

2023 ANNUAL GENERAL MEETING

Broadcast Venue

Matahari 3 & 4 Level 5, Cititel Mid Valley Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Malaysia

Day and Date

Thursday, 27 April 2023

Time 12.30 pm



QR Code for Annual Report 2022

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Annual Report 2022 Request Form

CORPORATE DIRECTORY

MANAGER

IGB REIT Management Sdn Bhd 201201006785 (908168-A)

CMSL/A0305/2013

Address : Level 32. The Gardens South Tower

Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur

Malaysia

: 603-2289 8989 Telephone : 603-2289 8802 Telefax Website : www.igbreit.com

: corporate-enquiry@igbreit.com Fmail : investorrelations@igbreit.com Investor Relation : feedback@igbreit.com Feedback

BOARD OF DIRECTORS OF THE MANAGER

Tan Sri Dato' Prof. Lin See Yan

Chairman/Independent Non-Executive Director

Halim bin Haji Din

Independent Non-Executive Director

Le Ching Tai @ Lee Chen Chong

Independent Non-Executive Director

Robert Ang Kim Pack

Independent Non-Executive Director

Dato' Seri Robert Tan Chung Meng

Non-Independent Non-Executive Director

Tan Lei Cheng

Non-Independent Non-Executive Director

Tan Boon Lee

Non-Independent Non-Executive Director

Elizabeth Tan Hui Ning

Non-Independent Executive Director CMSRL/B3789/2013

Tan Mei Sian

Non-Independent Executive Director eCMSRL/B9732/2020

CHIEF EXECUTIVE OFFICER OF THE MANAGER

Antony Patrick Barragry CMSRL/B4114/2013

HEAD OF COMPLIANCE/COMPANY SECRETARY OF THE MANAGER

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

TRUSTEE

MTrustee Berhad

198701004362 (163032-V) Tingkat 15, Menara AmFirst No. 1, Jalan 19/3 46300 Petaling Jaya Selangor Darul Ehsan

Malaysia

Telephone : 603-7954 6862 Telefax : 603-7954 3712

PROPERTY MANAGER

Chartwell ITAC International Sdn Bhd

197901008026 (52312-H) B-11-3A - B-11-05

Level 11, Gateway Corporate Suites

Gateway Kiaramas

No. 1, Jalan Desa Kiara, Mont Kiara

50480 Kuala Lumpur

Malaysia

Telephone : 603-6201 6288 Telefax : 603-6203 0088

AUDITOR

PricewaterhouseCoopers PLT

(LLP0014401-LCA & AF 1146) Level 10, 1 Sentral, Jalan Rakyat Kuala Lumpur Sentral 50470 Kuala Lumpur

Malaysia

Telephone : 603-2173 1188 Telefax : 603-2173 1288

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

PRINCIPAL BANKER

Hong Leong Bank Berhad

193401000023 (97141-X) Level 1, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur

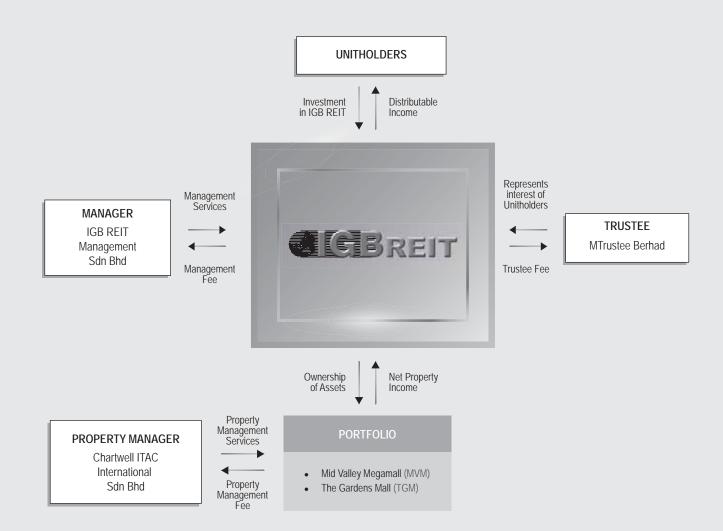
Malaysia

Telephone : 603-2164 2525 Telefax : 603-2164 7922

REIT STRUCTURE

Investment Objective

To provide the Unitholders with regular and stable distributions, sustainable long-term unit price and distributable income and capital growth, while maintaining an appropriate capital structure.



REIT INFORMATION

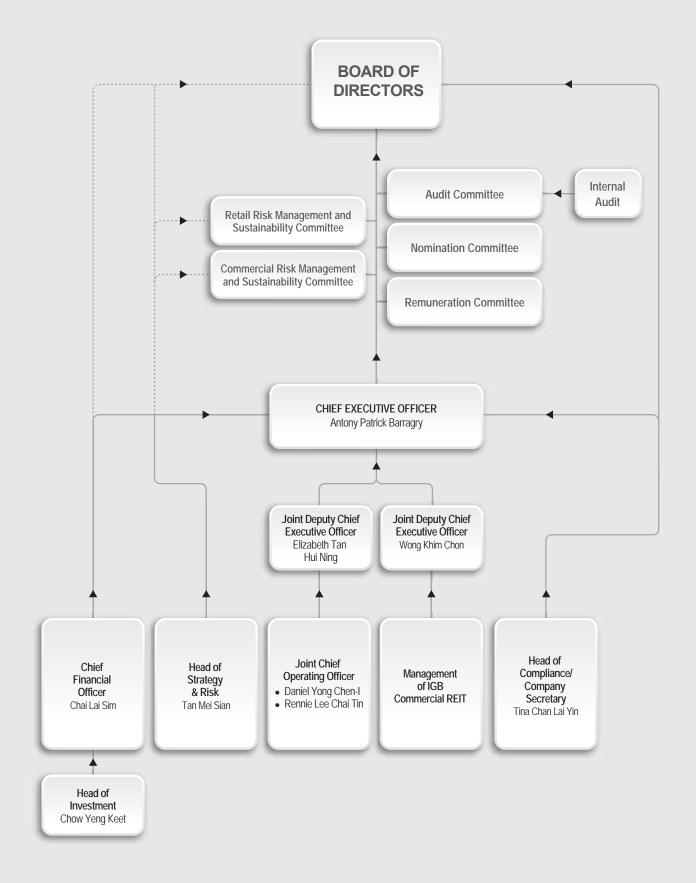
Fund Name	IGB REIT
Fund Category	Real Estate Investment Trust
Fund Type	Income and Growth
Fund Duration	The earlier of: the occurrence of any of events listed in Clause 27.2 of the deed of trust dated 18 July 2012 (as supplemented on 25 October 2018) (Deed); the date 999 years after 25 July 2012 (the date of establishment of IGB REIT); or the date IGB REIT is terminated by the Manager under Clause 27.1(b) of the Deed
Investment Policy	To invest, directly and indirectly, in a diversified portfolio of income producing Real Estate used primarily for retail purposes in Malaysia and overseas
Authorised Investments	(a) Real Estate; (b) Non-Real Estate Assets; (c) Cash, deposits and money market instruments; and (d) any other investments not covered by (a) to (c) but specified as a permissible investment in the Securities Commission Malaysia's (SC) Guidelines on Listed Real Estate Investment Trusts (REIT Guidelines) or as may be permitted by the SC
Investment Limits	The investments of IGB REIT are subject to the following investment limits imposed by REIT Guidelines: at least 75% of IGB REIT's total asset value (TAV) must be invested in Real Estate that generates recurrent rental income at at all times; the aggregate investments in Property Development Activities (Property Development Costs) and real estate under construction must not exceed 15% of IGB REIT's TAV; and such other investment or limits as may be permitted by the SC or the REIT Guidelines
Distribution Policy	 At least 90% of IGB REIT's distributable income Quarterly distribution (or at such other intervals as the Manager may decide at its absolute discretion)
Revaluation Policy	Annually by an independent professional valuer
Manager Fee	The Manager may elect to receive its fees in cash or units or a combination of cash and units (as it may in its sole discretion determine): Base Fee: up to 1% per annum of IGB REIT's TAV (excluding cash and bank balances which are held in non-interest bearing accounts) Performance Fee: 5% per annum of IGB REIT's net property income Acquisition Fee: 1% of the acquisition price Divestment Fee: 0.5% of the disposal price
Trustee Fee	Up to 0.03% per annum of IGB REIT's net asset value
Financial Year End	31 December
Quotation	Main Market of Bursa Malaysia Securities Berhad (Bursa)
Listing Date	21 September 2012
Bursa Stock Name and Code	IGBREIT, 5227

REIT PORTFOLIO

Properties	MVM	TGM	
Land area of master title (sq ft)	1,060,783	421,773	
Tenure	Leasehold for 83 years expiring on 11 April 2104	Leasehold for 99 years expiring on 6 June 2103	
Master title particulars	PN 54050, Lot 20013 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	PN 37073, Lot 79 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur#	
Encumbrances/material limitations in master title	 Private caveat lodged by Hong Leong Bank Berhad (Registration No. 193401000023 (97141-X)) vide Presentation No. PDB6233/2021 dated 9 July 2021 Private caveat lodged by Malaysian Trustees Berhad (Registration No. 197501000080 (21666-V)) vide Presentation No. PDB6763/2021 dated 27 July 2021 Private caveat lodged by the Trustee on behalf of IGB Commercial REIT vide Presentation No. PDB7576/2021 dated 17 August 2021 Private caveat lodged by the Trustee on behalf of IGB REIT vide Presentation No. PDB7577/2021 dated 17 August 2021 	Trust caveat lodged by the Trustee on behalf of IGB REIT vide Presentation No. PDB14472/2012 dated 30 August 2012 Trust caveat lodged by the Trustee on behalf of IGB REIT vide Presentation No. PDB16049/2012 dated 26 September 2012	
Restrictions in interest in master title	This land shall not be transferred, leased or charged without the consent of the Federal Territory Land Executive Committee Secretariat (Tanah ini tidak boleh dipindahmilik, dipajak atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)*	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat (Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)	
Express conditions in master title	This land shall be used for commercial building for purpose of office towers, hotels, retail malls, office shops/lots and car park spaces only (Tanah ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan menara pejabat, hotel, pusat membeli-belah, kedai pejabat dan tempat letak kereta sahaja)	This land shall be used for commercial building for purpose of commercial spaces, offices, hotels and service apartments only (Tanah ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan ruang perniagaan, pejabat, hotel dan pangsapuri servis sahaja)	
Туре	Retail		
Appraised Value as at 31 December 2022 (RM'000)	3,700,000	1,320,000	
Purchase consideration (RM'000)	3,440,000	1,160,000	
Net Lettable Area as at 31 December 2022 (sq ft)	1,848,407	847,250	
Gross Floor Area as at 31 December 2022 (sq ft)	6,107,052	3,540,767	
Number of tenancies as at 31 December 2022	557	226	
Occupancy rate as at 31 December 2022 (%)	99.5	97.0	
Number of car park bays as at 31 December 2022	5,992	3,997	

TGM is separately held under 3 issue documents of strata title. The transfer of these strata titles has been registered in favour of the Trustee. The extended expiry date of the State Authority's consent for the transfer of MVM in favour of the Trustee is 10 January 2024.

ORGANISATION STRUCTURE OF THE MANAGER IN RESPECT OF IGB REIT





TAN SRI DATO' PROF. LIN SEE YAN (Malaysian, male, age 83) Chairman/Independent Non-Executive Director (INED)

Board Appointment Board Committee(s)

27 April 2012

Nomination Committee (Chairperson) Remuneration Committee (Chairperson)

Audit Committee (Member)

Academic/ Background/ Working Experience

Tan Sri Dato' Prof. Lin is an independent strategic and financial consultant. Prior to 1998, he was Chairman/President and Chief Executive Officer of Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia (the Central Bank), having been a central banker for 34 years. Tan Sri Dato' Prof. Lin continues to serve the public interest, including Member of a number of key Steering Committees at Ministry of Higher Education; Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia; Member, Asian Shadow Financial Regulatory Committee; Board Director of Sunway University Sdn Bhd; and Governor, Asian Institute of Management, Manila.

Tan Sri Dato' Prof. Lin is Chairman Emeritus of Harvard University's Graduate School Alumni Association Council in Cambridge (USA) as well as President, Harvard Club of Malaysia. He is also Pro-Chancellor & Research Professor. Sunway University; Pro-Chancellor, Universiti Teknologi Malaysia; Professor of Economics (Adjunct), Universiti Utara Malaysia; and Trustee of the Tun Ismail Ali Foundation (PNB), Harvard Club of Malaysia Foundation, Prime Minister's Exchange Fellowship Malaysia, Malaysian Economic Association Foundation and Jeffrey Cheah Foundation.

Professionally qualified in the United Kingdom as a Chartered Statistician, Tan Sri Dato' Prof. Lin is also banker, economist and venture entrepreneur, having received three post-graduate degrees from Harvard University (including a PhD in Economics) where he was a Mason Fellow and Ford Scholar. He is a British Chartered Scientist. Tan Sri Dato' Prof. Lin is an Eisenhower Fellow and a Fellow of the IMF Institute (Washington DC), Royal Statistical Society (London), Asian Institute of Chartered Bankers, Malaysian Insurance Institute (Hon.), Malaysian Institute of Management and Malaysian Economic Association. He is also a Distinguished Fellow of the Institute of Strategic and International Studies in Malaysia.

Tan Sri Dato' Prof. Lin advises the Board of several public companies, and a number of business enterprises in Malaysia, Singapore and Indonesia engaged in mining, petroleum related products, property development, software and private

Public Company Directorship(s)

IGB REIT Management Sdn Bhd (IGB REIT Management) (Manager of IGB Real Estate Investment Trust (IGB REIT) and IGB Commercial Real Estate Investment Trust (IGBCR)) (Chairman)

Ancom Berhad Nylex (Malaysia) Berhad Sunway Berhad

Wah Seong Corporation Berhad (WSCB)





HALIM BIN HAJI DIN (Malaysian, male, age 76) INED

LE CHING TAI @

LEE CHEN CHONG

(Malaysian, male, age 81)

INED

Board Appointment Board Committee(s) 27 April 2012

Audit Committee (Chairperson)

Nomination Committee (Member) Remuneration Committee (Member)

Academic/ Background/ Working Experience

Halim bin Haji Din is a Chartered Accountant who spent more than 30 years working for multinational corporations and international consulting firms.

He accumulated 18 years of experience working in the oil and gas industry - 6 years of which as a Board member of Caltex/Chevron, responsible for financial management before engaging in the consulting business. Prior to his appointment as a Board member of Caltex Malaysia, he served as Regional Financial Advisor for Caltex Petroleum Corporation Dallas, Texas, overseeing investment viability of the corporation's Asian subsidiaries.

He also had an extensive experience in corporate recovery when he worked for Ernst & Whinney, London, United Kingdom in mid-1980's. He was appointed as Managing Partner of the consulting division of Ernst & Young Malaysia from 1995. He later became the Country Advisor of Cap Gemini Ernst & Young Consulting Malaysia when Cap Gemini of France merged with Ernst & Young Consulting. In 2003, he with two partners took over the consulting business of Cap Gemini Ernst & Young Malaysia through a management buyout and rebranded it as Innovation Associates, currently known as IA Group, where he is currently the Chairman of the group.

He was a Council Member of the Malaysian Institute of Certified Public Accountants (MICPA) from 1994 to 2003. He previously served as an independent and nonexecutive director on the board of MMC Corporation Berhad (5 years), Takaful Ikhlas Berhad (10 years), Employees Provident Fund (4 years), Kwasa Land Sdn Bhd (3 years) and BNP Paribas Berhad (9 years).

He is a Member of the Malaysian Institute of Accountants (MIA).

Public Company

IGB REIT Management

WSCB

Directorship(s)

Board Appointment Board Committee(s) 27 April 2012

Audit Committee (Member) Nomination Committee (Member) Remuneration Committee (Member)

Academic/ Background/ Working Experience

Lee Chen Chong spent a total of 34 years in commercial and international banking with local as well as banks overseas. He commenced his banking career with Malayan Banking Berhad in 1962 and was later the General Manager of the bank's London branch from 1972 to 1985. From 1985 to 1993, he was Executive Director (ED) of Malaysian French Bank Berhad (now known as Alliance Bank Berhad) and subsequently appointed the Managing Director (MD) until he relinquished the post at the end of 1993. The next four years saw him spend time overseas as President and a Director of international banks in the Czech Republic, Hungary and Malta

He was associated with Multi-Purpose Holdings Berhad group from 1989 until his retirement as ED in end 2000. He was also ED of Ipmuda Berhad from December 2001 until retiring in January 2008.

Lee Chen Chong is a Fellow of the Chartered Institute of Bankers (FCIB), London.

Public Company

Directorship(s)

IGB REIT Management



ROBERT ANG KIM PACK (Malaysian, male, age 65) INED

Board Appointment Board Committee(s) 26 August 2020

Nomination Committee (Member) Remuneration Committee (Member)

Academic/ Background/ Working Experience

Robert Ang is a registered estate agent. He joined Rahim & Co in 1982 and has extensive experience in the field. Robert Ang was the MD of the Agency in Rahim & Co. for 30 years prior to retiring in 2019.

