved zero work related fatalities

Employee Category	2023	2022	2021
■ Work-related fatalities	-	-	-
■ Lost-time injury rate	0.09		

*Lost-time injury rate for 2021 and 2022 not tracked.

SUSTAINABILITY STATEMENT
(continued)

2 Customer Satisfaction

Related UNSDGs: 08 DECENT WORK AND ECONOMIC GROWTH, 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Why this is important to us:

Maintaining the ongoing satisfaction of our tenants, customers and guests is critical to the long-term success of our operations.

- Customers and hotel guests who are happy with their experience at our businesses are not only more likely to regularly visit us, but are also more likely to advocate for our offerings by sharing positive experiences and bringing their friends and families along.
- Satisfied tenants are more likely to continue to renew their leases with us and work collaboratively to bring to market new and exciting concepts and experiences.

Customer satisfaction is therefore crucial for our long-term success, helping us build a strong reputation in the market, driving footfall and sales, and allowing our properties to remain as destinations of choice.

Our approach:

We are committed to delivering exceptional experiences for all our customers through our approach which focuses on three key pillars:

PILLAR 01

Creating a positive and engaging environment:

- Curating a diverse mix of offerings caters to a variety of needs and preferences.
- Interactive activities, marketing events, and festive attractions enhance the overall experience.
- Prioritising the maintenance of a safe and healthy environment.

PILLAR 02

Optimising operational efficiency:

- Continuous efforts minimise disruptions and enhance operational efficiency across all properties.
- Close collaboration with tenants ensures their success within our spaces.

PILLAR 03

Delivering exceptional service:

- High service standards are maintained, and technological innovations are embraced to meet evolving expectations.
- Personalized touches and diverse amenities are provided to cater to individual needs and preferences.
- Multiple communication channels facilitate convenient communication and efficient complaint resolution.

Our performance:

Our commitment to customer satisfaction has led to the following:

RETAIL

- Able to consistently maintain high occupancy rates across our mall network.

COMMERCIAL

- A tenant satisfaction score of **8.2** out of 10 from our 2023 tenant satisfaction survey.

HOTEL

- Booking.com score of **7.7** to **8.5** out of 10
- TripAdvisor rating of **3.5** to **4.9** out of 5

SUSTAINABILITY STATEMENT
(continued)

3 Economic Performance

Related UNSDGs: 08 DECENT WORK AND ECONOMIC GROWTH

Why this is important to us:

IGB's strong financial performance not only reflects the strength of our business, but our ability to positively impact our communities through creating jobs, supporting our tenant's businesses, contributing to the economic development of local communities, and investing in sustainable practices.

Our approach:

IGB's approach to economic performance centres around the execution of our business strategies which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement, mitigating identified risks relevant to our business as well as pursuing market expansion through development of our land banks and diversification into new revenue streams.

Our performance:

Wealth generated for our stakeholder is as follows:

Total Economic Value Generated
(in **RM billion**)

1.68
in 2023

Total Economic Value Distributed
(in **RM billion**)

1.54
in 2023

	2023 RM'000	2022 RM'000	2021 RM'000
Economic Value Generated:			
Total revenue	**1,596,933**	1,291,270	930,053
Gains from disposal of assets	**3,870**	2,306	203,790
Finance income	**57,326**	38,379	34,226
Shares of results of associates and joint ventures	**22,471**	67,645	4,945
Economic Value Distributed:			
Operating costs	**735,437**	634,015	524,743
Employee wages and benefits	**215,062**	206,550	164,633
Payment to providers of capital	**479,726**	422,279	345,950
Payment to goverment	**113,411**	93,153	112,080
Economic Value Retained	**136,964**	43,603	25,608

SUSTAINABILITY STATEMENT
(continued)

4 Human Capital Management

Related UNSDGs: 08 DECENT WORK AND ECONOMIC GROWTH

Why this is important to us:

IGB recognises that the talent and adaptability of our people are essential for navigating a dynamic and increasingly competitive environment. As such, we prioritise human capital management, and work to foster a culture of continuous learning. By building a future-proof workforce through competitive compensation, development opportunities, and diversity & inclusion initiatives, we are ultimately ensuring the long-term sustainability of our business.

Our approach:

We continue to ensure adherence to all local labour and employment regulations in our management of employees. We are further guided by the following focus areas in cultivating a positive and healthy work environment that is open and supports continued growth and development for employees across all functions.

Continuous Learning to Support Growth and Development

Employee skillsets are regularly assessed to determine if there are any gaps that may be affecting their ability to perform in their current role and achieve their career development goals. In line with this, the following is provided to all employees:

- Access to regular internal and external training courses and workshops.
- A tuition reimbursement scheme as well as scholarship programmes for employees pursuing long-term certifications.

In 2023, we facilitated the participation of 14 employees in a Mental Health First Aid ("MHFA") certification program. These certified Mental Health First Aiders are now equipped to identify, understand, and respond to signs of mental health challenges among their colleagues. Their ability to provide basic support and resources strengthens our commitment to employee well-being and contributes to a more caring and supportive work environment.

Competitive and Attractive Compensation

We work hard to ensure that employment packages are competitive by benchmarking policies and strategies against our competitors. Annual year-end performance appraisals are conducted and employees who have performed exceptionally well and whose values embody those of the organisation, are recognised through additional bonuses, salary increments and promotions. Benefits provided to employees include:

- Leave in the form of annual leave, unpaid leave, marriage leave, maternity and paternity leave, compassionate leave, study and examination leave, sick / hospitalisation leave.
- Health benefits in the form of medical outpatient coverage, medical specialist treatment, dental benefits, health check-ups, Group Hospitalisation & Surgical Insurance, and Group Personal Accident Insurance schemes.
- Flexible working arrangements subject to reasonable requests.
- Other benefits such as the provision of a general allowance, petrol card, business travel claims, parking facilities, mobile phone and professional body membership subsidies, etc.

Effective recruitment and retention of talent

We utilise a variety of platforms to recruit talent including employment websites, agencies, executive search consultants, and employee referrals. Candidates are rigorously vetted by both human capital teams and hiring managers, with final approval received from Business Unit Leaders. This process ensures merit-based selections that align with role requirements and a cultural fit, fostering a diverse and high performing talent pool.

New hires enrol in a formal onboarding programme to familiarise themselves with the organisation. A probationary period is also required to allow both the new hire and business unit an opportunity to assess the fit. This period also provides time for the new hire to learn what is required on the job and adjust to the new work environment. This process allows for a better chance of achieving a successful long-term employment relationship.

Recognising individual growth and fostering talent development, we also offer internal mobility opportunities through transfers or relocations where opportunities that align with employee skillsets become available. This not only empowers employees but also strengthens internal talent pipelines.

Cultivating Connections through Employee Engagement

Building on two-way conversations, we conducted an employee engagement survey during the year. This explored employee insights on their roles, career aspirations, team engagement, and the value of engagement initiatives. Equipped with insights from the survey, we undertook efforts to organise more diverse employee engagement initiatives and develop an internal training programme leveraging cross-departmental expertise.

Employee engagement initiatives organised during the year to build relationships with employees include:

SUSTAINABILITY STATEMENT
(continued)

Divisional Monthly Birthday Bash for employees

Health month including events like health talks and health screenings

Financial literacy talks by financial institutions

Quarterly employee newsletters

Employee-led activities including fitness events, rowing, and carrying out volunteer work at Zoo Negara

Festive celebrations

Games and sports tournaments e.g. Chess, Darts, Futsal, Badminton, Bowling

Inaugural sports day for employees in the Commercial division

Our performance:

This year, we invested a total of 31,603 internal and external training hours across all employee categories.

Employee Category	Total hours of training (2023)	Average per employee (2023)
■ Senior Management	1,311	23.0
■ Managers & Senior Managers	4,786	18.8
■ Senior Executives & Assistant Managers	6,011	17.8
■ Executives	8,989	8.1
■ Non-Executives	10,506	10.5
Total	**31,603**	**15.0**

Employee turnover for 2023 ended at 21.81%.

Employee Category	Total number of employee turnover (2023)	Turnover rate (2023)
■ Senior Management	6	10.53%
■ Managers & Senior Managers	48	18.90%
■ Senior Executives & Assistant Managers	60	17.80%
■ Executives	99	8.98%
■ Non-Executives	246	24.55%
Total	**459**	**21.81%**

SUSTAINABILITY STATEMENT
(continued)

5 Data Privacy and Security

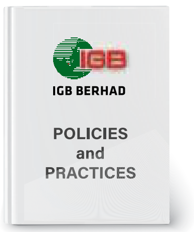
Related UNSDGs: 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Why this is important to us:

Prioritising robust data privacy and security practices allow us to safeguard key data that we collect, build trust with stakeholders, comply with regulations, and embrace responsible innovation, all while upholding individual autonomy. This commitment minimises risks and fosters a secure, responsible data ecosystem that demonstrates our commitment to being a trusted partner for all.

Our approach:

IGBB adopts the following policies:



- IGB Group Cybersecurity Policy
- IGB Group IT Acceptable Use Policy
- IGB Group Data Governance and Data Privacy Policies

The IGB Group Cybersecurity Policy is aligned with the international standard ISO 27001:2013 and the Malaysian standard MS ISO/IEC 27002:2013. This forms the basis of our approach towards cybersecurity, asset management, communications and operations, access control, systems acquisition and development, and incident management, amongst others.

The IGB Group IT Acceptable Use Policy serves as a guideline for effective and positive use of IT and network facilities by employees. It also aids employees by promoting awareness and good practices, which mitigates cybersecurity threats whilst shielding our organisation from potential liability.

Our data governance and data privacy policies serve as a framework for how we collect, store, manage and use the data we collect through our services and are aligned with the Personal Data Protection Act 2010 ("PDPA"). We therefore work hard to ensure that all data collected is done through lawful means, and that we are transparent about how data is gathered, used, and secured to ensure consistency and efficiency in our data management.

In 2023, we embarked on a substantial upgrade of our key financial enterprise resource planning ("ERP") software which allows us to not only maximise our resources but also ensure that our system and applications are readily available with limited downtime, improving our organisations defences.

As cyberthreats evolve, so has our approach towards cybersecurity. Some of the measures we have implemented include:

- Cybersecurity Posture Assessments
- Privilege Access Management software for our key systems
- End point protection with data loss prevention
- Web application firewalls
- Log management systems
- Disaster recovery cold-sites with regular backup of key data
- Partitioned networks for key systems and closed-circuit televisions and cameras ("CCTV")
- Internal social engineering exercises to create awareness among employees
- Regular cybersecurity education for employees through an in-house learning platform and email communications on cyber threats and best practices

Our performance:

In 2023, zero substantiated complaints concerning breaches in customer privacy or data loss were received.

Employee Category	2023
■ Number of substantiated complaints concerning breaches in customer privacy or data loss.	-

SUSTAINABILITY STATEMENT
(continued)

6 Corporate Governance

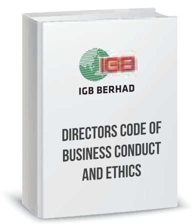
Related UNSDGs: 

Why this is important to us:

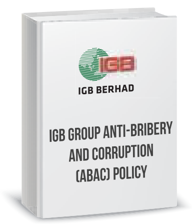
We firmly believe that strong corporate governance forms the bedrock of long-term success. Governance fosters effective and prudent management by setting clear expectations, promoting transparency, and ensuring accountability. These attributes are essential for navigating the complex challenges of today's business environment, particularly those related to sustainability. By embedding good governance principles into our operations, we empower our Board and leadership to make responsible decisions that benefit not only our business but also society and the environment as a whole.

Our approach:

We strive to maintain and uphold the highest standards of corporate conduct through a proactive approach that adopts the following:



- Directors Code of Business Conduct and Ethics with core concepts of conducting business that is premised on transparency, integrity and accountability.



- IGB Group Anti-Bribery and Corruption ("ABAC") Policy which is wholly aligned with the Malaysian Anti-Corruption Commission Act 2009.

- IGB Group Whistleblowing Policy and Procedures which provide a framework that allows employees and stakeholders to disclose or report serious or illegal acts in relation to our business activities in a safe and secure manner. The framework also sets out procedures for investigations into all disclosures or reports received.

IGB further adopts a zero-tolerance approach towards any and all forms of bribery and corruption. Any employee found to have violated the ABAC Policy, or who has been found to be involved in other stipulated acts of bribery and corruption, shall be subject to strict disciplinary procedures, which may result in permanent work termination alongside other required legal proceedings. Tenancy agreements include a clause that tenants must observe and comply with the provisions of the of the Malaysian Anti-Corruption Act 2009.

As part of our onboarding process, an introduction to the ABAC Policy is provided to all new employees.

For a full view of our governance efforts, please refer to the Corporate Governance Overview Statement of this report.

Our performance:

Corruption risk assessment

This year, our corruption risk assessment covered 88% of our operations. We remain committed to ongoing improvement and aim to achieve full coverage in the near future.

	2023
■ Percentage of operations that underwent corruption risk assessments	88%

Anti-Corruption training

This year, 68% of employees have completed corruption-related training. The remaining employees will receive similar training in 2024.

Employee Category	Completion rate (%) 2023
■ Senior Management	94.74%
■ Managers & Senior Managers	88.58%
■ Senior Executives & Assistant Managers	86.05%
■ Executives	67.69%
■ Non-Executives	55.29%
Total	**67.98%**

Corruption incidents

There were zero incidents of corruption in 2023.

	2023
■ Incidents of corruption	-

SUSTAINABILITY STATEMENT
(continued)

7 Climate Change

Related UNSDGs: 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Why this is important to us:

The need to address climate change is imperative. Its impact on our planet, our way of life, and how we conduct business is both irreversible and increasingly significant. As a responsible corporate citizen, it is incumbent upon us to contribute to mitigating the effects of climate change, aligning our business practices with evolving societal expectations for environmental stewardship. By taking proactive measures, we enhance our resilience to regulatory shifts and market demands, thereby securing the long-term sustainability of our business.

Our approach:

Our Sustainability Policy guides us in effectively managing and minimising the adverse environmental impacts arising from our business operations. We continually review our operations, looking for opportunities to increase efficiency and reduce consumption. Several initiatives have already been implemented in our properties including:

- Tracking and monitoring energy consumption. Any unusual deviations are promptly investigated and addressed.

- Regular review of our properties' mechanical and electrical systems to drive efficiency.

- The use of energy-efficient escalators. These escalators are able to regulate speed based on shopper traffic and conserve energy during periods of low usage. Additionally, the standby mode feature allows for enhanced energy savings.

During the Menara Tan & Tan chiller replacement project in 2021, we achieved a remarkable energy reduction of up to 40%. Subsequently, we took the initiative to undergo a voluntary Sustainable Energy Low Carbon Building Assessment Green Pass by SEDA to validate our conservation efforts. The outcome of this proactive step exceeded our expectations as we proudly received a GREENPASS OPERATION certification in 2023, securing 3 out of 5 diamonds. This translates to a substantial 41.38% reduction equivalent to 969.8 tonnes of CO_2 annually.

Our commitment to sustainability goes beyond mere statistics, it reflects a conscientious effort to contribute to the well-being of our environment. The Menara Tan & Tan project exemplifies not only our dedication to energy efficiency but also our proactive engagement with reputable certification bodies to ensure the legitimacy and impact of our endeavours.

Receiving recognition through the certification symbolises our ongoing commitment to reducing our carbon footprint and fostering sustainable practices in every facet of our operations. As we celebrate this achievement, we look forward to continually raising the bar for environmentally responsible initiatives and inspiring others to join us in the pursuit of a greener, more sustainable future.

We also recognise the benefits of green buildings which promote efficient use of resources while reducing the impact on human health and the environment throughout the building's life cycle. Therefore, we diligently monitor and review the green certification of existing buildings across our portfolios, namely Southpoint Properties (GBI Silver) and GTower (GreenRE Gold), and will strive to obtain green certifications for 2 other commercial buildings in the coming year.

In 2023, we undertook the following key initiatives to improve our energy use:

Cooling system efficiency enhancements

- Replaced one 2000 RTon chiller in Mid Valley Megamall.
- Replaced one of GTower chillers for off-peak usage.
- Replaced 2 Cooling Towers in Mid Valley Megamall.
- Installation of a Variable Speed Drive ("VSD") for Cooling Towers in Menara Tan & Tan.
- Serviced heat exchanges for the Gardens South Tower to maintain optimal cooling performance.

Upgrading of LED Lighting

- Enhancement of Mid Valley Megamall GF and L1 common area lighting to LED which has lower energy consumption and higher lumens rating.
- Upgrading lighting within St Giles Boulevard Hotel prior to its reopening.

Hot water system efficiency enhancement

- Upgraded the hot water systems in St Giles Gardens Residences with energy efficient heat pumps.

Installation of solar panels in IGB International School

- Installed a 341kWp solar panel system in IGB International School which started operations in Q3 2023. This has generated 193MWh of green energy, reducing our dependency on non-renewable energy sources.

SUSTAINABILITY STATEMENT

(continued)

Management of the emission of greenhouse gases ("GHG") is a core component of addressing climate change. It is a crucial ESG concern for IGB and one that we have taken steps to improve. In 2023, we have started tracking and monitoring carbon emissions generated by our business operations. We currently track:

SCOPE 01 emissions which primarily arise from company vehicles, fuel combustion and fugitive emissions.

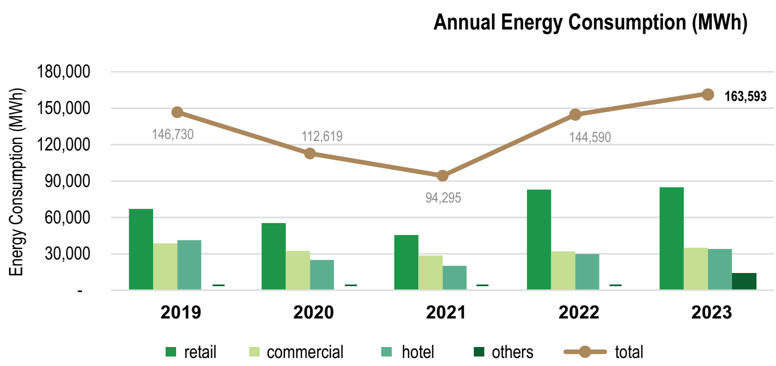
SCOPE 02 emissions which include purchased electricity.

SCOPE 03 emissions, which includes employee commute, business travel, waste generated as part of operations, district energy cooling and downstream leased assets.

In July, we started a pilot version of our Sustainable Commuting Programme for employees which has helped us avoid 1.3 tonnes of CO_2.

Additionally, we actively support the nation's goal of achieving carbon neutrality by 2050 and will be looking into developing net-zero plans in 2024, setting targets to curtail carbon emissions. As we prioritise sustainability, stakeholder engagement will be crucial.

Our performance:



* 2019 - 2022 energy consumption data for "others" not tracked.

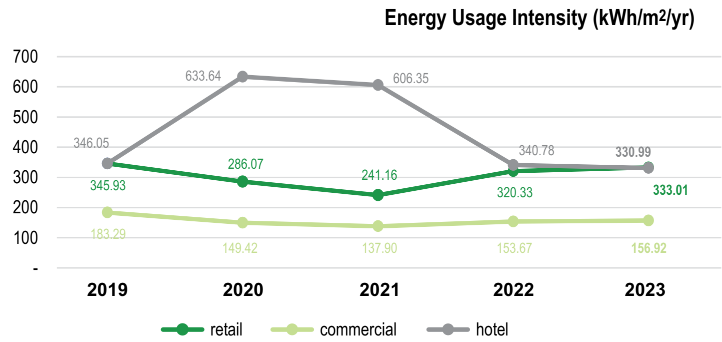
Energy consumption and Energy Usage Intensity (EUI)

Overall electricity consumption has risen compared to the previous year, this is attributed to increased occupancy, with more tenants returning to the office and patrons returning to our malls and hotels.

In 2023, we started work to understand the full efficiency of our assets by tracking the EUI (kWh/m²/year) of our major divisions. We have set targets to reduce EUI (kWh/m²/year) against 2019 baselines as follows:

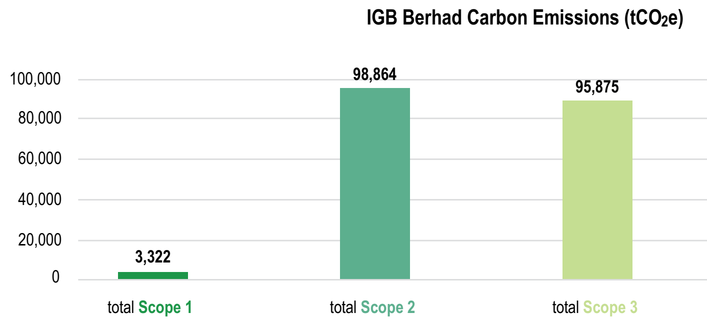
Division	by 2025	by 2030
■ Retail	5.8%	9.5%
■ Commercial	-	18%
■ Hotel	-	10%

* Targets exclude properties located in Southkey which will have targets set in due time once operations are normalised.



The increased energy consumption and EUI in 2023 is reflective of the increased footfall within our malls as the economy returned to pre-Covid levels. However, overall energy consumed still remained lower than our 2019 baselines.

Division	2019	2023	
■ Retail	345.93	333.01	▼ 3.7%
■ Commercial	183.29	156.92	▼ 14.4%
■ Hotels	346.05	330.99	▼ 4.4%



Carbon emissions

Note:

1. Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard using the operational control consolidation approach.
2. Scope 1 and Scope 3 emissions factors are sourced from the GHG Conversion Factors for Company Reporting version 1.1 (2023), published by the UK Department for Environment, Food & Rural Affairs ("DEFRA").
3. Scope 2 emissions factors for electricity grids in Peninsular Malaysia, Sabah and Sarawak are sourced from the 2017 CDM Electricity Baseline for Malaysia published by Malaysian Green Technology and Climate Change Corporation ("MGTC").

SUSTAINABILITY STATEMENT
(continued)

8 Diversity, Equity and Inclusion

Related UNSDGs: 05 GENDER EQUALITY, 08 DECENT WORK AND ECONOMIC GROWTH

Why this is important to us:

At IGB, we firmly believe that fostering a diverse, equitable, and inclusive workplace is not just the right thing to do, but also crucial for our long-term success. By growing a diverse workforce, we are able to tap on a wide range of talents and perspectives, and unlock a wealth of knowledge, experience, and ideas. These then fuel innovation, drive creativity, and strengthen our decision-making.

Ensuring fairness and equity in all aspects of our operations is important in promoting an open, transparent and tight-knit culture. It is important that we provide equal opportunities for all our people to grow and thrive.

Our approach:

Guided by the IGB Group Sustainability Policy, we are committed to the following:

- Being an equal opportunity employer.
- Ensuring no form of discrimination against our employees on the basis of age, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, and other characteristics that make our employees unique.
- Operating in full compliance with applicable wage, work hours, overtime and benefits laws.
- Zero tolerance for any form of harassment and abuse including physical, sexual, psychological or verbal.
- Ensuring that no children are employed directly by us or our contractors.
- Ensuring that all our operations are free of forced labour, human trafficking and modern slavery.
- Recognising and respecting the legal and customary rights of local communities and indigenous people, as well as the need to protect the basic human rights of marginalised groups, including refugees.

These commitments are also enshrined in our Professional Code of Conduct and Business Ethics which applies to employees throughout the Group.

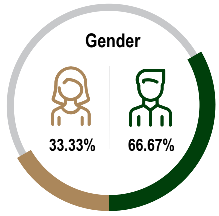
Our commitment to diversity, equity and inclusion in the workplace is also evidenced by gender representation on our Board and in leadership roles with women representing a minimum of 30% of positions on our Board and Management. We have further set a target to continue to maintain a minimum of 30% of women representation on our Board going forward.

Our properties are also designed to be friendly to persons with disabilities. Ramps are available at entrances, accessible parking is available for the handicapped, and mobility devices are provided at our mall Information Counters.

Our performance:

Board diversity

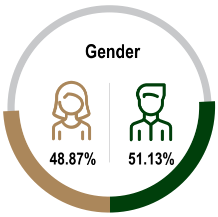
Age	% 2023
■ 30-60	16.67%
■ above 60	83.33%



Workforce diversity

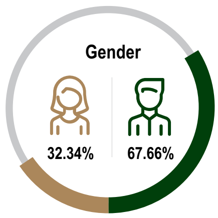
Executives and Senior Management

Age	% 2023
■ below 30	15.59%
■ 30 - 40	33.54%
■ 40 - 50	31.28%
■ above 50	19.58%



Non-Executives

Age	% 2023
■ below 30	39.12%
■ 30 - 40	29.34%
■ 40 - 50	17.76%
■ above 50	13.77%



Employee Composition

Total employees of the group amount to **2,105** in 2023.

	2023
■ Contractors or temporary staff	8.60%

Human Rights Violation

	2023
■ Number of substantiated complaints concerning human rights violations.	-

SUSTAINABILITY STATEMENT
(continued)

9 Water Management

Related UNSDGs:

Why this is important to us:

Managing water resources is fundamental to corporate sustainability, as it ensures responsible utilisation of resources and helps alleviate the risks associated with water scarcity. Implementing effective management practices enhance corporate responsibility and brand credibility. Through conserving this essential resource, we can promote environmental stewardship, strengthen operational resilience, and ensure long-term sustainability and ethical business conduct.

Our approach:

Guided by the IGB Group Sustainability Policy, IGB is committed to adopting a practical approach to water management. We seek to improve water efficiency and promote water conservation within our business.

We have put in place robust measures to bolster water security across our properties so as to mitigate water-related risks which may cause disruptions to our operations. Such disruptions can impact customer satisfaction and the long-term sustainability of our business. Through the years, we have undertaken initiatives to support effective water management. Some notable initiatives are set out below.

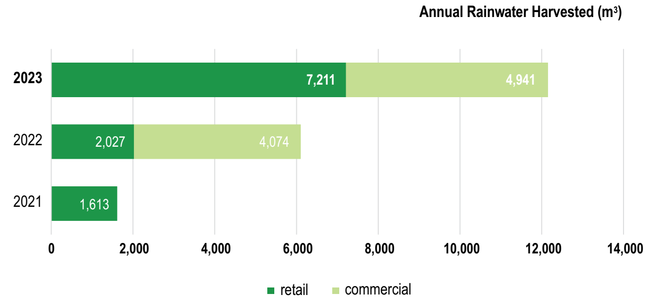
- Usage of water efficient fittings and flushing systems to reduce water usage.
- Review of piping to reduce leakages throughout our water system networks.
- Recycled water from our chillers is used to water plants and wash common areas.
- Installation of water harvesting systems to harvest rainfall.
- Water audits to address any unaccounted water consumption
- Replacement of single-use disposables with water and wet dispensers for our hotels.

This year, we installed a further 4 rainwater harvesting tanks, 2 each at MVM and The Gardens Mall, bringing the total number of tanks on our premises to 6. Each tank has a capacity of 10,000 liters. The water collected through our rainwater harvesting tanks are used to meet our landscaping needs. Rainwater harvesting facilities in our properties have allowed us to save 12,152 m^3 in water usage during the year.

On average, our current water storage systems are able to sustain our malls for 1.5 days, hotels for 2 days, integrated office buildings for 1.6 days and standalone office buildings for 2.7 days in the event of a disruption in supply from the municipal water provider. We also have in place agreements with the providers for additional water where required. Our approach has allowed us to adequately manage water disruptions in the past.

Our performance:

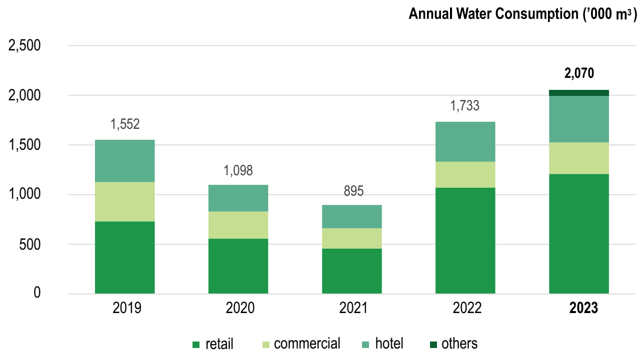
Annual Rainwater Harvested (m^3)



* 2021 rainwater harvesting data for "commercial" not tracked.

Annual Water Consumption ('000 m^3)

The increase in 2023, is mainly due to the higher footfall within our properties as well as our data now covering the full extent of properties in our scope.



* 2019 - 2022 water consumption data for "others" not tracked.

Looking ahead, we remain focused on finding new approaches to reduce our overall water usage. We will continue to implement more efficient water management fixtures and infrastructure, and monitor our water consumption, ensuring that all instances of notable increases in usage are thoroughly investigated.

SUSTAINABILITY STATEMENT
(continued)

10 Community and Society

Related UNSDGs: 11 SUSTAINABLE CITIES AND COMMUNITIES

Why this is important to us:

IGB is committed to community building as we believe that by doing so, we can collectively work towards outcomes that are beneficial to all. By working to understand the needs of our local communities, we are able to contribute to strengthening them, which then creates opportunities for growth. Through this, we can continue to support one another and cultivate a symbiotic relationship that positively impacts our communities and supports a sustainable future for all.

Our approach:

We engage and support our local communities and charitable organisations through the following:

- Direct contributions by IGB in the form of monetary and non-monetary donations, rental fee waivers and employee volunteerism.
- Collaborations with our tenants to promote local communities and charitable organisations.
- Providing opportunities for shoppers at our malls to support local communities and charitable organisations through donation booths and showcased merchandising.

This approach allows us to integrate community support in our business strategies, thereby creating long-lasting relationships with our communities.

Our Performance:

In 2023, our direct contributions amounted to the following:

1,316,645 (RM)	5,827	24,977
Total amount invested	Total beneficiaries impacted	Total bags of blood channelled to Pusat Darah Negara (PDN).

Full year rental was waived for the following tenants in 2023:

Name of Organisation	Amount (RM)
■ Pusat Darah Negara – Donation Suite at MVM	192,156
■ Pusat Darah Negara – Donation Suite at MVS	204,936
■ Kedai BLESS	160,380
■ OKU Dobi Sdn Bhd	93,108
■ MAB Shoppe	105,492

Initiatives undertaken in 2023 include:

Beautiful Gate Foundation for the Disabled during CNY period (January – February 2023)

Beneficiaries: 20 individuals through the Beautiful Gate Foundation.
Contribution : RM 10,000 in donations and RM39,900 in rent waived.

TGM donated RM10,000 to support the Beautiful Gate Foundation.

Shoppers could donate money or purchase merchandise to support the Beautiful Gate Foundation.

The Beautiful Gate Foundation assists persons with disabilities through the provision of welfare & care, holistic & life skills development, basic education, vocational skills, employment services, transport services, and advocacy & awareness across their 9 locations across the country. In 2023, TGM donated RM10,000 which was used to help the Beautiful Gate Foundation provide 2 months of training to 20 disabled persons. The on-ground kiosk also provided the disabled residents an opportunity to work and interact with shoppers who wished to purchase their merchandise. This helped increase awareness of the foundation in the community. In addition to purchasing merchandise, shoppers could make a donation to support the organisation.

SUSTAINABILITY STATEMENT
(continued)

TSM Blood Donation at Centre Court, Ground Floor (February 2023)
Beneficiaries: Recipients through the National Blood Center.
Contribution : RM 24,920 in rental waived.

The TSM Charity Golf Foundation's blood donation drive was officiated by YB Tan Sri Dato' HJ Muhyiddin Bin Mohd Yassin, former Prime Minister and Chairman, TSM Charity Gold Foundation.

Members of the public donating blood at the TSM Charity Golf Foundation's blood donation drive.

MVM collaborated with the TSM Charity Golf Foundation to strengthen and promote the voluntary blood donor programme. The blood donation drives helped PDN maintain blood supply for medical emergencies, especially blood transfusions for those in need. To support the efforts by the TSM Charity Golf Foundation, MVM waived a total of RM24,920 in promotion space rental.

iHeal Jom Sihat event at centre Court, Ground Floor (March 2023)
Beneficiaries: 1,000 shoppers.
Contribution : RM 26,725 in rental waived.

iHeal Jom Sihat event at Centre Court, Ground Floor, MVM

The event was held to raise public awareness on the importance of community action to fight disease and promote a healthy lifestyle. To support the event, MVM waived a total of RM25,000 in promotion space rental. The event successfully provided free glucose and BMI tests, blood group tests, and basic heart screenings. It also helped to raise awareness around the importance of leading a healthier lifestyle to more than 1,000 patrons.

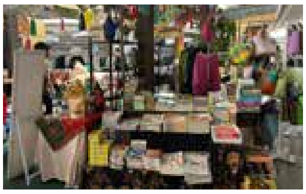
Hari Raya 2023: Gift-with-Purchase, Batu Seremban (March – May 2023)
Beneficiaries: 27 individuals in total through Persatuan Wanita & Ibu Tunggal WITUS and Persatuan Pembangunan Jayadiri.
Contribution : RM 28,500 in purchases.

Batu Seremban sets from Persatuan Wanita & Ibu Tunggal WITUS and Persatuan Pembangunan Jayadiri were given away as part of MVM's GWP campaign.

In our ongoing efforts to support local communities, MVM purchased handmade Batu Seremban sets as their Gift-with-Purchase ("GWP") item from the following organisations:

- Persatuan Wanita & Ibu Tunggal WITUS: we supported 20 single mothers and channelled a total of RM21,000 in sales back to the organisation.
- Persatuan Pembangunan Jayadiri; we supported 7 disabled persons, channelling a total of RM7,500 of sales back to the organisation.

Again & Again : On-ground support for Chinese New Year and Hari Raya 2023 (March – May 2023)
Contribution : RM33,450 in waiver of merchandising space rental and utilities charges



Again & Again merchandise booth during MVS Hari Raya 2023.

MVS provided on-ground merchandising support for Again & Again, a social enterprise that sells and converts all donated preloved items into cash which is then used for providing food aid to underprivileged communities, flood victims, orphanages and retirement homes. They also support single mothers by providing them with work opportunities to make a living.