Over his 38-year career, he has been key in developing the firm's business; working closely with and advising local public-listed companies, foreign governments, multinationals and high net worth individuals on all aspects of their property requirements. Over the last 15 years, Robert Ang has also advised the United Kingdom (UK) and German governments in acquiring and disposing of properties worth more than RM750 million. In 2015, he headed the team appointed by Black Rock and successfully concluded the sale of the Integra Tower at the Intermark, Kuala Lumpur at RM1 billion. In addition to agency and consultancy work, he has considerable experience in valuation and property management.

Robert Ang graduated from the University of Waterloo (Canada) with a Bachelor's Degree in Mathematics.

Public Company Directorship(s)

IGB REIT Management



DATO' SERI ROBERT

TAN CHUNG MENG

(Malaysian, male, age 70)

Non-Independent Non-

Executive Director (NINED)

Board Appointment

21 March 2012

Academic/ Background/ Working Experience

Dato' Seri Robert Tan, appointed on 21 March 2012, was redesignated as NINED of the Manager on 1 January 2023. Prior to his redesignation, he was MD of the Manager from September 2012 to December 2022.

Dato' Seri Robert Tan, who has been on the Board of IGB Berhad (IGB) Group since 1995, was also redesignated as NINED on 1 January 2023 after he relinquished his position as Group Chief Executive Officer (GCEO) on 31 December 2022. He has held various leadership positions over the course of his 27-year career in IGB Group. He was GCEO on 30 March 2018, and before that, Group MD of IGB Corporation Berhad (IGBC) (delisted and privatised on 16 March 2018 by IGB, then known as Goldis Berhad (Goldis)) from 30 May 2001 to 29 March 2018, and Joint MD from 18 December 1995 to 29 May 2001.

With his operational leadership experiences in IGB Group, 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 UK, 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 the IGB Group, notably the Mid Valley City. 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.

Public Company Directorship(s)

IGB REIT Management

IGBC

WSCB (Chairman) Yayasan Tan Kim Yeow

(continued



TAN LEI CHENG (Malaysian, female, age 64) NINED

Board Appointment

27 April 2012

Board Committee(s)

Nomination Committee (Member) Remuneration Committee (Member)

Academic/ Background/ Working Experience

Tan Lei Cheng has more than 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 Malaysia Securities Berhad. Following the completion of the merger between (IGBC and Tan & Tan on 8 May 2002, she assumed the role of Executive Chairman and CEO of Goldis (now known as IGB, 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 IGB on 16 March 2018, she remains as NEC of IGB.

Tan Lei Cheng holds a Bachelor of Commerce from University of Melbourne, Australia and a Bachelor of Law from King's College, London (LLB Hons), England. She was admitted to the English Bar in 1983. She is a member of the Lincoln's Inn and the Young Presidents' Organisation (Gold), Malaysia Chapter.

Public Company Directorship(s)

IGB (Chairman)
IGB REIT Management
Dato' Tan Chin Nam Foundation

Board Appointment 26 August 2020

Academic/ Background/ Working Experience Tan Boon Lee is GCEO of IGB, and Exco Chair of Hotel division. Preceding that, he was Deputy GCEO (DGCEO) from 1 June 2018 to 31 December 2022, ED of IGBC (delisted and privatised on 16 March 2018 by IGB, then known as Goldis) from June 2003 to May 2018, and CEO of Tan & Tan (the property-arm of IGBC) from January 2008 to December 2018.

Tan Boon Lee has over 30 years of operational and executive management experience in the property and hotel industries, giving management and technical assistance to hotel and hospitality projects in Malaysia and Asia. He had served as President of Malaysian Association of Hotel Owners from 2002 to 2004.

Tan Boon Lee holds a Bachelor of Economics from Monash University, Australia and a Master of Business Administration from Cranfield School of Management, United Kingdom.

Public Company Directorship(s)

IGB (GCEO)

IGB REIT Management

IGBC

Dato' Tan Chin Nam Foundation



TAN BOON LEE (Malaysian, male, age 59) *NINED*



ELIZABETH TAN HUI NING (Malaysian, female, age 39) Non-Independent Executive Director (NIED)/ Joint Deputy Chief Executive Officer (Joint DCEO)

Board Appointment

27 April 2012

Board Committee(s)

Retail Risk Management and Sustainability Committee (RMSC) (Member)

Academic/ Background/ Working Experience

Elizabeth Tan is NIED and Joint DCEO of the Manager. Elizabeth Tan 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 Joint DCEO on 1 January 2023, she was Joint Chief Operating Officer and Head of Operations/Leasing (TGM) of the Manager overseeing and managing the day-to-day operations of leasing including asset enhancement strategies.

Elizabeth Tan has close to 19 years of retail management and operations experience; in particular, she was a key member of TGM pre-opening team. She joined Mid Valley City Gardens Sdn Bhd (MVCG), a wholly-owned subsidiary of IGB, in August 2004 as Head of Operations/Leasing, and in January 2011 as ED, then elected CEO, a position she still holds.

Elizabeth Tan was appointed to the Board of IGB on 29 August 2022 as alternate director to Dato' Seri Robert Tan Chung Meng.

Elizabeth Tan holds a Bachelor of Business Administration (First Class Honours) from Cardiff University, Wales, United Kingdom.

Public Company Directorship(s)

IGB (Alternate Director) IGB REIT Management

Board Appointment 11 June 2020

Board Committee(s)

IGB REIT - Retail RMSC (Member) IGBCR - Commercial RMSC (Member)

Academic/ Background/ Tan Mei Sian was appointed HSR of the Manager on 1 February 2020, a position she still holds, and NIED on 11 June 2020.

Working Experience

Tan Mei Sian is DGCEO of IGB and Exco chair of Group Property Investment (Commercial) and Other Investment divisions. She is an alternate to Tan Lei Cheng on the board of IGB. Prior to her appointment as DGCEO on 1 January 2023, she was Head of Group Strategy & Risk, a role she held until 31 December 2022. Preceding that, she was NIED of Goldis (renamed IGB on 20 March 2018) from 18 May 2016 to 30 August 2018.

Earlier in her career, Tan Mei Sian was an Engagement Manager at Oliver Wyman, specialising in financial services strategy and risk management consulting, having worked with major financial institutions in the United States, UK, Netherlands, China, Taiwan, Hong Kong, Singapore, Malaysia, Thailand and Australia.

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

Public Company Directorship(s)

IGB (DGCEO/Alternate Director)

IGB REIT Management

Tan & Tan

Other disclosures

- Except for Dato' Seri Robert Tan Chung Meng, Tan Lei Cheng, Tan Boon Lee, Elizabeth Tan Hui Ning and Tan Mei Sian, none of the Directors has any family relationship with any Directors and/or major shareholder of the Manager and/or major unitholders of IGB REIT.
- 2. None of the Directors has any conflicts of interest with the Manager and/or IGB REIT other than the recurrent related party transactions as disclosed in Corporate Governance Overview Statement.
- None of the Directors has been convicted of any offence (other than traffic offences) within the past 5 years.
- 4. None of the Directors has been imposed with public sanction or penalty by the relevant regulatory bodies during financial year ended 31 December 2022 (FY2022).
- Details of attendance of Board and Board Committees by each Director held in FY2022 as disclosed in Corporate Governance Overview Statement.
- Details of unitholdings held by each Director in IGB REIT as disclosed in **Unitholding Statistics**.



TAN MEI SIAN (Malaysian, female, age 39) NIED/ Head of Strategy & Risk (HSR)

PROFILE OF MANAGEMENT



ANTONY PATRICK BARRAGRY (British/Permanent Resident of Malaysia, male, age 71) Chief Executive Officer (CEO)

Academic/ Background/ Working Experience

Antony Barragry is CEO of the Manager since IGB REIT was listed in September 2012. He is a member of Retail RMSC.

Antony Barragry is a qualified architect with more than 40 years of international experience in the design, development and operations of mixed-use developments. His prior work experience includes Jebel Ali Hotel development in Dubai, Putra World Trade Centre in Kuala Lumpur and Kempinski Ciragan Palace Hotel in Istanbul. His career with IGB group commenced with Renaissance Kuala Lumpur Hotel in 1993; then, as Project Director for phase 1 of Mid Valley City, including Mid Valley Megamall (MVM); and subsequent, appointed Executive Director (ED) of Mid Valley City Sdn Bhd (MVC), a wholly-owned subsidiary of IGB, in 2002, where he spearheaded the development of more than 6 million square feet of commercial space in Mid Valley City's phase 2 (TGM and The Gardens Hotel & Residences), phase 3 (Southpoint Mid Valley, which is currently under construction) and phase 4 (Northpoint). He was also Project Director for the design and construction of St Giles Hotel-Heathrow, London, and Pangkor Island Beach Resort upgrade in 2004 (which is presently undergoing redevelopment work and will be converted into luxury villas). He was CEO of MVCG from January 2008 until he relinquished the post in September 2012.

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

He does not have (a) any family relationship with any Director and/or major shareholder of the Manager and/or major unitholders of IGB REIT; (b) any conflict of interest with the Manager and/or IGB REIT; (c) any conviction of offences (other than traffic offences) within the past 5 years; (d) any public sanction and/or penalty imposed by the relevant regulatory bodies during FY2022.



WONG KHIM CHON

Joint DCEO

Academic/ Background/ Working Experience Wong Khim Chon was appointed DCEO of the Manager on 1 June 2021 and redesignated as Joint DCEO on 1 January 2023. He is a member of Commercial RMSC.

He has over 35 years of experience in the real estate industry in areas of building and civil construction, property development, project management and property management. He began his career with Hong Leong Property Management Co. Sdn Bhd and later with Guobena Sdn Bhd, both wholly-owned subsidiaries of Guocoland Berhad (formerly, Hong Leong Property Berhad), started as management trainee in 1984 and worked his way up as General Manager (GM) developing various building types from residential, industrial, highrise condominiums, commercial offices, hotel to government projects, both in Malaysia and Singapore.

Thereafter, in 1997, he joined Taraf Wijaya Sdn Bhd as GM, overseeing projects in Cameron Highlands, Ipoh and Bangi. From 1998 to 2002, as Managing Partner of Manifold Alliance Sdn Bhd, he was responsible in overseeing the management of project portfolio which included housing and industrial projects in Johor, township development in Sepang, Hulu Langat and Port Dickson. He then moved to Great Eastern Life Assurance (M) Berhad as Head of Property, overseeing the acquisition and management of investment properties as well as branch offices from 2002 to 2008. Subsequently from 2008 until 2010, he joined IGB Corporation Berhad (IGBC) to head its Group Property Management (GPM) division and was tasked in managing the commercial assets of the group in Mid Valley City and Kuala Lumpur Central Business District.

He was then attached with Hap Seng Land Sdn Bhd, the property arm of Hap Seng Consolidated Berhad as Senior 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 listed AmFIRST Real Estate Investment Trust.

He was the Head of GPM of IGB in August 2018 and CEO of IGB Property Management Sdn Bhd (IGBPM) in January 2019 until he relinquished the posts on 31 May 2021.

He also served as the Vice Chairman of the Management Board of the Malaysian REIT Managers Association in 2016.

He holds a Master of Business Administration from University of Strathclyde, Glasgow, Scotland, a Bachelor of Engineering (Hons) in Civil Engineering from University of Malaya, and a Certified Diploma in Accounting and Finance of The Association of Chartered Certified Accountants, UK.

PROFILE OF MANAGEMENT

ELIZABETH TAN HUI NING Joint DCEO

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

TAN MEI SIAN **HSR**

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

DANIEL YONG CHEN-I Joint Chief Operating Officer (Joint COO)

Academic/ Background/ Working Experience

Daniel Yong is Joint COO, MVM of the Manager since IGB REIT was listed in September 2012. He is also a member of the Retail RMSC.

He joined MVC in 1999 as a member of the pre-opening retail development team. He was appointed ED of MVC in 2003 and currently the CEO, responsible for overseeing the management and operation of MVM. He was also involved in the design and pre-opening of TGM from 2004 to 2007. His prior work experience includes the development of bespoke systems with BYG Systems Ltd in England and Operational Management with Wah Seong Engineering Sdn Bhd, the distributor and manufacturer for Toshiba Elevator and Escalators in Malaysia.

Daniel Yong is a law graduate from University of Bristol, England.

RENNIE LEE CHAI TIN Joint COO

Academic/ Background/ Working Experience

Rennie Lee is Joint COO of the Manager. She is a member of the Retail RMSC. 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 Joint COO on 1 January 2023, she was the Head of Operations/Leasing (MVM) of the Manager overseeing and managing the day-to-day operations of leasing including asset enhancement strategies.

Rennie Lee has over 30 years 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 Mid Valley City. Rennie Lee is concurrently GM of MVC since 1995. Preceding that, her past work experiences involved leasing and marketing of shopping malls such as Mahkota Parade, Subang Parade and IOI City Mall.

CHAI LAI SIM Chief Financial Officer (CFO)

Academic/ Background/ Working Experience

Chai Lai Sim is CFO of the Manager since IGB REIT was listed in September 2012.

Chai Lai Sim has over 30 years of experience in audit, corporate finance, capital management strategy including treasury, financial accounting and taxation in property development, commercial and retail property investment and hospitality industries. She began her career as an articled student with Coopers & Lybrand (now known as PriceWaterhouseCoopers) before joining Tan & Tan as Group Financial Controller in 1993. Following the completion of the merger between Tan & Tan and IGBC in 2002, she was appointed Senior Group GM of Group Finance and subsequently as Group CFO of IGBC. After the privatisation of IGBC by IGB on 16 March 2018, she was appointed as Group CFO (GCFO) of IGB.

She is a Member of the MIA and MICPA.

CHOW YENG KEET Head of Investment (HOI)

Academic/ Background/ Working Experience

Chow Yeng Keet is HOI of the Manager since IGB REIT was listed in September 2012. He is a member of Retail RMSC.

Chow Yeng Keet has working experience in corporate finance and advisory covering mergers and acquisitions, equity and debt fund raising, capital management and restructuring, valuations as well as take-over offers. He started his career as Corporate Finance Executive with the then Sime Merchant Bankers Berhad in 1997. Thereafter, he was with Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) where his last position was Corporate Finance Manager prior to joining IGBC in 2004. He was appointed as Senior GM, Corporate Finance of IGBC from 1 January 2017. After the privatisation of IGBC by IGB on 16 March 2018, he resumed the same role at IGB and was appointed Deputy GCFO on 1 January 2023. He is currently Director of Finance of MVC.

He holds a Bachelor of Economics (First Class Honours) from University of Malaya, a Fellow of the Association of Chartered Certified Accountants and a Member of the MIA.



PROFILE OF MANAGEMENT

(continued)

TINA CHAN LAI YIN Head of Compliance/ Company Secretary (HOC/CS) Academic/ Background/ Working Experience Tina Chan is HOC/CS of the Manager since IGB REIT was listed in September 2012.

Tina Chan has accumulated more than 30 years of extensive experience in corporate secretarial work, having dealt with a wide-range of corporate exercises. She started her corporate secretarial career at a legal firm since 1990, and then took up the role of Joint Company Secretary in Tan & Tan, where she had been significantly involved in the floatation of Tan & Tan in 1993 (a property development company that was listed on Bursa Malaysia Securities Berhad until Goldis Berhad, now renamed IGB took over its listing on 8 May 2002 following the completion of the merger between IGBC and Tan & Tan). She joined IGBC in 1997 and subsequently assumed the role as Senior GM (Corporate Secretarial), overseeing the governance processes and company secretarial matters of the group, particularly with regard to ensuring that the group complies and operates in accordance with statutory and regulatory requirements, and assumed the role of Group Company Secretary of IGB after the privatisation of IGBC by IGB. She was also involved in successful listing of IGB REIT and IGB Commercial REIT in September 2012 and 2021 respectively.

She is a Fellow of the Institute of Chartered Secretaries and Administrators.

KO CHAI HUAT Head of Marketing (HOM) (MVM) Academic/ Background/ Working Experence Ko Chai Huat s HOM (MVM) of the Manager since IGB REIT was listed in September 2012. He directs, conceptualise and leads all design set ups for promotional activities and events in MVM. He joined MVC in 1999. He has more than 30 years of work experience in visual merchandising as well as advertising and promotions. He was formerly Visual Merchandising Manager at Atria Shopping Centre. He was a key member of MVM pre-opening team. He is also Director of Design of MVC. He holds a Diploma in Fine Arts.

GABRIELLE TAN HUI CHWEEN HOM (TGM) Academic/ Background/ Working Experience Gabrielle Tan is HOM (TGM) of the Manager since IGB REIT was listed in September 2012. She oversees the advertising and promotions activities as well as the public relations initiatives at TGM. She joined MVCG as HOM in 2008 and subsequently assumed the role of Director of Marketing.

She holds a Bachelor of Arts in Business Economics from the University of Exeter, United Kingdom and a Bachelor of Fine Arts in fashion design and marketing from American Intercontinental University, London, United Kingdom.