Hari Raya 2023: Gift-with-Purchase, Batu Seremban (March – May 2023)
Beneficiaries: 50 individuals in total through Johor Area Rehabilitation Organisation ("JARO") and via Again & Again
Contribution : RM28,500 in purchases

Batu Seremban sets by Johor Area Rehabilitation Organisation ("JARO") and organisations via Again & Again as part of MVS Hari Raya 2023 GWP campaign.

In our ongoing efforts to support local communities, MVS purchased handmade Batu Seremban sets as their Gift-with-Purchase ("GWP") item from the following organisations:

- JARO: we supported 10 differently-abled individuals and channelled sales back to the organisation.
- 20 single mothers and 20 individuals from underprivileged families channelling of sales back to their organisations.

Hari Raya 2023: Charity Outing with Pertubuhan Kebajikan Fitrah Qaseh (April 2023)
Beneficiaries: 92 children from Pertubuhan Kebajikan Fitrah Qaseh's home.
Contribution : RM20,128 in donations.

Children and caretakers from Pertubuhan Kebajikan Fitrah Qaseh's home together with our personnel.

In the spirit of giving back, we continued our ongoing efforts to support vulnerable communities this Raya. We celebrated Buka Puasa with the children from Pertubuhan Kebajikan Fitrah Qaseh's home, bringing them joy and fostering a sense of community. We also ensured their well-being by donating essential daily necessities for the home, and each child received a special Duit Raya packet to celebrate the holiday.

SUSTAINABILITY STATEMENT
(continued)

Centre for Orang Asli Concerns during Hari Raya period (April 2023)

Beneficiaries: The Jahai Community in Kampung Kelab located in the interior of Perak.
Contribution : RM 10,000 in donations and RM50,500 in rent waived.


TGM donated RM10,000 to support the Center for Orang Asli Concerns.


Shoppers could make contactless donations directly to the Center for Orang Asli Concerns via DuitNow.

In support of the country's indigenous people, TGM teamed up with the Center for Orang Asli Concerns ("COAC") during Hari Raya. Shoppers could make contactless donations directly to the organisation via a DuitNow QR code displayed on the COAC information board located at the North Palm of the mall.

TGM donated RM10,000, which was used by COAC to support the various needs of the Jahai community in Kampung Kelab in the interior of Perak. This included stationery and morning meals for the children at the community learning center, as well as teacher allowances. The funds were also used to buy vegetable seeds and farming tools for their community plot. The balance was used for general food aid, as well as for the repair of 3 motorcycles. The motorcycles are their only mode of transport through 25km of logging roads to the main road, and a further 40km to the nearest town.

Surin International School Field Trip

Beneficiaries: 7 children from Surin International School.



Students from Surin International School learning about the retail industry through hands-on experiences.


Students from Surin International School.

MVM collaborated with Surin International School to organise a school field trip to the mall for high functioning autistic students. The students had the opportunity to learn about the retail industry through a sharing session, and were also connected to selected tenants, - Uniqlo, Sasa, Tealive, Mr D.I.Y, mynews.com, Nike, Watson's, Typo, Supreme Bowl, Pets Wonderland, Comics Mart, GSC, Zus Coffee, Muji and Baskin Robbins - for future internship opportunities.

Ti-Ratana children's homes (July 2023)

Beneficiaries: 60 Children from Ti-Ratana Children's Homes.
Contribution : RM 75,000 in donations.


IGB REIT representative presenting a cheque to a representative of Ti-Ratana Children's Home.


Children and representatives of the Ti-Ratana Children's Home.

Following the cancellation of the MySchoolBus programme in February 2023, the children under the care of 3 Ti-Ratana children's homes had to be sent to school with vans allocated for children and senior citizens. MVM's financial contribution of RM75,000 supported the acquisition of a minimum 44-seater bus for the 60 children that attend school.

Breydon Lee: Violin Performances at MVM and MVS

Contribution : RM5,756 in funds raised.



Breydon's performance during Mid Autumn Festival at MVM and Take A Break event at MVS

This year, we continued our commitment to nurturing young local talent by partnering with Breydon Lee, a gifted violinist on the autism spectrum. Breydon's heartwarming violin performances at MVM and MVS throughout the year captivated shoppers and inspired generous donations. These donations were then directed towards four deserving charities: House of Joy, Soserv Welfare Malaysia, Persatuan Kanner Melaka, and Persatuan Kebajikan Hati Berganda Selangor.

Zoo Negara Malaysia, CSR Programme

Contribution : RM 4,750 in funding.
No. of volunteers : 29 volunteers.


On Saturday, 15 July, 29 volunteers took part in the Zoo Negara's CSR programme. Volunteers helped to clean the zoo's grounds and enclosures and helped with meal preparation for the wildlife. The objective of the programme was to support animal conservation and to nurture a collective consciousness towards the preservation of our planet's ecosystems and its diverse inhabitants..

SUSTAINABILITY STATEMENT
(continued)

The Mid Valley River Three Park - River Cleaning
No. of volunteers : 20 volunteers.



On 23 July, IGB volunteers took part in a collaborative effort between Alliance of River Three and JPS Wilayah Persekutuan. Volunteers gathered at the Mid Valley River Three Park, which is located on the PJ-Bangsar bypass between Mid Valley City and KL Eco City, to clean the river banks of trash washed up from the river. This initiative helped to create awareness around the importance of natural protection, environmental restoration and the preservation of biodiversity.

Community Farming Project in Rural Villages in Sabah
Beneficiaries : 150 village residents.
Contribution : RM 10,000 in donations.



In October 2023, Cititel Express Hotel, Kota Kinabalu ("CEKK"), in collaboration with Hope Worldwide Malaysia, embarked on a meaningful farming project with the villagers of Kampung Kedamaian, Koata Belud, Sabah. The objective of the project was to broaden the community's food resources through sustainable small-scale farming. The initiative will benefit 30 farming households and positively impact 150 village residents in remote, poverty-stricken areas situated in geographically challenging locations.

Bag2School Programme
Contribution : RM 20,000 in donations.
No. of volunteers : 10 volunteers.



In support of Persatuan Kebajikan Dan Social Selangor Dan Kuala Lumpur (also known as KEBSO.Life), volunteers worked with the Bag2school Programme to help distribute basic necessities such as school bags, stationary, and food baskets, to poor and marginalised school children and families. The one-day event positively impacted 1,200 individuals from low income families.

Christmas 2023 - Cookies Giveaway at MVM and MVS
Beneficiaries : 10 individuals in total through Women of Will.
Contribution : RM5,350 in purchases.


Handmade cookie sets given out through Santa Meet & Greet sessions at MVS

In our continuous efforts to support local self-sustaining communities, we explored purchasing our giveaway items from NGOs rather than relying on commercial suppliers. For our Christmas giveaway, we purchased handmade cookie sets made by single mothers from Women of Will.

Beautiful Gate Foundation for the Disabled during Christmas period (November – December 2023)
Beneficiaries : 30 individuals through the Beautiful Gate Foundation.
Contribution : RM 10,000 in donations and RM81,900 in rent waived.

TGM collaborated with the Beautiful Gate Foundation and donated RM10,000 to support the orgnisation.

TGM's Gardensville postal service post boxes.

TGM teamed up with the Beautiful Gate Foundation for its Christmas campaign titled "Christmas in Gardensville". TGM set up a mini post office complete with Gardensville Postal Service post boxes. Volunteers from the Beautiful Gate Foundation were stationed at the Gardensville Post Office from 24 Nov 2023 - 1 Jan 2024 to help and engage with shoppers as they mailed their exclusive Gardensville postcards. Shoppers received a postcard for every RM5 donation they made. TGM arranged for postcards to be mailed to the various domestic and international addresses as required. TGM also donated RM10,000 to the Beautiful Gate Foundation.

At the end of the campaign, a total of RM23,090.58 was raised through donations received from shoppers through the Gardensville postcards initiative. This was in addition to the RM10,000 donated by TGM.

SUSTAINABILITY STATEMENT
(continued)

11 Waste Management

Related UNSDGs:

Why this is important to us:

Effective waste management plays a crucial role in helping businesses mitigate their environmental impact, comply with regulations, and fulfil corporate responsibilities. Implementing appropriate waste strategies not only reduces landfill waste and minimises pollution, but also promotes a circular economy. Such measures align with sustainability objectives, appeal to environmentally conscious consumers, and improve operational efficiency, thereby fostering long-term environmental sustainability.

Our approach:

Our actions are guided by the IGB Group Sustainability Policy in managing our waste in accordance with applicable regulatory requirements and other commitments made by the Group. We are committed to reduce, reuse, recycle and dispose of waste in an environmentally responsible way.

Some of our key initiatives currently implemented at our properties include:

- Recycling bins placed in our malls and office buildings.
- Food composting initiative which composts food waste collected from mall tenants.
- Educating tenants on the importance of segregating waste into compostable, recyclable and non-recyclable waste at the source to increase the efficiency of our waste diversion efforts.
- Installing grease traps at dedicated drainage outlets to ensure that pollutants are dealt with in a responsible manner instead of being released into the sewerage system.
- Recycling and e-waste bins are provisioned in each office building, ensuring proper recycling and preventing toxic materials from contaminating landfills.
- Replacing single use disposables with water and wet dispensers in our hotels.

In 2023, we invested in a larger composting machine for MVM and TGM. This has allowed us to boost our food waste composting efforts from a monthly average of 200 kg to 2,000 kg. We are now able to produce 1.6 to 1.8 tonnes of compost monthly. This is used for landscaping purposes across these malls. Construction of a new food waste recycling room was also completed in the year to support MVM and TGM's food waste recycling program.

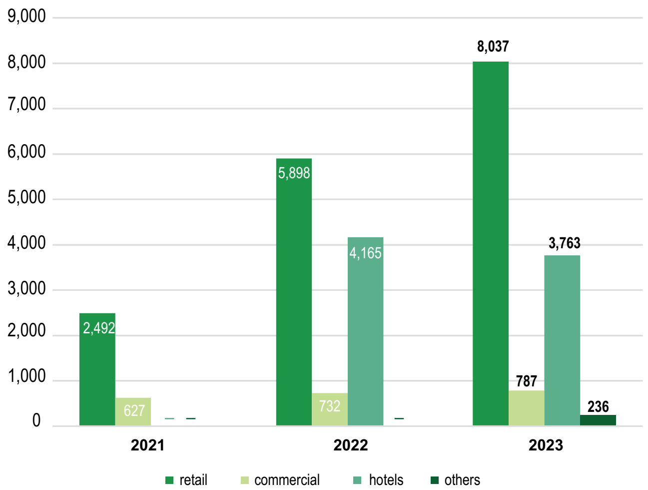
MVM and TGM's food recycling room.

Our performance:

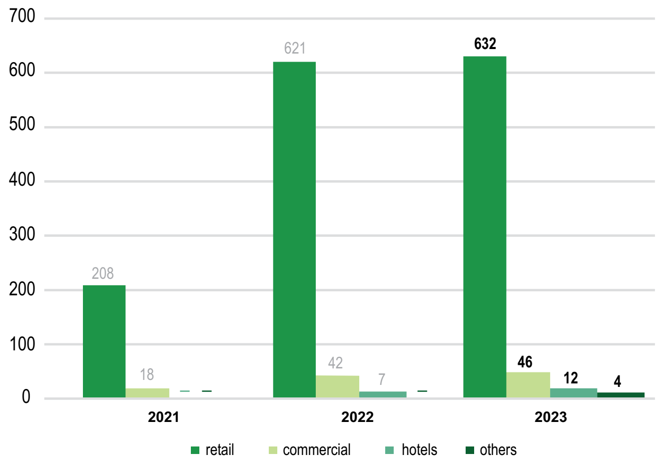
For a clearer picture of our waste data, we've seperated it into two streams:

Waste generated from operations

Disposed Waste Generated from Operations (tonnes)

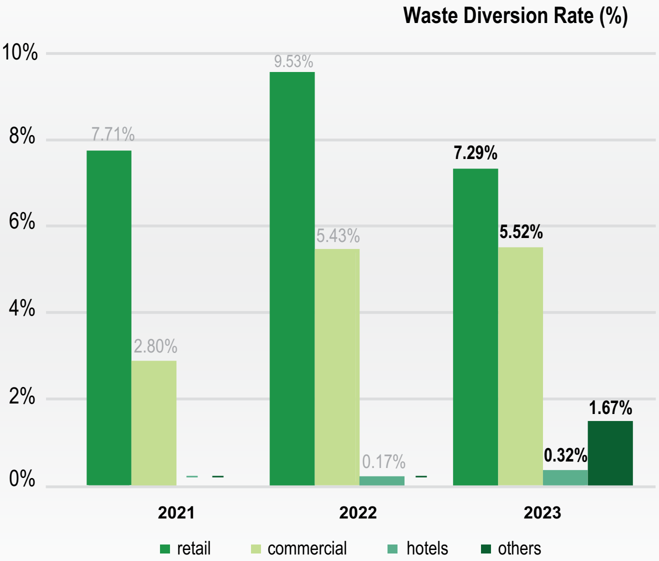


Annual Waste Diverted from Operations (tonnes)



* 2021 disposed waste generated and annual waste diverted from operations for "hotels" not tracked.
* 2021 - 2022 disposed waste generated and annual waste diverted from "others" not tracked.

SUSTAINABILITY STATEMENT
(continued)



* 2021 waste diversion rate for "hotels" not tracked.
* 2021 - 2022 waste diversion rate for "others" not tracked.

Wastewater treament sludge

In 2023, our water treatment operations in China treated 24.4 million m^3 of industrial wastewater which resulted in 17,525 tonnes of sludge which was disposed at authorised landfill sites.

12 Supply Chain Management

Related UNSDGs: 08 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why this is important to us:

At IGB, we view the supply chain as a strategic asset, not just a logistical necessity. Proper supply chain management supports operational efficiency, ensures cost-effectiveness, and mitigates potential risks. We prioritise building resilient partnerships with local businesses, not only for economic benefit but also to minimise our environmental footprint and support the communities in which we operate. Just as importantly, our commitment to good corporate governance extends to our suppliers, with strict adherence to regulatory requirements.

Our approach:

In ensuring a fair and transparent procurement practice, our procurement processes adhere to an open and accountable system as follows:

- Supplier registration and pre-qualification eligibility.
- Supplier pricing and competencies evaluation.
- Contract tender and award.
- Annual performance review (or at end-of-project/contract)

In ensuring responsible business practices across our supply In ensuring responsible business practices across our supply chains, our suppliers are required to adhere to all laws and regulations. These include those relating to health and safety, environmental control, human resource management, corruption, money-laundering, and human rights, amongst others.

In 2023, we introduced an ESG questionnaire for all new registrants and existing suppliers with the intention to include this into our supplier pre-qualification and evaluations.

Our performance:

In 2023, 99.59% of our supplier procurement was spent on local suppliers, reinforcing our commitment to positively contributing to the local community.

	2023
■ Proportion of spending on local suppliers	99.59%

SUSTAINABILITY STATEMENT
(continued)

2023 Performance Data Table for IGB BERHAD

Indicator	Description	Measurement Unit	2021	2022	2023
	Health, Safety & Security				
Bursa C5(a)	Number of work-related fatalities	Number	0	0	0
Bursa C5(b)	Lost time incident rate ("LTIR")	Rate	-	-	0.09
Bursa C5(c)	Number of employees trained on health and safety standards	Number	-	-	721
	Economic Performance				
	Economic Value Generated	MYR	1,173,014	1,399,600	1,680,600
	Economic Value Distributed	MYR	1,147,406	1,355,997	1,543,636
	Human Capital Management				
Bursa C6(a)	**Total hours of training by employee category**				
	Senior Management	Hours	-	-	1,311
	Managers & Senior Managers	Hours	-	-	4,786
	Senior Executives & Assistant Managers	Hours	-	-	6,011
	Executives	Hours	-	-	8,989
	Non-Executives	Hours	-	-	10,506
Bursa C6(c)	**Total number of employee turnover by employee category**				
	Senior Management	Number	-	-	6
	Managers & Senior Managers	Number	-	-	48
	Senior Executives & Assistant Managers	Number	-	-	60
	Executives	Number	-	-	99
	Non-Executives	Number	-	-	246
	Data Privacy & Security				
Bursa C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	0
	Corporate Governance				
Bursa C1(a)	Percentage of employees who have received training on anti-corruption by employee category				
	Senior Management	Percentage	-	-	94.74
	Managers & Senior Managers	Percentage	-	-	88.58
	Senior Executives & Assistant Managers	Percentage	-	-	86.05
	Executives	Percentage	-	-	67.69
	Non-Executives	Percentage	-	-	55.29
Bursa C1(b)	Percentage of operations assessed for corruption-related risks	Percentage	-	-	88.00
Bursa C1(c)	Confirmed incidents of corruption and action taken	Number	-	-	0
	Climate Change				
Bursa C4(a)	Total energy consumption	Megawatt-hours	94,295	144,590	163,593
Bursa C11(a)	Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	3,322
Bursa C11(b)	Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	-	98,864
Bursa C11(c)	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	95,875

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT
(continued)

Indicator	Description	Measurement Unit	2021	2022	2023
	Diversity, Equity & Inclusion				
Bursa C3(a)	Percentage of employees by gender and age group, for each employee category				
	Age group by employee category				
	Executives and Senior Management below 30	Percentage	-	-	15.59
	Executives and Senior Management 30 - 40	Percentage	-	-	33.54
	Executives and Senior Management 40 - 50	Percentage	-	-	31.28
	Executives and Senior Management above 50	Percentage	-	-	19.58
	Non-Executives below 30	Percentage	-	-	39.12
	Non-Executives 30 - 40	Percentage	-	-	29.34
	Non-Executives 40 - 50	Percentage	-	-	17.76
	Non-Executives above 50	Percentage	-	-	13.77
	Gender group by employee category				
	Executives and Senior Management (male)	Percentage	-	-	51.13
	Executives and Senior Management (female)	Percentage	-	-	48.87
	Non-Executives (male)	Percentage	-	-	67.66
	Non-Executives (female)	Percentage	-	-	32.34
Bursa C3(b)	**Percentage of directors by gender and age group**				
	Male	Percentage	-	-	66.67
	Female	Percentage	-	-	33.33
	30 - 60	Percentage	-	-	16.67
	above 60	Percentage	-	-	83.33
Bursa C6(b)	Percentage of employees that are contractors or temporary staff	Percentage	-	-	8.60
Bursa C6(d)	Number of substantiated complaints concerning human rights violations	Number	-	-	0
	Water Management				
Bursa C9(a)	Total volume of water used	Megalitres	895	1,733	2,070
	Community / Society				
Bursa C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	1,316,645
Bursa C2(b)	Total number of beneficiaries of the investment in communities	Number	-	-	5,827
	Waste Management				
Bursa C10(a)	Total waste generated	Metric tonnes	3,345	11,465	13,517
Bursa C10(a)i	Total waste diverted from disposal	Metric tonnes	226	670	694
Bursa C10(a)ii	Total waste directed to disposal	Metric tonnes	3,119	10,795	12,823
	Supply Chain Management				
Bursa C7(a)	Proportion of spending on local suppliers	Percentage	-	-	99.59

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT
(continued)

Statement of Assurance

Internal Review Assurance Statement to the Board of Directors ("Board") of IGB Berhad

The Audit Committee of IGB Berhad ("IGB") has requested Group Internal Audit to perform an internal review on selected subject matters contained in the Sustainability Statement in the 2023 Annual Report ("SS2023").

Scope of Work

The scope of the internal review was limited to selected subject matters ("Subject Matter") presented in the SS2023 and did not include coverage of data sets nor information unrelated to the data and information underlying the Subject Matter and related disclosures; nor did it include information reported outside of the SS2023, comparisons against historical data, or management's forward-looking statements.

The scope of work covered the data and information from the operations of IGB Berhad and its subsidiaries in Malaysia and China, which are under the management of IGB Berhad.

Other operations that are managed by third parties or classified as associates of the Group are excluded from the scope of work.

Subject Matters

The subject matters covered by the internal review include the following indicators:

Material Matters	Subject Matter
Health, Safety & Security	• Number of work-related fatalities. • Lost time incident rate. • Number of employees trained on health and safety standards.
Human Capital Management	• Total hours of training by employee category. • Total number of employee turnover by employee category.
Data Privacy & Security	• Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
Corporate Governance	• Percentage of employees who have received training on anti-corruption by employee category. • Percentage of operations assessed for corruption-related risks. • Confirmed incidents of corruption and action taken.
Climate Change	• Total energy consumption.
Diversity, Equity & Inclusion	• Percentage of employees by gender and age group, for each employee category. • Percentage of directors by gender and age group. • Percentage of employees that are contractors or temporary staff. • Number of substantiated complaints concerning human rights violations.
Water Management	• Total volume of water used.
Community / Society	• Total amount invested in the community where the target beneficiaries are external to the listed issuer. • Total number of beneficiaries of the investment in communities.
Supply Chain Management	• Proportion of spending on local suppliers.

In preparing the Subject Matter mentioned above, IGB applied the following criteria:

- Bursa Malaysia's Sustainability Reporting Guide;
- IGB's relevant policies and procedures.

Description of procedures performed

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

SUSTAINABILITY STATEMENT
(continued)

Our procedures included:

- Gaining an understanding of IGB's businesses, internal processes, and approach to sustainability;
- Conducting interviews with key personnel and collating evidence to understand IGB's process for reporting of performance indicators;
- Conducting limited assurance procedures over the selected Subject Matter including:
  - » Undertaking analytical procedures to support the reasonableness of the data
  - » Checking that the calculation as per the methodologies for the Subject Matter has been applied consistently
  - » Identifying and testing assumptions supporting calculations
  - » Testing, on a sample basis, underlying source information to check accuracy of the data
  - » Performing recalculation of performance indicators using input data
  - » Checking that measurements made at the end of the reporting period are entered in the records and in the sustainability statement in a timely manner

We also performed such other procedures as we considered necessary in the circumstances.

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our limited review does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SS2023. Our Statement of Assurance is limited to the subject matter disclosed in the SS2023 as approved by the Board. We do not accept responsibility for any subsequent changes to the Subject Matter and related disclosures.

Conclusion

Based on the procedures performed and the evidence obtained from the management of IGB, nothing has come to our attention that causes us to believe that the Subject Matter as presented in the SS2023 have not been prepared and presented fairly, in all material respects, in accordance with the defined Criteria.

Restriction of use

Our report is intended solely for the Board and should not be used by any other parties. We do not accept or assume liability to any party other than the Board, for our work, for this report or for the conclusion we have reached.

We agree to the publication of this assurance statement in the SS2023, provided it is clearly understood by the shareholders that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

Group Internal Audit

IGB Berhad

25 April 2024

PROFILE OF DIRECTORS

TAN LEI CHENG

(Malaysian, female, age 66)

Chairman/Non-Independent Non-Executive Director ("NINED")

Date of Appointment	20 September 2000
Board Committee(s)	Investment and Risk Committee (Member)
Profile Summary	Tan Lei Cheng has over 40 years' 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. Following the completion of the merger between IGB Corporation Berhad ("IGBC") and Tan & Tan on 8 May 2002, she assumed the role of Non-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 director of IGB REIT Management Sdn Bhd ("IGB REIT Management"), the Manager of IGB Real Estate Investment Trust ("IGB REIT") and IGB Commercial Real Estate Investment Trust ("IGB Commercial REIT"), both listed on the Main Board 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.
Other Directorship(s)	Listed Issuer • IGB REIT Management Public Company • Dato' Tan Chin Nam Foundation

TAN BOON LEE

(Malaysian, male, age 60)

Executive Director ("ED")/Group Chief Executive Officer ("GCEO")

Date of Appointment	29 August 2022
Profile Summary	Tan Boon Lee was appointed as GCEO of IGB on 1 January 2023. From 1 June 2018 to 31 December 2022, he served as Deputy GCEO ("DGCEO"). Preceding that, he was ED of IGBC (delisted and privatised on 16 March 2018 by IGB, then known as Goldis) and served as CEO of Tan & Tan, the property arm of IGBC (2008-2019). He was on the board of IGB REIT Management (2020-2023). Tan Boon Lee has more than three decades of experience in property development and hospitality industries, and his experience included roles in providing management and technical assistance to various hotel and hospitality projects across Malaysia and Asia. Notably, he served as president of the Malaysian Association of Hotel Owners from 2002 to 2004. 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.
Other Directorship(s)	Public Companies • IGBC • Dato' Tan Chin Nam Foundation

PROFILE OF DIRECTORS
(continued)

TAN MEI SIAN

(Malaysian, female, age 40)

Alternate Director to Tan Lei Cheng/DGCEO

Date of Appointment	7 December 2020
Profile Summary	Tan Mei Sian was appointed DGCEO on 1 January 2023. Presently, she holds the position of Exco Chair of the Group 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 ED of Goldis (renamed IGB on 20 March 2018) from 18 May 2016 to 30 August 2018. Tan Mei Sian is an ED and the Head of Strategy & Risk of IGB REIT Management. Earlier in her career, Tan Mei Sian gained valuable experience as 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.
Other Directorship(s)	Listed Issuer • IGB REIT Management Public Company • Tan & Tan

DATO' SERI ROBERT TAN CHUNG MENG

(Malaysian, male, age 71)

NINED

Date of Appointment	8 December 2014 (redesignated as NINED on 1 January 2023)
Board Committee(s)	Investment and Risk Committee (Chairperson)
Profile Summary	Dato' Seri Robert Tan held various leadership positions over the course of his career in IGB Group. From 30 March 2018 to 31 December 2022, he served as GCEO. Preceding that, he was Group Managing Director ("MD") of IGBC (delisted and privatised on 16 March 2018 by IGB, then known as Goldis) (30 May 2001 to 29 March 2018), and as Joint MD (18 December 1995 to 29 May 2001). On 1 January 2024, Dato' Seri Robert Tan was made NEC of IGB REIT Management. In March 2012, when IGB REIT Management was incorporated, Dato' Seri Robert Tan was appointed MD, a post in which he has served for 10 years before being redesignated to NINED (1 January 2023 to 31 December 2023). With more than three decades 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, "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'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.
Other Directorship(s)	Listed Issuer • IGB REIT Management • Wasco Berhad Public Companies • IGBC • Yayasan Tan Kim Yeow

PROFILE OF DIRECTORS
(continued)

LEE CHAING HUAT

(Malaysian, male, age 70)

Senior Independent Non-Executive Director ("INED")

Date of Appointment	8 December 2014 (redesignated as Senior INED on 30 August 2018)
Board Committee(s)	Audit Committee (Chairperson) Nomination Committee (Member) Remuneration Committee (Member)
Profile Summary	Lee Chaing Huat embarked on his professional journey in 1971 as an auditor with Messrs. Hanafiah Raslan & Mohamad/Touche Ross, Malaysia, thereafter transitioning to the financial sector in 1980. With extensive banking expertise, he has held pivotal roles in prominent institutions such as the Chase Manhattan Bank (now known as JP Morgan Chase Bank), Kwong Yik Bank Berhad (now known as RHB Bank Berhad following the 1997 merger with DCB Bank Berhad). In 2004, he commenced his tenure with Hong Leong Credit Berhad as Group Chief Financial Officer, subsequently transitioning to Hong Leong Bank Berhad where he assumed the role of Chief Operating Officer/Head of Business Banking Division. In December 2005, he started his own private management consulting firm. Lee Chaing Huat is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Malaysian Institute of Accountants.

DATO' DR. ZAHA RINA BINTI ZAHARI

(Malaysian, female, age 62)

INED

Date of Appointment	1 June 2018
Board Committee(s)	Nomination Committee (Chairperson) Audit Committee (Member) Remuneration Committee (Member)
Profile Summary	Dato' Dr. Zaha Rina has over 20 years of extensive experience in the financial, commodities and securities industries, with a particular focus on and development of the Malaysian capital market. Her expertise includes managing a futures broking company and demonstrating proficiency in global financial markets, encompassing both conventional and Islamic finance. Additionally, she possesses specialised knowledge in mergers and acquisitions within the insurance and Takaful sectors. Dato' Dr. Zaha Rina serves as an independent board member in Financial Institutions and is licenced by the Securities Commission Malaysia to provide corporate advisory services. Furthermore, she contributes her expertise as a member of the Appeals Committee of Bursa Malaysia Berhad. Dato' Dr. Zaha Rina served as a Consultant to Financial Technologies Middle East based in Bahrain, overseeing the establishment of the Bahrain Financial Exchange, which was launched in 2009. Prior to this role, she held a position at Royal Bank of Scotland Coutts in Singapore from 2007 to 2008. Preceding that, she served as the CEO of RHB Securities Sdn Bhd from 2004 to 2006. In 2003, she assumed the role of Head of Exchanges, where she managed the operations of various financial entities including the Kuala Lumpur Stock Exchange ("KLSE"), the Malaysian Exchange of Securities Dealing and Automated Quotation, the Malaysia Derivatives Exchange and the Labuan International Financial Exchange. Her leadership continued until the demutualisation of KLSE in 2004 and renamed as Bursa. Dato' Dr. Zaha Rina holds a Bachelor of Arts (Honours) degree in Accounting and Finance from Leeds Metropolitan University, United Kingdom, as well as a Master's in Business Administration and a Doctorate in Business Administration from the University of Hull, United Kingdom. She did her doctoral research on the capital markets, with a specialisation in derivatives.
Other Directorship(s)	Listed Issuers • Hibiscus Petroleum Berhad • Manulife Holdings Berhad • Keck Seng (Malaysia) Berhad • Pacific & Orient Berhad Public Companies • Manulife Investment Management (M) Berhad • Mizuho Bank (Malaysia) Berhad • Pacific & Orient Insurance Co Berhad

PROFILE OF DIRECTORS
(continued)

DATO' LEE KOK KWAN
(Malaysian, male, age 58)

INED

Date of Appointment	25 February 2022
Board Committee(s)	Remuneration Committee (Chairperson) Audit Committee (Member) Nomination Committee (Member)
Profile Summary	Dato' Lee 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.
Other Directorship(s)	Listed Issuer • CIMB Group Holdings Berhad Public Companies • 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 40)

Alternate Director to Dato' Seri Robert Tan Chung Meng

Date of Appointment	29 August 2022
Profile Summary	Elizabeth Tan is the CEO and ED of IGB REIT Management. Prior to that, she was Joint Deputy CEO (1 January 2023 – 1 January 2024); and Joint Chief Operating Officer and Head of Operations/Leasing (TGM) (September 2012 – December 2022) of IGB REIT Management. Her career with IGB Group commenced with Mid Valley City Gardens Sdn Bhd in August 2004, as Head of Operations/Leasing; then, appointed ED in January 2011, and subsequently, elected CEO in January 2019, before relinquishing her position on 31 December 2023. With 20 years of retail management and operations experience, Elizabeth Tan has been a key member of the retail management team since IGB REIT was listed in September 2012. Elizabeth Tan holds a Bachelor of Business Administration with First Class Honours from Cardiff University, Wales, United Kingdom.
Other Directorship(s)	Listed Issuer: • IGB REIT Management

Other disclosures

1. *Except for Tan Lei Cheng ("TLC"), Tan Boon Lee ("TBL"), Tan Mei Sian ("TMS"), Dato' Seri Robert Tan Chung Meng ("DSRT") and Elizabeth Tan Hui Ning ("ETHN""), none of the Directors has any family relationship with any Directors and/or major shareholder of IGB.*
2. *TLC, TBL, TMS, DSRT and ETHN have actual and/or potential conflicts-of-interest in connection with the general mandate for recurrent related party transactions as disclosed in the Corporate Governance Overview Statement ("CGOS"), due to their family companies' shareholding in IGB.*
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 the financial year ended 31 December 2023 ("FY23").*
5. *Directors' attendance at the Board and Board Committees meetings during FY23 as disclosed in the CGOS.*
6. *Directors' shareholdings in IGB as disclosed in the Shareholding Statistics.*

PROFILE OF KEY MANAGEMENT

TAN BOON LEE
GCEO

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

TAN MEI SIAN
Deputy GCEO

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

ELIZABETH TAN HUI NING
CEO of IGB REIT Management

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

CHAI LAI SIM
(Malaysian, female, age 63)
Group Chief Financial Officer ("GCFO")

Academic/ Background/ Working Experience

Chai Lai Sim was appointed GCFO on 1 June 2018. Preceding that, she was GCFO of IGBC (delisted and privatised on 16 March 2018 by IGB, then known as Goldis). She served as Senior Group General Manager of Group Finance subsequent to the merger of Tan & Tan and IGBC in 2002. She joined Tan & Tan as Group Financial Controller in 1993. Earlier in her career, she gained valuable experience as an articled student with Coopers & Lybrand (now known as PricewaterhouseCoopers PLT).

Chai Lai Sim has more than 40 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 the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

RENNIE LEE CHAI TIN
(Malaysian, female, age 59)
Joint Deputy CEO ("JDCEO") (Retail) of IGB REIT Management

Academic/ Background/ Working Experience

Rennie Lee was appointed as JDCEO (Retail) of IGB REIT Management on 1 January 2024. She is a member of the Retail Risk Management and Sustainability Committee of IGB REIT Management. Rennie Lee has led and/or been a key member of the retail management team since IGB REIT was listed in September 2012. Prior to her appointment as JDCEO, she was Joint Chief Operating Officer ("COO"), and before that, Head of Operations/Leasing (MVM) of IGB REIT Management, overseeing and managing the day-to-day operations of leasing, including asset enhancement strategies. Rennie Lee is concurrently General Manager of Mid Valley City Sdn Bhd, a subsidiary of IGB since 1995, and elected CEO on 1 January 2024.

Rennie Lee has more than three decades of retail management and operations experience; in particular, she was a key member of MVM pre-opening team and a founding team member in the leasing of MVC. Her past work experiences involved leasing and marketing of shopping malls such as Mahkota Parade, Subang Parade, and IOI City Mall.