FINANCIAL HIGHLIGHTS

Statement of comprehensive income	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Total revenue (RM'000)	556,409	399,527	465,239	552,132	535,689
Net property income ("NPI") (RM'000)	420,249	275,101	316,678	398,786	386,250
Distributable income (RM'000)	361,945	220,583	259,837	341,854	341,430
Earnings per Unit ("EPU") (realised) (sen)	9.38	5.61	6.65	8.91	8.60
Core EPU (sen)	11.05	5.61	6.65	8.91	9.45
Distribution per Unit (sen)	9.86	6.03	6.75	9.16	9.19
Distribution yield (%)	5.98	3.65	3.92	4.84	5.31
Management expense ratio (%)	0.99	0.80	0.86	0.98	0.96
Total revenue	FYE 2022 RM'000	FYE 2021 RM'000	FYE 2020 RM'000	FYE 2019 RM'000	FYE 2018 RM'000
MVM	386,632	281,143	322,554	386,850	375,048
TGM	169,777	118,384	142,685	165,282	160,641
Total	556,409	399,527	465,239	552,132	535,689
NPI	FYE 2022 RM'000	FYE 2021 RM'000	FYE 2020 RM'000	FYE 2019 RM'000	FYE 2018 RM'000
MVM	301,891	200,312	231,595	294,941	286,357
TGM	118,358	74,789	85,083	103,845	99,893
Total	420,249	275,101	316,678	398,786	386,250
011 165 11 11					
Statement of financial position	As at 31.12.2022	As at 31.12.2021	As at 31.12.2020	As at 31.12.2019	As at 31.12.2018
Investment properties (RM'000)	5,020,000	4,960,000	4,960,000	4,960,000	4,960,000
Total asset value (RM'000)	5,317,512	5,233,071	5,220,926	5,220,951	5,202,966
Total liabilities (RM'000)	1,446,730	1,428,524	1,420,157	1,436,988	1,436,275
Net asset value ("NAV") (RM'000)					
- before income distribution	4,224,308	4,019,847	4,041,283	4,108,669	4,091,658
- after income distribution	3,870,782	3,804,547	3,800,769	3,783,963	3,766,691
NAV per Unit (RM)					
- before income distribution	1.1777	1.1254	1.1350	1.1578	1.1575
- after income distribution	1.0791	1.0651	1.0675	1.0663	1.0656

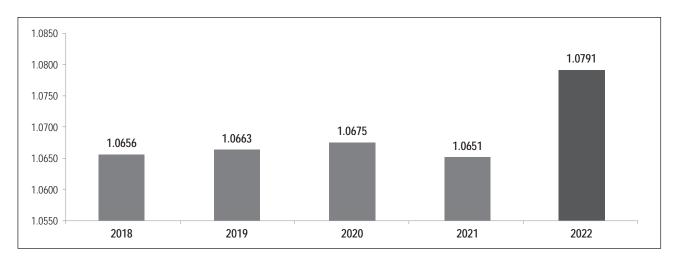
FYE Financial year ended 31 December



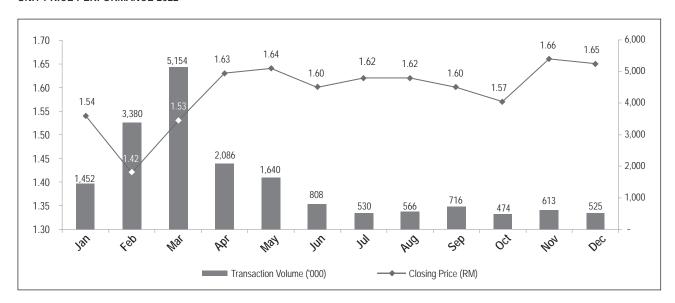
FINANCIAL HIGHLIGHTS

(continued)

NAV PER UNIT PERFORMANCE (RM)



UNIT PRICE PERFORMANCE 2022



Trading performance	2022	2021	2020	2019	2018
Closing price as at 31 December (RM)	1.65	1.65	1.72	1.89	1.73
Highest traded price (RM)	1.69	1.79	2.00	2.10	1.80
Lowest traded price (RM)	1.36	1.57	1.53	1.72	1.46
Issued units ('000)	3,586,907	3,571,851	3,560,560	3,548,828	3,534,810
Market capitalisation as at 31 December (RM'000)	5,918,397	5,893,554	6,124,163	6,707,285	6,115,221

ABOUT IGB REIT

Established on 25 July 2012, IGB REIT is a Malaysia-domiciled real estate investment trust. Listed on the Main Market of Bursa Malaysia Securities Berhad on 21 September 2012, it owns income producing real estate that is used for retail purposes. Comprising two malls - Mid Valley Megamall (MVM) and The Gardens Mall (TGM) - located in the Klang Valley, IGB REIT's portfolio has a total net lettable area (NLA) of approximately 2.70 million square feet (sf), and as at 31 December 2022, had a market capitalisation of RM5.92 billion. Its investment properties are independently valued at RM5.02 billion.

IGB Berhad is the major unitholder of IGB REIT with a shareholding of 48.332% as at 31 December 2022.

2022 Highlights

Total Revenue

RM556.4 million

RM399.5 million in 2021

Net Property Income (NPI)

RM420.3 million

RM275.1 million in 2021

NI A

2.70 million sf

2.69 million sf in 2021

Occupancy Rate

MVM (99.50%) TGM (97.00%)

MVM (97.80%) TGM (90.70%) in 2021

Distribution Per Unit (DPU)

9.86 sen

6.03 sen in 2021

Distribution Yield

5.98%

3.65% in 2021

Property Valuation

RM5.02 billion

RM4.96 billion in 2021

Net Asset Value (NAV) per Unit

RM1.0791

RM1.0651 in 2021

Market Capitalisation

RM5.92 billion

RM5.89 billion in 2021

Encouraging Recovery Against Global Uncertainties

2022 was expected to be the year that the world emerged from the turnult caused by the Covid-19 pandemic and returned to a semblance of normalcy. Borders across the globe slowly opened, economic activity returned, and people ventured out, revisiting activities enjoyed pre-Covid. What was not expected however, was the Russian invasion of Ukraine at the start of the year, which would upend world trade in energy, send oil, natural gas, and grain prices soaring, and exacerbate worldwide inflation and food insecurity, 2022 has turned out to be another year of turbulence, with economic recovery unstable and uneven, and economies still grappling with problems sparked by the pandemic.

In 2022, Malaysia has seen the progressive relaxation of Covid-19 control measures, with the country officially entering the endemic phase on 1 April 2022. Economic recovery has been encouraging, supported by strong domestic demand, a steady expansion of the external sector, and underpinned by continued improvements in labour market conditions. However, a number of uncertainties including geopolitical conflicts, global inflationary pressures and weakened global economic growth remained. Against this backdrop, the retail industry has enjoyed positive growth across all sectors, bolstered by the relaxation of Covid-19 rules and the gradual influx of international travellers.

As shoppers returned to the malls, IGB REIT has remained committed to offering memorable, exciting, and relevant retail experiences to our customers. We recognise that as families and friends step out to reconnect with one another, malls are once again playing a central role in offering a space in which they can create shared memories and start lasting traditions. This understanding of the role that malls play in the Malaysian culture has been central to our business since the beginning, and we wholeheartedly believe that as we emerge from the economic and social standstill imposed on us by Covid-19, that malls will continue to be a hub for communities here in Malaysia.

2022 was an exceptional year, and as it comes to a close, we are proud to report that IGB REIT has enjoyed a year of positive growth, and present our Management & Discussion Analysis (MD&A) which covers the period from 1 January 2022 to 31 December 2022 (FY2022).



(continued

Financial Review

a) Group Key Financial Highlights

Key Financial Highlights	FY2022 RM′000	FY2021 RM'000	Change (%)
Total Revenue	556,409	399,527	39.27
• MVM	386,632	281,143	37.52
• TGM	169,777	118,384	43.41
NPI	420,249	275,101	52.76
• MVM	301,891	200,312	50.71
• TGM	118,358	74,789	58.26
Net Profit (NP)	396,164	200,148	97.94
DPU (sen)	9.86	6.03	63.52

For FY2022, IGB REIT posted a total revenue of RM556.4 million and a net property income of RM420.2 million for the year, which were respectively 39.27% and 52.76% higher than that recorded in 31 December 2021 (FY2021).

Net profit was RM396.2 million for the year, representing 97.94% increase, compared with net profit in FY2021.

b) Group Statement of Financial Position

Group Statement of Financial Position	As at 31.12.2022	As at 31.12.2021	Change (%)
Investment Properties (RM'000)	5,020,000	4,960,000	1.21
• MVM	3,700,000	3,665,000	0.95
• TGM	1,320,000	1,295,000	1.93
Total Asset Value (RM'000)	5,317,512	5,233,071	1.61
Cash and bank balances (RM'000)	258,382	222,996	15.87
Total Liabilities (RM'000)	1,446,730	1,428,524	1.27
NAV (RM'000)	3,870,782	3,804,547	1.74
NAV per Unit (RM)	1.0791	1.0651	1.31
No. of Issued Units ('000)	3,586,907	3,571,851	0.42

Investment properties are stated at fair value based on valuations performed by an independent registered valuer, Henry Butcher Malaysia Sdn Bhd. The valuer holds recognised relevant professional qualification and has relevant experience in valuing investment properties. Based on the valuation reports dated 3 January 2023, the market values of MVM and TGM as at 31 December 2022 were RM3.70 billion and RM1.32 billion respectively.

Cash and bank balances as at 31 December 2022 was RM258.4 million, compared with RM223.0 million as at 31 December 2021.

NAV after income distribution as at 31 December 2022 was RM3.871 billion, compared with RM3.805 billion the year before, reflecting a growth of 1.74%.

IGB REIT's issued units increased from 3,571.851 million as at 31 December 2021 to 3,586.907 million as at 31 December 2022, due to the issuance of new units as part settlement for Manager's management fees.

c) Income Distribution

	FY2022 (RM' million)	FY2021 (RM' million)
Income distribution	353.5	215.4
• 1 st quarter	89.7	47.4
• 2 nd quarter	87.7	48.1
• 3 rd quarter	87.6	42.2
• 4 th quarter	88.5	77.7
Average Payout ratio (%)	97.5	97.5

For the first guarter ended 31 March 2022, a distribution amounting to RM89.7 million or 2.51 sen per unit (2.50 sen taxable and 0.01 sen non-taxable) was paid on 30 May 2022.

For the second quarter ended 30 June 2022, a distribution amounting to RM87.7 million or 2.45 sen per unit (2.43 sen taxable and 0.02 sen non-taxable) was paid on 29 August 2022.

For the third quarter ended 30 September 2022, a distribution amounting to RM87.6 million or 2.44 sen per unit (2.41 sen taxable and 0.03 sen non-taxable) was paid on 30 November 2022.

For the fourth quarter ended 31 December 2022, a distribution amounting to approximately RM88.5 million or 2.46 sen per unit (2.43 sen taxable and 0.03 sen non-taxable), will be made and be payable on 27 February 2023.

Distribution for FY2022 amounted to 9.86 sen per unit.

At least 90% of IGB REIT's distributable income will be paid for FY2023 subject to IGB REIT's financial position, earnings, funding and capital management requirements. This is in line with the Manager's objective to provide investors with regular and stable income distribution.

Curating Engaging Spaces & Experiences

In 2023, with the reopening of the Malaysian economy, and greater freedom for travel and leisure, we welcome customers back into our malls, engaging them with experiential retail, creating excitement with fresh and relevant tenant mix, and offering an infrastructure that is both welcoming and comfortable. We understand the importance on health and safety, and will continue to prioritise the well-being of customers, carrying on the many health and safety initiatives introduced during the height of Covid-19.

Asset Enhancement Initiatives

Both MVM and TGM continued to carry out asset enhancement initiatives (AEI) this year, focusing on making their malls more welcoming and comfortable as visitors returned. MVM reconfigured some of the toilets, enhancing the Ground Floor South toilet and the Mid Valley Exhibition Centre (MVEC) Hall 2 toilets. MVM also carried out waterproofing works on the North and South rooftops, and upgraded lighting features to brighten up the areas around escalators. A ceiling feature was added at the 2nd floor North Escalator for example. MVM also invested in the upgrading of several pieces of equipment to facilitate the smooth running of its operations. A transformer and chiller were replaced in the year, for example, these upgrades have allowed for greater energy efficiency.



Reconfiguration of the Ground Floor South Toilet







Waterproofing of the North Rooftop



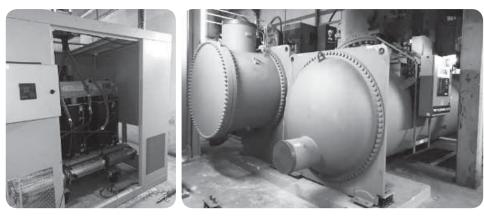
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Reconfiguration of the MVEC Hall 2 Toilets



New Ceiling Feature to brighten up the Second Floor North Escalator Ceiling



Replacement of Transformer

Replacement of Chiller

TGM carried out its own AEIs, focusing on upgrading works at the West Entrance, including the columns, valet and seating areas, were upgraded, as were some of the toilets in the mall, including the Bamboo Toilet on Level 1, and the Raintree Toilet on Level 3. A new ceiling feature was added to the Lower Ground floor to brighten up the space. Maintenance and upgrading works to existing equipment was also carried out on the mall's energy monitoring and fire alarm system. A Generator Synchronisation was also carried out to ensure that all generators are installed with the upgraded system for safety purposes. This helps increase power capacity, optimise efficiency, add redundancy for critical loads, and allows for easier maintenance.



Upgrading of the Columns, Valet and Seating Areas at the West Entrance



New Ceiling Feature to brighten up the LG Space



The Raintree Toilet on the Lower Ground Level was Upgraded







The Bamboo Toilet on Level 1 was Upgraded





Maintenance and Upgrading Works carried out on the Energy Monitoring and Fire Alarm System



(continued

MVM and TGM are constantly on the lookout for exciting brands to include in their tenant mix to ensure that they continue to remain relevant to our shoppers. This year, both malls welcomed a range of new tenants, the full list is set out below.

Table 1: New Tenants in 2022

MVM	
Osim	Pop & Dope Vape
empro One Mask . One Life	Empire Sushi
Kedai Kopitiam Oriental Kopi	2XU
Sukiya	Love & Co.
10:10	Tissot
Gu Long Shao Bao 古龙传统烧包	Bell & Ross
Meiko	Palsaik Korean BBQ
XL Chadon	Ali Muthu & Ah Hock
Tomei & Goldheart	Clarins
CU	Optometris Anggun
Ainz & Tulpe	26 Inchi
Estee Lauder	Hypergear
Rookie	Pierre Cardin
H&M	Christine's Bakery
Starbucks Reserve	Remax
Supreme Bowl	Union Artisan Coffee X Space by XOX
The Eatery Food Hall	Elianto
Johnson Fitness	Yin's Sourdough Bakery & Café
Li Wei	Kaimirra Tutan
Bananabro	The Travelling Duck
Sheldonet.Shop	TIT TAR MAN Bone Setting Specialist 跌打
Sift & Pick	Mi
TGM	
Cartier	Liang Yi TCM
Issey Miyake	Honor
Tiffany & Co	Mi
Toy Eight	Fat Daddy
MST Golf	Torii Teppanyaki
Molteni & C	Tamago-EN
BookXcess	Yew Yew Coffee KL
Ambient Living	Mogu Yakiniku
Genki Sushi	Machi Machi
Chicken Claypot House	32parfait
HWC Coffee	Marco

Engagement through Experiential Retail

Harnessing the Power of Social Media

During the height of the Covid-19 pandemic and during the spate of lockdowns that were imposed, both MVM and TGM strengthened their engagement with their communities through online channels, including their social media platforms and websites. As the country entered the endemic phase on 1 April, both malls continued to utilise these channels, sharing updates on mall happenings, new tenants, as well as new products and services launched.

We have found that social media campaigns have been effective in engaging our online customers, particularly when tied with sales-driven campaigns that feature instagrammable on-ground set ups. These set ups encourage visitors to come to our malls and take photographs to share on their social media platforms. These campaigns have been effective in leveraging on the power of sharing on social media platforms and enable us to extend our reach to more communities. As experiences are captured and shared online through our online campaigns, visitors are drawn to our malls, driving sales and footfall. These campaigns often also feature Gift-With-Purchases. This year for example, TGM ran a campaign with a lower spending threshold of RM200, which encouraged more reward redemptions for shoppers at Food and Beverage outlets.

MVM has also increased interactive content on their social media pages, running giveaways, contests and polls to boost community engagement. They have also introduced short-form videos which have proven to appeal to Gen Z. This has helped grow their base of younger followers. Video viewership has seen a steady increase in the year.

Enticing Experiences, Interactive Activities

We also continued to organise activities and events to increase visitor engagement and promote a more memorable shopping experience. One way that we did this was through leveraging the many festive celebrations throughout the year. Our malls were decorated to enhance the festive atmosphere, and a variety of activities were organised for our visitors. We also tied up with international brands and ran event-driven marketing activities to elevate the shopping experience.

Festive Celebrations

Chinese New Year

MVM partnered with HSBC Bank during Chinese New Year, holding various festive workshops and sales promotions. Visitors could make a mini prosperity fan, build a Chinese New Year Lantern, or craft adorable figurines out of air-dry clay. Performances were also scheduled, including the Acrobatic Lion Dance, and a traditional Chinese Orchestra who performed on the Ground Floor at the Centre Court. Shoppers were also entitled to redeem an exclusive Ang Pow packet with a minimum spend of RM200 on an HSBC Credit Card in a single receipt. The Ang Pow packets could also be redeemed with a minimum spend of RM300 in cash or via other payment methods at any specialty store or participating vendor. A Wishing Tree was also set up where shoppers could write their wishes for the new year and hang them on the tree. There was also a Joyous Blessing interactive game where shoppers could find out what was in store for them this year. They could also choose to lace their own prosperity knot.





Chinese New Year Festivities at MVM

TGM also ushered in the Year of the Tiger with decorations and an exciting line-up of performances and gifts. Shoppers who spent RM900 and above could redeem an exclusively designed snack tray and a pack of festive packets. Standard Chartered Credit Cardholders and The Gardens Club members had to spend RM800 and above to redeem the gifts. Additionally, shoppers who spent RM380 were able to redeem a pack of festive packets. Standard Chartered Credit Cardholders and The Gardens Club members were able to redeem the festive packets if they spent RM300. The mall also scheduled two exciting performances, including the lively, multi-drum performance by Hands Percussion, and the much-anticipated Acrobatic Lion Dance.



Hari Raya

MVM partnered with HSBC Bank during Hari Raya. Performances showcasing the angklung, percussions, the Gamelan and the Harmony of Ghazals were held on the Ground Floor in the Centre Court of MVM. A Raya corner was also set up where visitors could learn how to weave ketupat and even personalise their own Hari Raya greeting cards. Shoppers were also entitled to redeem an exclusive Raya packet with a minimum spend of RM100 on an HSBC Credit Card in a single receipt. The Raya packets could also be redeemed with a minimum spend of RM200 in cash or via other payment methods at any speciality store or participating vendor.





Hari Raya Performances and activities at MVM



(continued)

TGM's Hari Raya Campaign featured decorations that evoked scenes of an escape to a luxury forest retreat. Shoppers who spent RM900 and above could redeem an exclusively designed pillow and a pack of festive packets. Standard Chartered Credit Cardholders and The Gardens Club members could redeem the gifts with a spend of RM800 and above. Visitors to TGM could also enjoy Hari Raya performances including the heart-pounding Gendang Emas drum performance that featured a variety of traditional Malay drums, specially choreographed for the Hari Raya season.



Festive Decorations at TGM

Deepavali

MVM was decked out in beautiful and colourful Deepavali decorations, including decorative lanterns made of pretty sari fabrics which adorned the South Court on the Ground Floor, and the vibrant Kolam, which was carefully put together using colourful rice, candles and jewels. Featuring intricate patterns and symbols, the Kolam helped to usher in prosperity and happiness.



A Vibrant Kolam and Decorative Lanterns add to the Festivities at MVM

Deepavali was a festive affair at TGM, with brightly coloured decorations and a beautiful kolam inspired by the majestic horse. Traditional Indian performances on the weekends, such as the Bharatanatyam Dance and the Peacock Dance, also added to the festive atmosphere





The Brightly Coloured Kolam Inspired by the Majestic Horse at TGM

Mid Autumn Festival

MVM partnered with AmBank during the Mid Autumn Festival. Shoppers could redeem a gift wrapper or a travel teapot set with a minimum spend of RM600 with an AmBank card, or a minimum spend of RM1,000 in cash or via other payment methods at any specialty store or participating vendor. The mall also invited a selection of vendors who sold a wide variety of festive goodies including mooncakes and decorations.



Vendors Selling a Variety of Festive Goodies

Christmas

During Christmas, MVM offered visitors the opportunity to take part in a series of workshops that included Christmas bracelet making, creating a macrame Christmas decoration, decorating Christmas cookies, and making reindeer glasses. The mall also partnered with HSBC Bank, and shoppers were entitled to redeem gifts when they spent a minimum amount of RM200 on an HSBC Credit Card in a single receipt. Christmas gifts could also be redeemed with a minimum spend of RM300 in cash or via other payment methods at any speciality stores or participating vendor. To add to the festive atmosphere, there were also balloon giveaways, character and Santa walkabouts, carolling and Christmas story-telling performances. Gift wrapping services were also offered to shoppers who purchased items at specialty stores.





Christmas Decorations and Activities which added to the Festive Atmosphere

TGM was decked out for Christmas, with DIOR and Cartier adding to the merriment, setting up their own Christmas displays for the very first time. Visitors were treated to Christmas performances including a dance performance titled "The Masquerade Ball". A Santa Meet 'n' Greet was also scheduled. Additionally, Shoppers who spent RM1,100 and above were entitled to redeem a set of exclusively designed dessert glasses with spoons. Standard Chartered Cardholders and The Gardens Club members could redeem the gift with a spend of RM1,000 and above.



2. Event-Driven Marketing Activities to Elevate Shopping Experiences

It's Up to You

To celebrate the lifting of the majority of Covid-19 restrictions and the return of many freedoms we enjoyed pre-Covid, MVM launched the "It's Up to You!" campaign to celebrate a fresh start with family and friends. The mall was decorated with fun and brightly coloured displays, with interactive games and activities for shoppers to take part in. After two plus years of lockdowns and restrictions, the campaign sought to raise spirits, and provide an avenue for visitors to have joyful moments with their family and friends. Shoppers could spin the "Wheel Decide" to win gifts and stand a chance to redeem a pair of GSC movie tickets when they spent a minimum amount at any speciality store. They could also play games like "Hopscotch", which saw visitors hopping across the mall and discovering fun things to do, and "Drop the Choice" where they could get shopping ideas.



Fun and brightly coloured displays at the "It's Up to You!" campaign



(continued)

Fun installations were also available for visitors to enjoy. At the "What's Your Pleasure?" installation, visitors could share their favourite thing to do with others, while at the "Happy Corner", complimentary goodies like bubble wands, temporary tattoos, and lollipops were available for shoppers to take home. The mall also had "Happy Hours" where shoppers were treated to cotton candy, popcorn, and balloons at the Centre Court, Ground Floor. A special Instagram filter was also created in conjunction with the campaign named "Take a Joy Ride", encouraging our online community to share their experiences at our mall.

LEGO 90th Year Celebration

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



The LEGO Group celebrated 90 years of play with a fun and interactive installation

The event was launched to much fanfare, with Mr. Rohan Mathur, Marketing Director of the Lego Group South East Asia officially opening the event which ran from the 1st to the 1

Event-Exclusive Deals & Offers

MVM

MVM ran on-ground promotions with event-exclusive deals and offers. For example, new collections across a variety of retail categories were launched with the participation of tenants such as Bonia, Chanel Beauty, Jo Malone, Mercedes EQS and Samsung.



La Luna Factory Pop-Up by Bonia held in August at Centre Court, Ground Floor

MVM also worked with Maybank during the Maybank Treats Fair and the Maybank FIFA event which was held at Centre Court, Ground Floor. Shoppers could take part in a variety of activities and had the chance to meet football legends at exclusive meet and greet sessions.

These events all contributed to elevating the shopping experience at our malls and helped drive footfall.





The Maybank Treats Fair at the Centre Court, Ground Floor and at MVEC

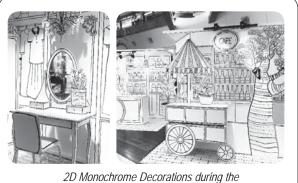
TGM

TGM ran fun and exciting campaigns throughout the year to help drive footfall and create engaging experiences for its visitors. From 27th June to 17th July, TGM held the Sweet Summer Campaign where shoppers could receive a sweet treat from Tealive, KOI Thé, or Inside Scoop when they spent RM200 and above, or RM150 and above if they were The Gardens Club members. Free summer-themed gifts were also handed out to visitors every weekend.

From 26th September to 16th October, the mall also ran FUN-damentals, a campaign to remind shoppers of the joy and fun of shopping. Visitors were encouraged to snap photos with the 2D monochrome decorations in the mall and post them on social media to stand a chance of winning some shopping vouchers. TGM also rewarded shoppers who spent RM800 and above, or RM700 and above if they were The Gardens Club members.



Fun and Brightly Coloured Displays for the "Sweet Summer" Campaign



FUN-damentals Campaign

Prioritising the Health & Safety of our Community

Even with Malaysia entering the Covid-19 endemic phase on 1 April 2022, members of the public remained cautious, with safety and hygiene remaining a priority for many of the visitors to our malls. MVM and TGM have both always prioritised the health and safety of their communities long before Covid-19. Both malls continued practicing many of the health and safety initiatives implemented during the height of the pandemic, even as many Covid-19 restrictions and standard operating procedure were relaxed. These include frequent cleaning of high touch surfaces such as those in common areas, toilets, and car parks; the use of ultraviolet (UV) light to sterilise smaller enclosed areas such as elevators and suraus; and the use of high-performance UV light to purify the air in all Air Handling Units (AHU). Ventilation also continued to be optimised through the central air conditioning systems to improve indoor air quality.

Challenges in the Year

2022 saw the Malaysian economy come alive again. People cautiously stepped out into the world after two over years of lockdowns and restrictions. The retail industry benefitted from the uptick in economic activity, with families and friends back out again spending money as they made up for lost time. The year was not without its challenges however, businesses across industries, including those in retail and F&B, continued to grapple with a manpower shortage. Our tenants have, by and large, adapted by managing staffing levels in line with business demand, while our malls have had to learn to operate more efficiently and better manage their manpower in order to adapt to this new landscape.

Against this backdrop, IGB REIT prioritised the engagement of our communities, our tenants and visitors in particular, working together and providing support, as we navigate new norms in a world where we now co-exist with Covid-19.



(continued)

Looking Ahead

Despite an encouraging performance in 2022, 2023 is expected to be a challenging year for the retail industry. Though the Malaysian economy is anticipated to continue to be supported by firm domestic demand, continued improvements in the labour market, the realisation of large infrastructure projects, as well as higher tourist arrivals, it is susceptible to external shocks such as weaker than expected global growth, a further escalation of geopolitical conflicts, and sustained supply chain disruptions.

The cost of living is also likely to continue to increase. Inflation is expected to remain elevated, and with the war in Ukraine war unlikely to end soon, global supply chain disruptions, high energy prices, and a shortage of raw materials and industrial parts are anticipated to continue. These factors will contribute to higher retail prices as businesses pass higher costs on to their consumers. Higher prices will inevitably impact spending as consumers will have less disposable income, particularly for non-essential goods and services. We are therefore expecting the purchasing power of Malaysians to be eroded in 2023. Additionally, labour shortages, a challenge that arose during the pandemic, will likely continue into the new year.

Given these challenges, IGB REIT remains cautious yet confident that we will be able to continue to build on the momentum gained in 2022. We will focus our efforts on providing our customers with an elevated retail experience differentiated by offerings that are fresh, exciting and relevant for individuals of all ages. We want our customers to do more than just shop at our malls. We want to be a part of their community, and be the place they go to spend time with their families and friends, celebrate, create memories and start traditions that will last for generations. As we emerge from the Covid-19 pandemic as a nation, we want to take this opportunity to re-connect and engage with our community, navigating and growing with them as we all find our footing in this post-pandemic landscape.

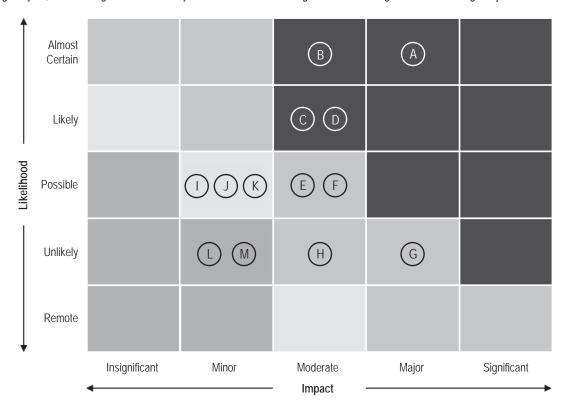
We are therefore entering the new year cautiously, but with a firm commitment to creating long-term value for our stakeholders. We look forward to continue our efforts in creating excitement for our customers and craft unique and experiential retail experiences for our community.

Risk Management Integral to Sustained Success

IGB REIT adopts a proactive approach to risk management and has in place the IGB REIT Strategy & Risk Framework" (Framework) which is based on the Committee of Sponsoring Organisations of the Treadway Commission's Enterprise Risk Management updated framework of 2017 – Integrating with Strategy and Performance, which focuses on integrating risk and strategy in the organisation.

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

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



Security, Health & Safety Risk

Business/Market Risk Regulatory & Compliance Risk Supply Chain Risk Credit Risk Information & Cyber Security Risk Liquidity & Cash Flow Risk Competition Risk Climate Change Risk **Tenant Concentration Risk** Capital Management Risk Talent & Resource Management Risk Interest Rate Risk

A. Business/Market Risk

Rising inflation and interest rates have continued to impact the rakyat drawing a negative outlook towards the market. Despite this, we have continued to ensure that our malls are customer centric, steady and able to weather the headwinds that have come and will come in the

Potential Impact	Opportunities	
Decline in revenue and net property income due to poor market conditions, loss of tenants, increasing operational costs and reduced tenant gross turnover.	 Differentiate tenant mix and mall experience offered to customers. Strengthen ties with tenants through win-win negotiations in tenancy terms. Improve operational efficiencies to mitigate rising costs. 	
Mitigating Actions		
 Continue to bring in tenants that resonate with our target market. Craft festive decorations and attractions throughout the mall to increase visitorship. Enhance social media strategy to generate greater excitement for our customers. Strict monitoring of operational cost levels and regular review of process efficiencies. 		

B. Operating Risk

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

Potential Impact	Opportunities	
 Disruptions to operational and maintenance activities resulting in poor service to our tenants and customers. Increased costs resulting from an imbalance in supply and demand of goods and services. 	 Improve vendor management system to have a larger vendor database to choose from. Improve inventory management system to account for unexpected disruptions. 	
Mitigating Actions		
 Ongoing monitoring and management of costs amid an inflationary surge in expenses. Bulked-up key machinery component inventory to mitigate long lead times in order fulfilment. 		

C. Information & Cyber Security Risk

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

Potential Impact	Opportunities	
Disruptions to IGB REIT's operations from loss of key data. Financial implications from a data breach of confidential tenant and customer data.	 Establish a strong cyber security process within our information security systems. Establish a business continuity plan (BCP) and recovery plans in case of a breach/attack. 	
Mitigating Actions		
Established a DCD for ICD DEIT which is supplemented by ICD Daybey's Crown Information Technology (IT) DCD		

- Established a BCP for IGB REIT which is supplemented by IGB Berhad's Group Information Technology (IT) BCP.
- Subscribed to IGB's Cybersecurity Policy & IT Acceptable Use Policy.
- Deployed critical cybersecurity software including ransomware protection, log management and privilege access management across key systems.
- Regular cyber security trainings through e-portals as well as ad hoc social engineering tests throughout the year.



(continued)

D. Competition Risk

IGB REIT faces strong competition from the continued increase in the number of new malls in the Klang Valley as well as the online shopping boom.

Potential Impact	Opportunities	
Loss of visitorship to new malls in the surrounding areas resulting in lost revenue from tenant gross turnover.	Enhance customer loyalty through better customer experience in the malls. Undertake asset enhancement initiatives to ensure the upkeep of our malls.	
Mitigating Actions		
 Regular communication with tenants alongside timely retail curation to maintain high retention rates within the malls. Continue crafting experiences to draw the shopping community during the year (e.g. festive seasons, tenant roadshows, etc). Completed major asset enhancement initiatives throughout the malls to keep our malls fresh 		

E. Tenant Concentration Risk

Tenant concentration risk arises if the malls under IGB REIT are overly reliant on a tenant or group of tenants for rental or to draw visitorship.

Potential Impact	Opportunities		
 Significant drop in mall occupancy if loss of key tenant(s) occurs. Imbalance of tenancy mix could lead to lower customer interest. 	Diversify tenant mix to satisfy the needs of our customer base as well as lower reliance on tenant retail groups.		
Mitigating Actions			
 Employ proactive leasing strategies, actively engage tenants for forward renewals, and spread out the portfolio lease expiry profile. Continually assess our tenant mix and bring in fresh new brands. Continue to ensure that no single tenant or group of tenants contribute more than 10% of IGB REIT's total gross rental income. 			

F. Talent & Resource Management Risk

The people who run our malls form the most important part of our business. Chartwell ITAC International Sdn Bhd (Property Manager) has engaged Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd (Service Providers) to employ and manage these key resources.