PROFILE OF KEY MANAGEMENT
(continued)

WONG KHIM CHON
(Malaysian, male, age 64)
JDCEO (Commercial) of IGB REIT Management

Academic/ Background/ Working Experience

Wong Khim Chon was appointed JDCEO (Commercial) of IGB REIT Management on 1 January 2023. He is also a member of the Commercial Risk Management and Sustainability Committee of IGB REIT Management. From 1 June 2021 to 31 December 2022, he served as Deputy CEO of IGB REIT Management. Preceding that, he 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 position on 31 May 2021.

He has over 36 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). He started as a 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, and hotel projects 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 for overseeing the management of the 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 with managing the commercial assets of the group in MVC and Kuala Lumpur Central Business District.

He was then attached to 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 ED and CEO of AmREIT Managers Sdn Bhd, the manager of the 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 the University of Strathclyde, Glasgow, Scotland, a Bachelor of Engineering (Hons) in Civil Engineering from the University of Malaya, and a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants, United Kingdom.

TAN YEE SENG
(Malaysian, male, age 44)
CEO of Tan & Tan (Property Development Division)

Academic/ Background/ Working Experience

Tan Yee Seng was appointed CEO of Tan & Tan on 1 January 2019. Preceding that, he was Head of Property Development (2017-2018) and served as Senior General Manager of IGBC (2010-2016).

His prior work experience includes being part of the pre-opening team of GTower, an integrated offices and hotel building, where he oversaw the coordination of base building, fit out and operations. He was also involved in the aesthetic realisation of The Gardens Mall ("TGM") while working at Ensignia Construction Sdn Bhd ("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 the University of East London, United Kingdom.

Other Directorship(s)

Public Company:
- Tan & Tan

PROFILE OF KEY MANAGEMENT
(continued)

JAMES LOO HOOI GUAN
(Malaysian, male, age 64)
CEO of Cititel Hotel Management Sdn Bhd ("CHM")

Academic/ Background/ Working Experience	James Loo was appointed as CEO of CHM on 1 January 2020. He joined CHM in 2000 and has spearheaded the successful opening of several hotels in the Group including Cititel Mid Valley (Year 2000), St Giles Boulevard (Year 2005), MiCasa All Suite Hotel (Year 2010) and St Giles Southkey, Johor Bahru (Year 2022). He has more than four decades of experience in the hospitality and tourism industry, including 14 years with Shangri-La Hotels & Resorts, and an extensive portfolio in sales marketing covering East Asia, Europe, and North America. He also held a 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 Programme in Hospitality Management in collaboration with the National University of Singapore.

Other disclosures
1. *Except for TBL, TMS, ETHN and Tan Yee Seng ("TYS"), none of the Key Management has any family relationship with any Directors and/or major shareholders of IGB.*
2. *TBL, TMS, ETHN and TYS have actual and/or potential conflicts-of-interest in connection with the general mandate for recurrent related party transactions as disclosed in the CGOS, due to their family companies' shareholding in IGB.*
3. *None of the Key Management has been convicted of any offence (other than traffic offences) within the past 5 years.*
4. *None of the Key Management has been subjected to public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.*

TOP 10 PROPERTIES BY VALUE

held by IGB Berhad Group as at 31 December 2023

	Location/Address	Tenure	Age of Building (Years)	Description/Existing use	Date of Acquisition/ Revaluation	Group Net Book Value At 31 Dec 2023 RM'000
1	1, Persiaran Southkey 1, 80150 Johor Bahru	Leasehold expiring 2100	5	The Mall, Mid Valley Southkey, Johor Bahru	3-9-2013	1,267,329
2	Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur	Leasehold expiring 2120	6	27 office levels with 2 levels of retail within a 59-story building known as Menara Southpoint, Mid Valley City	28-12-2004	526,172
3	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2103	17	The Gardens Mall, Mid Valley City	28-12-2004	431,549
4	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2104	24	Mid Valley Megamall, Mid Valley City	17-12-1999	314,941
5	Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur	Leasehold expiring 2120	1	Southpoint Residences within a 59-storey building known as Menara Southpoint	28-12-2004	286,999
6	199, Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	15	32-storey office building known as GTower	31-01-2002	255,522
7	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2104	24	646-room Cititel Hotel, Mid Valley City	31-12-2011	250,247
8	Mid Valley Southkey, 1, Persiaran Southkey 1, Kota Southkey, 80150 Johor Bahru	Leasehold expiring 2100	2	575-room St Giles Southkey Hotel, Johor Bahru	31-08-2022	194,698
9	97-99 Pitt Street Sydney, Australia	Freehold	9	273-room The Tank Stream Hotel, Sydney	06-07-2011	185,852
10	207 Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	30	26-storey office building known as Menara Tan & Tan	31-1-2002	176,549

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Governance at IGB

IGB embraces the tenets of sound corporate governance ("CG") including accountability, transparency, and sustainability. IGB's stewardship approach ensures the Group upholds its economic, ethical, legal, and social duties to stakeholders.

The Board of Directors ("Board") remains committed to effective CG as the basis for promoting the long-term growth and sustainability of the Group's business for the benefit of shareholders ("SHs") and wider stakeholders.

This Corporate Governance Overview Statement ("CGOS") describes the key CG policies and practices of IGB during the financial year ended 31 December 2023 ("FY23") and up to the date of this CGOS, and which are benchmarked against the Malaysian Code on Corporate Governance ("MCCG"). IGB has complied with the key principles in MCCG in all material respects. Where there are deviations from the principles of MCCG, appropriate explanations and details of the alternative practices are provided in this CGOS. This CGOS was approved by the Board on 29 February 2024.

Principle A: Board Leadership and Effectiveness

Governance Framework

Board Chairman **Tan Lei Cheng** ("TLC") Non-Independent Non-Executive Director ("NINED")	➢ Leads the Board in its collective oversight of IGB and ensures its effectiveness by steering effective, productive, and comprehensive discussions on strategies, business operations, sustainability risk management and other plans of the Group. ➢ Spearheads IGB's drive to promote, attain and maintain good governance standard. ➢ Presides over all general meetings and fosters constructive dialogue between SHs, Board and Group Chief Executive Officer ("GCEO").
Board • 2 NINEDs • 1 Senior Independent Non-Executive Director ("INED") • 2 INEDs • 1 Executive Director ("ED")/GCEO • 2 Alternate Directors	➢ Fosters the success of IGB to deliver sustainable value over the long term to SHs. ➢ Oversees the strategic vision, direction, performance, and affairs of the Group. ➢ Engages stakeholders based on the principles of sustainability and sound governance. ➢ Provides leadership to GCEO and key senior management (collectively, "KSM" and individually, the "Officer").
Board Committees ("BC")	**Audit Committee** ("AC") **Chair: Lee Chaing Huat** ("LCH") ➔ 3 INEDs **Nomination Committee** ("NC") **Chair: Dato' Dr. Zaha Rina binti Zahari** ("DDZR") ➔ 3 INEDs **Remuneration Committee** ("RC") **Chair: Dato' Lee Kok Kwan** ("DLKK") ➔ 3 INEDs **Investment and Risk Committee** ("IRC") **Chair: Dato' Seri Robert Tan Chung Meng** ("DSRT") ➔ 2 NINEDs and 1 external member ➢ The BCs' terms of reference ("ToR"), reviewed and approved annually, are available on IGB's website **www.igbbhd.com**. ➢ The Board Chairman is not a member of AC, RC, and NC.
GCEO **Tan Boon Lee** ("TBL") ED	➢ Develops the Group's strategy for consideration and approval by the Board. ➢ Oversees the Group's operations and drives the businesses and performance towards achieving its visions and goals. ➢ Makes major corporate decisions ranging from daily operations to managing company resources. ➢ Leads KSM to address strategies, business operations and sustainability risk management in meeting the strategic, investment and operational objectives of the Group.

Clear division of roles and responsibilities

Board Chairman	Provides overall leadership to, and ensures the effectiveness of, the Board; sets the agenda, character and tone of Board meetings and discussions; maintains an effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors ("NEDs") and KSM; establishes good CG practices and procedures, and promotes the standards of integrity, probity, and CG throughout IGB and particularly at Board level; and ensures that there is effective communication with SHs.
NEDs	Monitor and scrutinise the Group's performance against its strategic goals and financial plans; bring objective perspective to the Board's deliberation and decision-making, drawing on their collective broad experience and individual expertise and insights; play a lead role in the functioning of BCs; and monitor and assess the effectiveness of, and support and constructively challenge, the GCEO.
GCEO	Leads KSM to execute the Group's strategies and plans in line with the direction of the Board; spearheads the business direction and operational decisions in managing the Group; and communicates the Group's progress against strategy and operational performance to investors and analysts. In carrying out his tasks, GCEO, is supported by Deputy GCEO ("DGCEO"), Tan Mei Sian ("TMS"), as well as divisional heads of the relevant key business and function units.

Other than GCEO who is the only ED on the Board, NEDs make up the rest of the Board.

The clear separation of roles and responsibilities of the Board Chairman, NEDs and GCEO provides a healthy professional relationship between the Board and KSM, with clarity of roles and robust deliberations on the business activities of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Board Framework

The Board has a Charter (available on IGB's website and last updated on 29 February 2024) that sets out the Board's role, responsibilities, and mandates. The Charter has been developed to give prominence to the Board's commitment to good CG, adopting best practices, applicable rules and regulations, processes and procedures to guide the Board in discharging their duties and functions. The Charter is reviewed on a regular basis to enhance its processes and procedures and ensure alignment with new requirements and regulations.

The Board has a formal schedule of matters reserved for its approval, among others, the Group's sustainability and business strategy, business plans and budgets, major capital expenditure, acquisitions, divestitures, capital management, internal control and risk management system, financial results, changes to key corporate policies and CG arrangements. Other responsibilities and authorities are delegated by the Board to its standing BCs: AC, NC, RC and IRC. Matters that fall outside of those reserved to the Board or its BCs fall within the responsibility and authority of GCEO, DGCEO and/or Group Chief Financial Officer ("GCFO") and are either reserved to them or delegated further to the executive team through an authority limit matrix, which is also reviewed and approved by the Board.

Sustainability Governance

Sustainability plays an integral role in IGB's operations. IGB has the right governance processes in place to ensure effective board oversight of the Group's environmental, social and governance ("ESG") sustainability. Over the past several years, IGB has transformed the ways in which sustainability is incorporated into the Group's business activities (strategy, operations, risk management, and corporate culture) and will continue to advance further in this area in the years ahead. IGB has in place a Group-wide Sustainability Policy (established in August 2023), that serves as the overarching policy framework of the Group's sustainability commitments.

The Board recognises that sustainability is essential part of good governance and acknowledges its stewardship duties over IGB. The Board remains steadfast in building a sustainable and resilient IGB, with the aim of creating value for SHs and stakeholders. The Board assumes the overall responsibility for integrating sustainability consideration into IGB's strategic decisions with the support from IRC with the assistance of the Group Strategy, Risk and Sustainability ("GSRS") who 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 Board oversees the management and monitoring of sustainability issues through quarterly reports presented by the Head of GSRS, Soh Shang Serng, who assists IRC in monitoring and evaluating the effectiveness on an on-going basis.

As disclosed in the annual reporting under the **Sustainability Statement**, 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. 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 efforts towards sustainable value creation. IGB will continually work on and improve ESG performance by engaging with stakeholders and understanding emerging sustainability issues affecting the Group's businesses.

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 reports ("AR"), media releases, investor presentations, quarterly analyst briefings, etc.) stakeholders.

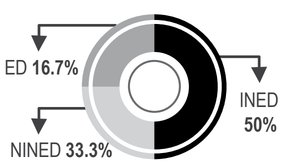
The Board recognises that ESG issues are complex, evolving rapidly, and present a range of strategic risks and opportunities for the Group's businesses. Therefore, the Board strives to constantly build the necessary knowledge and skills and stay updated on the emerging ESG regulations, standards and frameworks and stakeholder expectations. In addition to discussion of the Group's sustainability matters at the Board table, Directors stay up to date with relevant developments in sustainability and ESG as detailed in the **Continuing Development of Directors** section. In FY23, all Directors have attended the Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact (Building high-impact boards for sustainable growth) prescribed by Bursa Malaysia Securities Berhad ("Bursa").

The Board's 2023 effectiveness evaluation which is facilitated through NC includes a section relating to ESG and sustainability issues. KSM'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.

IGB reports on its sustainability performance through its **Sustainability Statement**, which contains details of the material sustainability issues that the Group has identified.

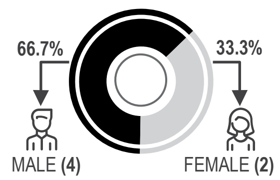
Board Diversity

Board Independence



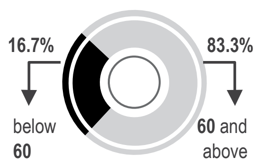
Unbiased decisions in the best interests of IGB

Gender Diversity



Diversity and inclusion in the boardroom

Age Diversity



A holistic perspective to Board discussions

Expertise and Experience

- Real Estate & Property Development
- Management & Business Operations
- Accounting, Banking & Finance
- Risk Management & Sustainability

Diversity of thought enriches Director deliberations

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

IGB is committed to ensuring an appropriate mix of skills, expertise, experience, and diversity (including gender) on the Board and its BCs so that the Board can effectively discharge its CG and oversight responsibilities.

As part of NC's oversight of Board succession planning, it is also responsible for identifying suitable candidates to fill Board vacancies as and when they arise, or to identify candidates to complement the existing Board, and to make recommendations to the Board on their appointment. When appointing new Directors, the Board and NC look to ensure that an appropriate balance of skills, knowledge, experience, independence, and diversity is maintained.

The NC has a rigorous process around the direction of selection, nomination, and appointment of Directors. The assessment process includes reviewing the candidate curriculum vitae and other biographical information (career paths, personal and professional merits), conducting background searches (must not have any prohibited characteristics according to relevant laws and criteria set out in the Group Policy on Fit and Proper ("FAP") Criteria for Directors), as well as formal/informal interview at NC's discretion. The final decision on the selection of the Directors will be based on merit against an objective criterion that complements and expands the skills and experience of the Board as whole. The potential candidate may be proposed by existing Directors, KSM, or third-party referrals. No Director has been appointed to the Board during FY23.

Board Processes

Board/BC Schedules

The Board is responsible for the governance of IGB as well as provides leadership in shaping the strategic directions of the Group. The Board fulfils its mandate at regularly scheduled meetings at least 4 times a year, with additional meetings held as required to address specific issues. The dates for the Board/BC meetings are preset, allowing for active and insightful participation during meetings. All Directors are required to attend SHs, Board/BC meetings called, in person or via audio or video conference, unless required to recuse.

The number of Board and BC meetings and each individual Director's attendances at such meetings during FY23 are shown in **Board and BC Meeting Attendance** section.

Provision of Information

Directors are provided with meeting materials setting out relevant information on the agenda items to be discussed at Board/BC meetings at least 5 business days in advance of the meeting (save in cases of urgency), to enable Directors to make sound and informed decisions.

The GCEO, DGCEO, GCFO, Head of GSRS, Head of Group Internal Audit ("GIA") and Group Company Secretary ("GCS") attend Board meetings, and where necessary, BC meetings, to brief and make presentations to Directors, provide input and insight into matters being discussed, and respond to queries and take any follow up instructions from the Directors.

All proceedings of the Board and BC meetings are duly recorded in the minutes of each meeting and circulated promptly to every Board/BC member for their comments prior to confirmation of the minutes.

Board Area of Focus

The Board meets every quarter with additional meetings held as required to address specific issues. During FY23, the Board met 4 times to deliberate and consider a variety of significant matters that required its guidance and approval.

At each scheduled Board meeting, the Board is apprised of the Group's financial and portfolio performance, including results announcements and business outlook (following AC's review of the same at its meeting typically scheduled before Board meeting), sustainability and ESG-related risks and mitigation strategies, regulatory and compliance updates, as well as mandate sought by KSM, including, where applicable, relevant budgets and business plans. BC Chairs also provide summaries of the main decisions and recommendations arising from BC meetings to ensure non-members are kept up to date with the work undertaken by each BC.

The following were key focus areas in respect of the Group which the Board had reviewed, deliberated and/or approved at the respective Board meetings in FY23 and up to the date of this CGOS:

- Corporate strategies (including ESG), budgets, plans and policies.
- Significant capital investment and material acquisitions and divestitures.
- Quarterly financial report and business segment performance.
- Quarterly financial results of IGB and the audited financial statements of IGB.
- Quarterly updates on strategy and key risks associated to the Group's business operations.
- Quarterly updates on sustainability related initiatives and key ESG performance as tracked against goals and targets, including reviewing and assessing the readiness of IGB to comply with the Bursa's Main Market Listing Requirements ("MMLR") on Enhanced Sustainability Disclosure, which the gaps closure plan has been established and approved by the Board.
- Policies, procedures, and practices relating to operational and CG.
- Remuneration of Directors, KSM and other employees.
- Board effectiveness evaluation.
- FAP assessments of Directors.
- Reports and statements for inclusion in AR of IGB, including Management Discussion and Analysis, Sustainability Statement, Statement on Risk Management and Internal Control ("SORMIC"), CGOS and Statement/Circular to SHs in relation to renewal of share buyback ("SBB") and renewal of recurrent related party transactions ("RRPT") ("Statement/Circular – SBB Mandate and RRPT Mandate").

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Conflicts-of-interest ("COI")

Directors and KSM should conduct themselves with integrity, impartiality, honesty, and professionalism at all times, and to avoid any conflict arising between their role with IGB, and their private interests. Directors and KSM are expected to be meticulous in their disclosure of any material personal or family contract or relationship.

To foster a culture of responsible governance, IGB has established a COI Policy in July 2023. The policy sets out the disclosure obligations of each Director and Officer with respect to COI, and the procedures to be followed when a COI arises or potentially arises to ensure systematic identification, disclosure and management of COI in an effective and timely manner. The policy also serves as a guide to AC in discharging its role which is to provide oversight over COI within the Group.

As a general rule, Directors and KSM are responsible for identifying and managing COI on an ongoing basis. Directors have a duty to declare any interests relevant to the agenda items at the start of the meeting and/or during discussion, and recuse him/herself when the matter is being discussed and resolved. Any such declaration concerning a decision of the Board/AC shall be included in the minutes of meeting. In the case of KSM, declaration must be escalated to GCEO who shall consider and decide whether to authorise such conflict based on the overriding principle that KSM has a duty to uphold professionalism and ethics in the conduct of business activities of the Group. GCS shall submit a quarterly report on COI disclosures to AC. All COI transactions, with details regarding the conflicted persons, nature of relationship, type of transactions, rationale and necessity of the transactions and opinion rendered by the Board/BCs/GCEO, are recorded in the meeting minutes and/or COI Register. IGB also undertakes an annual declaration exercise requiring Directors and KSM to complete the COI disclosure questionnaire. The questionnaire is designed to extract crucial details related to potential COI. The annual COI declaration not only streamlines the disclosure process but also ensures that all relevant information is captured, enabling IGB to take appropriate actions based on a thorough understanding of the disclosed conflicts.

Following a review by the AC of the application of this policy, the Board was satisfied that every Director and Officer has complied with this standing policy. No Director conflict situation currently exists, save in respect of TLC, TBL, TMS, DSRT and Elizabeth Tan Hui Ning ("ETHN") (collectively, "Interested Directors"). The Interested Directors have actual and/or potential COI due to their family companies' shareholding in IGB in connection with the RRPT. This conflict has been authorised by the Board on the basis that, a general mandate for such RRPT had been obtained from SHs at the Twenty-Third Annual General Meeting of IGB on 29 May 2023 ("2023 AGM").

Board Access to KSM and Independence Advice

The Board members are supported by GCS who provides advisory services to the Board, particularly on CG and compliance issues, including compliance to the relevant laws and guidelines relevant to IGB.

Tina Chan Lai Yin, a Fellow of the Chartered Governance Institute, is the GCS. She is a qualified chartered secretary and experienced in the field of corporate compliance and governance. GCS plays a vital role in ensuring IGB complies with the relevant rules and regulations, including disclosure requirements under the MMLR. A summary of her role and responsibilities is set out below:

- Oversees, monitors, and advises on regulatory compliance obligations of IGB, ensuring that all corporate processes and procedures comply with laws, regulatory requirements, policies, and procedures, and all notification and reporting requirements are met.
- Periodic reviews of CG practices and processes of IGB and formulates internal compliance procedures and guidelines to strengthen the governance of IGB.
- Advises Directors on their statutory duties under the law, disclosure obligations, regulatory requirements, CG requirements and practices and effective board processes.
- Coordinates Board business and provides a point of reference for ensuring timely information flows within the Board and its BCs, as well as between and with KSM.
- Acts as IGB's primary channel of communication with the regulatory authorities.
- Organises, coordinates, and attends the Board/BCs, and takes down meeting minutes, as well as ensures that the decisions of the Board/BCs are followed through.
- Prepares and circularises notice of AGM, circular to SHs and CGOS for inclusion in the AR of IGB.

GCS works synergistically with GCEO and KSM in ensuring that necessary internal controls and procedures are in place so that regulatory compliance can be measured and monitored. 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.

Directors have unrestricted access to KSM and may seek briefings from KSM on specific matters.

Directors, either individually or as a group, may at IGB's expense, seek independent professional advice, where appropriate, to discharge their duties effectively.

Board Effectiveness Evaluation

The Board annually reviews the performance of the Board and each BC, as well as individual Directors, using a comprehensive and structured self-assessment approach based on the individual input and responses of Directors. This includes consideration of the effectiveness of the Board and its performance against the requirements of its Charter as well as an assessment of the effectiveness of the structure and the composition of the Board. This will give the Board valuable insights into their collective and individual strengths and areas for further development, positioning them well to maintain and further enhance their effectiveness.

The NC is responsible for establishing processes for reviewing the performance of individual Directors, the Board as a whole and BCs. The performance assessment will be discussed with the full Board.

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The effectiveness of the Board, its BCs and of individual Directors was assessed in February 2024 by means of an internal questionnaire evaluation. The evaluation was designed to assess how effectively the Board functions as a whole and how effectively its BCs function. It was also intended to provide individual Board members with insights about themselves to enable them to improve their personal contribution, in turn increasing the overall effectiveness of the Board and BCs of which they are members. More details are provided in the **NC Report** section.

Director Independence

The Board has a policy which limits the tenure of INEDs to 12 years. IGB's criteria for independence are set out in the Charter. To be judged independent, a Director must, in the opinion of the Board (with the assistance of NC), be free of any interest, position, affiliation or relationship that might influence, or reasonably be perceived to influence, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of IGB as a whole than in the interests of an individual SH or other party.

The Board reviews the independence of INEDs annually. The NC assesses the annual independence confirmation received from each INED, having regard to the criteria laid down in the Charter and MMLR.

The NC has considered the independence of each INED and the overall independence balance of the Board in February 2024. Particular attention was given to assessing the independence of LCH who has reached the cumulative 9-year independence limit in December 2023. All INEDs have declared that there were no relationships or instances that would otherwise deem them not to be independent. Based on each INED's declaration of independence, and having regard to independence criteria set forth in the Charter and MMLR, the NC, with the Board's concurrence, has determined that the 3 INEDs, LCH, DDZR and DLKK were able to act in the best interests of IGB and will continue to play their independent role effectively, as more fully explained in the **NC Report** section. As a good CG practice, every NC member had abstained from assessing his/her own independence.

Re-election of Directors

New Directors are nominated by the Board and then stand for election at the next AGM.

All Directors must submit for re-election every 3 years ("1/3-rotation rule"). The performance of Directors seeking re-election is considered by NC and a recommendation is made to the Board. Upon review, the Board then makes a recommendation to SHs in respect to the Director's re-election.

Pursuant to the 1/3-rotation rule, TLC and DDZR will retire and submit themselves for re-election at the Twenty-Fourth AGM to be held on 28 May 2024 ("2024 AGM"). LCH, having served as INED more than 9 years would be subject to annual re-election, and IGB would adopt a 2-tier voting process in seeking the SHs' approval to retain him as INED. The Board through NC had reviewed and endorsed the re-election of TLC and DDZR, and retention of LCH as INED, contingent upon their performance stated in the board evaluation results, as well as the assessments of their fitness and propriety. Further details of this assessment exercise are set out in the **NC Report** section.

The biographical details of TLC, DDZR and LCH are given in the **Profile of Directors** section.

Continuing Development of Directors

Directors are expected to maintain the skills required to discharge their obligations to IGB. Directors must keep up-to-date with strategic issues and commercial changes affecting the Group and the type of markets in which they operate. All Directors have participated in continuing education, training, and development programmes during FY23, as detailed below:

- Bank Negara Malaysia – Financial Institutions Directors' Education ("FIDE") Forum: Session 1: Cloud requirements in risk management in technology policy document; and Session 2: Artificial intelligence ("AI") and machine learning adoption landscape in the industry
- Bursa Malaysia Berhad ("Bursa Malaysia") – Advocacy Session for Directors and CEO of Main Market Listed Issuers
- Bursa Malaysia and Maybank Banking Berhad – Reshaping Malaysia's Narrative: Strengthening resilience and sustaining growth
- Bursa Malaysia and Macquarie Malaysia – Invest Malaysia 2023 Series 2: Digital Malaysia – Tomorrow's Infrastructure, Today
- Charter Banker Institute – Chartered Banker Annual Banking Conference 2023: Responsible banking embracing digital transformation in the age of AI
- CHK Consultancy Sdn Bhd ("CHK") – Anti-Money Laundering Law (AMLA), Market Misconduct and Compliance Requirements
- CHK – Code of Ethics, Anti-Bribery and Anti-Corruption ("ABC") Policy and Managing of Customer Information
- CHK – Creativity and Innovation: The key to successful corporate transformation in Covid-19 era
- CHK – Digital Economy and Capital Market Series: Financial technology and big data
- CHK – Digital Economy and Capital Market Series: AI and internet of things
- CHK – Industry 4.0 and its impact on Malaysia Capital Market
- CIMB in collaboration with Cambridge Institute for Sustainability Leadership ("CIMB-CISL") – Sustainability Leadership Programme ("SLP"): Session 1: Global pressure and trends; Session 2: A new context for business; Session 3: The end of business-as-usual and evolving board duties; and Session 4: Leadership from CIMB Group Board
- CIMB-CISL –SLP (Session 2): A new context for business
- CIMB-CISL – SLP (Session 3): The end of business-as-usual and evolving board duties
- CIMB-CISL – SLP (Session 4): Leadership from CIMB Group Berhad
- CIMB-Willis Towers Watson – ABC Training: Promoting good governance (understanding anti-corruption laws in Malaysia and beyond)
- DBS Bank – Investment Decisions Amidst Uncertainties
- FIDE Forum – 'Can America stop China's rise? Will ASEAN be damaged?'
- Georg Kell and Carolina Minio Paluello (Arabesque Group) – Sustainability in the Digital Age
- Institute of Corporate Directors Malaysia ("ICDM") – MAP Part II (Leading for Impact)
- Kuala Lumpur Business Club – Networking tea reception with President of the Republic of Singapore
- Peter Mennie, Chief Sustainable Investment Officer, Public Markets at Manulife Investment Management – ESG Training

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- PricewaterhouseCoopers PLT ("PwC") – Trust in Leadership
- Sage 3 Sdn Bhd ("S3") – Bursa Public Listed Companies Transformation: Restructuring and financing workshop
- S3 – ICDM Seminar/Dialogue Session: The path to viability
- SEQU Offshore Safety Sdn Bhd ("SEQU") – Basic Offshore Induction and Emergency Training ("BOSIET"): Further offshore emergency training ("FOET") and travel safely by boat
- SEQU – BOSIET: FOET and compressed air emergency breathing system
- Securities Industry Development Corporation ("SIDC") – Leveraging AI in Growing the Digital Economy
- SIDC – Sustainable and Responsible Investment (SRI2023): Revving up the race for sustainability

Board Committees ("BC")

The Board has appointed 4 BCs to cover specific operations: AC, NC, RC and IRC. BC members are chosen for the skills and experience they can contribute to the respective BCs. The Board Chairman is not a member of BCs. This is to ensure the objectivity of the Board Chairman is not impaired particularly during deliberation on the recommendations put forth by BCs.

The objectives, 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 (last updated on 29 February 2024) and the portfolio's complexity. BCs may invite non-BC members and members of KSM to attend BC meetings to provide reports and/or guidance where appropriate. BCs may seek any independent counsel, expert, or advisor that they believe to be desirable and appropriate.

The Board performs a detailed analysis of the various parts of the business through BCs and receives reports from BC chairmen highlighting matters requiring the Board's further attention or noting.

As part of IGB's governance processes, an internal evaluation of the BCs was undertaken in February 2024. The results of the evaluation were positive. The evaluation concluded that the BCs are effective, well chaired, with good discussion and debate, and the level of expertise on the BCs is good.

The BCs' roles, and main activities during FY23 and up to the date of this CGOS were those as set out in the respective BC reports below:

AC Report

Primary Role	Provides independent oversight of IGB's financial accounting and reporting process, GIA function, external audit, related party transactions ("RPT"), COI situations, and annual reporting.
Activity Highlights	The following were key deliberations, and basis for the decisions and/or recommendations made to, and approved by the Board: **Financial reporting** ▪ The Group's financial and operational performance. ▪ Financial Reporting Checklist FY23 completed by GCFO, and assessed by GCEO, and obtained their assurance, that adequate processes and controls were in place for an effective and efficient process in the preparation of IGB Financial Statements FY23.
	▪ IGB's quarterly financial results and year-end financial statements, including consideration of these reports being fair, balanced, and understandable, and provide the information necessary for SHs to assess the Group's position, performance, and strategy. The results of the review have been provided to the Board. The Board's conclusion in this respect is set out in the Directors' Report and Statement by Directors.
	Internal controls and Compliance ▪ The Group's internal processes for monitoring and assessing the effectiveness of internal controls system (including the financial, operational, information technology, risk management, ESG and those controls designed to detect material fraud) and compliance with applicable laws, rules, directives and guidelines. No significant irregularity or deficiency in internal controls has come to the attention of AC during FY23. AC has reported this opinion to the Board.
	GIA ▪ GIA function's charter and annual risk-based GIA plan, and received assurance from the Head of GIA that GIA Department ("GIAD") has the resources and competency to carry out the GIA function effectively and independently.
	▪ Quarterly report on the delivery of GIA plan and on the principal findings from the work of GIA and management's actions to remediate issues identified. A total of 61 audit reports (including progress reports and special reports) were issued by GIAD for the assignment conducted on the Group (including IGB REIT and IGB Commercial REIT), and most findings were rated satisfactory while some required improvements relating to control weaknesses, risk management, compliance shortcomings, and documentation anomalies whereby all gaps had since been addressed.
	▪ Coordination between GIA and external auditor ("EA") to maximise the benefits from clear communication and coordinated activities.
	▪ The assurance statement by GIA on the internal review of the Sustainability Statement.
	▪ Met with GIA twice without presence of KSM, to discuss any matter in relation to audit issues and internal control weaknesses noted in the course of their audit. There were no major shortcomings or impediments highlighted by GIA in relation to the execution of their audit assignments.
	▪ The role and effectiveness of GIA in the overall context of risk management, internal control and governance systems and processes of the Group. The GIA function continues to be effective, and has appropriate standing within the Group.

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Activity Highlights (cont'd)	**External Audit** ▪ The external audit's plan for the Group, encompassing the planned scope and timing for the year's audit.
	▪ The EA's report on the conduct of audit of the year-end financial statements, the audit findings together with recommendations, in particular key audit matters included in the Independent Auditor's Report ("IAR"). The Board had obtained assurance from EA on their independence in their duties throughout the conduct of the audit engagement.
	▪ Adopted a framework in relation to the provision of non-audit services ("NAS") by EA. For specified NAS, the Group can employ EA without reference to AC, subject to a specified fee limit. NAS (predominantly tax compliance) fee for FY23 amounting to RM358,024.00. The Board was satisfied based on advice from AC that the provision of these NAS was not in conflict with the role of EA or its independence. The EA has also confirmed its independence to the Directors in accordance with applicable laws and standards as set out in the IAR.
	▪ Met with EA twice without presence of KSM to discuss any issues or reservations arising from their audit. No major concerns were highlighted by EA and they received full cooperation from KSM and were given unrestricted access to the Group's records.
	▪ PwC's Annual Transparency Report i.e., a summary of the legal and governance structure of PwC, audit quality measures and audit quality indicators.
	▪ The annual performance assessment of EA via evaluation questionnaire completed by AC, in consultation with GCFO. The assessment included review of EA performance in terms of professional expertise, objectivity, business understanding, scope, quality, efficiency, and independence, as well as PwC's own internal quality control procedures. Based on 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 recommended the reappointment of PwC (which has indicated its willingness to continue in office) as the Group's EA for SHs' approval at the 2024 AGM.
	RPT and COI ▪ Quarterly report of COI disclosures. AC was satisfied with the current arrangements in place to address perceived as well as actual conflicts, assured by transparent self-declarations of interest.
	▪ Quarterly report of RPT and RRPT to ensure proper monitoring and reporting of such transactions according to RPT policy and approved mandate.
	▪ Statement/Circular-RRPT Mandate to be sought at the 2024 AGM. AC was satisfied that adequate processes and controls were in place for an effective and efficient process in monitoring, tracking, and identifying RRPT in a timely and orderly manner.