Potential Impact	Opportunities		
Significant impact in mall operations if unable to attract, retain and develop talent.	Include talent development and succession planning as key strategies for IGB REIT.		
Mitigating Actions			
 The Service Providers have continued to invest in our people through talent development (training, professional certification, etc) and competitive employment packages (including medical coverage, insurance and other benefits). Other areas of focus by the Service Providers include identifying potential staffing gaps and redeploying staff where required, reviewing existing succession plans, and exploring initiatives to better retain staff. 			

G. Security, Health & Safety Risk

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

Potential Impact	Opportunities	
Loss in profitability and long-term sustainability of our business due to reputational loss.	Embed strong safety measures and recovery plans within our operations.	
Mitigating Actions		

- · All security, health and safety incidents occurring within our malls are tracked and investigated with the necessary follow up actions.
- Regular safety briefings, trainings, and inspections (including annual fire drills) are carried out to ensure compliance with the Occupational Safety and Health Act, and to manage safety risks within our malls.
- Our Safety, Health, and Environment Committee meets once every quarter to review all matters pertaining to health and safety within our malls.
- Continually invest in the training of our security teams as well as in electronic security devices which help to monitor, detect, and deter
 crime.
- Ongoing preventive measures to keep infectious diseases at bay (e.g. face masks for staff, sanitising stations throughout the malls, air purifiers in all elevators, cashless parking, etc).

H. Regulatory & Compliance Risk

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

Potential Impact	Opportunities		
Financial impact from failure to comply with regulations.	Establish strong policies and frameworks to ensure utmost operational, financial and legal compliance with regulations.		
Mitigating Actions			
 Regular monitoring of regulatory requirements with timely updates to our policies and procedures. Ongoing subscription to IGB's Group Anti Bribery and Corruption Policy and Group Whistleblowing Policy. 			

Credit Risk

Credit risk arises from credit exposures to outstanding receivables from tenants, as well as cash, cash equivalents, and deposits held with banks and financial institutions. Credit risk with respect to trade receivables is limited due to the nature of business which is mainly rental related and cash-based.

Potential Impact	Opportunities		
Financial losses from having to impair uncollectible receivables.	Establish stringent tenant due diligence and credit collection policies to maintain low exposure to outstanding receivables.		
Mitigating Actions			
 Strict selection of tenants with on-going monitoring of credit balances via compliance with standard operating and reporting procedures. Cash, cash equivalents and deposits are only held with financial institutions with high credit ratings assigned by credit rating agencies. 			

J. Liquidity & Cash Flow Risk

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

Potential Impact	Opportunities		
Significant impact in mall operations if inadequate funds are available.	Establish strong financial control policies to reduce unexpected interruptions in our business operations and increase avenues for further expansion.		
Mitigating Actions			
 Adequate cash, cash equivalents and bank facilities are maintained and monitored to finance operations, distribute income to unitholders, and mitigate the effects of fluctuations in cash flows. Adhere to the limits on total borrowings set by the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts. 			

K. Climate Change Risk

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

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

(continued)

L. Capital Management Risk

The overall capital management objectives are to safeguard our ability to continue as a going concern so that we are able to provide returns for unitholders and other stakeholders, as well as maintain an efficient capital structure.

Potential Impact		Opportunities	
Inability to maintain a going concern will result in a decline in the value we are able to deliver to the unitholders and other stakeholders.	•	Maintain an efficient capital structure to allow for long-term sustainable performance and returns to the unitholders and other stakeholders.	

Mitigating Actions

- The Manager's on-going capital management strategy involves maintaining an appropriate gearing level and adopting an interest rate management strategy to manage the risks associated with refinancing and changes in interest rates. The Manager intends to implement this strategy by diversifying sources of debt funding to the extent appropriate, maintaining a reasonable level of debt service capability, securing favourable terms of funding, managing our financial obligations and where appropriate, managing the exposures arising from adverse market interest rates, such as through fixed rate borrowings to improve the efficiency of the cost of capital.
- The gearing profile of IGB REIT is as follows:-

	31.12.2022	31.12.2021
	RM' million	RM' million
Borrowings	1,214	1,215
Cash and bank balances	(258)	(223)
Net gearing	956	992
Total Unitholders' fund	3,871	3,805
Net gearing (%)	25%	26%
Loan-to-total asset value (LTV) (%)	23%	23%

Interest Rate Risk

Interest Rate Risk arises from the fluctuations in market interest rates.

Potential Impact	Opportunities		
 Inability to manage interest rates effectively will result in fluctuations in our interest payment obligations. 	 Manage interest rates effectively to allow for better financi planning and returns to unitholders and other stakeholders. 		
Mitigating Actions			
IGB REIT's borrowings are made up of AAA-rated Medium-Term Notes bearing a fixed coupon rate which locks in the interest rate allowing income and cash flows to be substantially independent from changes in market interest rates.			

Securities Commission allowable gearing limit for M-REITS is 60% of TAV as at 31 December 2022.

SUSTAINABILITY STATEMENT

1. INTRODUCTION

IGB REIT's Sustainability Statement seeks to disclose how we have embedded sustainability practices across our business, and charts our journey as we continue to entrench sustainability into our day-to-day operations as well as our long-term strategies. It also highlights our management of environmental, social and governance risks and opportunities, as we strive to build a sustainable business for generations to come.

It is with great pleasure that we present IGB REIT's Sustainability Statement for the financial year ended 31 December 2022 (FY2022), which covers the performance of the two malls within our portfolio, namely - Mid Valley Megamall (MVM) and The Gardens Mall (TGM). MVM and TGM operate under the same management and are both located in the Klang Valley. The reporting period covered in this report is from 1 January 2022 to 31 December 2022.

2. OUR COMMITMENT TO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Covid-19 has been the most wide-reaching public health crisis the world has faced in a long time. The pandemic highlighted what really matters, and reminded us that we live in a world that is highly interdependent. If we have learnt anything, it is that sustainability sits at the core of business resilience, and that our success is highly intertwined with the success of the ecosystem in which we operate. Businesses today need to be aware of and address the interlinkages between the environment and the social and economic well-being of our communities, and ensure that they are supported by a governance structure that promotes a sustainability strategy that is beneficial to all.

IGB REIT has long been committed to sustainability, as we recognised early on that our success as a business is dependent on the communities and environment around us. This recognition has allowed us to build a business that is firmly centred around sustainability. What this means is that sustainability considerations form the cornerstone of decisions made today, as they will have a lasting impact not only on our business successes, but on the communities and environment around us.

We also recognise that our efforts to grow a sustainable business must be done within a sound risk management framework and with a commitment to upholding the highest standards of corporate governance and transparency so as to safeguard stakeholder interests. We therefore have in place frameworks that work to enhance our business resilience and agility.

Every year, we work to strengthen our commitment to sustainability and ensure that our management and employees are regularly updated and educated about sustainability. This year we centralised the collection of performance data relating to sustainability, which facilitated overall tracking. We also disseminated the new updates to Bursa's sustainability reporting requirements, which will be mandatory from 2023, to the Retail Risk Management and Sustainability Committee (Retail RMSC), senior management and the Board during the year. We are also in the midst of exploring the alignment of our disclosures with recognised international reporting frameworks and guidelines as recommended by Bursa Malaysia. We aim to do this over the next few years.

Our Purpose

IGB REIT operates with a clear purpose. We seek to support sustainability within our industry through creating sustainable outcomes for our business that positively impacts our communities and our environment.

Preserve the Environment

By ensuring we implement measures that protect the planet.

Protect Our Communities

By continuously reaching out and supporting our rakyat where necessary.

Expand the Circular Economy

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

Build Business Sustainability

By working towards a robust business model benefitting all stakeholders.

Strive for a Safe & Meaningful Workplace

By prioritising health and safety measures for our employees.

Strengthening Talent

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

OUR ESG GOVERNANCE STRUCTURE

The Board is ultimately responsible for IGB REIT's sustainability strategy and performance. It sets the strategic direction and approves the risk strategy of the organisation, including risk appetite and policies. The Retail RMSC develops and reviews strategy and risk reports, and assists the Board by undertaking a supervisory role in the implementation of strategies and plans as agreed. It monitors performance and outcomes, and reviews any material risks, escalating issues to the Board as required. The Retail RMSC is chaired by the Chief Executive Officer, and includes the Joint Chief Operating Officers, the Head of Operations, and the Head of Investment. The communication and implementation of key sustainability initiatives in the year are the responsibility of the management within each department and function.

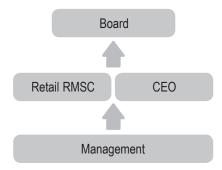


SUSTAINABILITY STATEMENT

(continued)

The Board is kept regularly updated through the Retail RMSC which provides updates and review of sustainability policies and practices in place.

IGB REIT's Sustainability Governance Structure is as follows:



4. MATERIALITY PROCESS

Feedback Channels

We believe that in order to grow a sustainable business, we need to regularly engage our stakeholders so that we understand what is important to them and their expectations. These insights in turn help us develop our medium- and long-term strategies, make decisions that improve our day-to-day operations, align our sustainability practices with the needs and expectations of our stakeholders, and remain accountable.

Regular engagement with our stakeholders also helps to strengthen our relationships with them and build trust. As such, we regularly engage our stakeholders through various channels throughout the year, and ensure that all engagements are inclusive and that we are responsive to feedback received.

The channels used to engage our stakeholders are set out in Table 1 below.

Table 1: Summary of Stakeholder Feedback Channels

Stakeholder Group	Engagement Approach	Engagement Objectives
Business Partners	Annual report and sustainability report. Regular dialogue and engagement through various corporate events held throughout the year as well as through meetings and discussions organised.	 To build long-lasting and trusted relationships. To share knowledge. To discover business opportunities.
Government & Authorities	Regular communication and consultation with the government and authorities through physical and virtual meetings as required. Participation in industry associations, forums and dialogues. For example, Persatuan Pengurusan Kompleks Malaysia the Malaysia Shopping Malls Association, Malaysia Retail Chain Association, and the International Council of Shopping Centres.	To fulfil legal and compliance requirements. To fulfil reporting requirements.
Employees*	Regular employee engagement, for example through employee satisfaction surveys, appraisals, training programmes, internal staff communication and newsletters, as well as team activities.	 To support human capital development and talent retention. To communicate employee benefits and welfare matters. To support the creation of a safe and inclusive working environment.
Investment Community	Regular engagement with the investment community through the Annual General Meeting, the Annual report and sustainability report, as well as announcements and circulars issued, amongst others.	To keep the investment community informed of financial performance, as well as key business activities and decisions. To listen and respond to shareholder concerns and interests.
Retail Shoppers	Feedback received from shoppers through various feedback channels, for example, at marketing and promotional events, through social media channels, customer loyalty programmes, as well as feedback and enquiry channels.	To improve customer experiences and adapt to their changing needs. To respond to customer feedback. To build long-lasting relationships with customers.

SUSTAINABILITY STATEMENT

Stakeholder Group	Engagement Approach	Engagement Objectives
Tenants	Feedback received from tenants through various feedback channels such as physical and virtual meetings and discussions organised through the year, as well as through feedback and enquiry channels that are in place.	To support sustainability awareness. To facilitate operational practices and the maintenance of properties. To respond to queries and/or complaints.

Chartwell ITAC International Sdn Bhd (the Property Manager) have engaged Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd (the Service Providers) to manage the people who oversee the day to day running of our malls.

Material Sustainability Matters

It is important to us that our identified material sustainability matters remain relevant to our business. To achieve this, in addition to regularly engaging our stakeholders, we work to ensure that we are aligned with our industry peers at home and abroad, and abreast of the latest economic and sustainability developments.

This year, after an internal review, IGB REIT has updated our material sustainability matters, including the introduction of two new ones which we believe are reflective of the integral role that good governance plays in our sustainability efforts.

IGB REIT's 2022 Material Sustainability Matters, listed in no particular order, are set out below.

Table 2: List of Material Sustainability Matters

New Material Sustainability Matters	Description & Significance
Anti-Corruption	 We have adopted a zero-tolerance approach to all forms of bribery and corruption within the organisation and across our supply chains, and are committed to ensuring that our business is run ethically and within the confines of regulatory requirements. Corruption is detrimental to the organisation and exposes our business to financial, legal, and reputational risks.
Data Privacy & Security	 We are committed to safeguarding all data collected, and have put in place critical cybersecurity software as well as taken steps to educate employees about common cyber threats and vulnerabilities. Cybersecurity threats are becoming rampant amid emerging technological and digital advancements. A failure to protect personal data and comply with data privacy regulations is detrimental to the organisation and exposes it to financial, legal, and reputational risks.

Material Sustainability Matters	Description & Impact
Community/Society (Previously Enriching Communities)	 We are committed to contributing to a better society and ensuring that our business operations positively impact our local communities. We believe that positively contributing to our local communities goes a long way towards building long-lasting relationships and strengthening our reputation. These in turn help support our business in the long-run.
Energy Management (Previously Energy Consumption)	 We work to minimise the environmental impact of our business through effective energy management. This is achieved through internal controls and monitoring mechanisms, as well as the installation of energy efficient equipment. With good energy management, we are supporting improved environmental outcomes which contribute to the sustainability of our planet, the welfare of humankind, and also helps create value for our business in the long-run.
Human Capital Management	 Employees are key to our growth and progress. The Service Provider ensures that employees are engaged, fairly remunerated, and given opportunities to strengthen skills and competencies, so that they can contribute towards achieving our goals and objectives. Good human capital management helps attract and retain talent, who in turn help create value for our business.
Health, Safety & Security	 We are committed to work towards protecting the health and safety of everyone who enters our malls, including employees, tenants, suppliers, and visitors. We institute health and safety measures, and work closely with local enforcement agencies to keep abreast of any imminent or emerging threats. Prioritising health and safety promote a healthy work environment and bolsters our reputation in the market. Additionally, with businesses and individuals placing an increasing importance on it, particularly following Covid-19, it also helps draw visitors to our malls, and attract and retain tenants.



(continued)

Material Sustainability Matters	Description & Impact
Water Management	 We are committed towards effective water management and have implemented internal controls and monitoring mechanisms that track and manage water consumption. We also work to educate our communities on the importance of good water management. With good water management, we are supporting improved environmental outcomes which contribute to the sustainability of our planet, the welfare of humankind, and also helps create value for our business in the long-run.
Waste Management	 We are committed to effective and responsible management of our waste through our recycling efforts. With good waste management, we are supporting improved environmental outcomes which contribute to the sustainability of our planet, the welfare of humankind, and also helps create value for our business in the long-run.

This year two new material sustainability matters have been included, namely Anti-Corruption and Data Privacy & Security.

1. Anti-Corruption

A company's reputation can go a long way towards supporting its continued growth and success. IGB REIT is committed to protecting and maintaining its reputation in the market for being trustworthy, reliable, innovative, and forward-thinking. We abide by all laws and regulations and adopt a zero-tolerance approach to all forms of bribery and corruption within the organisation and across our supply chains. Given the impact that corruption can have on our business, we have included Anti-Corruption in our list of material sustainability matters.

2. Data Privacy & Security

Cybersecurity threats are increasing in frequency, and all businesses need to be proactive in their approach to mitigate the risks posed by these threats if they are to remain sustainable in the long-run. Companies who do not take these threats seriously may be exposed to financial, legal, and reputational risks.

IGB REIT takes data privacy and security very seriously. We have put in place critical cybersecurity software and have educated our employees about common cyber threats and vulnerabilities. Given the potential impact that cybersecurity threats can have on our business, we have included Data Privacy & Security in our list of material sustainability matters.

The names of two existing material sustainability matters have also been changed this year, and we have incorporated "Security" under "Health & Safety".

- "Enriching Communities" is now "Community/Society": Society was added to reflect a broader scope and context which is more applicable to our business.
- "Energy Conservation" is now "Energy Management": Our initiatives relating to energy go beyond just conservation, and as such we wanted the name used to reflect the broader scope.

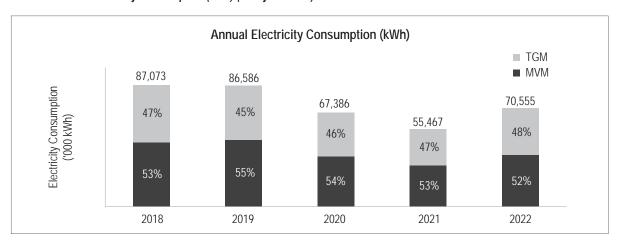
(a) Safeguarding the Environment through Active Participation

Energy Management

Despite efforts to find and develop commercially viable renewable energy sources, much of our energy needs today is still powered by fossil fuels. Worldwide demand for energy has also continued to increase, putting a strain on our limited resources and contributing to the production of greenhouse gases. These gases have contributed to climate change and impacted the well-being of mankind. Governments around the world today are still grappling to find viable and sustainable sources of energy that will allow us to meet energy demands without further damaging the world we live in.