NC Report

Primary Role	Reviews the structure, size, and composition (including the balance of skills, experience, independence, and diversity) of the Board and its BCs, oversees development of a diverse pipeline for Board, GCEO and DGCEO succession, identifies and nominates candidates to fill Board vacancies as and when they arise, evaluates the effectiveness of the Board, BCs and individual Directors including the independent status of NEDs on an annual basis, and reviews CG matters.
Activity Highlights	**Annual Board evaluation** The effectiveness of the Board, its BCs and of individual Directors was assessed in February 2024 by means of an internal questionnaire evaluation. Upon due consideration of the Directors' attendance, contribution and participation at the Board/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, NC concluded that the Board members have, between them, highly relevant knowledge and experience, a broad range of skills and a collective deep understanding of the Group's businesses; and the Board and its BCs have functioned effectively and that each Director has given sufficient time to fulfil his/her duties and responsibilities.
	Board decision: The Board has a balanced team with diverse skillsets, enabling them to provide effective oversight and strategic guidance to GCEO and KSM, as well as to facilitate effective decision-making and constructive deliberations during its meetings, and that each Director has dedicated, and is able to dedicate, sufficient time and attention to their duties to IGB. BCs have performed their duties with diligence, ethics, and independence, ensuring fairness, transparency, and objectivity in their decision-making processes, that helped enhance efficiency of the Board to steer the operations of the Group forward in line with the established strategies and direction efficiently. The Board has met its performance objectives for FY23, and an independent expert was not necessary considering the Board size and composition and regular meetings held by the Board and BCs.
	Independence of INEDs 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. None of the INEDs have any financial, business, family, or other material/relevant relationships with IGB or major SHs or KSM. The NC considered each INED to be independent throughout FY23. Every NC member had abstained from assessing his/her own independence.
	Board decision: The Board has an appropriate balance of independence on the Board and all INEDs continue to demonstrate strong independence in judgement and were free from any business or other relationships which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.
	Re-election of Directors and retention of INED NC had considered, with due care, that TLC, DDZR and LCH have the expertise, knowledge, talent, and a profound understanding of the Group's businesses, and confirmed that they will be able to continue contributing positively to the work of Board/BCs, and to take decisions objectively in the interests of IGB. LCH and DDZR, who are members of NC, had abstained from voting at NC meeting when his/her own nomination was being considered.
	Board decision: The Directors who are being put forward for re-election/retention at the 2024 AGM bring considerable knowledge, wide ranging skills and experience to the Board, make an effective and valuable contribution and continue to demonstrate commitment to their role. The Board recommends that SHs support the re-election/retention of TLC, DDZR and LCH at the 2024 AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
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Activity Highlights (cont'd)	**Governance policies and practices** Every year, NC reviews and reassesses the adequacy of IGB's CG framework and practices and makes recommendations for improvements, where applicable to IGB's governance environment. The assessment was undertaken in February 2024 and NC was satisfied that the Board has been committed to ensuring good governance standards and compliance practices, and has continuously strived to refine the Group's policies and practices to ensure at a minimum that IGB meets the expectations of SHs and evolve in line with best practice in CG and the Group's internal processes and practices. During FY23, key governance enhancements implemented by IGB include the establishment of COI Policy so that any such conflict may be assessed and appropriately addressed; and the commitment and focus of the Board and KSM in meeting ESG and sustainability goals of the Group by means of mapping and prioritising material ESG topics towards achieving the sustainable development goals.
	Board decision: The Board remains of the view that IGB is fully dedicated to upholding good governance principles, business integrity and professionalism in the Group's activities.

RC Report

Primary Role	Oversights of IGB's RPP and within the terms of the policy, determines the level of remuneration of Directors and KSM (including terms of employment).
Activity Highlights	**Remuneration of NEDs** Based on the comparative data of peer group, the fee level and meeting allowance of NEDs were within the benchmark of market median rates, and as such NED fee (FY23) and meeting allowance (2024) remained status quo, except for the addition of annual health screening, on top of the existing insurances i.e., health and medical and directors' and officers' liability and travel personal accident. NEDs' remuneration of up to RM1,203,000 comprising fees, meeting allowances and benefits-in-kind to be sought at the 2024 AGM.
	Remuneration of IRC The fee (FY23) and meeting allowance (2024) of IRC members remained status quo, except for the addition of annual health screening.
	Remuneration of GCEO and KSM The quantum for the annual increment and bonus were determined with due consideration to the market practice, benchmarking against peer companies of a similar size and complexity, assigned responsibilities and individual work performance, as well as taking due cognisance of a good performance of IGB in FY23, a testament to the commendable job that IGB and its team have done.
	Board decision: IGB's remuneration structures are aligned to its culture and value, which includes a core principle to offer a competitive, fair and well-balanced remuneration package, enabling IGB to recruit and retain talented people on board, which support the Group's overall business strategy and long-term interests – including its growth, sustainability and profitability – and that contribute to long-term growth in SH value.
	Service contract of GCEO The service contract of GCEO had been extended for one year with his contract extension remaining material on the same terms, which the Board had approved.

IRC Report

Primary Role	Reviews and provides input to the Group's long-term investment objectives and risk appetite, monitors the performance of the Group's businesses and existing investments, evaluates and/or approves business opportunities, strategic investments, divestments, major capital, and operating expenses (as per the Group's approval matrix) and updates the Board accordingly, reviews the strategic plan of the Group and ensure that the Group risks have been sufficiently managed and within tolerance limits for both existing and new investments, reviews the proposed investment, risk management policies, and supports the Board in reviewing, monitoring and recommending the Group's management of material sustainability matters. The functions and authority of IRC extend to the Group and all its subsidiaries, as well as joint venture and associate companies where management responsibility is vested on the Group.
Activity Highlights	The IRC, at its quarterly meeting, had discussed, deliberated upon, and kept the Board informed of its decisions and recommendations, on the activities within its remit.

Board and BC Meeting Attendance

The table below sets out the attendance by Directors and BC members at meetings of the Board and BCs, and AGM in FY23:

Attendance of Meetings	Board	AC	NC	RC	IRC	AGM
Total meetings in 2023	**4**	**4**	**1**	**2**	**4**	
TLC	4	-	-	-	4	✓
DDZR	4	4	1	2	-	✓
LCH	4	4	1	2	-	✓
DLKK	4	4	1	2	-	✓
DSRT	4	-	-	-	4	✓
TBL	4	4*	1*	1*	4	✓
TMS (Alternate to TLC)	4	4*	-	1*	3	✓
ETHN (Alternate to DSRT)	4	-	-	-	4	✓

* *By invitation*

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Directors and KSM Remuneration

Successful implementation of the Group's business strategies and the fostering of the Group's long-term interests, including its sustainability, require that IGB is able, through competitive remuneration, to recruit, incentivise and retain resources which possess the professional qualities needed to effectively pursue the Group's objectives. IGB's RPP provides a structure that aligns remuneration with the successful delivery of long-term strategic and sustainability goals of the Group, through the consolidation of the link between reward and performance, of both individuals and the Group.

The determination of the remuneration of Directors and KSM is a matter dealt with by RC and the Board. The NEDs are remunerated by way of annual fee, which is based on the role that individual Directors fulfil in respect of Board and BC responsibilities, and benchmarked against the fee levels of directors of peer group companies, as well as industry norms and factors affecting the time commitment expected of NEDs. The Board Chairman and AC Chairman receive fees at a higher rate than the other Directors in view of the additional responsibilities carried by those appointments. The fees payable to NEDs are not performance related and is subject to the approval of SHs at the 2024 AGM. No other payments are made to NEDs other than meeting allowances and other benefits. GCEO does not receive any fee nor meeting allowance as he is a salaried executive of IGB. The remuneration of NEDs is reviewed annually to ensure NEDs are reasonably remunerated and reflects their role and responsibilities in discharging their fiduciary duties. No Director shall participate or vote on the deliberations and decisions concerning his/her own remuneration.

KSM personnel have employment contracts with IGB, and their remuneration are made up of basic salaries and performance bonus as accorded by comparable companies, and are set according to the individual's skills, experience, responsibility and performance, and market competitiveness. The remuneration to GCEO and DGCEO is recommended by RC and approved by the Board on an annual basis. The remuneration to the remaining executive management shall be approved by GCEO in consultation with the chairman of RC, and informed to the Board on an annual basis.

Remuneration of Directors, GCEO, DGCEO and KSM was last reviewed by RC and the Board in November 2023 and February 2024. Full details of RC's process on the remuneration of Directors and KSM, including service contract renewals, against all performance measures, are provided in the **RC Report** section.

Details of each individual Director's remuneration paid and payable in respect of FY23 are disclosed below:

IGB-level	Remuneration[(a)] RM	Fee RM	Meeting Allowance[(b)] RM	Benefits-in-kind[(c)] RM	Total RM
TLC	-	262,000	20,000	11,138	293,138
DDZR	-	130,000	28,000	480	158,480
LCH	-	143,000	29,500	480	172,980
DLKK	-	130,000	28,500	-	158,500
DSRT	16,594,175	250,000	22,000	34,250	16,900,425
TBL	3,435,771	-	-	25,311	3,461,082
TMS (Alternate to TLC)	809,688	-	-	22,736	832,424
ETHN (Alternate to DSRT)	-	-	-	-	-
TOTAL	**20,839,634**	**915,000**	**128,000**	**94,395**	**21,977,029**

Group-level	Remuneration[(a)] RM	Fee RM	Meeting Allowance[(b)] RM	Benefits-in-kind[(c)] RM	Total RM
TLC	-	392,000	55,000	15,878	462,878
DDZR	-	130,000	28,000	480	158,480
LCH	-	143,000	29,500	480	172,980
DLKK	-	130,000	28,500	-	158,500
DSRT	18,166,172	380,000	42,000	34,250	18,622,422
TBL	3,435,771	130,000	20,000	25,311	3,611,082
TMS (Alternate to TLC)	1,281,139	-	-	23,921	1,305,060
ETHN (Alternate to DSRT)	1,481,868	-	-	11,021	1,492,889
TOTAL	**24,364,950**	**1,305,000**	**203,000**	**111,341**	**25,984,291**

[(a)] *Base salary, annual bonus, token of appreciation, fixed allowance, gratuity and EPF contributions*

[(b)] *Number of Board/BC meetings in respect of IGB or the Group attended by Directors*

[(c)] *Car, driver, petrol, carpark season pass card, club membership, mobile communication devices and expenses*

The NC and the 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 KSM team, it is in the best interests of IGB not to disclose the remuneration of its top 5 Officers (who are not Directors) 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.

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The remuneration paid to the top 5 Officers (who are not Directors) in bands of RM50,000 (instead of on a quantum basis) for FY23 are as follows:

Remuneration Band	Number of Officer	Remuneration[(a)]	Benefits-in-kind[(b)]	Total
Between RM800,000 – RM850,000	1	99.72%	0.28%	100.00%
Between RM850,000 – RM900,000	1	98.50%	1.50%	100.00%
Between RM900,000 – RM950,000	1	98.69%	1.31%	100.00%
Between RM1,200,000 – RM1,250,000	1	98.19%	1.81%	100.00%
Between RM1,450,000 – RM1,500,000	1	99.81%	0.19%	100.00%

[(a)] *Base salary, leave pay, annual bonus, token of appreciation, fixed allowance, gratuity and EPF contributions*
[(b)] *Long service award, driver, carpark season pass card, toll, club membership, mobile communication devices and expenses*

Acting Ethically and Responsibly

The Board is committed to providing robust leadership and oversight of the business required in setting and monitoring the IGB's culture to ensure that behaviours align with IGB's purpose, values, and strategy. IGB has a number of policies and procedures in place to ensure the culture the Board wants to foster is embedded throughout the Group's businesses.

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

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

Directors' Code of Business Conduct & Ethics ("Code")

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 the Group 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 in accordance with the guiding principles.

Group FAP Policy

All members of the Board and KSM shall be qualified by the FAP rule, based on the criteria set out in the Group FAP Policy, which shall include, but not limited to, standards of integrity and reputation, competence and capability, and financial soundness, as well as shall not have prohibited characteristics under the MMLR and other applicable laws and regulations.

In relation to the policy, Directors and KSM are required to provide FAP declaration annually prior to issuance of IGB's AR. The FAP assessments were undertaken in February 2024 in accordance with this process.

Guidelines for dealings in IGB shares ("Shares")

IGB's internal procedures on dealings in securities reinforce the requirements of the Capital Markets and Services Act 2007 in relation to the prohibition against insider trading. Directors and KSM while in possession of material information of IGB must refrain from dealing in Shares or communicate such information to any person.

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

Each Director and 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 change in interest. Directors are required to update disclosure of interests in Shares quarterly. All dealings in Shares by Directors and/or KSM will be announced via the regulatory information service ("BursaLINK"). The interests in Shares of Directors are shown in the **Shareholding Statistics** section.

Group Anti-Bribery & Corruption ("ABC") **Policy**

IGB acknowledges the importance of lawful and ethical behaviour in IGB's business activities and remains committed to adhering to the values of transparency, integrity, impartiality, and accountability in the conduct of the Group's businesses.

This Group-wide policy details the prohibition against bribery and corruption in all of the Group's operations, highlighting the specific compliance requirements relating to these prohibitions, and reinforcing the Group's commitment to conducting business with the highest level of honesty and integrity. In relation to these guidelines, Directors and KSM of the Group are required to submit quarterly declaration of gifts, entertainment, and hospitality, given to and received from third parties to the Integrity Officer.

There were zero instances of bribery, corruption and fraud reporting during FY23.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Group Whistleblowing Policies and Procedures (“GWPP”)

GWPP provides a channel for employees and other stakeholders to raise concerns on potential improprieties, including but not limited to suspected fraud, corruption, and unlawful or dishonest conduct. All whistleblower reports are addressed to the Whistleblowing Committee (“WBC”) (comprising the Heads of Group Legal, GIA and Group Human Capital) which addresses complaints received relating to the Group. Whistleblowing reports may be made via a dedicated email address at **feedback@igbbhd.com**. Strict confidentiality standards are established to ensure the protection of whistleblowers.

There were 2 incidents reported to the WBC which were not related to fraud or corruption matters and which were adequately resolved with according to the Group’s policies and procedures.

Guidelines for RPT and RRPT

IGB has established controls and reporting measures for RPT and RRPT to ensure all transactions involving, among others, the Directors, GCEO, major SHs and persons connected with them will be undertaken on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of SHs. KSM 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 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.

At the 2023 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 2023 AGM up to the date of this CGOS, the actual value of RRPT has not exceeded the estimated value by 10% under the mandate.

On 29 February 2024, IGB announced its intention to seek SHs’ approval for the renewal of existing RRPT at its 2024 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. Directors who have interests in the RRPT Mandate have abstained from 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 2024 AGM. The details of the RRPT Mandate are set out in the Statement/Circular-RRPT Mandate.

The AC has reviewed the Statement/Circular-RRPT Mandate in February 2024, and having considered, among others, the nature of RRPT to be made, are 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 are in place for monitoring, tracking and identifying RRPT in a timely and orderly manner.

The following table sets forth the RRPT entered into by the Group with RPs during FY23 pursuant to the mandate:

Transacting Parties	RRPT Nature	Estimated Value RM’000	Actual Value FY23 RM’000	Interested RPs
IGB REIT(1)	Retail leases, carparks & related services	15,000	6,492	TLC(a) TBL(b) TMS(c) DSRT(d) ETHN(e) Pauline Tan Suat Ming (“PTSM”)(f) Tony Tan Choon Keat (“TTCK”)(g) Tan Chin Nam Sdn Bhd (“TCN”)(h) Tan Kim Yeow Sdn Bhd (“TKY”)(i) WST(j) Gabrielle Tan Hui Chween (“GTHC”)(k) TYS(l) Tan Pei Lyn (“TPL”)(m) Tan Ken Meng (“TKM”)(n)
	Provision of intellectual property	10	6	
	Receipt of chilled water & liquefied petroleum gas	15,000	5,437	
	Provision of upgrading, repair & maintenance works	3,000	2,356	
	Provision of information system services & products	1,500	431	
	Provision of tenant sales verification audit & special review	200	168	
	REIT management fee	42,000	38,853	
IGB Commercial REIT (“IGBCR”)(2)	Commercial leases, carparks & related services	12,000	8,065	
	Provision of intellectual property	8	8	
	Provision of upgrading, repair & maintenance works	500	31	
	Provision of information system services & products	500	299	
	Provision of tenant sales verification audit & special review	100	-	
	REIT management fee	25,000	16,246	

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Transacting Parties	RRPT Nature	Estimated Value RM'000	Actual Value FY23 RM'000	Interested RPs
Wasco Berhad ("Wasco") Group[(3)]	Purchase of building materials & related services	90	7	TLC[(a)] TBL[(b)] TMS[(c)] DSRT[(d)] ETHN[(e)] PTSM[(f)] TTCK[(g)] TCN[(h)] TKY[(i)] WST[(j)] GTHC[(k)] TYS[(l)] TPL[(m)] TKM[(n)]
	Provision of information system services & products	10	8	
Wah Seong (Malaysia) Trading Co. Sdn Bhd ("WST") Group[(4)]	Leases, carparks & related services	1,000	179	
	Purchase of building materials, audio/electrical appliances and equipment	10,000	-	
	Receipt of installation and maintenance of light boxes, panels, signage advertising, etc.	400	18	
Subsidiaries of IGB ▪ Cititel Hotel Management Sdn Bhd ("CHM")[(5)] ▪ Tan & Tan Realty Sdn Bhd ("TTR")[(6)]	Provision/receipt of management consultancy & support services	8,000	5,329	
	Provision of information system services & products	500	-	

(1) IGB REIT is a REIT with principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate used primarily for retail purposes in Malaysia and overseas.
(2) IGBCR is a REIT with principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate used primarily for commercial purposes in Malaysia and overseas.
(3) The principal activities of Wasco Group are specialised pipe coating and corrosion protection services, engineering, procurement and construction (EPC) of gas compressors and process equipment, renewable energy and industrial trading and services.
(4) The principal activities of WST 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.
(a) TLC is Chairman and NINED of IGB; NINED of IGB REIT Management Sdn Bhd ("IGBRM") (the Manager of IGB REIT and IGBCR); a director of TCN Group and WST; and a sister of TBL.
(b) TBL is ED and GCEO of IGB; a director of certain subsidiaries within IGB Group, TCN Group and WST Group; and a brother of TLC.
(c) TMS is DGCEO and alternate to TLC on the Board of IGB and WST; a director of IGBRM and TCN; and a director of certain subsidiaries within IGB Group.
(d) DSRT is NINED of IGB; Chairman and NINED of IGBRM and Wasco; a director of certain subsidiaries within IGB Group; a major SH of IGB and Wasco; a major unitholder ("UH") of IGB REIT and IGBCR; a director and/or a substantial SH of TKY Group and WST Group; a brother to PTSM and TTCK; and the father of ETHN and GTHC.
(e) ETHN is alternate to DSRT on the Board of IGB: ED and CEO 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 TKY; a major SH of IGB and Wasco; a major UH of IGB REIT and IGBCR; a substantial SH of TKY Group and WST Group; and a sister of DSRT and TTCK.
(g) TTCK is a director of TKY Group; a major SH of IGB and Wasco; a major UH of IGB REIT and IGBCR; a substantial SH of TKY Group and WST Group; and a brother of DSRT and PTSM.
(h) TCN is a major SH of IGB and Wasco; a major UH of IGB REIT and IGBCR: a substantial SH of WST; and a person connected to TLC, TBL and TMS.
(i) TKY is a major SH of IGB and Wasco; a major UH of IGB REIT and IGBCR; a substantial SH of WST; and a person connected to DSRT, PTSM, TTCK, ETHN and GTHC.
(j) WST is a major SH of IGB and Wasco; a major UH of IGB REIT and IGBCR; a substantial SH of CHM and TTR; and a person connected to DSRT, PTSM, TTCK, TCN and TKY.
(k) GTHC is a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of ETHN.
(l) TYS is a director of certain subsidiaries within IGB Group; alternate to TBL on the board of WST; and the brother of TMS.
(m) TPL is a director of certain subsidiaries within IGB Group; a daughter of TBL; and a sister of TKM.
(n) TKM is a director of certain subsidiaries within IGB Group; a son of TBL; and a brother of TPL.

Principle B: Effective Audit and Risk Management

Audit Committee ("AC")

The AC, is chaired by LCH, who is a fellow member of The Association of Chartered Certified Accountants and a member of Malaysian Institute of Accountants. The members of AC, as set out in their biographical details, have relevant financial experience as well as other fields of expertise and are highly qualified to formulate and review the integrity and reliability of IGB's quarterly and full-year financial results. None of AC members have had an employment relationship with the incumbent EA, PwC.

The AC is responsible for the oversight and monitoring of the integrity of published financial information, the adequacy and robustness of the system of internal control and the adequacy and effectiveness of the GIA function and external audit. In discharging its functions, AC has been empowered by the Board to have necessary resources which are required to perform its duties, and full and unrestricted access to any information and documents relevant to its activities.

Meetings shall be held at least once a quarter or at a frequency to be decided by AC. Typically, the GCEO, DGCEO, GCFO, Head of GIA, GCS, as well as EA are invited to attend meetings of AC. When required, other key executives are invited to attend to present and provide deeper insight on various topics as are required by AC to discharge its duties. The lead EA partner and Head of GIA have direct access to AC Chairman at all times and meet privately with AC at least twice every financial year to discuss any issue that need to be deliberated in the absence of KSM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

AC annually reviews the performance of EA based on 3 key areas: quality of service, sufficiency of resources and independence, objectivity, and professional scepticism. As part of the review, AC obtains feedback from GCFO regarding the quality of the audit service. The AC also evaluates the appropriateness of audit fees to support the quality of the audit. In February 2024, AC conducted its formal annual assessment of the performance of EA.

The details of the matters discussed, deliberated and/or approved at AC meetings are shown in the **AC Report** section.

Risk Management and Internal Control

Board

→ Approving the Strategy and Risk Framework ("Framework") (last updated on 29 February 2024) and internal compliance systems.
→ Reviewing the Group's wider risk profile.
→ Overseeing implementation of risk management policies, procedures, and systems.

AC

→ Liaising with and reviewing activities of internal and external audit functions.
→ Reviewing adequacy of financial controls.
→ Monitoring relevant regulatory requirements.

IRC with the support of GSRS

→ Monitoring the risk profile of the Group against its risk appetite and the Framework (financial and non-financial risks).
→ Overseeing the identification, management and reporting of business risks by the functional units.
→ Oversight of sustainability policies and targets and management's reporting and disclosures with respect to sustainability matters.

GCEO/GCFO

→ Assessing whether risk management procedures and systems are operating efficiently and effectively in all material respects.
→ Providing sign-off to the Board regarding IGB's risk management system and internal control.

GIA

→ Assessing the adequacy and effectiveness of the risk management, governance and internal control processes and procedures.
→ Providing assurance to AC on risk management processes, evaluating risk management processes, reporting key risks, and reviewing the management of key risks.

Business/Functional Units

→ Identifying and managing risks (including financial, operational, information technology and compliance risks).
→ Implementing policies, procedures, and systems adopted by the Board.
→ Providing internal sign-offs and reporting to IRC regarding risk management procedures and systems.

IGB's approach to risk management and internal controls as well as the management of key business risks is set out in the SORMIC which has been reviewed by PwC.

GIA Function

IGB adopts the principle that a robust internal control system is required to safeguard SHs' interests, the Group's assets, and to manage risks.

The GIAD is staffed by qualified professionals and their audit methodology is in conformance with the International Standards for the Professional Practice of Internal Auditing ("Standards") of the Institute of Internal Auditors ("IIA"). The Head of GIA, 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 IIA (Malaysia), Chartered Accountant (Malaysia) and Bachelor of Accountancy (Hons.) (Singapore), reports directly and functionally to AC. On an annual basis, every staff signs a declaration of his/her adherence to the IIA Code of Ethics.

The role of GIA is to provide an independent assurance function for KSM and AC based on a systematic review and evaluation of the risk management, internal control and governance processes of the Group. The GIA is independent of the functions and activities that it audits and operates under an audit charter mandated by AC which gives it unfettered access to documents, records, properties and personnel including unrestricted access to AC.

The GIA adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to the Group's principal risks and objectives. 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 IGB.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

The scope of GIA reviews is carried out in accordance with the yearly plans prepared by GIA and approved by AC. The GIA reports generally set out the results of the audit conducted in terms of the control environment assessment of risk management, operating effectiveness of internal controls, compliance with internal and regulatory requirements and overall management of the Group, highlighting key control issues, significant risks and recommendations, along with management's responses and action plans for improvement and/or rectification, where applicable. This enables AC to execute its oversight function by forming an opinion on the adequacy of internal controls implemented by management in the Group's business operations.

Other than planned assurance engagements that have been included in 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 KSM and reported to AC for their approval. All reports issued for such engagements are communicated to the relevant members of KSM and AC.

Apart from the usual GIA function, GIA is the contact point for **feedback@igbbhd.com** i.e., communication channel for lodging complaints and feedback from stakeholders. The Head of GIA is also a member of the WBC and ABC for the Group.

During FY23, GIA conducted its audit reviews based on 2023 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. Details of GIA activities are disclosed in the **AC Report** section and the SORMIC.

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

Principle C: Integrity Corporate Reporting and Meaningful Relationship with Stakeholders

Engagement with Stakeholders

IGB is committed to positive and meaningful stakeholder engagement. IGB has implemented procedures to ensure that it provides relevant and timely information to SHs and to the broader investment community, in accordance with IGB's obligations under the Bursa continuous disclosure regime.

Good investor relations management is crucial in sustaining a high level of transparency and good governance

Timely, Transparent Disclosures

IGB is committed to keeping SHs and investment community well-informed of IGB's financial and operating performance.

IGB's market disclosure protocol ensure that it discloses all market sensitive information to Bursa in a timely manner, in accordance with the MMLR and all SHs have timely and equal access to material information affecting IGB, including its financial position and operating performance, and governance.

Material information affecting IGB made public in a timely and transparent manner, via BursaLINK and concurrently at IGB's website at **www.igbbhd.com**, which include quarterly results overview of its financial position, debt profile and information on its investment and business portfolio.

The above, including robust and continuous communication with the investment community provide investors and members of the public with ease of accessibility to IGB's latest material information and updates.

Proactive Investor Outreach

IGB values investors as major stakeholders and views investor engagement as an essential avenue to strengthen relationships and promote greater understanding of IGB's financial and operating performance, and future growth strategies.

IGB has a dedicated communication channel at **investorrelations@igbbhd.com** to enable SHs and to a lesser extent, institutional investors to direct queries and obtain responses to their queries. In addition, IGB conducts quarterly results briefings with institutional investors and allows research analysts a platform for questions that they may have on IGB's financial and operating performance. IGB ensures all institutional investors have equal access to information regarding the Group.

In FY23, IGB continued its investor outreach by way of frequent physical and virtual meetings, one-on-one and group sessions as well as quarterly results briefings for institutional investors.

Proactive 2-way Communication with SHs

SHs have the option to receive communications from and send communications to IGB and its share registry electronically.

IGB also engages with SHs via yearly AGM. IGB has successfully organised a virtual 2023 AGM. The AGM notice to SHs was published on 28 April 2023, more than 28 days in advance of the AGM, to give SHs more time to register and send questions. Registered SHs were able to observe the AGM proceedings through a live audio-visual webcast. The AGM minutes, including matters approved by SHs, voting results and substantial and relevant comments and queries from SHs relating to the agenda together with responses from the Board and KSM, were published on IGB's website on 2 June 2023.

IGB will conduct its AGM this year as a virtual meeting. Details of how SHs will be able to join, vote and submit questions in advance of the 2024 AGM can be found in the Notice of 2024 AGM 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**.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (Board) of IGB Berhad 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 maintains its overall responsibility to ensure a framework of risk management and internal controls is in place to maintain the continued high level of corporate governance. The Investment and Risk Committee (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 the Group Strategy, Risk & Sustainability (GSRS) 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 5 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 GSRS and updates are presented to IRC and the Board to ensure its adequacy as more robust methodologies are introduced.

In February 2024, the Board approved updates to the Framework to include IGB's sustainability governance and responsibilities as well as updating IGB's risk profiling.

Risk Management

IGB's robust risk management is not designed to eliminate risks but to mitigate unexpected operational surprises and losses, reduce performance variability, improve resource deployment, identify and manage entity wide risks and also increase the range of opportunities.

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 their strategic plans and mitigation actions before submitting strategy and risk reports every quarter to GSRS.

GSRS maintains the database for IGB's Business Units' strategies and risks and monitors updates. Business Units' escalation of risks of new and existing investments, strategies or opportunities are reviewed by GSRS and IRC 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, GSRS reviewed the quarterly strategy & risk reports which include key risks identified, ratings accorded to each risk as well as controls and mitigating actions implemented or to be implemented by the Business Units. The risks, impact and mitigating actions have also been reviewed by the IRC 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.

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. The BCPs are currently being updated to improve effectiveness 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(continued)

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 IRC.

The ABC is reviewed at least once every three years for effectiveness by the Head of Group Legal of IGB 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 accountability, ethical conduct, fairness, integrity, probity, professionalism and transparency as well as the requirement for all IGB Group employees to conduct themselves with the highest level of accountability, integrity, impartiality, professionalism and transparency, at all times.

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

Cyber Security

Recognising the increasing role of digitalisation and data security in our business, IGB has in place the Group Cybersecurity Policy (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.

Risks in relation to cyber security are assessed as part of the risk management process and reviewed by the IRC.

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 internal controls in the operation of the Business Units in the Group.

The main pillars of the framework for internal controls 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.

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 functional units, reviewed and approved by the Group Chief Executive Officer (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, financial accounting status and legal developments to the Board for up-to-date visibility.

Compliance & Training

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

The 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 concurrence of AC, has reviewed the effectiveness of the Group’s system of risk management and internal controls. There were no significant internal control issues 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 assurance from the GCEO and the Group Chief Financial Officer (GCFO) that the Group’s risk management and internal control systems are operating adequately and effectively in all material aspects.

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

This Statement has been approved by the Board.

FINANCIAL STATEMENTS

31 December 2023

DIRECTORS' REPORT

for the financial year ended 31 December 2023

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 2023.

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
Tan Mei Sian (alternate Director to Tan Lei Cheng)
Elizabeth Tan Hui Ning (alternate Director to Dato' Seri Robert Tan Chung Meng)

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 Board 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		
Attributable to:		
Owners of the parent	**311,911**	**153,671**
Non-controlling interests	**189,005**	**-**
	500,916	**153,671**

DIVIDENDS

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

	RM'000
An Interim Single Tier dividend of 5.0 sen per ordinary share and a Special Single Tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2023 were paid on 21 December 2023.	**94,406**

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

for the financial year ended 31 December 2023
(continued)

SHARE CAPITAL

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

TREASURY SHARES

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 29 May 2023, 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's treasury shares increased from 4,286,732 to 10,326,198 by way of a repurchase of 3,255,100 of its ordinary share capital from the open market for RM7,908,356 and receiving a bonus issue of 2,784,366 shares. The average price paid for these shares repurchased was RM2.43 per share.

As at 31 December 2023, the number of outstanding ordinary shares in issue after the setting off of treasury shares was 1,347,813,689 (2022: 901,140,693).

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 were to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares 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	**1.1.2023**	**Additions**	**Disposals**	**31.12.2023**
Tan Lei Cheng				
Direct	17,183,476	8,591,737	-	**25,775,213**
Dato' Seri Robert Tan Chung Meng				
Direct	5,284,613	2,642,306	-	**7,926,919**
Indirect *	266,358,981	133,179,487	-	**399,538,468**
Tan Boon Lee				
Direct	13,087,493	6,543,746	-	**19,631,239**
Indirect *	14,899,349	7,449,674	-	**22,349,023**
Tan Mei Sian				
Direct	913,305	456,652	-	**1,369,957**
Elizabeth Tan Hui Ning				
Direct	30,540	15,270	-	**45,810**

DIRECTORS' REPORT
for the financial year ended 31 December 2023
(continued)

DIRECTORS' INTERESTS (continued)

		Number of ordinary shares		
In GTower Sdn Bhd (subsidiary)	**1.1.2023**	**Additions**	**Transfers**	**31.12.2023**
Tan Lei Cheng				
Direct	1,571	-	(1,571)	**-**
Tan Boon Lee				
Direct	1,714	-	(1,714)	**-**
Tan Mei Sian				
Direct	143	-	(143)	**-**

		Number of units		
In IGB Real Estate Investment Trust (subsidiary)	**1.1.2023**	**Additions**	**Disposals**	**31.12.2023**
Tan Lei Cheng				
Direct	2,005,944	-	-	**2,005,944**
Dato' Seri Robert Tan Chung Meng				
Direct	16,272,721	-	-	**16,272,721**
Indirect *	1,936,160,542	14,731,885	-	**1,950,892,427**
Tan Boon Lee				
Direct	1,705,025	-	-	**1,705,025**
Elizabeth Tan Hui Ning				
Direct	4,754,000	57,000	-	**4,811,000**
Dato' Lee Kok Kwan				
Direct	11,171	-	-	**11,171**

		Number of units		
In IGB Commercial Real Estate Investment Trust (subsidiary)	**1.1.2023**	**Additions**	**Transfers**	**31.12.2023**
Tan Lei Cheng				
Direct	21,388,235	2,642,201	(2,243,226)	**21,787,210**
Dato' Seri Robert Tan Chung Meng				
Direct	5,330,424	10,000,000	-	**15,330,424**
Indirect *	1,497,271,479	30,621,328	-	**1,527,892,807**
Tan Boon Lee				
Direct	15,464,100	3,082,567	(440,366)	**18,106,301**
Tan Mei Sian				
Direct	1,291,140	1,277,064	-	**2,568,204**
Elizabeth Tan Hui Ning				
Direct	520,000	316,200	-	**836,200**

* *Deemed interest held by other corporations, by virtue of Section 8(4) of the Companies Act 2016.*

DIRECTORS' REPORT

for the financial year ended 31 December 2023
(continued)

DIRECTORS' REMUNERATION

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees	**1,305**	957	**915**	698
Salaries, bonus and allowances	**8,678**	11,148	**5,456**	6,386
Defined contribution plan	**1,017**	1,318	**639**	752
	11,000	13,423	**7,010**	7,836
Benefits-in-kind	**111**	92	**94**	88
	11,111	13,515	**7,104**	7,924

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 2023 amounted to RM122,246 (2022: 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.

DIRECTORS' REPORT
for the financial year ended 31 December 2023
(continued)

OTHER STATUTORY INFORMATION (continued)

(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.

LIST OF DIRECTORS OF SUBSIDIARIES (EXEMPTED UNDER SECTION 253(2) OF THE COMPANIES ACT 2016)

By way of a relief order dated 13 February 2024, granted by the Companies Commission of Malaysia, the names of Directors of subsidiary companies as required under Section 253(2) of the Companies Act 2016 in Malaysia are not disclosed in this report. Their names are set out in the respective subsidiaries Directors' reports for the financial year ended 31 December 2023 and the said information is deemed incorporated herein by such reference and shall form part hereof.

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 and audit related fees:		
- PricewaterhouseCoopers PLT	**1,588**	**261**

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 2024.

Tan Boon Lee
Group Chief Executive Officer

Lee Chaing Huat
Director

INCOME STATEMENTS

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	6	**1,596,933**	1,291,270	**274,055**	215,922
Cost of sales	7(a)	**(712,962)**	(594,614)	**-**	-
Gross profit		**883,971**	696,656	**274,055**	215,922
Other operating income	7(b)	**84,411**	27,575	**5,412**	1,083
Administrative expenses	7(c)	**(212,372)**	(169,644)	**(45,799)**	(61,091)
Other operating expenses	7(d)	**(25,165)**	(76,307)	**(4)**	(9,552)
Profit from operations		**730,845**	478,280	**233,664**	146,362
Finance income	9	**57,326**	38,379	**3,521**	3,359
Finance costs	9	**(196,315)**	(163,165)	**(34,953)**	(30,168)
Share of results of associates and joint ventures	17	**22,471**	67,645	**-**	-
Profit before taxation		**614,327**	421,139	**202,232**	119,553
Taxation	10	**(113,411)**	(93,153)	**(48,561)**	(44,503)
Profit for the financial year		**500,916**	327,986	**153,671**	75,050
Attributable to:					
Owners of the parent		**311,911**	159,114	**153,671**	75,050
Non-controlling interests		**189,005**	168,872	**-**	-
Profit for the financial year		**500,916**	327,986	**153,671**	75,050

		Group	
		2023	**2022**
			(Restated)
Earnings per share (sen):			
Basic	11(a)	**23.11**	11.77
Diluted [Note1]	11(b)	**23.11**	11.77

Note 1 : As at 31 December 2023, 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 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	**500,916**	327,986	**153,671**	75,050
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss:				
Currency translation differences:				
Equity holders	**14,656**	(8,472)	**-**	-
Non-controlling interests	**7**	9	**-**	-
Share of other comprehensive income/(loss) of associates and joint ventures	**35,964**	(20,566)	**-**	-
	50,627	(29,029)	**-**	-
Items that will not be subsequently be reclassified to profit or loss:				
Changes in fair values of financial assets at fair value through other comprehensive income	**3,104**	8,454	**3,104**	8,454
Other comprehensive income/(loss) for the financial year, net of tax	**53,731**	(20,575)	**3,104**	8,454
Total comprehensive income for the financial year	**554,647**	307,411	**156,775**	83,504
Attributable to:				
Owners of the parent	**365,635**	138,530	**156,775**	83,504
Non-controlling interests	**189,012**	168,881	**-**	-
Total comprehensive income for the financial year	**554,647**	307,411	**156,775**	83,504

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	**1,518,813**	1,503,486	**10,043**	1,998
Inventories	13	**456,342**	445,168	**-**	-
Investment properties	14	**3,865,666**	3,915,400	**-**	-
Intangible assets	15	**-**	4,914	**-**	-
Subsidiaries	16	**-**	-	**7,693,041**	7,699,919
Associates and joint ventures	17	**553,478**	520,594	**-**	-
Concession receivables	18	**107,309**	110,846	**-**	-
Deferred tax assets	19	**36,646**	36,784	**-**	-
Financial assets at fair value through other comprehensive income	20	**36,998**	53,626	**36,998**	53,626
		6,575,252	6,590,818	**7,740,082**	7,755,543
CURRENT ASSETS					
Inventories	13	**603,628**	536,491	**-**	-
Concession receivables	18	**5,683**	5,107	**-**	-
Amounts owing from subsidiaries	31	**-**	-	**93,633**	63,472
Amounts owing from associates and joint ventures	21	**1,736**	1,875	**-**	100
Receivables and contract assets	22	**177,538**	417,888	**2,024**	2,916
Tax recoverable		**10,626**	24,806	**-**	-
Cash held under Housing Development Accounts	23	**1,101**	1,607	**-**	-
Deposits, cash and bank balances	23	**1,337,970**	1,349,313	**87,881**	71,311
Assets classified as held-for-sale	30	**-**	1,531	**-**	-
		2,138,282	2,338,618	**183,538**	137,799
TOTAL ASSETS		**8,713,534**	8,929,436	**7,923,620**	7,893,342

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023
(continued)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	24	**1,394,110**	1,394,110	**1,394,110**	1,394,110
Treasury shares	25	**(17,655)**	(9,747)	**(17,655)**	(9,747)
Other reserves	27	**65,173**	11,449	**15,300**	12,196
Retained earnings		**2,577,991**	2,363,674	**5,680,819**	5,621,554
		4,019,619	3,759,486	**7,072,574**	7,018,113
Non-controlling interests	16	**180,094**	236,655	**-**	-
TOTAL EQUITY		**4,199,713**	3,996,141	**7,072,574**	7,018,113
LIABILITIES					
NON-CURRENT LIABILITIES					
Payables and contract liabilities	28	**16,813**	17,780	**3,897**	577
Deferred tax liabilities	19	**164,945**	151,877	**16,104**	14,403
Interest bearing bank borrowings	29	**2,537,318**	3,966,069	**228,000**	753,500
		2,719,076	4,135,726	**248,001**	768,480
CURRENT LIABILITIES					
Payables and contract liabilities	28	**643,003**	651,501	**11,724**	21,442
Amounts owing to subsidiaries	31	**-**	-	**582,501**	69,720
Amounts owing to associates	21	**4**	4	**-**	-
Current tax liabilities		**16,570**	20,475	**8,343**	9,436
Interest bearing bank borrowings	29	**1,135,168**	125,589	**477**	6,151
		1,794,745	797,569	**603,045**	106,749
TOTAL LIABILITIES		**4,513,821**	4,933,295	**851,046**	875,229
TOTAL EQUITY AND LIABILITIES		**8,713,534**	8,929,436	**7,923,620**	7,893,342

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

		Attributable to owners of the parent						
Group	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2023								
At 1 January 2023		1,394,110	(9,747)	11,449	2,363,674	3,759,486	236,655	3,996,141
Comprehensive income								
Profit for the financial year		-	-	-	311,911	311,911	189,005	500,916
Other comprehensive income		-	-	53,724	-	53,724	7	53,731
Total comprehensive income for the financial year		-	-	53,724	311,911	365,635	189,012	554,647
Transactions with owners								
Issuance of ordinary shares to non-controlling interests		-	-	-	-	-	340	340
Capital reduction by subsidiary		-	-	-	-	-	(19,046)	(19,046)
Share buy-back	25	-	(7,908)	-	-	(7,908)	-	(7,908)
Dividends paid to ordinary shareholders	32	-	-	-	(94,406)	(94,406)	-	(94,406)
Dividends paid to non-controlling interests		-	-	-	-	-	(229,743)	(229,743)
Acquire equity in a subsidiary from non-controlling interests	16	-	-	-	4,907	4,907	(5,219)	(312)
Changes in ownership interests in subsidiaries that do not result in a loss of control	16	-	-	-	(8,095)	(8,095)	8,095	-
Total transactions with owners		-	(7,908)	-	(97,594)	(105,502)	(245,573)	(351,075)
At 31 December 2023		1,394,110	(17,655)	65,173	2,577,991	4,019,619	180,094	4,199,713

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2023
(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 26) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity 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 Preference Shares in a subsidiary		-	-	(96,439)	-	(18,397)	(114,836)	-	(114,836)
Capital reduction of a subsidiary		-	-	-	-	-	-	(20,472)	(20,472)
Share buy-back	25	-	(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

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

Company	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total equity RM'000
2023						
At 1 January 2023		**1,394,110**	**(9,747)**	**12,196**	**5,621,554**	**7,018,113**
Comprehensive income						
Profit for the financial year		-	-	-	153,671	153,671
Other comprehensive income		-	-	3,104	-	3,104
Total comprehensive income		**-**	**-**	**3,104**	**153,671**	**156,775**
Transactions with owners						
Shares buy-back	25	-	(7,908)	-	-	(7,908)
Dividends paid to ordinary shareholders	32	-	-	-	(94,406)	(94,406)
Total transactions with owners		**-**	**(7,908)**	**-**	**(94,406)**	**(102,314)**
At 31 December 2023		**1,394,110**	**(17,655)**	**15,300**	**5,680,819**	**7,072,574**

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2023
(continued)

Company	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Redeemable Convertible Cumulative Preference Shares (Note 26) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total equity RM'000
2022							
At 1 January 2022		1,393,859	(3,310)	96,626	3,742	5,655,177	7,146,094
Comprehensive income							
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
Transactions with owners							
Shares buy-back	25	-	(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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Operating activities					
Cash receipts from customers		**1,981,440**	1,376,358	**11,512**	10,872
Cash paid to suppliers and employees		**(954,643)**	(742,948)	**(51,925)**	(42,558)
Cash flows from/(used in) operations		**1,026,797**	633,410	**(40,413)**	(31,686)
Dividends received		**-**	-	**255,032**	196,402
Interests received		**-**	-	**3,228**	3,155
Interests paid		**(204,050)**	(158,815)	**(38,643)**	(24,775)
Income taxes refunded		**-**	4	**-**	-
Income taxes paid		**(89,930)**	(87,919)	**(47,953)**	(40,661)
Net cash generated from operating activities		**732,817**	386,680	**131,251**	102,435
Investing activities					
Additional investment in:					
Subsidiaries	16	**(312)**	-	**(312)**	(141)
Associates and joint ventures	17	**-**	(3,373)	**-**	-
Additions in:					
Investment properties	14	**(45,747)**	(29,613)	**-**	-
Proceeds from disposal of:					
Subsidiaries		**-**	1,280	**-**	31
Financial assets at fair value through other comprehensive income		**23,785**	23,188	**23,785**	23,188
Property, plant and equipment:					
Additions	12	**(70,123)**	(28,954)	**(1,852)**	(252)
Disposals		**20**	1,017	**-**	7
Advances to subsidiaries:					
Advances		**-**	-	**(24,623)**	(44,431)
Repayments		**-**	-	**-**	450
Repayments from associates and joint ventures		**688**	625	**-**	-
Advances to associates and joint ventures		**(253)**	(786)	**-**	-
Interest received		**49,144**	29,867	**-**	-
Dividends received from associates and joint ventures		**5,098**	298	**-**	-
Dividends received from financial assets at fair value through other comprehensive income		**335**	12,694	**-**	-
Movement in pledged deposits		**-**	74,699	**-**	-
Proceeds from capital reduction/return of capital from subsidiaries		**-**	-	**7,252**	19,120

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023
(continued)

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Investing activities (continued)					
Capital reduction of an associate and joint venture		**6,885**	19,313	**-**	-
Movement of fixed deposits with maturity period of more than 3 months		**204,052**	(7,664)	**12,061**	(24,936)
Net cash generated from/(used in) investing activities		**173,572**	92,591	**16,311**	(26,964)
Financing activities					
Dividends paid to:					
Non-controlling interests		**(231,256)**	(193,497)	**-**	-
Ordinary shareholders	32	**(94,406)**	(90,242)	**(94,406)**	(90,242)
Holders of Redeemable Convertible Cumulative Preference Shares ("RCCPS")	32	**-**	(3,421)	**-**	(3,421)
Purchase of treasury shares	25	**(7,908)**	(6,437)	**(7,908)**	(6,437)
Repayments of borrowings		**(533,353)**	(173,402)	**(525,500)**	(50,000)
Proceeds from borrowings		**118,500**	113,500	**-**	-
Repayments of lease		**(966)**	(88)	**(3,887)**	(227)
Settlement of redemption of Redeemable Preference Shares		**-**	(129,798)	**-**	(129,798)
Issuance of new ordinary shares to non-controlling interests		**340**	291	**-**	-
Advances from subsidiaries:					
Advances		**-**	-	**587,000**	122,000
Repayments		**-**	-	**(74,700)**	(134,350)
Net cash used in financing activities		**(749,049)**	(483,094)	**(119,401)**	(292,475)
Net increase/(decrease) in cash and cash equivalents during the financial year		**157,340**	(3,823)	**28,161**	(217,004)
Currency translation differences		**34,863**	(17,135)	**470**	904
Cash and cash equivalents at 1 January		**1,010,224**	1,031,182	**46,375**	262,475
Cash and cash equivalents at 31 December	23	**1,202,427**	1,010,224	**75,006**	46,375

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023
(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 2023	**4,091,658**	**-**	**18,240**	**4,109,898**
Cash flows:				
Interest paid	**(204,010)**	**-**	**(40)**	**(204,050)**
Proceeds from borrowings	**118,500**	**-**	**-**	**118,500**
Repayments of borrowings	**(533,353)**	**-**	**-**	**(533,353)**
Repayments of lease	**-**	**-**	**(966)**	**(966)**
Non-cash changes:				
Amortisation of transaction cost	**1,277**	**-**	**-**	**1,277**
Interest charged during the financial year	**198,375**	**-**	**40**	**198,415**
Currency translation differences	**39**	**-**	**-**	**39**
At 31 December 2023	**3,672,486**	**-**	**17,274**	**3,689,760**
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)
Currency translation differences	2,140	-	-	2,140
At 31 December 2022	4,091,658	-	18,240	4,109,898

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023
(continued)

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

Company	Borrowings RM'000	Amounts owing to subsidiaries RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2023	759,651	69,719	974	830,344
Cash flows:				
Interest paid	(36,652)	(1,675)	(316)	(38,643)
Repayments of borrowings	(525,500)	-	-	(525,500)
Advances from subsidiaries	-	587,000	-	587,000
Repayments of advances received from subsidiaries	-	(74,700)	-	(74,700)
Repayment of lease	-	-	(3,887)	(3,887)
Non-cash changes:				
Interest charged during the financial year	30,978	1,675	316	32,969
Payment on behalf by subsidiary	-	482	-	482
New lease entered during the financial year	-	-	10,824	10,824
At 31 December 2023	228,477	582,501	7,911	818,889

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023
(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 entered during the financial year	-	-	-	1,201	1,201
At 31 December 2022	759,651	-	69,719	974	830,344

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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 MATERIAL ACCOUNTING POLICY INFORMATION

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 material accounting policy information.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(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 2023:

- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'
- Amendments to MFRS 108 'Definition of Accounting Estimates'
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
- Amendments to MFRS 112 'International Tax Reform-Pillar Two Model Rules'

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) Standards and amendments that have been issued but not yet effective

A number of new standards, amendments and improvements to standards and interpretation are effective for financial years beginning after 1 January 2023. None of these is expected to have significant effect on the financial statements of the Group and the Company:

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024)
- Amendments to MFRS 101 'Presentation of Financial Statements' which are 'Classification of liabilities as current or-non-current' and 'Non-current Liabilities with Convenants' (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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. 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.

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 statements 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 statements, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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

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

(iii) Disposal of subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Consolidation (continued)

(iv) Joint arrangements

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

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

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

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 statements.

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 statements where appropriate.

(v) Associates

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Consolidation (continued)

(v) Associates (continued)

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

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 statements where appropriate.

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

(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 statements.

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

(c) Property, plant and equipment

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

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

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

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

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

Leased assets (including leasehold land) are presented as a separate category of assets in the property, plant and equipment. See accounting policy Note 2(h) 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(e) 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 statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Investment properties

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

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

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

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

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

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

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

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

<u>Right-of-use assets that meet the definition of investment property</u>

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

(e) Impairment of non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) 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 statements 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 statements.

(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 statements. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statements and recognised in other operating income/expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income/expenses, and impairment expenses are presented as separate line item in the other comprehensive income.

Equity instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

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

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

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

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

The measurement of ECL reflects:

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

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

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

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

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

Significant increase in credit risk

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

The following indicators are incorporated:

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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Financial instruments (continued)

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

Subsequent measurement – Impairment (continued)

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 and/or when legal action is taken against the counterparty.

Qualitative criteria:
The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

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

Groupings of instruments for ECL are measured on collective basis.

(i) Collective assessment

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

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

(ii) Individual assessment

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

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

Write-off

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Financial instruments (continued)

(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 statements when the other financial liabilities are derecognised, and through the amortisation process.

(ii) Financial guarantee contracts

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

(iii) **De-recognition**

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

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

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

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

(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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) 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(f)(i).

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

(h) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Leases (continued)

(a) **Accounting by lessee (continued)**

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 statements 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 statements 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 statements.

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 statements.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Leases (continued)

(b) **Accounting by lessor (continued)**

Operating leases (continued)

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 eligible 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 statements 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.

(i) 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.

(j) Trade and other receivables

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction cost. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance (see Note 2(f)(i) on impairment of financial assets).

(k) Inventories

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

(i) **Completed properties**

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

(ii) **Hotel operating supplies**

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(k) Inventories (continued)

(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 statements 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.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

(l) Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(m) Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument (see Note 2(p) on borrowings and borrowing costs).

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

(i) the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and

(ii) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

(i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

(ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(o) Trade payables and other payables

Trade payables and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables and other 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 and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings and borrowing costs

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in the income statements 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 drawndown. 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 drawndown, 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 statements.

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.

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 statements in the financial year in which they are incurred.

(q) Current and deferred income tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the income statements, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) Current and deferred income tax (continued)

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.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference, the deferred income tax is not recognised.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in the equity or other comprehensive income, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefit from reinvestment allowance is recognised when the tax credit is utilised as a reduction of current tax and no deferred tax asset is recognised when the tax credit arises.

(r) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses, paid annual leave and sick leave and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related service are recognised in respect of employees' services up to the end of the financial year and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statement of financial position.

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The defined contribution plan of the Group relates to the contribution by the Group to various defined contribution plans in accordance with local conditions and practices in the countries in which it operates the national defined contribution plan.

The Group's contributions to defined contribution plans are charged to the income statements 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(r) Employee benefits (continued)

(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.

(s) Contingent assets and contingent liabilities

The Group does not recognise contingent assets and liabilities but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(t) Revenue/Income recognition

(i) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

When the Group has performed by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset. The Group's obligation to transfer goods or services to a customer for which the Group has received consideration in advance from customer is presented as contract liability.

Specific revenue recognition criteria for each of the Group's activities are as described below:

(i) <u>Revenue from hotel room and sale of food and beverages</u>

Hotel room revenue is accrued over time on customer-occupied rooms and the sales of food and beverage is recognised when the customer receives the food and beverage product. Hotel room and sale of food and beverages revenue are recorded based on the published rates, net of discounts and when the Group has the present right to payment.

(ii) <u>Revenue from property development, comprising residential and commercial properties and construction contracts</u>

Property development, comprising residential and commercial properties are specifically identified by its plot, lot or parcel number as set out in the sale and purchase agreement.

Property development contract with customers may include multiple performance obligations as the property development may not be highly integrated. Therefore, the transaction price will be allocated to each performance obligation based on the standalone selling price or based on the expected cost plus margin.

Revenue from property development, comprising residential and commercial properties are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Revenue from property development is recognised over time when control of the asset is transferred over time when Group's performance:

- creates and enhances an asset that the customer controls as the property development is being performed; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Revenue/Income recognition (continued)

(i) Revenue from contracts with customers (continued)

Specific revenue recognition criteria for each of the Group's activities are as described below (continued):

(ii) Revenue from property development, comprising residential and commercial properties and construction contracts (continued)

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.

(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 charge

Service charge, a non-lease component included in the tenancy agreement, is recognised upon services rendered over the lease term. Revenue is measured at the transaction price contractually agreed in the tenancy agreement. The accounting policy on separating lease and non-lease components is set out in Note 2(h)(b).

(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(h)(b) on Leases – Accounting by lessor.

(iii) Interest income

Interest income on financial assets is carried at amortised cost calculated using the effective interest method and is recognised in the statement of comprehensive income as part of interest income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Revenue/Income recognition (continued)

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements. 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 statements 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 statements, 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 statements 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 statements, 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 statements. 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 statements.

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 2023
(continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(v) Prepaid rental

Prepaid rental represents leasing operations which will be recognised in the income statements upon expiry, utilisation or performance of services.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

(x) Contract assets and contract liabilities

Contract assets is the right to consideration for goods or services transferred to the customers. In the context of property development activities and educational services, contract assets are the excess of cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to the customers for which the Group has received the consideration or billed the customer. In the context of property development activities and educational services, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities includes down payments received from customers and unearned revenue from school fees.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and cash flow interest rate risk), credit risk, price risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to group financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Market risk

(i) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency risk as a result of amounts owing from subsidiaries, amounts owing to/from associates and 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) **Market risk (continued)**

(i) Foreign currency exchange risk (continued)

As of 31 December 2023, the Group's and the Company's GBP, AUD and USD denominated net monetary assets are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net monetary assets denominated in:				
GBP	**96,739**	568,982	**-**	-
AUD	**31,180**	28,329	**-**	-
USD	**52,039**	26,232	**51,272**	24,973

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% (2022: 10%) against Ringgit Malaysia ("RM") are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Increase/(Decrease) to profit after tax if the currency had strengthened by 10% (2022: 10%)				
GBP	**7,352**	43,243	**-**	-
AUD	**2,370**	2,154	**-**	-
USD	**3,955**	1,994	**3,897**	1,898
Increase/(Decrease) to other component of equity if the currency had strengthened by 10% (2022: 10%)				
USD	**3,700**	5,363	**3,700**	5,363

A 10% (2022: 10%) weakening of the above currencies against RM as at 31 December 2023 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 2023, hence sensitivity analysis is not presented.

(ii) Cash flow interest rate risk

The Group's and Company's cash flow interest rate risk arises from floating rate term loans, Medium Term Notes ("MTN") and revolving credits.

The information on maturity dates and effective interest rates of these borrowings is disclosed in Note 29.

The Group's and the Company's interest rate risk arise primarily from floating interest bearing borrowings. The Group closely monitors markets and output from various industry working groups on the transitions to new interest rate benchmark arising from the respective interest rate benchmarks reforms in various jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Cash flow interest rate risk (continued)

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 (2022: 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	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Increase/(Decrease) to profit after tax if:				
Increase by 25 (2022: 25) basis points	**(4,663)**	(5,451)	**(433)**	(1,432)
Decrease by 25 (2022: 25) basis points	**4,663**	5,451	**433**	1,432

(b) Credit risk

Credit risk arising from trade receivables and accrued billing

Credit risk arises when sales are made on deferred credit terms. The Group and the Company control these risks by the application of credit approvals, limits and monitoring procedures.

Credit risks are minimised and monitored by strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures. The Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instrument.

- Credit risk arising from property development activities

  The Group does not have any significant credit risk from their property development activities as their products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

  Credit risks with respect to trade receivables are limited as the legal title to the properties sold remain with the Group until the purchase consideration is fully paid.

- Credit risk arising from property investment – commercial and retail

  Credit risk with respect to rental receivables is limited due to the nature of business which is predominantly rental receivables in advance. Furthermore, the tenants have placed security deposits in the form of cash or bank guarantees with the Group which acts as collateral if receivables due from the tenant are not settled or in case of breaches of contract. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's and the Company's trade receivables.

The Group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of trade receivables, accrued billing and contract assets. To measure the expected credit loss, the expected loss rates are based on the historical payment profiles of the receivables and the corresponding historical credit losses experienced. The 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 2023
(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 2023					
Trade receivables (gross)	**9,427**	**28,053**	**3,353**	**53,489**	**94,322**
Accrued billing (gross)	**28,005**	**-**	**-**	**-**	**28,005**
Total	**37,432**	**28,053**	**3,353**	**53,489**	**122,327**
Expected credit loss*	**-**	**(2,231)**	**(868)**	**(11,774)**	**(14,873)**
Total (net)	**37,432**	**25,822**	**2,485**	**41,715**	**107,454**
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

*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.

Movement on the Group's provision for impairment of trade receivables was as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	**17,798**	41,824
Provision for impairment of receivables	**10,032**	5,034
Bad debts recovered	**(4)**	-
Uncollected receivables written off during the financial year	**(9,878)**	(13,305)
Reversal of impairment loss	**(3,075)**	(14,301)
Credit note issued for rental support provided	**-**	(1,454)
At 31 December	**14,873**	17,798

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from other receivables and deposits (continued)

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	**21,296**	21,829	**-**	55
Provision for impairment	**-**	399	**-**	-
Uncollected receivables written off during the financial year	**-**	(810)	**-**	-
Reversal of impairment loss	**(3)**	(122)	**-**	(55)
At 31 December	**21,293**	21,296	**-**	-

Credit risk arising from concession receivables

Concession receivables were 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 have been 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 is assessed to be low as the significant amounts owing from associates are companies that have sufficient liquid assets to repay the amounts due if demanded. For other amounts owing from associates, 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 is assessed to be low, where the recovery strategies indicate that the joint ventures would be able to repay the outstanding balance through the sale of their 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.

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

	2023	2022
Company	RM'000	RM'000
At 1 January	**15,391**	19,727
Reversal of impairment	**(884)**	(98)
Reclassification	**-**	(4,238)
At 31 December	**14,507**	15,391

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from amounts owing from subsidiaries (continued)

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	2023 RM'000	2022 RM'000
Corporate guarantees provided to banks on subsidiaries' facilities	**360,000**	280,000

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.

At the reporting date, the Company had net current liabilities of RM419.5 million. Not withstanding the above, the Group and the Company held cash and cash equivalents of RM1,202.4 million (2022: RM1,010.2 million) and RM75.0 million (2022: RM46.4 million) respectively and undrawn credit facilities amounted to RM710.8 million (2022: RM217.8 million) and RM 576.0 million (2022: RM50.5 million) respectively that are expected to readily generate cash inflows for managing liquidity risk.

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
2023					
Payables and contract liabilities (excluding prepaid rental, lease liabilities and contract liabilities)	**590,342**	**-**	**-**	**-**	**590,342**
Lease liabilities	**500**	**500**	**500**	**16,450**	**17,950**
Interest bearing bank borrowings	**1,294,074**	**378,657**	**677,831**	**1,814,836**	**4,165,398**
Amounts owing to associates	**4**	**-**	**-**	**-**	**4**
	1,884,920	**379,157**	**678,331**	**1,831,286**	**4,773,694**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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):

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 prepaid rental, 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

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**
2023					
Payables and contract liabilities (excluding prepaid rental, lease liabilities and contract liabilities)	**7,710**	**-**	**-**	**-**	**7,710**
Interest bearing bank borrowings	**10,479**	**236,713**	**-**	**-**	**247,192**
Lease liabilities	**4,203**	**3,962**	**-**	**-**	**8,165**
Amounts owing to subsidiaries	**582,501**	**-**	**-**	**-**	**582,501**
Corporate guarantees provided to banks on subsidiaries' facilities	**360,000**	**-**	**-**	**-**	**360,000**
	964,893	**240,675**	**-**	**-**	**1,205,568**
2022					
Payables and contract liabilities (excluding prepaid rental, 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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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) less deposits, cash and bank balances. Total equity is as shown in the statement of financial position.

The gearing ratios were as follows:

	2023	2022
Group	**RM'000**	**RM'000**
Interest bearing liabilities	**3,672,486**	4,091,658
Less: Deposits, cash and bank balances (including cash held under Housing Development Accounts)	**(1,339,071)**	(1,350,920)
Interest bearing net debts	**2,333,415**	2,740,738
Total equity	**4,199,713**	3,996,141
Gearing ratio	**0.56:1.00**	0.69:1.00
Company		
Interest bearing liabilities	**228,477**	759,651
Less: Deposits, cash and bank balances	**(87,881)**	(71,311)
Interest bearing net debts	**140,596**	688,340
Total equity	**7,072,574**	7,018,113
Gearing ratio	**0.02:1.00**	0.10:1.00

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 2023
(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
2023	**RM'000**	**RM'000**	**RM'000**
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	36,998	-	36,998
Concession receivables	-	107,309	107,309
Current			
Concession receivables	-	5,683	5,683
Amounts owing from associates and joint ventures	-	1,736	1,736
Trade and other receivables (excluding deferred lease incentives and prepayments)	-	148,907	148,907
Cash held under Housing Development Accounts	-	1,101	1,101
Deposits, cash and bank balances	-	1,337,970	1,337,970
Total	36,998	1,602,706	1,639,704

Group	Financial liabilities at amortised cost	Total
2023	**RM'000**	**RM'000**
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	2,537,318	2,537,318
Trade and other payables	16,813	16,813
Current		
Trade and other payables (excluding prepaid rental and contract liabilities)	590,803	590,803
Interest bearing bank borrowings	1,135,168	1,135,168
Amounts owing to associates	4	4
Total	4,280,106	4,280,106

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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
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 prepaid rental 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 2023
(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
2023	**RM'000**	**RM'000**	**RM'000**
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	36,998	-	36,998
Current			
Amounts owing from subsidiaries	-	93,633	93,633
Trade and other receivables (excluding prepayments)	-	1,318	1,318
Deposits, cash and bank balances	-	87,881	87,881
Total	36,998	182,832	219,830

Company	Financial liabilities at amortised cost	Total
2023	**RM'000**	**RM'000**
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	228,000	228,000
Trade and other payables	3,897	3,897
Current		
Trade and other payables	11,724	11,724
Interest bearing bank borrowings	477	477
Amounts owing to subsidiaries	582,501	582,501
Total	826,599	826,599

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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

(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).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Fair values (continued)

Fair value estimation (continued)

The following table presents the Group's and the Company's assets that are measured at fair value:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Level 3				
Financial assets at fair value through other comprehensive income:				
Equity securities	**36,998**	53,626	**36,998**	53,626

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. 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:

Assessment of recoverable amounts of hotel properties

The Group tests whether the hotel properties, currently classified under property, plant and equipment have any impairment in accordance with the accounting policy stated in Note 2(c). An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. The recoverable amounts of cash-generating units are the higher of the asset's fair value less costs to sell ("FVLCTS") and value-in-use ("VIU").

These calculations require the use of estimates. Cash flow projections under VIU calculations are derived from the budgets and based on historical results and the expected future performance of the hotel properties. The key assumptions used in the estimation of the recoverable amounts of the hotel properties underpinning the VIU calculations are disclosed in Note 12.

The recoverable amount of a hotel within the Group was determined using FVLCTS. The recoverable amount is prepared by an independent external valuer. The fair value is estimated by comparing current prices in an active market for similar properties within the same location or other comparable localities. Judgment is applied when adjusting for factors such as location, size, tenure, comparable transaction dates, cost of disposal and other relevant factors.

Changes to any of these key assumptions would affect the recoverable amounts. During the financial year, no impairment losses were identified as the recoverable amounts were assessed to be above the carrying amounts of the hotel properties.

Assessment of recoverable amounts/net realisable value of vacant lands in Johor

The Group holds vacant lands in Medini, Johor. The lands are classified as investment properties (Right-of-use assets) and inventories (Land held for property development). The Group assesses the recoverability of the vacant lands based on the following:

- Investment properties

  The Group measures its investment properties at cost, and tests whether there is any impairment in accordance with the accounting policy stated in Note 2(d). An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amounts of cash-generating units are the higher of the asset's FVLCTS and VIU.

  The recoverable amount of the vacant land was determined using FVLCTS. The recoverable amount is prepared by an independent external valuer. The fair value is estimated by comparing current prices in an active market for similar properties within the same location or other comparable localities. Judgment is applied when adjusting for factors such as location, size, tenure, comparable transaction dates, cost of disposal and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assessment of recoverable amounts/net realisable value of vacant lands in Johor (continued)

- Inventories

  Inventories are carried at the lower of cost or net realisable value in accordance with the accounting policy stated in Note 2(k). Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

  The net realisable value of the vacant land is derived based on the valuation report prepared by an independent external valuer. The fair value is estimated by comparing current prices in an active market for similar properties within the same location or other comparable localities. Judgment is applied when adjusting for factors such as location, size, tenure, comparable transaction dates, cost of disposal and other relevant factors. Changes in these estimates can significantly affect the valuation of the inventory.