In 2022, we continued to monitor our energy consumption and enhance our malls with energy efficient fittings and infrastructure to keep our energy usage within manageable and reasonable levels. However, with Malaysia relaxing many of its Covid-19 restrictions and entering the endemic phase on 1 April this year, our overall electricity consumption in 2022 was higher than that in 2021. This increase was mainly due to the higher number of visitors to our malls.

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



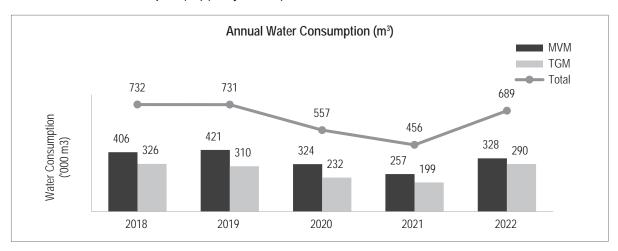
Moving forward, we will continue to review our energy usage and work to identify areas where improvements can be made. We will also embark on initiatives that will reduce our overall energy consumption and help us utilise our energy more efficiently.

Water Management

The world is facing a water crisis. The United Nations predicts that as many as five billion people will be living in areas with insufficient access to safe water by 2050. As populations worldwide continue to grow and the effects of climate change worsen, the demand for clean water will increase, escalating competition for this precious resource. In Malaysia today, we are already facing water disruptions, and with flooding in certain areas, access to clean water has sometimes been a challenge.

IGB REIT recognises the urgency with which we need to address water scarcity and is committed to doing our part to reduce the amount of water we use through more efficient water management. We continue to install and use water efficient facilities and infrastructure, for example, we use taps with sensors in all our washrooms; and continue to explore ways in which we can reduce our overall water usage. We currently have a rainwater harvesting system at MVM, for example. The water collected through this system is used to water the plants around our malls.

Chart 2: Annual Water Consumption (m3) (Five-year trend)

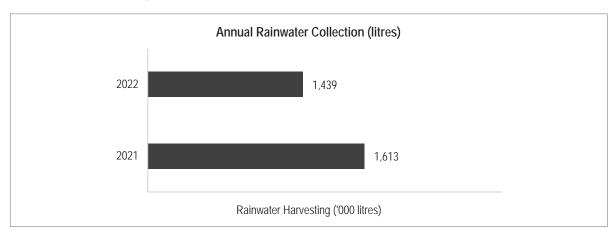


This year, overall water consumption increased compared to the year before. This was mainly due to the increase in the number of visitors to our malls once Malaysia relaxed its Covid-19 restrictions and the country entered the endemic phase on 1 April 2022.



(continued)

Chart 3: Rainwater harvesting (litres)



Using water collected from the rainwater harvesting system, we saved 0.21% of total water consumed in the year. We believe that this is a good initiative and are looking to expand it in 2023 by installing a rainwater harvesting system at TGM.

Moving forward, we will continue to explore new avenues to reduce overall water consumption, including the installation of more efficient water management fittings and infrastructure. We will also continue to monitor our water consumption and carry out investigations where a significant increase in usage is noted.

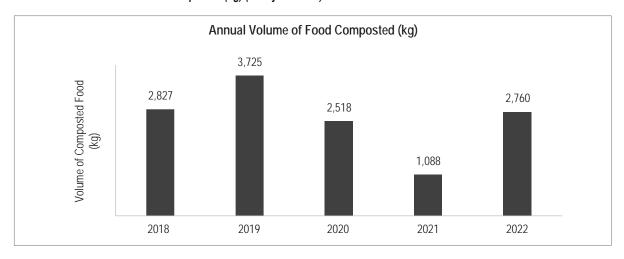
Waste Management

Waste management is important as it helps businesses lower their carbon footprint, and reduce the negative impact that waste has on the environment and improves the overall health of mankind and other living organisms. With populations growing, increased urbanisation and economic development, consumption is set to rise even higher, resulting in greater amounts of waste produced each year. The World Bank predicts that by 2050, waste production will be 73% higher than it was in 2020. Though governments around the world have taken steps to tackle this problem, significant investment and development support is still required to improve waste management practices globally.

This year, we continued to educate our communities about responsible waste management. Both MVM and TGM educated their food & beverage tenants, for example, about the importance of separating waste at the source so that they can be segregated into waste that is compostable, recyclable, and non-recyclable. Rubbish bins throughout both malls have separate sections for recyclable materials, and there is a continued move towards the use of digital displays in place of the traditional paper ones. MVM has also continued its composting efforts, with TGM joining in this year, implementing its own food composting exercise from August 2022. This has increased the overall amount of food waste diverted from disposal.

The volume of food composted from 2020 to 2022 is as set out below.

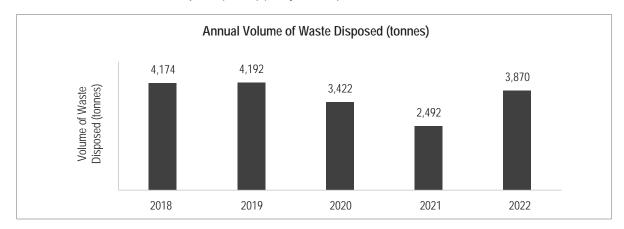
Chart 4: Annual Volume of Food Composted (kg) (Five-year trend)



This year, we have seen an increase in both the amount of waste disposed as well as the amount of recycled materials collected. This is mainly due to the reopening of the economy and the subsequent increase in the number of visitors to our malls.

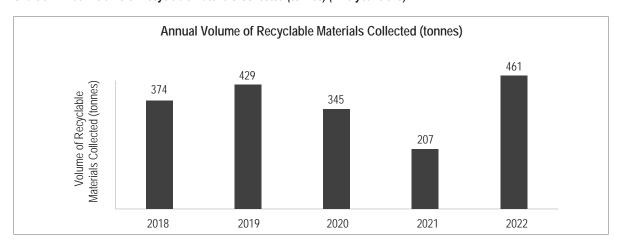
We measure the volume of waste disposed by the number of pulls of standard sized bins performed by our waste disposal contractor. The size of each bin is 20 cubic yards. At a conversion of 2 tonnes per pull, the total amount of waste disposed from 2020 to 2022, is as

Chart 5: Annual Volume of Waste Disposed (tonnes) (Five-year trend)



At an estimated conversion rate of 1.5 tonnes per pull, the total amount of recyclable materials collected from 2020 to 2022 is as set out in the table below.

Chart 6: Annual Volume of Recyclable Materials Collected (tonnes) (Five-year trend)



Moving forward, we plan on exploring the feasibility of increasing our composting equipment to boost the volume of food composted, and will continue to work on educating our tenants on the importance of separating their waste at the source.

(b) Positively Impacting our Communities

Human Capital Management

Human capital management is one of the key pillars of our continued growth and success. Our ability to navigate disruptions to our business, respond to unforeseen circumstances, and weather crises, depends very much on our people. This was seen clearly during the Covid-19 pandemic through our ability to quickly respond to changing situations, and think creatively so that we were able to come back stronger once the Covid-19 restrictions were lifted. It is therefore important to us that we cultivate a positive and healthy work environment that is open and non-hierarchical, and that supports continued growth and development for all employees across all functions. By doing this, we believe that we will be able to attract and retain talent that contributes to value creation for our business.

The Service Providers are committed to providing fair treatment and equal opportunity in recruitment, career development, promotion, training, and reward for all employees regardless of gender, age, race, religion, sexual orientation, disability, and employment type. Continued learning is highly encouraged and a wide range of training courses and workshops are available to employees across all functions. A Tuition Reimbursement Scheme and other forms of scholarship programmes are also offered to employees who wish to pursue long-term certifications.

The Service Providers also work hard to ensure that employment packages offered are competitive by benchmarking them against competitor salary and benefit surveys. All employees for example, receive medical coverage with annual health and eye check-ups, and all permanent full-time and contractual employees are eligible for the Group Hospitalisation and Group Personal Accident Insurance Schemes.

(continued)

This year, as employees returned to the office, personal protective equipment was distributed as follows:

Table 3: Personal Protective Equipment Distributed in 2022

Personal Protective Equipment	Number Distributed
Self-Test Kits	5,093
UV Lamps	29
KN95 masks	155,940

The Service Providers remain committed in enhancing their approach to human capital development and will continue to work to engage, attract, and retain talent that support our business as we continue on our sustainability journey.

Health, Safety & Security

We remain committed to prioritising the health, safety, and security of everyone who steps into our malls. Despite entering the endemic phase of Covid-19, we continued to place great importance on maintaining high standards of hygiene and cleanliness. Many of the initiatives that were undertaken during Covid-19 have continued in the year, including the regular sanitisation of work spaces and high touch areas throughout the malls, using Ultraviolet (UV) light to sterilise high-risk areas, operating air purifiers in all elevators, suraus, and meeting rooms, and utilising high-performance UV lights to purify the air in all Air Handling Units (AHUs).

This focus on health, safety, and security is deeply embedded in our working culture and is championed by our top management. Our Health & Safety Committee meets once every quarter to review all health & safety matters within our malls, and keep abreast of health and safety incidents that occur in malls not only in Malaysia but abroad, using these incidents to help us better prepare should similar situations occur within our malls. Complaints as well as all health & safety incidents are also thoroughly investigated and addressed in a proactive manner to ensure that they are resolved appropriately and in a timely manner. Our teams are committed to continually improving, reviewing any incidents that arise so that they can work to mitigate the risk of similar incidents occurring again and can review their response to see if any improvements can be made.

We also conduct regular safety audits, trainings, and inspections to ensure our compliance with the Occupational Safety and Health Act, and to help manage safety risks within our malls. Annual fire drills are also held to ensure all employees and tenants are familiar with escape routes and are aware of what actions they need to take in the event of an emergency.

It is important to us that our teams are always well-prepared. To this end, we have continued engaging with Polis Diraja Malaysia (PDRM) for updates on potential threats. This allows us to gauge more accurately adverse events and proactively take any necessary preventative measures where required. It is important to us that our teams are always well-prepared. To this end, we work to continually improve the efficiency and effectiveness of our security services, focusing on security controls, intelligence, and training. We believe that proactively implementing preventive measures is important in deterring crime. As such, we continue to deploy personnel at strategic locations, maintain a highly visible and constant security presence through patrols, and install new and maintain existing electronic security devices around the malls. In addition to working with PDRM, we are also in constant contact with other enforcement agencies so that we can collaborate on investigations, information sharing, and training.

This year, as a result of the higher number of visitors, we saw an overall increase in the number of reported health & safety incidents. The number of injuries sustained in the year were attributed to elderly customers fainting or falling while patronising our malls, as well as medical incidents that occurred to customers and staff of our tenants. Our teams were prepared to attend to these cases with the assistance of our First Aiders and Customer Service Personnel.

We also had one reported fatality this year, an individual who committed suicide while on our premises. Our teams were quick to respond to this incident and were on hand to assist until the authorities arrived.

Table 4: Reported Health and Safety Incidences (2016 to 2022)

Incidents/Cases	2016	2017	2018	2019	2020	2021	2022
Death	-	-	-	1	-	2	1
Dangerous Occurrence	46	54	10	4	1	2	-
Injury	8	10	13	29	27	21	42
Near Misses	18	6	10	7	2	-	-
Occupational Poisoning or Disease	-	-	11	12	-	0	-
Motor Vehicle Accident or Property Damage	-	-	6	16	8	11	10

IGB REIT regrets the occurrence of all health and safety incidents that have occurred in our malls and remains committed to ensuring a safe and secure environment for our employees, tenants, customers, and business partners. We will continue to monitor our safety performance, reinforce safety standards, and fine-tune our standard operating procedures to facilitate year-on-year improvements. The health, safety, and security of our community remains a priority and we will continue to work closely with our teams and the authorities to provide a safe and secure environment for all who visit us.

Data Privacy & Security

The world has gone digital. Almost everything can be done online through electronic devices like laptops, tablets, smartphones, and even your television. With more and more data being stored in the digital sphere, cybersecurity has never been more important as the need to safeguard data against theft and loss increases.

IGB REIT is aware of the importance of cybersecurity, and has subscribed to IGB Group's updated Cybersecurity Policy and IT Acceptable Use Policy. We also have critical cybersecurity software in place, including ransomware protection, log management and privilege access management across key systems. Cybersecurity assessments are also regularly carried out to familiarise our employees with common cyber threats and vulnerabilities so that they understand how threats occur, how to identify them, and what steps they should take if a system is compromised. This year we recorded zero incidents of substantiated data breaches.

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

Community/Society

We believe that to be truly sustainable as an organisation, we not only need to embed sustainability in our day-to-day operations, but extend it to the communities in which we operate. This year, both MVM and TGM continued to support various charitable organisations through activities and campaigns held throughout the year. Through these events, we hope to contribute to supporting our communities, especially those in need.

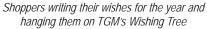
Chinese New Year

For Chinese New Year this year, TGM organised a donation drive for the Beautiful Gate Foundation for the Disabled and United Voice. The Beautiful Gate Foundation for the Disabled is committed to providing a variety of services to meet the needs of the local disabled community, while United Voice advocates for and works to ensure that persons with learning disabilities have the right to an education, employment, community living, and are respected as individuals.

With shoppers going cashless, the donation drive utilised the contactless feature of the Touch 'n Go eWallet. A total of RM1,011 was collected from shoppers during the campaign, and a further RM5,000 was donated by TGM to each non-governmental organisation. Shoppers who made donations were invited to write down their wishes for the year ahead and hang them on the mall's Wishing Tree.









TGM donated RM5.000 each to Beautiful Gate Foundation for the Disabled and United Voice

Hari Raya

For Hari Raya, TGM partnered with Teach for Malaysia (TFM), a charitable organisation that seeks to enable children from underserved communities across the country realise their potential through receiving quality education. A contactless donation booth that also showcased TFM merchandise was set up on the Ground Floor. The Hari Raya Campaign ran from April 15 to May 8 this year and raised a total of RM1,194 through the use of eWallets. The mall donated a further RM10,000 to TFM as part of the partnership.



(continued)







The Contactless Donation Booth showcasing Teach for Malaysia Merchandise

TGM donated RM10,000 to Teach for Malaysia

c. Christmas

As part of TGM's Christmas festivities, The Salvation Army was invited to bring their signature event – Christmas Kettling – to the mall to help raise funds for the less privileged and spread the Christmas spirit of hope and joy. A total of RM5,978 was raised, with TGM donating an additional RM10,000.







The Salvation Army's Christmas Kettling which helped raise funds for the less privileged

TGM donated RM10,000 to Teach for Malaysia

Sponsorship, Charitable Support and Other Events

This year, MVM continued to support our nation and our communities through charitable initiatives. During the first quarter of the year, the mall gave out face masks to shoppers for a minimum donation of RM1 at all mall entrances. Proceeds raised were channelled towards Pusat Darah Negara.

MVM also lent their support to various organisations through offering free promotional spaces for campaigns and programmes. MVM supported TSM Charity Golf Foundation's blood donation drive, for example, which was held on the 16th and 17th of July. All rental and miscellaneous charges amounting to RM49,840 were waived.





Members of the Public Donating Blood at the TSM Charity Golf Foundation's Blood Donation Drive

For a full list of organisations who MVM lent support to through offering free promotional spaces for campaigns and programmes, please refer to the table below.

Table 5: List of Sponsorships and Charitable Support

TSM Blood Donation Drive	Full waiver of rent and miscellaneous charges amounting to RM49,840
Terry Fox Charity Run 2022	Full waiver of rent and miscellaneous charges amounting to RM4,200
Pusat Darah Negara – Donation Suite	Full waiver of rent amounting to RM15,371 per month
Kedai BLESS	Full waiver of rent amounting to RM13,200 per month
OKU Dobi Sdn Bhd	Full waiver of rent amounting to RM7,400 per month
MAB Shoppe	Full waiver of rent amounting to RM8,300 per month

(c) Sustainability Fostered through Good Corporate Governance

Corporate governance is the system through which an organisation is managed. It is more than just compliance to laws and regulations; it sets the DNA of a business and permeates through its ranks. Good corporate governance facilitates effective and prudent management that is crucial for delivering long-term success for a business.

IGB REIT adopts a proactive approach to corporate governance, and seeks to maintain the highest standards of corporate conduct to protect and maintain the strong reputation that we have in the market. We believe that good corporate governance is key to our longterm success, contributing to our sustainable growth, and ability to maximise stakeholder value. Our commitment to good corporate governance is reflected in the Directors Code of Business Conduct and Ethics whose core concepts of conducting business are premised on transparency, integrity, and accountability.

Additionally, IGB REIT is guided by IGB Group's Anti-Bribery and Corruption (ABAC) Policy and Whistleblowing Policy. It is also aligned with the Malaysian Anti-Corruption Commission Act 2009. 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, will undergo strict disciplinary procedures which can lead to permanent work termination. Legal proceedings may also be conducted if required.

This year, IGB REIT has included Anti-Corruption to our list of material sustainable matters. This reflects its importance both within our organisation as well as amongst our stakeholders. We adopt a zero-tolerance approach against all forms of bribery and corruption and have required all tenancy agreements on behalf of IGB REIT to include a provision that tenants shall observe and comply with the provisions of the Anti-Corruption Act 2009.

For a full view of our governance efforts, please refer to the Corporate Governance Overview Statement which is on page 44 of the Annual Report.

LOOKING AHEAD

The Covid-19 pandemic has been a stark reminder that the way in which we choose to live has a great impact on the health of our planet. It has also shown us how significant a change we need to make to positively impact the environment. When economies worldwide came to a virtual standstill, some of the positive environmental impacts we witnessed included vast improvements in air and water quality, as well as a reduction in energy consumption and the demand for coal. The pandemic has undoubtedly drawn attention to the urgency with which we need to focus on sustainability and the role that businesses have to play in making these lasting changes.

IGB REIT has taken the lessons we have learnt from the pandemic to improve and further embed sustainability into our business. The pandemic forced us to re-evaluate how we operate as a business, and helped us improve our efficiency, think creatively, and come up with innovative solutions as we weathered the Covid-19 storm. These are lessons that we do not take lightly and we will be using them to improve our business and further entrench sustainability into our frameworks, policies, and decision-making processes.

In 2023, we will continue to draw on lessons learnt, strive to bring exciting, fresh, and innovative retail experiences to the market, and work in partnership with our communities to continue building a sustainable business while continuing to deliver long term value to our unitholders.



THE MANAGER

IGB REIT Management Sdn Bhd (IGBRM), in its capacity as the Manager of IGB REIT, is the responsible entity of IGB REIT. The Manager was appointed in accordance with the terms of the deed of trust constituting IGB REIT dated 18 July 2012 (as supplemented on 25 October 2018) (Deed). The Manager was issued a Capital Markets Services Licence (CMLS) for REIT management on 28 June 2013 and is regulated by the Securities Commission Malaysia (SC).

The Manager has general powers of management over the assets of IGB REIT and its core responsibility is to manage the assets and liabilities of IGB REIT for the benefit of Unitholders (UHs). In connection therewith, the primary role of the Manager is to set the strategic direction and business plans of IGB REIT in accordance with its mandate. This includes making recommendations to MTrustee Berhad, in its capacity as the Trustee of IGB REIT, on any investment and divestment opportunities in accordance with the investment strategy of IGB REIT. The research, evaluation and analysis required for these purposes are to be coordinated and carried out by the Manager, so as to maximise the returns from the investment and ultimately the distributions and total returns to UHs.

The Manager discharges its responsibilities for the benefit of UHs in accordance with all applicable laws and regulations such as the SC's Guidelines on Listed Real Estate Investment Trusts (REIT Guidelines), Capital Markets and Services Act 2007 (CMSA), Bursa Malaysia Securities Berhad's (Bursa) Main Market Listing Requirements (MMLR), as well as the Manager's obligations under the Deed are properly and efficiently carried out.

The Manager is committed to sound corporate governance (CG) policies and practices and observes high standards of conduct, in line with best practices of CG required by statutory regulators since its listing on the Main Board of Bursa. It has developed and, on an ongoing basis, maintained sound and transparent policies and practices to align with market practices as well as to meet the specific business needs of IGB REIT.

The Board of Directors (Board or Directors and individually, Director) of the Manager has ultimate authority over, and oversight of, IGB REIT and is committed to continuous improvement in the Manager's CG practices in discharging its responsibilities to all stakeholders of IGB REIT and protecting the interests of UHs.

The Manager's main CG framework, as summarised in this Corporate Governance Overview Statement (CGOS), ensures that IGB REIT is effectively managed, the regulatory requirements are met, and IGB REIT's culture of corporate integrity is reinforced. This CGOS sets out the details on the applicability of each of the principles and practices of the Malaysian Code on Corporate Governance (MCCG), and where applicable, other requirements, laws and regulations in the REIT Guidelines, CMSA and MMLR, for the financial year ended 31 December 2022 (FY2022) and up until the date of this CGOS.

The Manager has complied with the MCCG in all material respects. Where the Manager's practices vary from any MCCG best practices, the Manager has provided explanations for such deviation and details of the alternative practices. The Manager would strive to continuously enhance its governance arrangements to reflect changing conditions and emerging sound practices, as appropriate.

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

The Manager is a wholly-owned subsidiary of IGB Berhad (IGB) which is listed on the Main Market of Bursa. IGB is the sponsor and a controlling UH of IGB REIT.

This CGOS is current as at 19 January 2023 and has been approved by the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Practice 1.1

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

The Board has a Charter (last updated on 19 January 2023) that sets out the mandate, responsibilities and procedures of the Board and its committees (Board Committees or BCs), including the matters reserved for the Board's approval. Overall, the Board's role is to:

- provide leadership and set strategic objectives of IGB REIT, which should include appropriate focus on value creation, innovation and sustainability with attention to environmental, social and governance (ESG) aspects;
- oversee and review Management's performance in the context of the strategies and objectives of the Manager and IGB REIT;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding the interests
 of UHs and its assets;
- review and approve major capital expenditure, acquisitions and divestitures, and monitor capital management;
- monitor the operational and performance of IGB REIT;
- ensure measures relating to CG, financial regulations, and other required policies are in place and enforced;
- set the Manager's values and standards (including ethical standards) and oversee the proper conduct of the Manager; and
- ensure transparency and accountability to UHs and stakeholders.

In the discharge of its functions, the Board is supported by 4 BCs which also serve to ensure that there are appropriate checks and balances. These BCs are Audit Committee (AC), Nomination Committee (NC), Remuneration Committee (RC) and Retail Risk Management and Sustainability Committee (Retail RMSC), which are guided by their respective terms of references (ToRs), each of which are chaired by Independent Non-Executive Directors (INEDs), save for Retail RMSC which is led by Mr Antony Patrick Barragry (APB), the Chief Executive Officer (CEO) of the Manager. While these BCs have the authority to examine matters within their mandates, the BCs report to the Board with their decisions and/or recommendations as the ultimate responsibility on all matters lies with the entire Board. Diversity of experience and appropriate skills are considered in the composition of the respective BCs. The composition of each BC is also reviewed as and when there are changes to Board membership. Where appropriate, changes are made to the composition of BCs, with a view to ensuring that there is an appropriate diversity of skills and experience, and fostering active participation and contributions from BC members. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the constitution of the Manager (Constitution) as the Board sees fit. The BCs have never been more pivotal in supporting the Board. Further details of the BCs' activities during FY2022 are set out in the following pages.

The daily running of IGB REIT's business is entrusted to a team of experienced and well-qualified management. The CEO, together with management (Management and individually, Officer) is accountable to the Board. Management also manage and control the external service providers for their areas. The members of Management, irrespective of their joint responsibility for IGB REIT, are responsible for individual areas of responsibility. They cooperate collegially and keep each other informed about important processes and measures in their areas of responsibility. Brief biographical details of Management are set out in the <u>Profile of Management</u> section.

The Board has adopted a set of internal guidelines and protocols which sets out the level of authorisation and financial authority limits. Key matters such as investments, divestments, bank borrowings, issuance of new units of IGB REIT (Units), income distributions and other returns to UHs, corporate strategies and policies of IGB REIT, annual budget, financial performance of IGB REIT and approval to release the quarterly and year end results are specifically reserved for the approval of the Board, whereas appropriate delegations of authority and approval sub-limits are also provided at Management level to facilitate operational efficiency.

Practice 1.2

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

Practice 13

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

The Board is led by Chairman and INED, Tan Sri Dato' Prof. Lin See Yan (TSL) (Board Chairman) and, apart from the Board and BC members, is supported by CEO, APB who has a wide range of expertise and experience. The separation of roles of Board Chairman and CEO ensures nonrepetition of duties, and appropriate balance of power and responsibilities, an effective system of checks and balances, increased accountability and greater capacity of the Board for independent decision making. Board Chairman and CEO collectively play an important role in the stewardship of the strategic direction and operations of the Manager and IGB REIT. Board Chairman and CEO are not related, nor do they have any close family ties.

Board Chairman leads the Board in its collective oversight of the Manager and IGB REIT and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions among Board members and Management on strategies, business operations, enterprise risks and other plans of IGB REIT, and spearheads the Manager's drive to promote, attain and maintain good standards of CG. Board Chairman also presides over Annual General Meeting (AGM) each year and other general meetings (GMs) where he plays a crucial role in fostering constructive dialogue between UHs, Board and Management.

CEO leads Management to address strategies, business operations, financial performance and risk management in meeting the strategic, investment and operational objectives of IGB REIT, oversees day-to-day management and conduct of business and affairs of the Manager and IGB REIT, including implementation of strategies, business plans and policies adopted by the Board.

The clear separation of roles of Board Chairman and CEO provides a healthy professional relationship between the Board and Management, with clarity of roles and robust deliberations on the business activities of the Manager and IGB REIT.

Practice 1.4

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

TSL is the incumbent Chairman of the Board, NC and RC, as well as a member of AC.

In view of the Manager's current pool of INEDs, the NC had at its meeting in January 2023 concluded, and the Board had concurred that TSL to remain as Chairman of the Board, NC and RC, as well as a member of AC for the time being, until sufficient INEDs were appointed to the Board and changes could then be made to the BC composition.

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



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The Board is supported by the Head of Compliance/Company Secretary (HOC/CS), Tina Chan Lai Yin, a Fellow of the Institute of Chartered Secretaries and Administrators. HOC/CS has overall responsibility for the corporate secretarial administration matters and is directly accountable to the Board on all matters to do with the proper functioning of the Board. This includes supervising, monitoring and advising on governance matters and compliance by the Manager and IGB REIT with all legislation, rules and guidelines and disclosure requirements of various regulatory bodies, coordinating Board business and providing a point of reference for ensuring good information flow within the Board and its BCs, and between Non-Executive Directors (NEDs) and Management, and performing such other duties of HOC/CS, as required under laws and regulations or as specified in the REIT Guidelines, CMSA and MMLR, or as required by the Board Chairman or Directors (or any of them), as the case may be. HOC/CS works synergistically with Management in ensuring that necessary internal controls and procedures are in place so that regulatory compliance can be measured and monitored. In order to play an effective advisory role to the Board, HOC/CS remains informed of the latest regulatory changes, evolving industry developments and best practices in CG through continuous training. The appointment and removal of HOC/CS is subject to the approval of the Board. During FY2022, HOC/CS attended all meetings of Board and BCs.

Practice 1.6

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

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

Directors are expected to prepare for, attend, and contribute meaningfully in all Board and applicable BC meetings in order to discharge their obligations. Where exigencies prevent a Board member from attending a meeting in person, the Constitution allows for participation in meetings via telephone conference, video conference or similar communications equipment. Where the physical presence of the Director at such meetings is not feasible, he/she may provide his/her comments to Board Chairman or the relevant BC chairman of the meeting and these comments are taken into consideration in the deliberations. The Board and BCs may also make decisions by way of written resolutions. Directors may request further explanations, briefings or informal discussions from Management in respect of significant matters passed via circular resolutions.

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

At each scheduled Board meeting, the Board is apprised of IGB REIT'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), decisions made or salient issues discussed by BCs, risks and mitigation measures, regulatory and compliance updates, as well as mandate sought by Management, including, where applicable, relevant budgets and business plans. Consistent with their fiduciary duties, Directors should act objectively in the best interests of IGB REIT. Where a Director faces a conflict of interest (COI), he/she will recuse him/herself from the discussions and decisions involving the issues of conflict. Every Director has complied with this standing policy, and where relevant, such compliance has been duly recorded in the meeting minutes or written resolutions. Directors are also expected to maintain confidentiality of the deliberations of the Board and BCs. In addition to scheduled meetings, the Board may also hold ad-hoc meetings as required by business imperatives or particular circumstances. All proceedings of Board and BC meetings are duly recorded in the minutes of each meeting and circulated promptly to every Board or BC member for their comments prior to confirmation of the minutes. The number of Board and BC meetings and each individual Director's attendances at such meetings during FY2022 as shown in Appendix. As described in Practice 6.1, NC was satisfied that all Directors gave sufficient time and attention to the affairs of IGB REIT and were able to and have adequately carried out their duties as Directors of the Manager.

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

The Board ensures that its members have access to appropriate education programmes to stay updated on relevant developments, and to enhance their skills and strengthen their participation in the Board/BC deliberations. To keep pace with developments in the real estate industry, new updates on laws and regulations and changes to accounting standards, the Board is briefed either during meetings or at specially convened sessions involving the relevant advisers and professionals, where necessary, or by email. Directors may also attend other relevant courses, conferences and seminars, at the Manager's expense. Details of seminars/webinars that Directors and CEO attended during FY2022 as shown in Appendix.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies –

- the respective roles and responsibilities of the board, BCs, individual directors and management; and
- issues and decisions reserved for the board.

The Board's functions are governed and regulated by its Charter (last updated on 19 January 2023), Constitution, REIT Guidelines, CMSA, MMLR and various applicable legislation. The Charter sets out the respective authority, functions, responsibilities and processes of the Board, BCs, Management and those matters expressly reserved for the Board, and those delegated to BCs and Management. The Charter is reviewed on a regular basis to enhance its processes and procedures and ensure alignment with new requirements and regulations.

The Board is responsible for the governance of the Manager and IGB REIT as well as provides leadership in shaping the strategic directions of the Manager and IGB REIT. The Board fulfils its mandate at regularly scheduled meetings and as warranted by particular circumstances. BC members are chosen for the skills and experience they can contribute to the respective BCs. Each BC is composed of members of the Board save for Retail RMSC. 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 and the portfolio's complexity. BC meeting minutes are included as part of the Directors' meeting materials to keep Directors updated on each BC's activities. The role, function, performance and membership of each BC is reviewed on an annual basis as part of the Board's performance-assessment process. As described in Practice 6.1, the board evaluation performed in January 2023 showed that all BCs had effectively discharged their function.

Whilst the Board oversees the strategic plan and direction of the Manager and IGB REIT, CEO leads Management in making and implementing day-to-day decisions on business operations and management of IGB REIT and managing resources and risks in pursuing the investment objectives of IGB REIT, in accordance with the Board approved policies and delegations of authority.

Practice 3.1

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

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

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

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

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

(a) Directors' Code of Business Conduct and Ethics (Code)

The Manager has in place a Code which embodies the Manager's commitment to the highest standards of integrity and ethical behaviour. The Board is guided by the Code in discharging its oversight role effectively. The Code requires all Directors to observe high ethical business conduct, honesty and integrity and to apply these values to all aspects of the business and professional practice of the Manager and act in good faith in the best interests of the Manager, IGB REIT and UHs.

As the Manager is wholly held by IGB, Management is required to abide by the IGB Group Employee Code of Conduct, which sets out the behaviour and conduct expected of all employees and provides guidance on issues including the prohibition of bribery, management of COI and anti-corruption.

(b) Fit and Proper (FAP)

Members of the Board and Management provide strategic leadership that influences the financial position and future direction of the Manager and IGB REIT. As such, persons in these positions should have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner. The expectations on the suitability of persons in key positions are an extension of the CG framework and are also aimed at ensuring that the Manager is led by persons of integrity, credibility and competency.

To assess and to determine the fitness and propriety of Directors and Management, as well as the Manager's licensed representatives (i.e., Capital Market Services Representative Licence (CMSRL) holders), Directors and Management are required to provide a FAP declaration twice a year i.e., before filing of the Anniversary Reporting for Authorisation of Activity (Form 4) and issuance of IGB REIT's Annual Report (AR), with an undertaking to update the Manager, upon any change in circumstances that would affect the correctness and completeness of information provided to the Manager. In relation to CMSRL holders (CEO, Joint Deputy CEO (Joint DCEO) and Executive Directors (EDs)), confirmation that the declaration in the FAP Compliance Report by Licensed Corporation (Form 6A) is correct before the annual CMSRL renewal. The Manager also undertakes searches with the Department of Insolvency in respect of each of its Directors and Management every year before filing the Form 4 and issuance of IGB REIT's AR.

The Manager also subscribes to the IGB Group Policy on FAP Criteria for Directors in respect of appointment of new directors as well as continuation of appointment of directors on the boards of the IGB Group.

(c) Dealing with COI

Under the Deed, the Manager, the Trustee and any delegate of either of them shall avoid COI arising or, if conflicts arise, shall ensure that IGB REIT is not disadvantaged by the transaction concerned. The Manager must not make improper use of its position in managing IGB REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of UHs.

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



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The Manager also manages IGB Commercial Real Estate Investment Trust (IGBCR) which is listed on the Main Market of Bursa. IGB REIT and IGBCR have different investment policies. IGB REIT's principal investment policy is to invest in income-producing real estate primarily used for retail purposes. In comparison, IGBCR's principal investment policy is to invest in income-producing real estate primarily used for commercial purposes. To mitigate any potential COI, the following procedures must be observed by the Manager:

- (i) the Manager will not manage any other REIT which invests in the same type of properties as IGB REIT;
- (ii) the Manager will establish separate operations teams to manage the operations of the respective REITs i.e., IGB REIT and IGBCR have different operations team;
- (iii) save as to the resolution relating to the removal of the Manager or unless permitted by the SC or the Relevant Laws and Requirements, the Manager must not exercise the voting rights with respect to the Units held by it or its nominee in any UHs' meeting, regardless of the party who requested for and called for the meeting and the matter or matters that are laid before the UHs;
- (iv) unless otherwise permitted by the SC, related parties (RPs) of the Manager must not exercise their voting rights with respect to the Units and must not be counted in a quorum at any UHs' meeting if they have interest in the outcome of the transaction tabled for approval at the meeting which is different from the interest of other UHs; and
- (v) all transactions with or for IGB REIT must be conducted on an arm's length basis.