  During the financial year, there was no impairment loss or write down recognised in both the investment property and the inventory in Medini, Johor. The information on the impairment assessment and sensitivity analysis is included in Note 13 and Note 14.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment

Group	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Segment revenue	932,831	213,582	139,689	274,757	82,857	272,930	1,916,646
Inter-segment revenue	(102,140)	(9,680)	-	(5,092)	(82,857)	(119,944)	(319,713)
Revenue from external customers	830,691	203,902	139,689	269,665	-	152,986	1,596,933
Segment results	572,604	66,008	31,314	60,653	(3,230)	57,860	785,209
Unallocated corporate expenses							(54,364)
Profit from operations							730,845
Finance income							57,326
Finance costs							(196,315)
Share of results of associates and joint ventures	405	21	3,648	18,403	-	(6)	22,471
Profit before taxation							614,327
Taxation							(113,411)
Profit for the financial year							500,916
The timing of revenue from contracts with customers							
- Point in time	-	-	130,000	50,729	-	-	180,729
- Over time	202,059	77,885	6,833	218,597	-	152,766	658,140
	202,059	77,885	136,833	269,326	-	152,766	838,869

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information							
Assets							
Segment assets	2,750,342	1,834,023	1,285,087	1,478,731	17,685	584,697	7,950,565
Associates and joint ventures	20,948	1,372	133,150	375,484	-	22,524	553,478
							8,504,043
Unallocated assets							209,491
Total assets							8,713,534
Liabilities							
Segment liabilities	2,473,282	1,138,377	100,020	150,712	118,876	102,040	4,083,307
Unallocated liabilities							430,514
Total liabilities							4,513,821

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

5 **SEGMENT REPORTING (continued)**

(a) **Analysis by business segment (continued)**

Group 2023	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	1,458	134	799	43,497	79	8,191	54,158
- Investment properties	7,435	41,118	-	-	-	194	48,747
Depreciation:							
- Property, plant and equipment	2,297	2,331	322	38,059	76	4,542	47,627
- Investment properties	58,658	37,225	-	-	-	2,577	98,460
Amortisation:							
- Intangible assets	-	-	-	-	240	114	354
Write-off of:							
- Property, plant and equipment	12	-	4	2	1	1	20
- Investment properties	21	-	-	-	-	-	21
Impairment:							
- Intangible assets	-	-	-	-	4,560	-	4,560

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 2023
(continued)

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
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							38,379
Finance costs							(163,165)
Share of results of associates and joint ventures	-	(842)	(981)	68,091	-	1,377	67,645
Profit before taxation							421,139
Taxation							(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 2023
(continued)

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
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	127,120	3,986,442
Unallocated liabilities							946,853
Total liabilities							4,933,295

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

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	623	-	-	-	-	-	623
- Investment properties	115	75	-	-	-	-	190
Impairment:							
- Investment properties	-	-	-	-	-	30,278	30,278
Write down of:							
- 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

for the financial year ended 31 December 2023
(continued)

6 Revenue

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Lease income:				
Retail malls	**581,011**	503,081	**-**	-
Commercial office buildings	**131,472**	121,392	**-**	-
Rent related	**45,246**	38,434	**-**	-
	757,729	662,907	**-**	-
Revenue from contracts with customers:				
Hotel room revenue	**218,241**	135,178	**-**	-
Property development revenue				
Sale of properties	**125,263**	67,325	**-**	-
Sale of land	**4,737**	-	**-**	-
Sale of food and beverages	**50,729**	33,460	**-**	-
Rendering of services	**31,376**	27,760	**-**	-
Service concession arrangement	**57,338**	60,682	**-**	-
Car park	**67,636**	58,865	**-**	-
Utilities	**92,907**	68,579	**-**	-
Management services	**-**	-	**11,743**	10,377
Service charges	**184,180**	161,370	**-**	-
Others	**6,462**	2,450	**-**	-
	838,869	615,669	**11,743**	10,377
Dividend income (gross)	**335**	12,694	**262,312**	205,545
	1,596,933	1,291,270	**274,055**	215,922
Revenue from contracts with customers is recognised by:				
Point in time	**180,729**	100,785	**-**	-
Over time	**658,140**	514,884	**11,743**	10,377
	838,869	615,669	**11,743**	10,377

Rental income included variable lease payments related to sales generated by tenants which approximates to 20.9% (2022: 16.8%) of the total lease income. There are no variable lease payments that depend on an index or rate.

Conditional rental supports given in 2021 and 2022 resulting in lease modification were recognised over the unexpired lease term and the amount recognised during the financial year was RM1.1 million (2022: RM6.3 million).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

7 PROFIT FROM OPERATIONS

(a) Cost of sales

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Inventories sold:				
-completed properties	**84,339**	45,007	**-**	-
Assessment and quit rent	**36,257**	35,326	**-**	-
Utilities	**180,088**	136,496	**-**	-
Repair and maintenance	**20,749**	19,240	**-**	-
Depreciation of investment properties	**98,460**	95,183	**-**	-
Depreciation of hotel properties	**35,678**	34,207	**-**	-
Depreciation of right-of-use asset	**509**	509	**-**	-
Depreciation of intangible assets	**354**	479	**-**	-
Property maintenance	**18,893**	28,027	**-**	-
Cleaning and security services	**22,581**	18,586	**-**	-
Food and beverages	**17,796**	11,735	**-**	-
Commission	**13,555**	7,332	**-**	-
Staff cost				
- salaries, wages and bonus	**103,220**	89,858	**-**	-
- defined contribution plan	**11,061**	9,310	**-**	-
- other staff related expenses	**12,969**	9,641	**-**	-
Chemical costs for water treatment	**18,551**	22,176	**-**	-
Others	**37,902**	31,502	**-**	-
	712,962	594,614	**-**	-

(b) Other operating income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unrealised foreign exchange gain	**9,039**	1,269	**471**	904
Realised foreign exchange gain	**51,113**	12	**-**	-
Bad debts recovered (Note 3(b))	**4**	-	**-**	-
Reversal of impairment loss				
- trade and other receivables (Note 3(b))	**-**	-	**-**	55
- amounts owing from subsidiaries (Note 3(b))	**-**	-	**884**	98
Gain on disposal of property, plant and equipment	**3,870**	86	**-**	6
Gain on disposal/winding up of subsidiaries	**-**	1,939	**-**	19
Winding up/gain on disposal of associate and joint venture	**-**	281	**-**	-
Forfeited deposits	**116**	665	**-**	-
Other miscellaneous income	**20,269**	23,323	**4,057**	1
	84,411	27,575	**5,412**	1,083

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

7 PROFIT FROM OPERATIONS (continued)

(c) Administrative expenses

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Depreciation of property, plant and equipment	**11,440**	10,983	**4,628**	779
Provision/(Reversal) for impairment:				
- trade and other receivables (Note 3(b))	**6,954**	(8,990)	**-**	-
- investment in associate (Note 17(a))	**5,612**	124	**-**	-
- investment in joint venture (Note 17(a))	**2,500**	-	**-**	-
Bad debts written off/(recovered)	**9**	(1,108)	**-**	-
Employee costs*				
- salaries, wages and bonus	**67,493**	64,230	**24,004**	23,849
- defined contribution plan	**8,894**	8,590	**2,785**	2,693
- other employee related expenses	**11,425**	24,921	**2,258**	17,628
Directors' remuneration (Note 8)	**11,000**	13,423	**7,010**	7,836
Auditors' remuneration (statutory audit fees and audit related services):				
- PricewaterhouseCoopers PLT	**1,588**	1,582	**261**	261
- Others	**326**	269	**-**	-
Tax:				
- PricewaterhouseCoopers Taxation Services Sdn Bhd	**358**	331	**14**	13
- Others	**47**	61	**-**	-
Legal and other professional fee	**3,939**	2,076	**780**	(249)
Repair and maintenance	**21,552**	8,280	**-**	-
Selling and marketing expenses	**10,766**	11,672	**-**	-
Low value/short-term leases				
- plant and equipment	**227**	160	**-**	-
- building	**973**	879	**138**	4,055
Commission	**14,347**	2,159	**-**	-
Assessment and quit rent	**3,516**	3,276	**-**	-
Other administrative expenses	**29,406**	26,726	**3,921**	4,226
	212,372	169,644	**45,799**	61,091

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

7 PROFIT FROM OPERATIONS (continued)

(d) Other operating expenses

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Property, plant and equipment written off	**20**	623	**3**	3
Investment properties written off	**21**	190	**-**	-
Investment in an associate written off	**7,975**	-	**-**	-
Unrealised foreign exchange loss	**1,181**	38,198	**-**	-
Realised foreign exchange loss	**80**	2,082	**1**	-
Provision for impairment:				
- investment in subsidiaries	**-**	-	**-**	9,400
- investment properties (Note 14)	**-**	30,278	**-**	-
- intangible assets (Note 15)	**4,560**	-	**-**	-
Write down of land held for property development	**-**	3,298	**-**	-
Other operating expenses	**11,328**	1,638	**-**	149
	25,165	76,307	**4**	9,552

* Employee cost and defined contribution plan for the Group of RM4,596,032 (2022: RM4,910,658) and RM482,121 (2022: RM522,580) 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	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees	**1,305**	957	**915**	698
Salaries, bonus and allowances	**8,678**	11,148	**5,456**	6,386
Defined contribution plan	**1,017**	1,318	**639**	752
	11,000	13,423	**7,010**	7,836
Benefits-in-kind	**111**	92	**94**	88
	11,111	13,515	**7,104**	7,924

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

9 FINANCE INCOME AND COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
Deposits with licensed banks	**49,286**	27,038	**3,062**	3,162
Concession receivables	**5,093**	5,384	**-**	-
(Waiver)/Late payments from tenants	**(142)**	2,754	**-**	-
Amount owing from subsidiaries	**-**	-	**459**	197
Others	**3,089**	3,203	**-**	-
Total finance income	**57,326**	38,379	**3,521**	3,359
Interest expense on:				
Term loans, revolving credits and Medium Term Notes	**194,673**	162,510	**30,978**	28,817
Redeemable Convertible Cumulative Preference shares (Note 26)	**-**	244	**-**	244
Amounts owing to subsidiaries	**-**	-	**3,372**	1,093
Lease liabilities	**40**	41	**316**	14
Others	**1,602**	370	**287**	-
Total finance costs	**196,315**	163,165	**34,953**	30,168
Net finance costs	**138,989**	124,786	**31,432**	26,809

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 5.15% (2022: 4.81%). The finance cost capitalised has been disclosed in Notes 13 and 14.

10 TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian tax	**97,499**	69,797	**46,860**	42,484
Foreign tax	**2,488**	5,429	**-**	-
	99,987	75,226	**46,860**	42,484
Deferred tax (Note 19)	**13,424**	17,927	**1,701**	2,019
	113,411	93,153	**48,561**	44,503
Current tax:				
Current financial year	**100,881**	75,733	**42,510**	42,553
(Over)/Under accrual in prior financial year	**(894)**	(507)	**4,350**	(69)
	99,987	75,226	**46,860**	42,484
Deferred tax: (Note 19)				
Origination and reversal of temporary differences	**8,420**	18,151	**1,701**	2,019
Under/(Over) accrual in prior financial year	**5,004**	(224)	**-**	-
Tax expense	**113,411**	93,153	**48,561**	44,503

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

10 TAXATION (continued)

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
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	**(1)**	(4)	**-**	-
Expenses not deductible for tax purposes	**6**	13	**3**	12
Income not subject to tax	**(11)**	(13)	**(5)**	(3)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(-)***	(-)*	**-**	-
Current year tax losses and deductible temporary differences not recognised	**-**	1	**-**	-
(Over)/Under accrual of tax in prior financial year	**(-)***	(-)*	**2**	-*
Temporary differences arising from Redeemable Convertible Preference Share ("RCPS") and RCCPS	**-**	(-)*	**-**	-
Effective tax rate	**18**	22	**24**	37

* *The tax effects of these reconciling items are less than 1%*

Pursuant to Section 61A of Malaysia Income Tax Act, 1967 ("Act"), the 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 the 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 that has been taxed at the IGB REIT and IGBCR levels will have tax credits attached when subsequently distributed to unitholders.

As the distributions to IGB REIT and IGBCR unitholders for the financial year ended 31 December 2023 are more than 90% (2022: 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 years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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		**2023**	**2022 (restated)**
Profit attributable to equity holders of the Company	**RM'000**	**311,911**	159,114
Weighted average number of ordinary shares in issue	**'000**	**1,349,684**	1,352,331
Basic earnings per share	**sen**	**23.11**	11.77

The comparative figures for the weighted average number of ordinary shares used in the calculation of basic earnings per share has been restated to reflect the increased number of shares arising from bonus issues, as stated in note 25.

(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 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

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 2023	59,478	61,977	1,768,094	207,510	77,268	83,456	6,957	18,714	2,283,454
Additions	-	-	15,479	-	336	9,108	742	28,493	54,158
Written off	-	-	(288)	-	(323)	(436)	(963)	-	(2,010)
Disposals	-	-	(1,401)	-	-	-	-	-	(1,401)
Reclassification	-	-	1,328	-	-	-	-	(1,328)	-
Currency translation differences	-	18	12,398	-	-	(8)	4	-	12,412
At 31 December 2023	59,478	61,995	1,795,610	207,510	77,281	92,120	6,740	45,879	2,346,613
Accumulated depreciation									
At 1 January 2023	-	3,905	575,350	49,462	73,598	71,174	6,479	-	779,968
Charge for the financial year	-	509	35,678	4,115	1,458	5,453	414	-	47,627
Written off	-	-	(286)	-	(323)	(419)	(962)	-	(1,990)
Disposals	-	-	(1,400)	-	-	-	-	-	(1,400)
Currency translation differences	-	11	3,578	-	-	2	4	-	3,595
At 31 December 2023	-	4,425	612,920	53,577	74,733	76,210	5,935	-	827,800
Carrying amount									
At 31 December 2023	59,478	57,570	1,182,690	153,933	2,548	15,910	805	45,879	1,518,813

Property, plant and equipment with carrying amount of RM270.25 million (2022: RM275.67 million) have been charged as security for borrowings as disclosed in Note 29.

Included in ROU assets - Leasehold land are lands leased for hotel business operation as disclosed in Note 12(c)(i) amounting to RM0.05 billion.

Additions to property, plant and equipment that remain unpaid as at 31 December 2023 is RM7.2 million (2022: RM23.2 million).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

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 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
Carrying amount									
At 31 December 2022	59,478	58,072	1,192,744	158,048	3,670	12,282	478	18,714	1,503,486

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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 2023	**154,941**	**1,183,625**	**131,657**	**297,871**	**1,768,094**
Additions	**-**	**1,415**	**1,172**	**12,892**	**15,479**
Written off	**-**	**-**	**-**	**(288)**	**(288)**
Disposals	**-**	**-**	**-**	**(1,401)**	**(1,401)**
Reclassification	**-**	**-**	**-**	**1,328**	**1,328**
Currency translation differences	**2,632**	**8,392**	**1,041**	**333**	**12,398**
At 31 December 2023	**157,573**	**1,193,432**	**133,870**	**310,735**	**1,795,610**
Accumulated depreciation					
At 1 January 2023	**-**	**206,129**	**119,980**	**249,241**	**575,350**
Charge for the financial year	**-**	**24,845**	**1,855**	**8,978**	**35,678**
Written off	**-**	**-**	**-**	**(286)**	**(286)**
Disposals	**-**	**-**	**-**	**(1,400)**	**(1,400)**
Currency translation differences	**-**	**2,753**	**576**	**249**	**3,578**
At 31 December 2023	**-**	**233,727**	**122,411**	**256,782**	**612,920**
Carrying amount					
At 31 December 2023	**157,573**	**959,705**	**11,459**	**53,953**	**1,182,690**
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
Carrying amount					
At 31 December 2022	154,941	977,496	11,677	48,630	1,192,744

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(b) Assessment of recoverable amounts of hotel properties

The Group owns and operates hotel properties in Malaysia and overseas. The hotel industry continues to recover post the Covid-19 pandemic phase. Whilst the results of the Group's Hotel division have shown improvement compared to the previous year, the occupancy rates of the hotels continue to be challenged by the uncertain economic environment.

Management considers each hotel as a separate cash-generating unit and have updated their impairment assessments on the carrying amounts of the hotel properties against their recoverable amounts. The recoverable amounts of hotel properties are the higher of fair value less costs to sell ("FVLCTS") and value-in-use ("VIU"). The recoverable amounts of hotel properties have been determined either by the management using discounted cash flow projections based on the VIU method or fair value determined by an independent external valuer using the comparable approach based on the FVLCTS method. The following are the key assumptions used in determining the recoverable amounts of certain hotel properties under the VIU calculations:

Assumptions	Primary scenario	Secondary scenario
	Descriptions	
Weightage	70%	30%
Growth rate - Average room rate - Occupancy rate	(Year 2 to Year 6) 2.0% per annum 1.0% to 6.0% per annum	(Year 2 to Year 6) 2.0% per annum 2.0% to 6.0% per annum
Occupancy rate on terminal year	53.4% to 84.1%	53.4% to 88.1%
Capitalisation rates on terminal value	6.0% to 8.0%	
Discount rates	8.0% to 10.0%	

Based on the above impairment assessments, no impairment losses have been identified.

(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 year-term, the Group shall have the option to renew the lease for a further 25 years at an annual rent to be mutually agreed upon 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 is included in the lease term as the Group is reasonably certain to extend the term.

B. A land used for hotel business operations was leased for a period of 99 years. There are no lease liabilities associated with the leasehold land as the payment was prepaid at inception.

C. Lands for the purpose of the Group's water treatment operations and other activities were leased for a period of 99 years. There are no lease liabilities associated with these leasehold lands as the payments were prepaid at inception.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

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

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

	2023 RM'000	2022 RM'000
At 1 January	**18,240**	18,328
Add: Interest expense on discounting	**40**	41
Less: Lease payments	**(1,006)**	(129)
At 31 December	**17,274**	18,240
Represented by:		
Current	**461**	460
Non-current	**16,813**	17,780
At 31 December	**17,274**	18,240

(iii) Amounts recognised in income statements

	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	**509**	509
Interest expense (included in finance cost)	**40**	41
Low value/short-term leases (Note 7(c))	**1,200**	1,039

(iv) Amounts recognised in statements of cash flows

	2023 RM'000	2022 RM'000
Cash used in financing activities		
- Repayment of lease	**966**	88
- Interest paid	**40**	41
Cash used in operating activities		
- Low value/short-term leases	**1,200**	1,039

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Company

2023	ROU assets-Buildings RM'000	Furniture, fixtures, fittings and equipment RM'000	Total RM'000
Cost			
At 1 January 2023	**1,208**	**5,279**	**6,487**
Additions	**10,824**	**1,852**	**12,676**
Written off	**-**	**(15)**	**(15)**
At 31 December	**12,032**	**7,116**	**19,148**
Accumulated depreciation			
At 1 January 2023	**235**	**4,254**	**4,489**
Charge for the financial year	**4,011**	**617**	**4,628**
Written off	**-**	**(12)**	**(12)**
At 31 December	**4,246**	**4,859**	**9,105**
Carrying amount			
At 31 December	**7,786**	**2,257**	**10,043**
2022			
Cost			
At 1 January 2022	-	5,063	5,063
Additions	1,208	252	1,460
Written off	-	(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
Written off	-	(33)	(33)
At 31 December	235	4,254	4,489
Carrying amount			
At 31 December	973	1,025	1,998

(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 the director's office were leased for a period of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Company (continued)

(a) Right-of-use asset – buildings (continued)

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

	2023 RM'000	2022 RM'000
At 1 January	**974**	-
Add: Additions	**10,824**	1,201
Add: Interest expense on discounting	**316**	14
Less: Lease payments	**(4,203)**	(241)
At 31 December	**7,911**	974
Represented by:		
Current	**4,014**	397
Non-current	**3,897**	577
At 31 December	**7,911**	974

(iii) Amounts recognised in income statements

	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	**4,011**	235
Interest expense (included in finance cost)	**316**	14
Low value/short-term leases (Note 7(c))	**138**	4,055

(iv) Amounts recognised in statements of cash flows

	2023 RM'000	2022 RM'000
Cash used in financing activities		
- Repayment of lease	**3,887**	227
Cash used in operating activities		
- Low value/short-term leases	**138**	4,055
- Interest paid	**316**	14

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

13 INVENTORIES

Group	Note	2023 RM'000	2022 RM'000
Non-current			
Land held for property development	(a)	**456,342**	445,168
Current			
At cost:			
Property development costs	(b)	**194,152**	329,671
Completed properties	(c)	**407,760**	205,100
Hotel operating supplies and raw materials		**1,000**	1,154
Finished goods		**716**	566
		603,628	536,491

(a) Land held for property development

Group	Note	2023 RM'000	2022 RM'000
At 1 January		**445,168**	442,956
Land and development costs			
Costs incurred during the financial year:			
- Land cost		**7,617**	-
- Development costs		**3,557**	5,892
Transfer to assets held-for-sale	30	**-**	(382)
Write down	7(d)	**-**	(3,298)
		11,174	2,212
At 31 December		**456,342**	445,168
At cost		**379,942**	368,768
At net realisable value		**76,400**	76,400

Land held for property development at a cost of RM76.1 million (2022: RM75.8 million) has been charged as security for interest bearing bank borrowings as disclosed in Note 29.

In prior financial year, the Group had written down RM3.3 million in respect of vacant lands in Medini, Johor under land held for property development. Refer to details under Note 14(a).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

13 INVENTORIES (continued)

(b) Property development costs

Group	Note	2023 RM'000	2022 RM'000
At cost			
At 1 January			
Land and development costs		**329,671**	284,663
Add land and development costs:			
Costs incurred during the financial year		**151,480**	45,008
Transfer to inventories – completed property		**(286,999)**	-
At 31 December		**194,152**	329,671
Property development costs are analysed as follows:			
Land and development costs		**194,152**	329,671
Land and development costs charged as security for borrowings	29	**15,766**	15,343
Interest costs capitalised as property development costs		**979**	4,021

(c) Completed properties

Group	Note	2023 RM'000	2022 RM'000
At cost			
At 1 January		**205,100**	250,107
Transfer from property development cost		**286,999**	-
Sold during the financial year	7(a)	**(84,339)**	(45,007)
At 31 December		**407,760**	205,100

14 INVESTMENT PROPERTIES

Group	Right -of-use assets RM'000	Property investment -retail[1] RM'000	Property investment -commercial[1] RM'000	Capital work-in-progress RM'000	Total RM'000
Cost					
At 1 January 2023	**198,814**	**2,837,650**	**1,974,174**	**119,619**	**5,130,257**
Additions	**73**	**7,435**	**24,838**	**16,401**	**48,747**
Written off	**-**	**(35)**	**-**	**-**	**(35)**
At 31 December 2023	**198,887**	**2,845,050**	**1,999,012**	**136,020**	**5,178,969**
Accumulated depreciation					
At 1 January 2023	**7,731**	**754,650**	**452,476**	**-**	**1,214,857**
Charge for the financial year	**2,577**	**58,658**	**37,225**	**-**	**98,460**
Written off	**-**	**(14)**	**-**	**-**	**(14)**
At 31 December 2023	**10,308**	**813,294**	**489,701**	**-**	**1,313,303**
Carrying amount					
At 31 December 2023	**188,579**	**2,031,756**	**1,509,311**	**136,020**	**3,865,666**

[1] Included in property investment - retail and property investment - commercial are right-of-use assets (leasehold portion) of RM353.4 million (2022: RM358.1 million) and RM112.0 million (2022: RM51.3 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

14 INVESTMENT PROPERTIES (continued)

Group	Right -of-use assets	Property investment -retail	Property investment -commercial	Capital work-in- progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
At 1 January 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 [2]	(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
Carrying amount					
At 31 December 2022	191,083	2,083,000	1,521,698	119,619	3,915,400

[2] In prior financial year, the Group recorded an impairment loss of RM30.3 million for vacant land in Medini, Johor.

Management has updated the impairment assessments on certain investment property during the financial year. The information on the impairment assessments is detailed below.

(a) Assessment of recoverable amounts/net realisable value of vacant lands in Johor

The Group has vacant lands in Medini, Johor ("Medini Lands") with the carrying amounts of RM114.7 million (2022: RM115 million) classified as Investment Properties (ROU assets) of RM38.3 million (2022: RM38.6 million) and Inventories (Land Held for Property Development) of RM76.4 million (2022: RM76.4 million).

In the prior financial year, management obtained a valuation report from an independent external valuer, Henry Butcher Malaysia Sdn. Bhd. ("Henry Butcher") for Medini Lands. The recoverable amounts of Medini Lands is lower than the carrying amounts and 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) respectively.

The continued property overhang and oversupply of properties in Johor continues to pose a challenge for the Group and management has updated their impairment assessments on the carrying amounts of the Medini Lands against their recoverable amounts and assessment on the net realisable value under Note 13.

Additional sensitivity analysis was performed to determine whether a reasonable change in the key assumption by a downward adjustment of RM10 to the market value per square feet will result in an impairment loss or write down of RM8.6 million to the carrying amounts.

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

Group	2023 RM'000	2022 RM'000
Depreciation of investment properties	**98,460**	95,183
Assessment and quit rent	**33,007**	30,665
Repair and maintenance	**34,872**	42,674
Staff costs	**148,475**	130,065
Utilities	**107,534**	80,468
Others	**55,123**	48,975
	477,471	428,030

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

14 INVESTMENT PROPERTIES (continued)

Fair value

Group

2023	RM'000	Level	Valuation technique
Retail malls	**6,888,800**	3	Income approach
Commercial properties	**3,465,348**	3	Income approach & market approach
Others	**316,020**	3	Market approach
Total	**10,670,168**		

2022	RM'000	Level	Valuation technique
Retail malls	6,472,800	3	Income approach & market approach
Commercial properties	3,396,400	3	Income approach & market approach
Others	313,800	3	Income approach & market approach
Total	10,183,000		

The fair values of the investment properties above were estimated based on either valuation by independent external valuers or management's estimates.

The fair values of the investment properties above exclude investment properties amounting to RM19.3 million (2022: RM19.1 million) that are in the early stages of construction 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.

<u>Market approach</u>

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

Investment properties with carrying amount of RM3.16 billion (2022: RM3.07 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 RM4.0 million (2022: RM2.4 million). Additions to investment properties amounted RM20.6 million (2022: RM17.6 million) remain unpaid as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

15 INTANGIBLE ASSETS

Group	Building software development cost	License	Total
2023	**RM'000**	**RM'000**	**RM'000**
Cost			
At 1 January/31 December	**984**	**6,000**	**6,984**
Accumulated amortisation			
At 1 January	**696**	**1,200**	**1,896**
Charge for the financial year	**114**	**240**	**354**
At 31 December	**810**	**1,440**	**2,250**
Accumulated impairment losses			
At 1 January	**174**	**-**	**174**
Impairment losses recognised for the financial year	**-**	**4,560**	**4,560**
At 31 December	**174**	**4,560**	**4,734**
Carrying amount			
At 31 December	**-**	**-**	**-**
2022			
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
Carrying amount			
At 31 December	114	4,800	4,914

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

16 SUBSIDIARIES

Company	2023 RM'000	2022 RM'000
Investment in subsidiaries, at cost		
Quoted ordinary shares	**3,964,642**	3,971,894
Unquoted ordinary shares	**3,660,158**	3,659,846
Less: Accumulated impairment losses	**(22,744)**	(22,744)
	7,602,056	7,608,996
Advances to subsidiaries	**128,423**	128,361
Less: Accumulated impairment losses	**(37,438)**	(37,438)
Total	**7,693,041**	7,699,919

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 RM2.98 billion (2022: RM2.86 billion) and RM0.58 billion (2022: RM0.65 billion) respectively as at 31 December 2023.

Ordinary shares of subsidiaries with a carrying value of RM1.48 billion (2022: 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 16 November 2023, the Group announced to Bursa Malaysia that its dormant wholly-owned subsidiary, Prima Condominium Sdn. Bhd. had been placed under Members' Voluntary Winding-up.

(ii) On 21 December 2023, the Group acquired 40,000 shares in GTower Sdn. Bhd., which resulted in a decrease in non-controlling interest amounting to RM5.2 million. GTower Sdn. Bhd. became a wholly-owned subsidiary of the Group subsequent to the acquisition.

(iii) On 26 December 2023, the Group announced to Bursa Malaysia that its dormant wholly-owned subsidiary, IST Building Products Sdn. Bhd. had been placed under Members' Voluntary Winding-up.

(iv) The Group's interest in IGB REIT and IGBCR increased from 53.56% to 53.75% and 52.57% to 53.18% 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 RM8.1 million (2022: RM8.6 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

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 Group.

	CKSB 2023 RM'000	SKM 2023 RM'000	IGBCR 2023 RM'000	IGB REIT 2023 RM'000
Proportion of ordinary shares and voting rights held by non-controlling interests (%)	30.00	30.00	46.82	46.25
(a) Summarised income statements and statement of other comprehensive income:				
Net profit for the financial year	20,592	48,750	32,772	336,416
Total comprehensive income for the financial year	20,592	48,750	32,772	336,416
Total comprehensive income attributable to non-controlling interests	6,178	14,625	15,344	155,592
Dividends paid to non-controlling interests	5,700	-	38,911	174,302
(b) Summarised statements of financial position:				
Current assets	79,989	319,080	134,903	316,873
Current liabilities	(8,875)	(1,140,857)	(151,454)	(268,949)
Net current assets/(liabilities)	71,114	(821,777)	(16,551)	47,924
Non-current assets	1,297	1,269,367	1,421,025	794,340
Non-current liabilities	-	(31,946)	(848,387)	(1,199,423)
Net non-current assets/(liabilities)	1,297	1,237,421	572,638	(405,083)
Net assets/(liabilities)	72,411	415,644	556,087	(357,159)
Attributable to:				
Owners of the parent	50,688	290,951	295,727	(191,973)
Non-controlling interests	21,723	124,693	260,360	(165,186)
	72,411	415,644	556,087	(357,159)
(c) Summarised statements of cash flows:				
Net cash flow generated from operating activities	88,097	146,374	129,253	440,917
Net cash flows generated from investing activities	1,492	5,756	1,587	(34,517)
Net cash flows used in financing activities	(75,088)	(51,548)	(121,239)	(421,756)
Net increase in cash and cash equivalents during the financial year	14,501	100,582	9,601	(15,356)
Cash and cash equivalents at 1 January	49,955	164,029	118,963	258,382
Cash and cash equivalents at 31 December	64,456	264,611	128,564	243,026

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

16 SUBSIDIARIES (continued)

The non-controlling interest of the other subsidiaries totalling of RM61.5 million (2022: RM40.8 million) was an immaterial loss to non-controlling interest.

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

(i) Cipta Klasik (M) Sdn. Bhd. has reduced the share capital in the Company from RM118.4 million comprising 76 million ordinary shares to RM62.3 million comprising 40 million shares. This reduction shall be effected by the cancellation of 36 million shares held by the existing shareholders of the Company at RM1.558 in cash for each share to be paid to the shareholders. Consequently, the non-controlling interest of the Group has decreased by RM16.8 million.

	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 statements 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 statements 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 statements 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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

16 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2023	2022
*	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	**100.00**	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	**53.18**	52.57
	IGB Real Estate Investment Trust [3]	Real estate investment trust	Malaysia	**53.75**	53.56
*	Lautan Bumimas Sdn. Bhd.	Dormant	Malaysia	**51.00**	51.00
	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
*	G Village Retail Sdn. Bhd. (formerly known as Elements Medical Fitness Sdn. Bhd.)	Property investment	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
*	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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

16 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2023	Group's effective interest (%) 2022
	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. [11]	Special purpose vehicle to raise financing	Malaysia	**53.18**	52.57
	Held by IGB Real Estate Investment Trust				
	IGB REIT Capital Sdn. Bhd. [12]	Special purpose vehicle to raise financing	Malaysia	**53.75**	53.56
	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
	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
*	Belimbing Hills Sdn. Bhd. [4]	Property development	Malaysia	**100.00**	100.00
*	Beswell Limited [6]	Investment holding	Hong Kong	**100.00**	100.00
	Bintang Buana Sdn. Bhd. [4]	Property development	Malaysia	**90.00**	90.00
*	Central Review (M) Sdn. Bhd. [4]	Property investment	Malaysia	**100.00**	100.00
	Cipta Klasik (M) Sdn. Bhd. [4]	Property development	Malaysia	**70.00**	70.00
	Cititel Hotel Management Sdn. Bhd.	Hotel management services	Malaysia	**60.00**	60.00
	Corpool Holdings Sdn. Bhd.	Investment holding	Malaysia	**100.00**	100.00
*	Danau Bidara (M) Sdn. Bhd. [4]	Property investment	Malaysia	**100.00**	100.00
	Detik Harapan Sdn. Bhd.	Educational institution	Malaysia	**60.00**	60.00
	Dimensi Magnitud Sdn. Bhd.	Property investment	Malaysia	**70.00**	70.00
	Distinctive Ace Sdn. Bhd. [7]	Property investment and property development	Malaysia	**50.00 + 1 share**	50.00 + 1 share

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

16 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2023	2022
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
*	Earning Edge Sdn. Bhd. [8]	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. [9]	Building construction	Malaysia	**70.00**	70.00
	Future Pinnacle Sdn. Bhd. [10]	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 Education Services Sdn. Bhd. [18]	Dormant	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. [13]	Property development	Malaysia	**100.00**	100.00
*	IST Building Products Sdn. Bhd. *(Under members' voluntary winding-up)*	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. [14]	Property development	Malaysia	**100.00**	100.00
	Kondoservis Management Sdn. Bhd. [4]	Management services	Malaysia	**100.00**	100.00
	Lagenda Sutera (M) Sdn. Bhd. [6]	Hotelier	Malaysia	**100.00**	100.00
*	Lingame Company Limited *(Under de-registration process)*	Investment holding	Hong Kong	**100.00**	100.00
	Majestic Path Sdn. Bhd. [6]	Investment holding	Malaysia	**100.00**	100.00
	Megan Prestasi Sdn. Bhd.	Investment holding	Malaysia	**100.00**	100.00
	Mid Valley City Sdn. Bhd.	Management services/service provider	Malaysia	**100.00**	100.00
	Mid Valley City Developments Sdn. Bhd.	Property development	Malaysia	**100.00**	100.00
	Mid Valley City Energy Sdn. Bhd.	Selling and distribution of utilities	Malaysia	**100.00**	100.00
	Mid Valley City Enterprise Sdn. Bhd.	Hotelier	Malaysia	**100.00**	100.00
	Mid Valley City Gardens Sdn. Bhd.	Management services/service provider	Malaysia	**100.00**	100.00
	Mid Valley City Hotels Sdn. Bhd.	Hotelier	Malaysia	**100.00**	100.00
*	Mid Valley City North Tower Sdn. Bhd.	Property investment	Malaysia	**100.00**	100.00

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for the financial year ended 31 December 2023
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16 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2023	2022
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	Mid Valley City Property Services Sdn. Bhd.[15]	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. *(Members' voluntary winding-up completed in 2023)*	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	Malaysia	**-**	100.00
*	MLynx Sdn. Bhd. *(Members' voluntary winding-up completed in 2023)*	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	Malaysia	**-**	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. *(Members' voluntary winding-up completed in 2023)*	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	Malaysia	**-**	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. [6]	Investment holding	Singapore	**100.00**	100.00
	Pangkor Island Resort Sdn. Bhd.	Hotelier	Malaysia	**100.00**	100.00
*	Penang Garden Sdn. Bhd.	Property development and investment	Malaysia	**100.00**	100.00
	Permata Efektif (M) Sdn. Bhd. [4]	Property development	Malaysia	**100.00**	100.00
*	Plaza Permata Management Services Sdn. Bhd.	Property management services	Malaysia	**100.00**	100.00
*	Prima Condominium Sdn. Bhd. *(Under members' voluntary winding-up)*	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

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16 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2023	2022
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	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
	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] *(Under members' voluntary winding-up)*	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., 50.72% and 2.46% respectively.
3 - Held by IGB, IGB REIT Management Sdn. Bhd. and Tan & Tan Developments Berhad, 48.13%, 5.6% and 0.02% respectively.
4 - Held by Tan & Tan Developments Berhad.
5 - Held by IGB International Ventures Sdn. Bhd.
6 - Held by Pacific Land Sdn. Bhd.
7 - Held by Megan Prestasi Sdn. Bhd.
8 - Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 45.0% and 20.0% respectively.
9 - Held by Ensignia Construction Sdn. Bhd.
10 - Held by TTD Sdn. Bhd.
11 - Held by IGB Commercial Real Estate Investment Trust via MTrustee Berhad.
12 - Held by IGB Real Estate Investment Trust via MTrustee Berhad.
13 - Held by ICDC Holdings Sdn. Bhd.
14 - Held by IGB Project Management Services Sdn. Bhd.
15 - Held by Mid Valley City Developments Sdn. Bhd.
16 - Held by Cititel Hotel Management Sdn. Bhd.
17 - Held by Pacific Land Sdn. Bhd. and IGB Corporation Berhad, 19.6% and 80.4% respectively.
18 - Held by IGB International School Sdn. Bhd.

* *Companies audited by firms other than member firm PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.*

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

17 ASSOCIATES AND JOINT VENTURES

Group	2023 RM'000	2022 RM'000
As at 31 December		
Investments in:		
Associates	**396,972**	361,972
Joint ventures	**156,506**	158,622
	553,478	520,594

	2023 RM'000	2022 RM'000
Financial year ended 31 December		
Share of results of:		
Associates	**18,392**	65,277
Joint ventures	**4,079**	2,368
	22,471	67,645
Share of other comprehensive income/(loss) of:		
Associates	**32,162**	(21,580)
Joint ventures	**3,802**	1,014
	35,964	(20,566)
Share of total comprehensive income of:		
Associates	**50,554**	43,697
Joint ventures	**7,881**	3,382
	58,435	47,079

(a) Associates

Group	2023 RM'000	2022 RM'000
At cost		
Unquoted shares in Malaysia	**15,061**	19,449
Unquoted shares outside Malaysia	**16,761**	24,736
Amounts owing by associates	**29,394**	26,945
	61,216	71,130
Group's share of post-acquisition results and reserves	**352,372**	301,846
	413,588	372,976
Less: Accumulated impairment losses	**(16,616)**	(11,004)
At 31 December	**396,972**	361,972

Jutanis Sdn. Bhd. ("Jutanis") has carried out a capital reduction of 9.8 million (2022: 20 million) ordinary shares at RM1.00 each. The Group has received RM4.4 million (2022: RM9.0 million) based on its proportion of the shareholding.

During the financial year, the Group made an impairment of RM5.6 million in respect of the investment in Jutanis and has written off an investment outside Malaysia of RM8 million.

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 2023
(continued)

17 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

Set out below are associates of the Group as at 31 December 2023, 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.

	2023		2022	
	Ravencroft Investments Incorporated Group	New Commercial Investments Limited	Ravencroft Investments Incorporated Group	New Commercial Investments Limited
	RM'000	RM'000	RM'000	RM'000
Summarised income statements and statements of comprehensive income				
Revenue	**54,976**	**22,468**	47,410	17,823
Other income	**6,167**	**52,245**	16,126	-
Total expense before interest and taxation	**(32,213)**	**(2,492)**	(28,069)	(2,371)
Interest income	**9,344**	**3,197**	8,189	1,006
Interest expense	**(2,358)**	**(317)**	(4,032)	(817)
Profit before taxation	**35,916**	**75,101**	39,624	15,641
Income tax	**(7,826)**	**(7,254)**	(7,070)	(3,017)
Net profit for the financial year	**28,090**	**67,847**	32,554	12,624
Other comprehensive income/(loss)	**49,750**	**12,638**	(28,702)	(5,790)
Total comprehensive income	**77,840**	**80,485**	3,852	6,834
Summarised statements of financial position				
Cash and cash equivalents	**177,986**	**97,750**	185,073	81,901
Other current assets (excluding cash and cash equivalents)	**219,276**	**17,144**	225,858	26,559
Total current assets	**397,262**	**114,894**	410,931	108,460
Other current liabilities (including trade and other payables and provisions)	**(19,892)**	**(33,917)**	(17,077)	(75,418)
Total current liabilities	**(19,892)**	**(33,917)**	(17,077)	(75,418)
Non-current assets	**94,413**	**108,229**	86,284	100,053
Financial liabilities (excluding trade and other payables and provisions)	**-**	**-**	(86,195)	(24,374)
Total non-current liabilities	**-**	**-**	(86,195)	(24,374)
Net assets	**471,783**	**189,206**	393,943	108,721

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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:

	Ravencroft Investments Incorporated Group	New Commercial Investments Limited	Total
	RM'000	RM'000	RM'000
2023			
Net assets as at 1 January	**393,943**	**108,721**	**502,664**
Net profit for the financial year	**28,090**	**67,847**	**95,937**
Other comprehensive income	**49,750**	**12,638**	**62,388**
Net assets as at 31 December	**471,783**	**189,206**	**660,989**
Interest in associates (%)	**49.47**	**49.55**	**-**
Share of net assets	**233,391**	**93,752**	**327,143**
Amounts owing by associates	**-**	**23,618**	**23,618**
Carrying amount of interest in associates	**233,391**	**117,370**	**350,761**
2022			
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 by associates	-	21,377	21,377
Carrying amount of interest in associates	194,884	75,248	270,132

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

Group	2023 RM'000	2022 RM'000
Carrying amounts of interest in associates	**46,211**	91,840
Share of associates' (loss)/profit	**(29,122)**	42,918
Share of associates' other comprehensive income/(loss)	**1,289**	(4,512)
Dividend received/receivable during the financial year	**98**	98

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(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 (%) 2023	Group's effective interest (%) 2022
*	Cititel International Hospitality Limited [1]	Hotelier	Guernsey	**49.47**	49.47
*	DMV Sdn. Bhd. [2]	Property development	Malaysia	**38.45**	38.45
*	Hicom Tan & Tan Sdn. Bhd. [3]	Property development	Malaysia	**50.00**	50.00
	Jutanis Sdn. Bhd. [3]	Property development	Malaysia	**45.00**	45.00
*	Merchant Firm Ltd. [1]	Investment holding	British Virgin Islands	**49.47**	49.47
*	New Commercial Investments Limited [4]	Investment holding	British Virgin Islands	**49.55**	49.55
*	Orion Corridor Sdn. Bhd. [5] *(Members'voluntary winding-up completed in 2023)*	Leasing of aircrafts	Malaysia	**-**	24.74
*	Pacific Land Co., Ltd [6]	Investment holding	Thailand	**48.90**	48.90
*	One WSM Property (KL) Sdn. Bhd. [3]	Real estate agents	Malaysia	**40.00**	40.00
*	Ravencroft Investments Incorporated [7]	Investment holding	British Virgin Islands	**49.47**	49.47
*	St Giles Hotel [5]	Construction and hotel management	Republic of Congo	**49.47**	49.47
*	St Giles Hotel, Inc [8]	Hotelier	United States of America	**49.47**	49.47
*	St Giles Hotel Limited [7]	Hotelier	United Kingdom	**49.47**	49.47
*	St Giles Hotel, LLC [9]	Hotelier	United States of America	**49.47**	49.47
*	St Giles Hotel (Heathrow) Limited [4]	Hotelier	United Kingdom	**49.55**	49.55
*	St Giles Hotel (Manila) Inc [5]	Hotelier	Philippines	**49.47**	49.47
*	Technoltic Engineering Sdn. Bhd. [10]	Servicing, maintenance and installation of elevators	Malaysia	**40.00**	40.00
*	Tentang Emas Sdn. Bhd. [3]	Investment holding	Malaysia	**49.00**	49.00

Notes:

1- Held by Ravencroft Investments Incorporated.
2- Held by Tan & Tan Developments Berhad and IGB Corporation Berhad, 25.63% and 12.82% respectively.
3- Held by Tan & Tan Developments Berhad.
4- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 31.53% and 18.02% respectively.
5- Held by Merchant Firm Ltd.
6- Held by Pacific Land Sdn. Bhd.
7- Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd., 27.71%, 7.65% and 14.11%.
8- Held by St Giles Hotel Limited.
9- Held by St Giles Hotel, Inc.
10- Held by IGB Corporation Berhad.

* *Companies audited by firms other than member firm PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.*

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures

Group	2023 RM'000	2022 RM'000
At cost		
Unquoted shares in Malaysia	**28,053**	30,550
Unquoted shares outside Malaysia	**72,543**	72,543
Amounts owing by joint ventures	**30,092**	30,092
	130,688	133,185
Group's share of post-acquisition results and reserves	**28,318**	25,437
	159,006	158,622
Less: Accumulated impairment losses	**(2,500)**	-
At 31 December	**156,506**	158,622

During the financial year, Kumpulan Sierramas (M) Sdn. Bhd. ("KSSB") has carried out a capital reduction of 5.0 million (2022: nil) ordinary shares of RM1.00 each. The Group has received RM2.5 million (2022: nil) based on its proportion of the shareholding. The Group made an impairment of RM2.5 million in respect of the investment in KSSB.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

Set out below are material joint ventures of the Group as at 31 December 2023. 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.

2023	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000
Summarised income statements and statements of comprehensive income		
Revenue	-	34,261
Cost of sales	-	(24,537)
Gross profit	-	9,724
Other income	6	30
Administrative expenses	(498)	(820)
Selling and marketing expenses	-	(12)
(Loss)/Profit from operations	(492)	8,922
Finance income	-	1,487
(Loss)/Profit before taxation	(492)	10,409
Income tax	-	(2,496)
Net (loss)/profit for the financial year	(492)	7,913
Other comprehensive income	7,759	-
Total comprehensive profit	7,267	7,913
Summarised statements of financial position		
Cash and cash equivalents	4,473	4,132
Other current assets (excluding cash and cash equivalents)	-	157,021
Total current assets	4,473	161,153
Other current liabilities (including trade and other payables and provision)	(626)	(127,546)
Total current liabilities	(626)	(127,546)
Non-current assets	162,327	2,432
Net assets	166,174	36,039

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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 income statements and statements of comprehensive income		
Revenue	-	27,467
Cost of sales	-	(19,809)
Gross profit	-	7,658
Other income	3	32
Administrative expenses	(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
Summarised statements 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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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:

2023	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000	Total RM'000
Net assets as at 1 January	**158,907**	**28,126**	**187,033**
Net (loss)/profit for the financial year	**(492)**	**7,913**	**7,421**
Other comprehensive income	**7,759**	**-**	**7,759**
Net assets as at 31 December	**166,174**	**36,039**	**202,213**
Interest in joint ventures (%)	**49.0**	**50.0**	**-**
Share of net assets	**81,425**	**18,019**	**99,444**
Amounts owing by joint ventures	**-**	**30,092**	**30,092**
Carrying amount of interest in joint ventures	**81,425**	**48,111**	**129,536**
2022			
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 loss	2,089	-	2,089
Net assets as at 31 December	158,907	28,126	187,033
Interest in joint ventures (%)	49.0	50.0	-
Share of net assets	77,864	14,063	91,927
Amounts owing by joint ventures	-	30,092	30,092
Carrying amount of interest in joint ventures	77,864	44,155	122,019

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

Group	2023 RM'000	2022 RM'000
Carrying amounts of interest in joint ventures	**26,970**	36,603
Share of joint ventures' profit/(loss)	**363**	(338)
Share of joint ventures' other comprehensive loss	**-**	(10)
Dividend received/receivable during the financial year	**5,000**	200

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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 (%) 2023	Group's effective interest (%) 2022
*	Blackfriars Limited [1]	Property investment	Guernsey	**50.00**	50.00
	Hampshire Properties Sdn. Bhd. [2]	Property development and property investment	Malaysia	**50.00**	50.00
*	Kumpulan Sierramas (M) Sdn. Bhd. [2]	Property development	Malaysia	**50.00**	50.00
	Kundang Properties Sdn. Bhd. [3]	Property development	Malaysia	**50.00**	50.00
*	Mahanathee Chao Phraya Co. Ltd. [4]	Property development	Thailand	**49.00**	49.00
	Pekeliling Land Sdn. Bhd. [3]	Property holding	Malaysia	**50.00**	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 member firm PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.*

18 CONCESSION RECEIVABLES

Group	2023 RM'000	2022 RM'000
Non-current	**107,309**	110,846
Current	**5,683**	5,107
	112,992	115,953

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, with a remaining service period of 7 to 19 years (2022: 8 to 20 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 2023
(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	2023 RM'000	2022 RM'000
Fair value	**114,317**	117,351

The fair values are based on cash flows discounted based on the discount rate of 3.95% (2022: 4.04%). The fair values are within level 3 of the fair value hierarchy.

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	**36,646**	36,784	**-**	-
Deferred tax liabilities	**(164,945)**	(151,877)	**(16,104)**	(14,403)
Deferred tax liabilities (net)	**(128,299)**	(115,093)	**(16,104)**	(14,403)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	**(115,093)**	(97,071)	**(14,403)**	(12,641)
(Charged)/Credited to statements of comprehensive income:				
Property, plant and equipment and investment properties	**(9,906)**	(9,850)	**(66)**	(91)
RCPS and RCCPS	**-**	39	**-**	39
Deferred lease incentives	**739**	3,285	**-**	-
Land revaluation	**(2,126)**	(2,201)	**-**	-
Unutilised tax losses and unabsorbed capital allowances	**5,771**	(6,363)	**-**	-
Prepaid rental	**(576)**	(1,495)	**-**	-
Provision and others	**(7,326)**	(1,342)	**(1,635)**	(1,967)
	(13,424)	(17,927)	**(1,701)**	(2,019)
Charged to equity:				
RCPS and RCCPS	**-**	257	**-**	257
Currency translation difference	**218**	(352)	**-**	-
At 31 December	**(128,299)**	(115,093)	**(16,104)**	(14,403)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment and investment properties	**4,826**	8,432	**-**	-
Land revaluation	**5,444**	7,570	**-**	-
Provisions and others	**7,228**	10,307	**-**	-
Unutilised tax losses	**23,760**	17,988	**-**	-
Prepaid rental	**714**	1,290	**-**	-
	41,972	45,587	**-**	-
Offsetting	**(5,326)**	(8,803)	**-**	-
Deferred tax assets (after offsetting)	**36,646**	36,784	**-**	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment and investment properties	**(137,730)**	(131,430)	**(212)**	(146)
Deferred lease incentives	**-**	(739)	**-**	-
Others	**(32,541)**	(28,511)	**(15,892)**	(14,257)
	(170,271)	(160,680)	**(16,104)**	(14,403)
Offsetting	**5,326**	8,803	**-**	-
Deferred tax liabilities (after offsetting)	**(164,945)**	(151,877)	**(16,104)**	(14,403)

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:

	2023	2022
Group	RM'000	RM'000
Unutilised tax losses		
- expiry by year of assessment 2028	**179,730**	187,129
- expiry by year of assessment 2029	**6,327**	6,327
- expiry by year of assessment 2030	**8,473**	8,473
- expiry by year of assessment 2031	**7,906**	7,906
- expiry by year of assessment 2032	**4,301**	4,301
- expiry by year of assessment 2033	**7,684**	-
Deductible temporary differences with no expiry		
- unabsorbed capital allowance	**112,970**	105,462
- land revaluation	**84,413**	84,413
- investment tax allowance	**257,864**	257,864
	669,668	661,875
Deferred tax assets not recognised at 24% (2022: 24%)	**160,720**	158,850

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(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	2023	2022
	RM'000	RM'000
Unquoted shares outside Malaysia		
Quadria Capital Fund L.P. ("Fund")	**36,768**	53,407
Rework Holdings Pte. Ltd.	**230**	219
	36,998	53,626

Level 3 instruments mentioned above are private equity securities and as there are no observable prices available for these securities, the fair value of the Fund is within level 3 of the fair value hierarchy.

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	2023	2022
	RM'000	RM'000
At 1 January	**53,626**	68,360
Disposal	**(19,732)**	(23,188)
Fair value gain	**3,104**	8,454
At 31 December	**36,998**	53,626

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

Group and Company	2023	2022
	RM'000	RM'000
USD	**36,998**	53,626

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

Group and Company	2023	2022
	RM'000	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	**335**	12,694

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for the financial year ended 31 December 2023
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21 AMOUNTS OWING FROM/(TO) ASSOCIATES AND JOINT VENTURES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amounts owing from associates	6	100	-	100
Amounts owing from joint ventures	1,730	1,775	-	-
	1,736	1,875	-	100
Amounts owing to associates	(4)	(4)	-	-

The amounts owing from associates and joint ventures represent advances which are unsecured, interest-free except for an amount of RM100,000 (2022: interest-free), which carries interest at a rate of 5.06% per annum.

The amounts owing to associates are unsecured, interest-free (2022: interest-free) and repayable on demand.

22 RECEIVABLES AND CONTRACT ASSETS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Trade and other receivables				
Trade receivables	94,322	119,524	-	-
Accrued billing in relation to lease income	28,005	18,397	-	-
Less: Provision for impairment	(14,873)	(17,798)	-	-
	107,454	120,123	-	-
Other receivables	56,916	278,341	19	14
Deposits	5,830	20,640	1,299	2,134
Less: Provision for impairment	(21,293)	(21,296)	-	-
	41,453	277,685	1,318	2,148
Deferred lease incentives	18,100	13,064	-	-
Prepayments	10,531	7,016	706	768
Total	177,538	417,888	2,024	2,916

As at 31 December 2023, included in trade receivables is an amount of nil (2022: RM9.8 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.

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(continued)

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise of the following:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Deposits with licensed banks (Note 23(b))	**760,329**	1,010,986	**53,460**	32,837
Cash and bank balances (Note 23(b))	**577,641**	338,327	**34,421**	38,474
	1,337,970	1,349,313	**87,881**	71,311
Deposits, cash and bank balances	**1,337,970**	1,349,313	**87,881**	71,311
Cash held under Housing Development Accounts (Note 23(a))	**1,101**	1,607	**-**	-
Less: Fixed deposit with maturity of more than 3 months	**(136,644)**	(340,696)	**(12,875)**	(24,936)
Cash and cash equivalents	**1,202,427**	1,010,224	**75,006**	46,375

Deposits with licensed banks of the Group and the Company as at 31 December 2023 have an average maturity period of 72 days (2022: 113 days) and 68 days (2022: 148 days) respectively.

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

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Deposits with licensed banks:				
RM	**3.32**	2.73	**3.40**	2.94
GBP	**5.57**	4.35	**-**	-
USD	**5.50**	4.87	**5.50**	4.90
AUD	**4.45**	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 were 1.40% (2022: 1.33%) per annum.

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for the financial year ended 31 December 2023
(continued)

23 CASH AND CASH EQUIVALENTS (continued)

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

Group	2023 RM'000	2022 RM'000
Deposits with licensed banks:		
IGB REIT Capital Sdn. Bhd.	**31,000**	30,167
IGB Commercial REIT Capital Sdn. Bhd.	**24,143**	22,085
Southkey Megamall Sdn. Bhd.	**30,550**	29,733
MVS North Tower Sdn. Bhd	**1,000**	-
	86,693	81,985
Cash and bank balances:		
MVS South Tower Sdn. Bhd.	**1,521**	1,508
MVS Northpoint Hotel Sdn. Bhd.	**3,268**	2,665
	4,789	4,173
Total debt service reserve account	**91,482**	86,158

Included in the deposits placed with licenced banks and cash and bank balances of the Group is a pledged deposit of RM86.7 million (2022: RM81.9 million) and RM4.8 million (2022: RM4.2 million), which is maintained in a Debt Service Reserve Account to cover the interest on borrowings (Note 29). Total balance of RM62.6 million (2022: RM29.7 million) is presented as a fixed deposit with a maturity of more than three months.

24 SHARE CAPITAL

Group and Company	2023 Number of shares '000	2023 Value RM'000	2022 Number of shares '000	2022 Value RM'000
Issued and fully paid				
Ordinary shares:				
At 1 January	**905,427**	**1,394,110**	905,351	1,393,859
Issued during the financial year	**452,712**	**-**	76	251
At 31 December	**1,358,139**	**1,394,110**	905,427	1,394,110
RCCPS:				
At 1 January	**-**	**-**	39,649	96,626
Converted during the financial year	**-**	**-**	(76)	(187)
Redemption during the financial year	**-**	**-**	(39,573)	(96,439)
At 31 December	**-**	**-**	-	-

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

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.

All RCCPS has been fully redeemed in the prior year and was paid by way of cash.

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(continued)

25 TREASURY SHARES

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 29 May 2023, approved the Company's plan to purchase its own shares up to a maximum of 10% of the total number of issued shares of the Company. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company's treasury shares increased from 4,286,732 to 10,326,198 by way of a repurchase of 3,255,100 of its ordinary share capital from the open market for RM7,908,356 and receiving a bonus issue of 2,784,366 shares. The average price paid for these shares repurchased was RM2.43 per share.

As at 31 December 2023, a total of 10,326,198 (2022: 4,286,732) ordinary shares were held as treasury shares. The cost of treasury shares as at 31 December 2023 and 31 December 2022 is summarised as follows:

			Cost per share		Average
	No. of shares	Total cost	Low	High	cost per share
2023		RM	RM	RM	RM
Group and Company					
At 1 January	4,286,732	9,746,745			2.27
Repurchased in 2023:					
January	126,000	299,690	2.34	2.38	2.38
February	79,800	197,906	2.40	2.50	2.48
March	737,300	2,058,871	2.52	3.02	2.79
April	12,500	37,646	2.98	2.99	3.01
May	247,500	740,749	2.95	2.99	2.99
June	304,100	687,117	1.92	2.95	2.26
July	277,100	579,076	1.97	2.13	2.09
August	87,000	185,217	2.05	2.13	2.13
September	141,200	301,032	2.11	2.13	2.13
October	84,000	181,769	2.15	2.16	2.16
November	218,600	508,300	2.21	2.40	2.33
December	940,000	2,130,983	2.20	2.45	2.27
	3,255,100	7,908,356			2.43
Bonus issue					
June 2023	2,784,366	-			-
At 31 December	10,326,198	17,655,101	-	-	1.71

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

25 TREASURY SHARES (continued)

2022	No. of shares	Total cost RM	Cost per share Low RM	Cost per share High RM	Average cost per share 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

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 2023, the number of outstanding ordinary shares in issue after the setting off treasury shares was 1,347,813,689 (2022: 901,140,693).

26 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARE (RCCPS)

(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 4.3%. Where there is no distributable profit, the entitlement to the preferential dividend shall be accumulated.

(iv) The RCCPS will carry no right to vote at any general meeting of the Company except with regards to the following:

(a) when the dividend or part of the dividend on the RCCPS is in arrears for more than six (6) months;
(b) on a proposal to reduce the Company's share capital in accordance with Section 116 or 117 of the Act;
(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
(d) on a proposal that affects rights attached to the RCCPS;
(e) on a proposal to wind up the Company; and
(f) during the winding-up of the Company.

(v) The RCCPS shall rank pari passu among themselves, and will rank after the RCPS.

(vi) The RCCPS shall rank in priority to the Company's shares in any distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

26 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARE (RCCPS) (continued)

(a) RCCPS (continued)

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	2023 RM'000	2022 RM'000
Liabilities component:		
At 1 January	**-**	17,913
Amortisation of interest expense (Note 9)	**-**	244
Dividends paid (Note 32)	**-**	(3,421)
Converted into ordinary shares	**-**	(30)
Redemption	**-**	(14,706)
At 31 December	**-**	-

27 OTHER RESERVES

Group	Fair value through other comprehensive income RM'000	Exchange fluctuation reserve RM'000	Total RM'000
2023			
At 1 January	**11,934**	**(485)**	**11,449**
Currency translation differences	**-**	**50,620**	**50,620**
Changes in fair values of financial assets at fair value through other comprehensive income	**3,104**	**-**	**3,104**
At 31 December	**15,038**	**50,135**	**65,173**
2022			
At 1 January	3,480	28,553	32,033
Currency translation differences	-	(29,038)	(29,038)
Changes 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

NOTES TO THE FINANCIAL STATEMENTS

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(continued)

27 OTHER RESERVES (continued)

Company	Fair value through other comprehensive income RM'000
2023	
At 1 January	**12,196**
Changes in fair values of financial assets at fair value through other comprehensive income	**3,104**
At 31 December	**15,300**
2022	
At 1 January	3,742
Changes in fair values of financial assets at fair value through other comprehensive income	8,454
At 31 December	12,196

28 PAYABLES AND CONTRACT LIABILITIES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Trade and other payables:				
Trade payables	**100,612**	102,853	**-**	-
Trade accruals	**3,544**	7,891	**-**	-
Other payables	**24,348**	30,613	**491**	55
Accrued dividend payable to IGB REIT's and IGBCR's non-controlling interests	**64,507**	57,477	**-**	-
Accruals	**60,191**	77,122	**7,213**	20,984
Accruals in relation to construction activities	**81,556**	76,206	**-**	-
Deposits received from tenants and customers	**255,584**	253,458	**6**	6
Lease liabilities (Note 12(c)(ii))	**461**	460	**4,014**	397
Prepaid rental	**19,937**	14,957	**-**	-
Contract liabilities (Note 28(A))	**32,263**	30,464	**-**	-
	643,003	651,501	**11,724**	21,442
Non-current				
Lease liabilities (Note 12(c)(ii))	**16,813**	17,780	**3,897**	577
Total	**659,816**	669,281	**15,621**	22,019

(a) Included in the trade and other payables of the Group is a retention sum of RM28.5 million (2022: RM41.8 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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

28 PAYABLES AND CONTRACT LIABILITIES (continued)

(A) Contract liabilities

The contract liabilities as at 31 December 2023 and 31 December 2022 were not impacted by significant changes in contract terms.

Group	2023 RM'000	2022 RM'000
Net carrying amount of contract liabilities is analysed as follows:		
At 1 January	**(30,464)**	(15,331)
Revenue recognised that was included in the balance at the beginning of the financial year	**14,804**	14,385
Revenue recognised during the financial year	**327,535**	64,786
Less: Billings during the financial year	**(344,138)**	(94,304)
At 31 December	**(32,263)**	(30,464)

29 INTEREST BEARING BANK BORROWINGS

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Secured:					
Revolving credits	(a)	**228,000**	753,500	**228,000**	753,500
Term loans	(b)	**261,508**	165,799	**-**	-
Medium Term Notes	(c)	**2,047,810**	3,046,770	**-**	-
		2,537,318	3,966,069	**228,000**	753,500
Current					
Secured:					
Revolving credits	(a)	**73,040**	83,658	**477**	6,151
Term loans	(b)	**22,484**	2,214	**-**	-
Medium Term Notes	(c)	**1,018,608**	18,536	**-**	-
Unsecured:					
Revolving credits	(a)	**21,036**	21,181	**-**	-
		1,135,168	125,589	**477**	6,151
Total:					
Revolving credits	(a)	**322,076**	858,339	**228,477**	759,651
Term loans	(b)	**283,992**	168,013	**-**	-
Medium Term Notes	(c)	**3,066,418**	3,065,306	**-**	-
		3,672,486	4,091,658	**228,477**	759,651

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29 INTEREST BEARING BANK BORROWINGS (continued)

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revolving credits:				
RM	**322,076**	858,339	**228,477**	759,651
Term loans:				
RM	**283,992**	166,199	**-**	-
RMB	**-**	1,814	**-**	-
	283,992	168,013	**-**	-
Medium Term Notes:				
RM	**3,066,418**	3,065,306	**-**	-
Total	**3,672,486**	4,091,658	**228,477**	759,651

The currency profile and weighted average effective interest rates of the borrowings are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
Revolving credits:				
RM	**4.76**	3.63	**4.74**	3.63
Term loans:				
RM	**5.20**	5.22	**-**	-
RMB	**5.50**	5.55	**-**	-
Medium Term Notes:				
RM	**4.93**	4.15	**-**	-

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 2 of the fair value hierarchy.

The carrying amounts and fair values of the borrowings for the Group and the Company are as follows:

	2023		2022	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revolving credits	**322,076**	**322,076**	858,339	858,339
Term loans	**283,992**	**283,992**	168,013	168,013
Medium Term Notes	**3,066,418**	**3,087,885**	3,065,306	3,065,257
	3,672,486	**3,693,953**	4,091,658	4,091,609
Company				
Revolving credits	**228,477**	**228,477**	759,651	759,651

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(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

The maturity profile of the borrowings are as follows:

Group	Maturity profile < 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total carrying amount RM'000
2023				
Revolving credits:				
Floating interest rate, secured	**73,040**	**228,000**	**-**	**301,040**
Floating interest rate, unsecured	**21,036**	**-**	**-**	**21,036**
Term loans, secured:				
Floating interest rate	**22,484**	**27,850**	**233,658**	**283,992**
Medium Term Notes, secured:				
Floating interest rate	**1,003,402**	**-**	**848,387**	**1,851,789**
Fixed interest rate	**15,206**	**-**	**1,199,423**	**1,214,629**
	1,135,168	**255,850**	**2,281,468**	**3,672,486**
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
Company				
2023				
Revolving credits:				
Floating interest rate, secured	**477**	**228,000**	**-**	**228,477**
2022				
Revolving credits:				
Floating interest rate, secured	6,151	-	753,500	759,651

(a) Revolving credits

A. The Company has a Revolving Credit facility ("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% (2022: 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.

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29 INTEREST BEARING BANK BORROWINGS (continued)

(a) Revolving credits (continued)

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;

(vi) Placement of quarterly principal payment in Debt Service Reserve Account to be opened with the bank.

C. Undrawn revolving credit facilities of the Group amounted to RM710.8 million (2022: RM180.3 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.

The term loan was fully repaid on 30 August 2023.

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 1 July 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) Corporate guarantee granted by the Company;

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

(iii) Placement of quarterly principal payment in Debt Service Reserve Account to be opened with the bank.

The subsidiary has drawndown additional RM18.5 million during the financial year, totalling RM84 million.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2023
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

(b) Term loans (continued)

Term loans ("TL") obtained by the Group comprise of the following (continued):

C. Another subsidiary has 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 commenced on the 27th month from the date of 1st drawdown;

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

(c) secured by:

(i) Corporate guarantee granted by the Company;

(ii) Legal charge over the Hotel erected or to be erected thereon upon issuance of relevant strata titles;

(iii) Charge over the Debt Service Reserve Account.

The subsidiary has drawndown additional RM19 million during the financial year, totalling RM119 million.

D. During the financial year, a subsidiary obtained a TL of RM80 million with a tenure of eight and a half (8.5) years from the date of 1st drawdown with the following terms:

(a) the TL is repayable over 28 quarterly principal amounts commenced on 1 April 2024;

(b) interest rate is based on Kuala Lumpur Interbank Offered Rate (KLIBOR) along with a margin of 1.50% per annum; and

(c) secured by:

(i) Corporate guarantee granted by the Company;

(ii) Fixed charge on a 25-storey office tower commercial building of a subsidiary company (Note 14);

(iii) Placement of quarterly principal payment in Debt Service Reserve Account to be opened with the bank.

The subsidiary has fully drawndown RM80 million during the financial year.

(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 Securities 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").

On 20 September 2022, IGBRC issued the second tranche AAA-rated MTN ("REIT Tranche 2, MTN") amounting to 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;

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

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

A. IGB REIT Capital Sdn. Bhd. ("IGBRC") (continued)

The REIT Tranche 2 MTN is secured against, among others, the following (continued):

(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 2021, SKM had obtained an approval for the extension of the maturity date of its MTN for a further 36 months. The maturity date has been further extended to 20 December 2024.

The MTN bears a floating interest rate of 6-months KLIBOR and a margin of 1.50% (2022: 1.50%) 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;

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

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

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

The 8 years MTN Programme is secured against, among others, the following (continued):

(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.

The 8-year MTN Programme's Expected Maturity is on 20 December 2024 and SKM intends to refinance the 8-year MTN Programme. As such, the entire amount outstanding as at 31 December 2023 is presented as current liabilities.

C. IGB Commercial REIT Capital Sdn. Bhd. ("IGBCRC")

On 17 September 2021, IGBCRC, a special purpose vehicle wholly-owned by IGBCR via MTrustee Berhad (acting in its capacity as trustee for IGBCR) issued the first tranche unrated MTN ("IGBCRC Tranche 1, MTN") amounting to RM850 million which was advanced to IGBCR to part finance the acquisitions of the 10 properties. The MTN has been initially measured at its fair value of RM850 million less transaction costs of RM2.97 million that are directly attributable to the issuance of the MTN.

The IGBCRC Tranche 1, MTN has a tenure of 8.5 to 10.5 years ("Legal Maturity") effective from 17 September 2021 and it consists of 3 series. Series 1, Series 2 and Series 3 amounted to RM544.0 million, RM136.0 million, RM170.0 million respectively with legal maturity date of 15 March 2030, 17 March 2031, 17 March 2032 respectively; and expected maturity date of 17 September 2026, 17 September 2027 and 18 September 2028 respectively.

For the first 5 to 7 years ("Expected Maturity"), the IGBCRC Tranche 1, MTN bears a coupon rate of 3-months KLIBOR + 1.76% per annum. The RM850 million has to be fully repaid on Expected Maturity, otherwise it will cause a trigger event that will result in coupon rate to be stepped up by 1% per annum from the Expected Maturity Date up to its Legal Maturity Date. In addition, the trigger event is required to be remedied by IGBCRC within 14 business days failing which the MTN's Security Trustee may exercise its relevant power under the programme to recover the sum due.

The IGBCRC Tranche 1, MTN is secured against, among others, the following:

(i) a third-party legal assignment of the Trustee's present and future rights, titles, interests and benefits in Menara IGB and IGB Annexe, Centrepoint South Tower, Centrepoint North Tower, The Gardens South Tower, The Gardens North Tower, Southpoint Offices, Menara Tan & Tan, GTower and Hampshire Place Office ("9 properties") and under the sale and purchase agreement in relation to 9 properties. In the event the subdivision of master title is completed and a separate strata title is issued for 9 properties ("9 properties Strata Title"), a third party first legal charge shall be created on 9 properties Strata Title;

(ii) a third party legal assignment over all the Trustee's rights, titles, interests and benefits under the proceeds derived from the tenancy/lease agreements in relation to 9 properties;

(iii) a third party legal assignment of the Trustee's present and future rights, titles, interests and benefits under all insurance policies in relation to 9 properties and the Security Trustee (acting for and on behalf of the MTN holders) being named as the co-insured and loss payee of the insurance policies;

(iv) a third party first ranking legal assignment and charge over the revenue and operating accounts of the IGBCRC Tranche 1, MTN;

(v) a first party 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

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 relating to assets classified as held-for-sale are as follows:

Group	2023 RM'000	2022 RM'000
At 1 January	**1,531**	-
Transfer from land held for property development (Note 13(a))	**-**	382
Transfer from property, plant and equipment (Note 12)	**-**	1,149
Disposal	**(1,531)**	-
At 31 December	**-**	1,531

31 AMOUNTS OWING FROM/(TO) SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Amounts owing from subsidiaries	**108,140**	78,863
Less: Provision for impairment	**(14,507)**	(15,391)
	93,633	63,472
Amounts owing to subsidiaries	**(582,501)**	(69,720)

The amounts owing from subsidiaries are unsecured, repayable on demand and carry interest rates of 5.06% (2022: 4.38%) per annum.

The amounts owing to subsidiaries are unsecured, repayable on demand and carry interest rates of 2.98% (2022: 2.62%) per annum.

The amounts owing from/(to) subsidiaries as at 31 December 2023 and 31 December 2022 approximated their fair values.

32 DIVIDENDS

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

	2023		2022	
	Gross dividend per share	Amount of dividend, net of tax RM'000	Gross dividend per share	Amount of dividend, net of tax RM'000
RCCPS				
Single tier	**-**	**-**	4.30%	3,421
Ordinary shares				
First interim single tier	**5.0 sen**	**67,433**	5.0 sen	45,061
Second interim single tier	**-**	**-**	5.0 sen	45,181
Special interim single tier	**2.0 sen**	**26,973**	-	-
	7.0 sen	**94,406**	10.0 sen	90,242

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

32 DIVIDENDS (continued)

Dividends paid in 2023

On 29 November 2023, the Directors declared an Interim Single Tier dividend of 5.0 sen per ordinary share and a Special Single-Tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2023 which was paid on 21 December 2023, amounting to RM94,406,000.

Dividends paid in 2022

RCCPS

On 25 February 2022, the Directors declared an Interim Single Tier dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 September 2021 up to and including 1 March 2022 which was paid on 18 March 2022, 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 properties 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 2023 are as follows:

Group	2023 RM'000	2022 RM'000
Less than one (1) year	**562,415**	519,772
Between one (1) and two (2) years	**396,566**	377,026
Between two (2) and three (3) years	**215,941**	173,877
Between three (3) and four (4) years	**87,925**	37,894
Between four (4) and five (5) years	**28,171**	19,174
More than five (5) years	**48,156**	87,172
	1,339,174	1,214,915

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

34 REMAINING PERFORMANCE OBLIGATIONS

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

Service charges:

Group	2023 RM'000	2022 RM'000
Less than one (1) year	**184,872**	161,965
Between one (1) and two (2) years	**124,691**	121,907
Between two (2) and three (3) years	**56,448**	58,839
Between three (3) and four (4) years	**20,978**	10,100
Between four (4) and five (5) years	**7,502**	5,681
More than five (5) years	**13,392**	23,467
	407,883	381,959

35 CAPITAL COMMITMENTS

Group	2023 RM'000	2022 RM'000
Approved and contracted for:		
Investment properties	**21,935**	30,846
	21,935	30,846

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fees	**1,933**	1,543	**915**	698
Salaries, bonus and allowances	**36,441**	36,450	**13,423**	14,813
Defined contribution plan	**3,654**	3,756	**1,508**	1,594
	42,028	41,749	**15,846**	17,105
Benefits-in-kind	**611**	607	**180**	209
	42,639	42,356	**16,026**	17,314

Included in the key management compensation is Executive Director's remuneration as disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

36 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions agreed with the related parties.

Related parties	Relationship
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
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.
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:

	2023	2022
Group	**RM'000**	**RM'000**
Light boxes rental, pedestrian bridge and office rental:		
Strass Media Sdn. Bhd.	**532**	414
Lease of space and related facilities:		
Wasco Management Services Sdn. Bhd.	**963**	962
Purchase of building materials, electrical equipment and appliances and related services:		
Wah Seong (Malaya) Trading Co. Sdn. Bhd.	**1,350**	1,768
Company		
Dividend income from subsidiaries:		
IGB Corporation Berhad	**40,243**	-
GTower Sdn. Bhd.	**5,600**	-
IGB REIT	**181,510**	170,935
IGBCR	**34,623**	21,916
Rental of premises payable to subsidiaries:		
Tan & Tan Developments Berhad	**83**	93
IGBCR	**55**	3,962
Fees from management services receivable from subsidiaries:		
Mid Valley City Sdn. Bhd.	**1,490**	1,331
IGB REIT Management Sdn. Bhd.	**2,456**	2,212
Tan & Tan Developments Berhad	**945**	961
IGB Property Management Sdn. Bhd.	**1,596**	1,503

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023
(continued)

36 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

The significant related party balances are as follows:

Group	2023 RM'000	2022 RM'000
Amounts owing from associates:		
New Commercial Investments Limited	**23,618**	21,377
Pacific Land Thailand Co., Ltd	**1,840**	1,632
Amount owing from joint venture:		
Kundang Properties Sdn. Bhd.	**30,092**	30,092
Company		
Amounts owing from subsidiaries:		
G Village Retail Sdn. Bhd.	**23,501**	1,038
IGB Digital Sdn. Bhd.	**1,212**	21
IGBCR	**20,998**	17,879
IGB REIT	**46,888**	42,813
Pangkor Island Resort Sdn. Bhd.	**-**	1,450
Amounts owing to subsidiaries:		
Idaman Spektra Sdn. Bhd.	**-**	(15,000)
Mid Valley City North Tower Sdn. Bhd.	**-**	(5,000)
Tan & Tan Realty Sdn. Bhd.	**-**	(7,700)
Mid Valley City Sdn. Bhd.	**-**	(16,000)
IGB Corporation Berhad	**(582,485)**	(26,000)

37 SUBSEQUENT EVENT DISCLOSURE

On 3 January 2023, Kundang Properties Sdn. Bhd., a joint venture company, entered into a conditional sale and purchase agreement to dispose off eight parcels of freehold lands situated in Bandar Kundang, District of Gombak, State of Selangor Darul Ehsan for a total consideration of RM360 million. The sale was completed on 18 March 2024.

38 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 2024.

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 120 to 228 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 2023 and of the financial performance of the Group and of the Company for the financial year ended 31 December 2023, 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 2024.

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 120 to 228 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 2024.

Rosli Bin Saad (No. PJS: W904)
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 2023, 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 2023 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 material accounting policy information, as set out on pages 120 to 228.

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) Assessment of recoverable amounts of hotel properties The carrying amount of the Group's hotel properties amounted to RM1.23 billion as at 31 December 2023. The hotel industry continues to recover post the Covid-19 pandemic phase. Whilst the results of the Group's Hotel division have shown improvement compared to the previous year, the occupancy rates of the hotels continue to be challenged by the uncertain economic environment.	Our audit procedures included the following: For recoverable amounts determined using the value-in-use method: (i) Discussed with management and understand the basis of the weightage of multiple scenarios value-in-use calculations; (ii) Discussed with management the methodology and challenged the key assumptions used in the value-in-use calculations;

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) Assessment of recoverable amounts of hotel properties (continued) Management considers each hotel as a separate cash-generating unit and have updated their impairment assessments on the carrying amounts of the hotel properties against their recoverable amounts. The recoverable amounts of hotel properties are the higher of fair value less costs to sell ("FVLCTS") and value-in-use ("VIU"). The recoverable amounts of hotel properties have been determined either by the management using discounted cash flow projections based on the VIU method or fair value determined by an independent external valuer using the comparable approach based on the FVLCTS method. 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 judgments and estimates that could result in material misstatements. Refer to Note 2(c) for the accounting policy, Note 4 and Note 12 to the financial statements.	Our audit procedures included the following: (continued) (iii) Tested the significant inputs underpinning the value-in-use calculations which include the occupancy rates and average room rates of the hotel properties by benchmarking to historical results and expected future performance of the hotel properties; (iv) Assessed the appropriateness of discount rates used by management, with the involvement of our valuation experts; and (v) Tested the mathematical accuracy of the models. For recoverable amounts determined using the fair value less cost to sell method: (i) Evaluated competency of independent external valuer which include consideration of their qualifications, expertise and objectivity; and (ii) Assessed the reasonableness of the significant inputs underpinning the comparable approach such as the basis of adjustments made to the comparable hotel properties transactions prices by considering factors such as location, size, tenure, comparable transaction dates and cost of disposal. Based on the above procedures, we did not identify any material exception.
2) Assessment of recoverable amounts/net realisable value of vacant lands in Johor The Group has vacant lands in Medini, Johor with the carrying amounts of RM114.7 million comprising amounts classified as investment properties (Right-of-use assets) of RM38.3 million and inventories (Land held for property development) of RM76.4 million. The continued property overhang and oversupply of properties in Johor continues to pose a challenge for the Group. The recoverable amounts and net realisable value of the vacant lands have been determined by an independent external valuer using the comparable approach based on the FVLCTS method. Based on management's assessment, there were no impairment losses or write downs recognised in both the investment properties and inventories respectively. We focused on this area because the determination of the recoverable amounts via management's external valuer's valuation involved significant judgements and estimates that could result in material misstatements. Refer to Note 2(d) and Note 2(k) for the accounting policy, Note 4, Note 13 and Note 14 to the financial statements.	Our audit procedures included the following: (i) Evaluated competency of independent external valuer which include consideration of their qualifications, expertise and objectivity; and (ii) Assessed the reasonableness of the significant inputs underpinning the comparable approach such as the basis of adjustments made to the comparable lands transactions prices by considering factors such as its location, size, tenure, comparable transaction date and cost of disposal. 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 the other information contained within the 2023 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.

(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.

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)

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

TAN CHIN YEE
03380/06/2024 J
Chartered Accountant

Kuala Lumpur
25 April 2024

SHAREHOLDING STATISTICS
as at 29 March 2024

Issued Shares	:	1,358,139,887 Ordinary Shares
Number of Shareholders	:	4,608
Voting Rights	:	1 vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	676	14.67	19,758	0.00
100 - 1,000	452	9.81	146,429	0.01
1,001 - 10,000	2,344	50.87	10,036,731	0.75
10,001 - 100,000	921	19.99	26,301,504	1.95
100,001 - less than 5% of Issued Shares	211	4.58	744,082,857	55.23
5% and above Issued Shares	4	0.08	566,663,910	42.06
Total	**4,608**	**100.00**	**1,347,251,189[#]**	**100.00**

Note:
[#] Excluding 10,888,698 treasury shares retained by IGB as per Record of Depositors

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	375,378,255	27.86	283,621,381	21.05
Tan Kim Yeow Sendirian Berhad	133,544,529	9.91	265,993,939	19.74
Dato' Seri Robert Tan Chung Meng	7,926,919	0.59	399,538,468	29.66
Pauline Tan Suat Ming	538,299	0.04	399,538,468	29.66
Tony Tan Choon Keat	-	-	399,538,468	29.66
Wah Seong (Malaya) Trading Co. Sdn Bhd	213,684,459	15.86	52,309,480	3.88
HSBC Holdings plc	-	-	110,032,143	8.17
HSBC Asia Holdings Limited	-	-	110,032,143	8.17
The HongKong and Shanghai Banking Corporation Limited	-	-	110,032,143	8.17
HSBC International Trustee (Holdings) Pte Ltd	-	-	110,032,143	8.17
HSBC International Trustee Limited	-	-	110,032,143	8.17

Note:
** Deemed interest held by other corporations by virtue of Section 8(4) of the Companies Act 2016*

DIRECTORS' INTERESTS IN IGB AND RELATED CORPORATIONS

	IGB				IGB Real Estate Investment Trust				IGB Commercial Real Estate Investment Trust			
	Shares				Units				Units			
	Direct		Indirect*		Direct		Indirect*		Direct		Indirect*	
Name of Directors	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Tan Lei Cheng	25,775,213	1.91	-	-	2,005,944	0.06	-	-	24,350,919	1.03	-	-
Tan Boon Lee	19,631,239	1.46	22,349,023	1.66	2,325,714	0.06	-	-	18,106,301	0.76	-	-
Tan Mei Sian (Alternate Director to Tan Lei Cheng)	1,369,957	0.10	-	-	300,000	0.01	-	-	3,622,749	0.15	-	-
Dato' Lee Kok Kwan	-	-	-	-	11,171	0.00	-	-	-	-	-	-
Dato' Seri Robert Tan Chung Meng	7,926,919	0.59	399,538,468	29.66	16,272,721	0.45	1,954,656,293	54.22	15,330,424	0.65	1,536,312,145	64.72
Elizabeth Tan Hui Ning (Alternate Director to Dato' Seri Robert Tan Chung Meng)	45,810	0.00	-	-	4,811,000	0.13	-	-	1,136,200	0.05	-	-

Note:
** Deemed interest held by other corporations by virtue of Section 8(4) of the Companies Act 2016*

SHAREHOLDING STATISTICS

as at 29 March 2024
(continued)

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS
(Excluding 10,888,698 treasury shares)

	Name of Shareholders	No. of Shares	% of Shares
1	Tan Chin Nam Sendirian Berhad	189,004,811	14.03
2	Wah Seong (Malaya) Trading Co. Sdn Bhd	152,038,614	11.29
3	Tan Chin Nam Sendirian Berhad	126,533,652	9.39
4	Tan Kim Yeow Sendirian Berhad	99,086,833	7.35
5	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)	64,188,971	4.76
6	CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS-PB)	51,375,559	3.81
7	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Chin Nam Sendirian Berhad (PB)	49,380,192	3.66
8	HSBC Nominees (Asing) Sdn Bhd Exempt An for The HongKong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	49,191,877	3.65
9	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Wang Majujaya Sdn Bhd (PB)	33,148,519	2.46
10	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for Pangolin Asia Fund	31,690,089	2.35
11	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	30,331,509	2.25
12	Wah Seong (Malaya) Trading Co. Sdn Bhd	28,146,196	2.09
13	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Securities Pte Ltd for Tan Kim Yeow Sendirian Berhad	25,074,667	1.86
14	Wah Seong Enterprises Sdn Bhd	23,063,928	1.71
15	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Boon Lee (PB)	22,349,023	1.66
16	Amanahraya Trustees Berhad Public Smallcap Fund	20,052,895	1.49
17	Tan Boon Lee	19,631,239	1.46
18	Tan Lei Cheng	18,696,406	1.39
19	Scanstell Sdn Bhd	17,627,442	1.31
20	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	17,464,844	1.30
21	Wah Seong (Malaya) Trading Co. Sdn Bhd	14,056,291	1.04
22	Choy Wor Lin	12,397,719	0.92
23	Wah Seong Enterprises Sdn Bhd	11,821,300	0.88
24	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kuan Gin	10,062,453	0.75
25	Tentang Emas Sdn Bhd	9,931,323	0.74
26	Tan Kim Yeow Sendirian Berhad	9,383,029	0.70
27	Wah Seong (Malaya) Trading Co. Sdn Bhd	8,454,117	0.63
28	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Boon Seng (PB)	8,341,159	0.62
29	Dasar Mutiara (M) Sdn Bhd	7,839,475	0.58
30	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Lei Cheng (PB)	7,078,807	0.52

NOTICE OF 2024 ANNUAL GENERAL MEETING

Notice convening the Twenty-Fourth Annual General Meeting of Shareholders ("SHs") of IGB ("2024 AGM")
To be held on **Tuesday**, **28 May 2024**, at **2.30 p.m.** in a **virtual** (online) format at **https://tiih.online**

Resolutions numbered 1 to 8 are being proposed as ordinary resolutions, requiring more than half of the votes cast must be in favour of the resolution (save for Resolution 3 which is subject to a 2-tier vote).

1. **Financial Statements and Reports**
   To receive IGB's Financial Statements and Reports of the Directors and Auditor for the year ended 31 December 2023 ("FY23").

2. **Resolution 1 – Re-election of Tan Lei Cheng** ("TLC")
   That TLC be re-elected as Non-Independent Non-Executive Director ("NINED") of IGB.

3. **Resolution 2 – Re-election of Dato' Dr. Zaha Rina binti Zahari** ("DDZR")
   That DDZR be re-elected as Independent Non-Executive Director ("INED") of IGB.

4. **Resolution 3 – Retention of Lee Chaing Huat** ("LCH")
   That LCH, having served as INED of IGB more than 9 years, be retained as INED and to hold office until IGB's AGM in 2025.

5. **Resolution 4 – Remuneration of Non-Executive Directors** ("NEDs")
   That remuneration of NEDs of up to RM1,203,000 comprising fees (FY23), meeting allowances and benefits-in-kind (FY24), be approved.

6. **Resolution 5 – Re-appointment of Auditor and determination of Auditor's remuneration**
   That PricewaterhouseCoopers PLT ("PwC") be reappointed as Auditor of IGB to hold office until IGB's AGM in 2025 and, that the Board of Directors ("Board") be authorised to determine the remuneration of the Auditor for FY24.

7. **Resolution 6 – Directors' authority to issue and allot ordinary shares in IGB** ("Shares") ("Share Issue Mandate")
   That pursuant to sections 75 and 76 of the Companies Act 2016 ("CA2016") and paragraph 6.04 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR"), the Board be authorised to issue and allot Shares, up to a number not exceeding, in total, 10% of the total number of issued Shares (excluding treasury Shares) at any time and upon such terms and conditions, for such purposes and to such persons as IGB may in its absolute discretion deem fit and expedient in the interests of IGB ("Share Issue Mandate") and, that the Share Issue Mandate (unless revoked or varied by SHs in a general meeting) shall continue in force until IGB's AGM in 2025 and, that the Board be authorised to take such decisions and/or actions as may be necessary to give effect to the Share Issue Mandate and/or this resolution.

8. **Resolution 7 – Renewal of Share Buyback Mandate** ("SBB Mandate")
   That pursuant to section 127 of CA2016 and paragraph 12.06 of MMLR, IGB be authorised to make market purchases of its issued Shares not exceeding in aggregate 10% of the total number of issued Shares (excluding treasury Shares), as may be determined by IGB as it considers fit in accordance with all applicable laws and regulations ("SBB Mandate") and, that the Board be 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 manner as prescribed by the CA2016, rules and regulations made pursuant thereto) and, that the SBB Mandate (unless revoked or varied by SHs in a general meeting) shall continue in force until IGB's AGM in 2025 and, that the Board be authorised to take such decisions and/or actions as may be necessary to give effect to the SBB Mandate and/or this resolution.

9. **Resolution 8 – Renewal of Recurrent Related Party Transactions Mandate** ("RRPT Mandate")
   That pursuant to paragraph 10.09 of MMLR, IGB and its subsidiaries ("Group") be authorised to enter into any of the transactions falling within the categories of RRPT described in the Statement/Circular to SHs dated 29 April 2024 ("Statement/Circular"), with the Transacting Parties mentioned therein, provided that such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of IGB and its minority SHs ("RRPT Mandate") and, that the RRPT Mandate (unless revoked or varied by SHs in a general meeting) shall continue in force until IGB's AGM in 2025, and that the Board be authorised to take such decisions and/or actions as may be necessary to give effect to the RRPT Mandate and/or this resolution.

By Order of the Board

Tina Chan
Group Company Secretary
MAICSA7001659/SSM PC No. 201908000014

Kuala Lumpur
29 April 2024

Explanatory Memorandum

1. **Financial Statements and Reports**
   The Financial Statements and Reports are contained in the 2023 Annual Report ("AR23") and can be accessed at **www.igbbhd.com**. Neither the CA2016 nor IGB's Constitution requires a vote of SHs on this item. A reasonable opportunity will be given to SHs to ask questions in relation to the content of Financial Statements and Reports.

NOTICE OF 2024 ANNUAL GENERAL MEETING
(continued)

2. **Re-election of TLC**
   TLC was appointed as NINED on 20 September 2000. Under Clause 84 of IGB's Constitution, all Directors must submit for re-election every 3 years ("1/3-rotation rule"). TLC is obliged to retire pursuant to the 1/3-rotation rule. TLC will, upon re-election as a Director remain as Non-Independent Non-Executive Chairman.

3. **Re-election of DDZR**
   DDZR was appointed as INED on 1 June 2018. DDZR is obliged to retire pursuant to the 1/3-rotation rule. DDZR will, upon re-election as a Director remain as INED, Chairman of Nomination Committee ("NC") and a member of Audit Committee ("AC") and Remuneration Committee ("RC").

4. **Retention of LCH**
   LCH was appointed as INED on 8 December 2014, and he has reached the cumulative 9-year independence limit in December 2023. LCH will, upon retention as INED, continue to serve as Chairman of AC, and a member of NC and RC until IGB's AGM in 2025.

   The Resolutions 1, 2 and 3 proposed in items 2, 3 and 4, are to approve the re-election/retention of Directors. The Board through NC had completed the individual performance review of TLC, DDZR and LCH in respect of their fitness and propriety, contribution, time commitment, and independence on the Board, and confirmed that they will be able to continue contributing positively to the work of Board/Board Committees ("BCs"), and to take decisions objectively in the interests of IGB. The Board had also concluded that DDZR and LCH are independent in character and judgement. Further details of this assessment are set out in the AR23 in the section headed Corporate Governance Overview Statement ("CGOS"). Their biographical details are set out in the section headed Profile of Directors.

5. **Remuneration of NEDs**
   The Resolution 4 proposed in item 5 is to approve the payment of, (a) NEDs' fee of RM915,000 for FY23, (b) meeting allowances of up to RM188,000 (on the basis of the anticipated number of Board and BC meetings for FY24, assuming attendance by all Directors at such meetings, and also caters to additional Board/BC members being appointed in the course of FY24), and (c) benefits-in-kind of up to RM100,000.

   There have been no changes to the fees and meeting allowances. The Board opined that the payments to NEDs are just and equitable, taking into account their roles and responsibilities towards IGB. More information is provided in the CGOS section.

   Given the interests of NEDs in remuneration, the NEDs will not vote on Resolution 4 at the 2024 AGM.

6. **Re-appointment of Auditor and determination of Auditor's remuneration**
   The Resolution 5 proposed in item 6 is to re-appoint PwC as IGB's Auditor, to serve until the conclusion of IGB's AGM in 2025 and to authorise the Board through AC, to set the auditor's remuneration. The Board through AC had conducted the annual performance assessment of PwC (the details are set out in the CGOS), and had recommended that PwC be reappointed until IGB's AGM in 2025.

7. **Share Issue Mandate**
   The Resolution 6 proposed in item 7, if passed, will empower the Board, from the date of 2024 AGM until IGB's AGM in 2025, to issue and allot up to 10% of the total number of issued Shares (excluding treasury Shares). The same authority given at the 2023 AGM was not used. The authority is being sought in order to preserve flexibility to IGB for any strategic acquisition opportunities involving equity or partly equity or such purposes as the Board considers to be in the interest of IGB.

8. **SBB Mandate**
   The Resolution 7 proposed in item 8, if passed, will renew the SBB Mandate for IGB to make market purchases of up to 10% of its Shares in accordance with all applicable laws and regulations and in such manner as the Directors may deem fit and expedient in the interest of IGB, from the date of 2024 AGM until IGB's AGM in 2025. More details relating to the SBB Mandate are set out in **Part A of the Statement/Circular**.

   As at 29 March 2024, being the last practicable date before publication of this Notice of 2024 AGM, IGB held 10,888,698 Shares as treasury Shares, representing 0.81% of IGB's issued Shares (excluding treasury Shares) at that date. For information, no dividends are paid on Shares whilst held in treasury and no voting rights attached to treasury Shares.

9. **RRPT Mandate**
   The Resolution 8 proposed in item 9, if passed, will renew the RRPT Mandate for the Group to enter into certain types of transactions with specific classes of Transacting Parties, from the date of 2024 AGM until IGB's AGM in 2025. More details relating to the RRPT Mandate are set out in **Part B of the Statement/Circular**. The Interested Directors set out in the Statement/Circular and their connected persons will not vote on Resolution 8.

NOTICE OF 2024 ANNUAL GENERAL MEETING
(continued)

Important Information

1. The 2024 AGM will be broadcast through live audio-visual. SHs that want to vote or ask questions at the 2024 AGM should access the virtual meeting by logging on to **https://tiih.online**. Further information on how to register and join the 2024 AGM are set out in the Virtual Meeting Guide.

2. Registered SHs on Monday, 20 May 2024 will be entitled to participate and vote at the 2024 AGM.

3. Registered SHs have rights to appoint up to 2 proxies to exercise all or any of their rights to participate and vote at the 2024 AGM, provided that the shareholding proportion to be represented by each proxy is specified. A proxy need not be a SH. A proxy form, which may be used to make such an appointment and give proxy instructions, accompanies this Notice of 2024 AGM.

4. To be effective, proxy appointment (and any power of attorney or other authority under which it is signed), must be received no later than 2.30 p.m., Sunday, 26 May 2024, either by mail/by hand to Tricor Investor & Issuing House Services Sdn Bhd ("TIIH"), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or online **https://tiih.online**.

5. If registered SHs intend to appoint the Chairman of the meeting as their proxies, SHs can direct the Chairman how to vote by marking the boxes for the relevant resolution. However, if SHs do not mark a box next to the resolution items, SHs will be expressing authorising the Chairman to vote as she sees fit.

6. SHs may contact IGB's share registry, TIIH, at helpline number 603-2783 9299 or email **is.enquiry@tricorglobal.com** if they have questions, require assistance on e-proxy submission and the process to pre-register, participate and vote at the 2024 AGM, or encounter any log-in difficulties.

7. SHs may submit questions related to the resolutions to be tabled for approval at the 2024 AGM, in advance by email to **corporate-enquiry@igbbhd.com** before Monday, 20 May 2024. Answers will be grouped thematically, and provided during the 2024 AGM, and made available on IGB's website at **www.igbbhd.com** in the days following 2024 AGM.

View the AR23, Statement/Circular and this Notice of 2024 AGM on IGB's website at www.igbbhd.com or, alternatively, a copy may be obtained by sending an email to corporate-enquiry@igbbhd.com.

VIRTUAL MEETING GUIDE

(1) Remote Participation and Voting ("RPV")

As the holding of the 2024 AGM in the form of a virtual event, Shareholders to pay special attention to the procedures for RPV facility as summarised below:

	Procedure	Action
BEFORE IGB 2024 AGM		
(a)	Sign up as a user with TIIH Online	▪ 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 1 working day and you will be notified via email on the approval/rejection of your user registration. ▪ If you are already a user with TIIH Online, you are not required to register.
(b)	Submit your request to attend 2024 AGM	▪ Registration is open from 2.30 pm on Monday, 29 April 2024 **until the day of 2024 AGM on Tuesday**, **28 May 2024**. ▪ Login with your user ID and password and select the corporate event: "**(REGISTRATION) IGB BERHAD 2024 AGM**". ▪ Read and agree to the Terms and 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 20 May 2024, the system will send you an email, approving or rejecting your registration for remote participation.
IGB 2024 AGM DAY		
(a)	Login to TIIH Online	▪ Login with your user ID and password for remote participation at the 2024 AGM from 2.10 p.m. i.e., 20 minutes before the commencement of 2024 AGM at 2.30 p.m. on Tuesday, 28 May 2024.
(b)	Participate through Live Streaming	▪ Select the corporate event: "**(LIVE STREAMING MEETING) IGB BERHAD 2024 AGM**" to engage in the 2024 AGM proceedings remotely. ▪ If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions (related to the business of the 2024 AGM) submitted by remote participants during the 2024 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.
(c)	Online Remote Voting	▪ Select the corporate event: "**(REMOTE VOTING) IGB BERHAD 2024 AGM**". ▪ Read and agree to the Terms and Conditions and confirm the Declaration. ▪ Voting session commences from 2.30 p.m. on Tuesday, 28 May 2024 until a time when the Chairman announces the completion of the voting session of the 2024 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.
(d)	End of RPV	▪ Upon the announcement by the Chairman on the closure of 2024 AGM, the Live Streaming will end.

Note:
Please call TIIH's Help Lines at 011-40805616/ 011-40803168/ 011-40803169/ 011-40803170 or email to **tiih.online@my.tricorglobal.com** for assistance if you encounter problems with the RPV.

(2) Electronic Submission of Proxy Form ("e-Proxy")

The procedures for submission of e-Proxy are summarised below:

	Procedure	Action
1.	**Individual Shareholders**	
(a)	Sign up as a user with TIIH Online	▪ Access 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.

VIRTUAL MEETING GUIDE
(continued)

(2) Electronic Submission of Proxy Form ("e-Proxy") (continued)

	Procedure	Action
1.	**Individual Shareholders** (continued)	
(b)	Proceed with submission of e-Proxy	▪ Login with your user name (i.e., email address) and password. ▪ Select the corporate event: "**IGB BERHAD 2024 AGM -Submission of Proxy Form**". ▪ Read and agree to the Terms and Conditions and confirm the Declaration. ▪ Insert your CDS account number and indicate the number of units for your proxy(s) to vote on your behalf. ▪ Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman 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	▪ Access 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 1 to 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 2024 AGM -Submission of Proxy Form**". ▪ Read and agree to the Terms and 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. ▪ Submit the proxy appointment file. ▪ 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.

(3) Enquiry

Should you need assistance to access the RPV facility and e-Proxy submission, please contact the following persons at TIIH:

(a) Encik Hayman Daniel : +603-2783 9145 (**Hayman.Daniel @my.tricorglobal.com**)
(b) Syafiqul Hafidz : +603-2783 9024 (**Syafiqul.Hafidz@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 Shareholder ("SH") 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 2024 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 2024 AGM of IGB to be held at 2.30 p.m. on Tuesday, 28 May 2024.

Ordinary Resolutions		First Proxy		Second Proxy	
		For	Against	For	Against
1.	Re-election of Tan Lei Cheng				
2.	Re-election of Dato' Dr. Zaha Rina binti Zahari				
3.	Retention of Lee Chaing Huat				
4.	Remuneration of Non-Executive Directors				
5.	Re-appointment of Auditor and determination of Auditor's remuneration				
6.	Share Issue Mandate				
7.	SBB Mandate				
8.	RRPT Mandate				

Dated this ________ day of ____________________ 2024

____
Signature/Common Seal of Shareholder

Important Information

1. The 2024 AGM will be broadcast through live audio-visual. SHs that want to vote or ask questions at the 2024 AGM should access the virtual meeting by logging on to **https://tiih.online**. Further information on how to register and join the 2024 AGM are set out in the Virtual Meeting Guide.
2. Registered SHs on Monday, 20 May 2024 will be entitled to participate and vote at the 2024 AGM.
3. Registered SHs have rights to appoint up to 2 proxies to exercise all or any of their rights to participate and vote at the 2024 AGM, provided that the shareholding proportion to be represented by each proxy is specified. A proxy need not be a SH. A proxy form, which may be used to make such an appointment and give proxy instructions, accompanies this Notice of 2024 AGM.
4. To be effective, proxy appointment (and any power of attorney or other authority under which it is signed), must be received no later than 2.30 p.m., Sunday, 26 May 2024, either by mail/by hand to Tricor Investor & Issuing House Services Sdn Bhd ("TIIH"), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or online **https://tiih.online**.
5. If registered SHs intend to appoint the Chairman of the meeting as their proxies, SHs can direct the Chairman how to vote by marking the boxes for the relevant resolution. However, if SHs do not mark a box next to the resolution items, SHs will be expressing authorising the Chairman to vote as she sees fit.
6. SHs may contact IGB's share registry, TIIH, at helpline number 603-2783 9299 or email **is.enquiry@tricorglobal.com** if they have questions, require assistance on e-proxy submission and the process to pre-register, participate and vote at the 2024 AGM, or encounter any log-in difficulties.
7. SHs may submit questions related to the resolutions to be tabled for approval at the 2024 AGM, in advance by email to **corporate-enquiry@igbbhd.com** before Monday, 20 May 2024. Answers will be grouped thematically, and provided during the 2024 AGM, and made available on IGB's website at **www.igbbhd.com** in the days following 2024 AGM.

Fold this flap for sealing

Fold along this line (2)

IGB BERHAD
200001013196 (515802-U)

PROXY FORM

Affix
RM0.80
stamp

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

Fold along this line (1)

IGB BERHAD
200001013196 (515802-U)

2023 ANNUAL REPORT REQUEST FORM

Please select the document(s) you would like to receive by ticking (✓) within the box provided:

☐ 2023 Annual Report

☐ Statement/Circular to Shareholders

For further information, you may contact Tan Lay Ling at 603-2289 8821 or Anita Kumary at 603-2289 8823

Name of Shareholder : ____________________

NRIC No./Company No. : ____________________

Mailing Address : ____________________

____

Email Address : ____________________

Contact Number : ____________________

Signature : ____________________

Date : ____________________

Fold this flap for sealing

fold here

IGB BERHAD
200001013196 (515802-U)

2023 ANNUAL REPORT REQUEST FORM

AFFIX STAMP
RM0.80

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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www.igbbhd.com

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200001013196 (515802-U)

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