(d) Dealing in Units

Directors and Management while in possession of material information of IGB REIT must refrain from dealing in Units or communicate such information to any person.

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

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

(e) Related Party Transaction (RPT) and Recurrent RPT (RRPT)

The Manager has established controls and reporting measures for RPT/RRPT to ensure all transactions involving, among others, the Trustee, the Manager, Directors, CEO, major UHs 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 UHs. Management has been kept informed of the disclosure procedures for RPT/RRPT, who would ensure that transactions with 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 IGB REIT with RPs are maintained in records by the Manager 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 UHs. It is also in the scope of internal audit (IA) to review RPT/RRPT entered into by IGB REIT to ascertain the guidelines and procedures established to monitor RPT/RRPT have been complied with, including the relevant provisions of MMLR. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to AC. If a member of AC has an interest in a transaction or arrangement, he/she is to abstain from participating in the review and approval process in relation to that transaction or arrangement.

Where matters concerning IGB REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of IGB REIT with an interested party which would include relevant associates thereof, the Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of IGB REIT and UHs, and are in accordance with all applicable requirements of REIT Guidelines and/or MMLR relating to the said transaction. The Trustee has the ultimate discretion under the Deed to decide whether or not to enter into a transaction involving an interested party. If the Trustee is to sign any contract with the interested party, the Trustee will review the contract to ensure that it complies with the requirements of REIT Guidelines and/or MMLR.

At the Tenth AGM of IGB REIT on 28 April 2022 (2022 AGM), a general mandate under paragraph 10.09(2) of the MMLR for IGB REIT to enter into RRPT with IGB Group and IGBCR had been obtained from UHs. Based on the actual amount transacted from the date of 2022 AGM up to the date of this CGOS, the actual value of RRPT has not exceeded the estimated value by 10% under the mandate. The details of RRPT entered into by IGB REIT with IGB Group and IGBCR in FY2022 pursuant to the mandate as shown in Appendix.

On 19 January 2023, IGB REIT announced its intention to seek UHs' approval for the renewal of existing RRPT (RRPT Mandate) at its Eleventh AGM to be held on 27 April 2023 (2023 AGM). The RRPT that have been entered into and will be entered into by IGB REIT with IGB Group and IGBCR are necessary for its business and are intended to meet the ordinary and usual course of business needs at the best possible terms. These RRPT are likely to occur on a frequent and recurrent basis from time to time. In addition, these transactions may be constrained by time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek UHs' prior approval on a case-by-case basis before entering into such transactions. The RRPT Mandate will eliminate the need to convene a GM and/or to make announcement separately for the entry by IGB REIT into such transactions. This will reduce the associated expenses, improve administrative efficiency and allow resources to be channelled towards attaining other corporate objectives. Directors who have interests 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 2023 AGM. The details of the RRPT Mandate are set out in the Circular to Unitholders -RRPT Mandate (Circular).

AC had at its meeting in January 2023 reviewed the Circular, and having considered, among others, the nature of RRPT to be made, were intended to meet the ordinary and usual course of business needs of IGB REIT 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 REIT's usual practices and policies, as well as the procedures and processes established to regulate RRPT, was satisfied that adequate processes and controls were in place for monitoring, tracking and identifying RRPT in a timely and orderly manner.

Anti-Money Laundering and Countering Financing of Terrorism

To comply with the money laundering and terrorism financing regulations, the Manager has the following policies:

- (i) customer due diligence must be conducted on persons whom the Manager on behalf of IGB REIT establishes or intends to establish business relations (including tenants of IGB REIT's properties) (Customers) in accordance with the SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market before establishing business relations with such persons:
- (ii) a representation, warranty or undertaking that the Customers will comply with all money laundering and terrorism financing regulations in Malaysia under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFA) must be obtained by the Manager at the point of establishing the business relationship;
- (iii) all tenancy agreements with tenants on behalf of IGB REIT must include a provision that tenants shall observe and comply with the provisions of Anti-Corruption Act 2009, AMLATFA, all rules, regulations and guidelines made pursuant thereto, other anti-corruption, anti-bribery, anti-money laundering and anti-terrorism laws of Malaysia and such other anti-bribery and corruption practices, laws and conventions as may be required by IGB REIT for the tenant's compliance;
- (iv) the Manager must not keep anonymous accounts or accounts in fictitious names;
- (v) where required by the SC, the Manager must respond promptly to any enquiries with regard to dealings with persons suspected of money laundering or terrorism financing related activities, and provide the relevant information and documentation;
- (vi) where the Manager has reasonable grounds to suspect that the transaction (including attempted or proposed) or the funds involve proceeds of an unlawful activity or is related to terrorism financing, such transaction should be reported immediately to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia (FIED) through lodgement of a suspicious transaction report (STR);
- (vii) where required by FIED, the Manager must provide additional information and documentation and respond promptly to any further enquiries with regard to the STR lodged;
- (viii) HOC/CS must maintain a complete file of all internal reports or suspicious transactions and STR lodged with FIED together with the relevant supporting documentary evidence; and
- (ix) unless permitted by law, the Manager and its Directors and Management are prohibited from disclosing the fact that a STR or related information is being filed with FIED. It is an offence to disclose any information that a suspicion has been formed or that information or a STR has been communicated to FIED and SC or to infer any of these have occurred unless such disclosure is made pursuant to the provisions under AMLATFA.

(g) Anti-Bribery and Corruption (ABC)

The Manager acknowledges the importance of lawful and ethical behaviour in IGB REIT's business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of IGB REIT's business and affairs in its workplace.



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

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

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

(h) Whistleblowing Policies and Procedures (WPP)

The Manager subscribes to the IGB Group WPP (GWPP). GWPP provides an avenue for employees and third parties to raise concerns or observations in confidence to the Group, about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to its reputation. All whistle-blower reports are addressed to the Whistleblowing Committee (WBC) (comprising the Heads of Group Internal Audit (GIA), Group Legal and Group Human Capital of IGB) who also addresses complaints received relating to IGB REIT. A whistle-blower is assured confidentiality of identity, to the extent reasonably practicable. This includes protecting the whistle-blower from harassment, repercussions, retribution and victimisation that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith.

There have been no incidents reported or complaints submitted to WBC for FY2022.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management (SM).

Practice 4.2

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

Practice 4.3

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

Practice 4.4

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

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

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

The Board assumes the overall responsibility for integrating sustainability considerations into IGB REIT's strategic decisions with support from Retail RMSC, which is led by CEO, with senior representatives from the retail management, finance and strategy and risk functions. Retail RMSC plays a leading role in developing IGB REIT's sustainability objectives and strategies as well as monitoring and driving sustainability performance and responsible business practices.

The Manager has made strides in recent years in addressing ESG-related risks and opportunities that have a strategic significance to IGB REIT's business activities (strategy, operations, risk management, and corporate culture). As disclosed in the annual reporting under Sustainability Statement section, the Manager is transparent about how sustainability is embedded in IGB REIT's business and initiatives driven by IGB REIT in terms of material sustainability matters in the areas of environmental (energy, water and waste management), social (security and occupational health and safety, customer engagement, human capital management, data protection) and governance (compliance risk, corporate risk management, bribery and corruption, whistleblowing). Through monitoring efforts during the year, the Manager continues to identify areas for improvement at IGB REIT's portfolio of properties.

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

IGB REIT'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, AR, press releases, investor presentations, quarterly analyst briefings, etc.) stakeholders.

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

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

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

Practice 4.5 (Step Up)

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

As described above, Retail RMSC is in charge of overseeing sustainability matters of IGB REIT - identification, assessment, and disclosures of such risks, and these data flow into the boardroom to ensure the discussion is well informed; there has not yet been a need to designate a specific individual to strategically manage sustainability of IGB REIT.

Practice 5.1

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

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

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

NC has conducted its assessment in January 2023 and was satisfied that the Board has an optimal blend of skills in terms of backgrounds, experience and knowledge in business and general management, expertise relevant to IGB REIT's business, and that the contribution and performance of each Director continued to be valuable and effective. The integrity and professionalism of the Directors have allowed them to discharge their responsibilities with due care and diligence. NC was, however, mindful of the need for board refreshment and future succession, which would be considered against the Manager's evolving business model and the changing governance landscape. In this regard, NC would review the structure, size, balance and diversity of the Board annually and, as and when circumstances require, propose any changes to the Board to complement IGB REIT's objectives and strategies.

The Board has noted NC's views and would seek to introduce greater diversity as it progressively reviews the composition of the Board and its BCs.

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

The Board presently comprises 9 members, 4 of whom are INEDs or 44.4% of Directors being independent. This complies with the composition requirement under REIT Guidelines where one third of the Board comprises INEDs.



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The Board had considered the recommendation in MCCG to have majority INEDs and was of the opinion that there was no disproportionate imbalance of power and authority on the Board between Non-INEDs (NINEDs) and INEDs, and this would serve as an important control mechanism to ensure that the Board functions objectively, independently and effectively. The INEDs have exercised due care and independent judgement and made decisions objectively at all times as fiduciaries in the best interests of IGB REIT and its UHs. In addition to Board Chairman being independent, BCs (save for Retail RMSC) are chaired by and comprise a majority of INEDs, thereby allowing proceedings to be framed and mediated through an objective lens. This is highly significant considering that the respective Chairs of the Board, AC, NC and RC lead matters relating to corporate credibility and governance standards, integrity of financial statements, evaluation and succession of Directors and Management, and remuneration policy that aligned to long-term goals, which demonstrates that INEDs play a substantive role, and assure the objectivity and independence of the decision-making process.

In FY2022, none of the INEDs had any business relationship with the Manager, its related corporations, its substantial SHs, as well as with IGB REIT and its substantial UHs or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the INED's independent business judgement in the best interests of IGB REIT.

Practice 5.3

The tenure of an ID does not exceed a term limit of 9 years. Upon completion of the 9 years, an ID may continue to serve on the board as a non-ID.

If the board intends to retain an ID beyond 9 years, it should provide justification and seek annual SH approval through a 2-tier voting process.

The Board recognises the importance of independence and objectivity in its decision-making process, and that the presence of INEDs is essential in providing unbiased and impartial opinion, advice and judgement to ensure the interests of IGB REIT, UHs and other stakeholders in which IGB REIT conducts its business with are well-represented and taken into account.

As described in Practice 5.2, the 4 INEDs are independent from Management and IGB REIT's controlling UHs and/or any of its affiliates, and are not involved in the day-to-day management of the Manager and IGB REIT nor do they participate in any of their business dealings. They are actively involved in the various BCs, providing guidance, unbiased, independent and objective views, advice and judgement to various areas such as performance monitoring, enhancement of governance and controls so as to safeguard the interests of UHs and stakeholders to ensure that the highest standards of conduct and integrity are maintained by the Manager and IGB REIT.

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

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

In its review for FY2022, NC (each member recused himself when his independence was tabled for assessment), after considering the independence criterion given in REIT Guidelines and MMLR, has ascertained that the INEDs remained objective and independent, evidenced by their ability to demonstrate the values and principles associated with independence during the Board/BC discussions such as impartiality, objectivity and consideration of the interests of IGB REIT and its UHs, and they had and would continue to provide their input to the Board in discharging their responsibilities in an independent manner with integrity and competency.

The Board (without participation by related INEDs) has considered and determined, taking into account the views of NC, that TSL, Encik Halim Haji Din (HHD), Mr Lee Chen Chong (LCC) and Mr Robert Ang Kim Pack (RAKP) have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors during FY2022 and was satisfied that each of them acted with independent judgement. The Board has also assessed the relationships or circumstances which were likely to affect or could appear to affect the INEDs' judgement. Based on the annual review of the INEDs' independence conducted by NC, the criteria of independence as set out in REIT Guidelines and MMLR and the declarations by INEDs of their independence, the Board was satisfied that, as at 31 December 2022, TSL, HHD, LCC and RAKP were able to act in the best interests of all UHs of IGB REIT as a whole, notwithstanding 3 of them, by the 2023 AGM, would have served 11 years as Directors.

As IGB REIT is an externally managed trust, UHs are not legally able to vote for Directors of the Manager. Directors are not subject to periodic retirement by rotation under the Constitution.

Practice 5.4 (Step Up)

The board has a policy which limits the tenure of its IDs to 9 years without further extension.

In accordance with the Charter (last updated on 19 January 2023), the tenure of an INED shall not exceed a cumulative term limit of 12 years. The Board through NC will conduct a yearly assessment on the independence of INEDs.

Practice 5.5

Appointment of board and SM are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The Manager believes that Board renewal is necessary and a continuous process for good governance. Board renewal ensures that the Board and BCs comprise Directors that, as a group, provide an appropriate balance and diversity of skills, experience and industry knowledge of IGB REIT's business.

Appointment of new Directors to the Board are the responsibility of the full Board on NC's recommendation. There are formal, considered and transparent process for the appointments of potential candidates for the office of Director. The final decision on selection of Directors will be based on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board as described in Practice 5.1. NC in evaluating, assessing and making recommendations to the Board for approval shall take into consideration the mix of expertise, experience, perspectives, skills, diversity and other qualities of existing Directors, and how the candidate's attributes will balance and complement those qualities and address any potential skills gap in light of evolving strategic directions of the Manager and IGB REIT. NC shall also assess the fitness and propriety of the candidate in accordance with the Manager's FAP guidelines, taking into account his/her track record.

Talent development and succession planning are key priorities to the Board in ensuring a high-performing Management, which contributes to the Manager sustainability and competitiveness. The Manager recruits and promotes individuals based on merit, performance and capability. The selection process for appointments will have regard for the need to maintain an appropriate mix of skills, experience, expertise and diversity and therefore, ensuring that individuals appointed to the relevant senior positions have the appropriate fitness and propriety to discharge their prudential responsibilities on appointment and during the course of their appointment. This is the approach taken during FY2022 for the appointments of Elizabeth Tan Hui Ning (ETHN), current ED as Joint DCEO (Retail) (previously Joint Chief Operating Officer or Joint COO) and Rennie Lee Chai Tin (RLCT) as Joint COO (previously Head of Leasing). The Board, in determining the aptness of ETHN and RLCT, was satisfied that both have the appropriate management experience and skills for the roles after having been a key part of Management for almost a decade since 2012, and approved the appointments to take effect on 1 January 2023.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major SHs. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major SHs, the NC should explain why these source(s) suffice and other sources were not used.

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

As part of the search and nomination process for new directors, NC will identify the relevant or desired skills and experience which candidates should possess and may consider recommendations from the Board, Management and the external search for candidates that fit the criteria. Nominations, regardless of the source of the recommendation, are openly discussed and objectively evaluated by NC before any appointment is made. The candidate is evaluated and selected, taking into account his/her track record in accordance with the Manager's FAP guidelines and such other relevant experience, and the degree to which they complement the skillset of the existing Board members and whether or not, the candidates can commit sufficient time given their other roles and activities, and in the case of INEDs, actual and perceived independence from the major UHs and Management. After completion of the selection and nomination process, names of the qualified persons will be proposed to the Board for approval.

No Director had been appointed to the Board during FY2022. Dato' Seri Robert Tan Chung Meng (DSRT) who has served as Managing Director (MD) since March 2012, stood down as MD and redesignated as NINED (as announced on 3 November 2022) effective 1 January 2023. With the Management having grown and matured under DSRT's guidance throughout the years and is now capable of managing IGB REIT independently, there is no replacement for the role of MD.

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

There have been no changes to the composition of the Board during FY2022.

Although the Directors are not subject to periodic retirement by rotation under the Constitution, the Board conducts annual reviews of board diversity, board size, board independence and directors' commitment, as detailed in Practice 6.1. The Profile of Directors provides UHs with the necessary background and experience of all the Directors on the Board.

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

In accordance with its ToR, NC must have at least 3 NEDs, be composed of a majority of INEDs, and be chaired by an INED. NC comprises 5 NEDs, a majority of whom, including the Chair, are independent.



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The role of NC is to make recommendations to the Board on all board appointments (including alternate directors, if any) having regard to the composition, size and progressive renewal of the Board; the development of a process for evaluating the performance of the Board, BCs and individual Directors including the independent status of NEDs, and Board and Management succession planning generally.

Chair of NC continues to lead NC to assist the Board in fulfilling their responsibilities on the yearly board performance-assessment exercise as described in Practices 5.1, 5.3, 5.6 and 6.1 of this CGOS.

Practice 5.9

The board comprises at least 30% women directors

As at 19 January 2023, the proportion of women employed by the Manager was, Board @ 33.3% and Management @ 54.5%.

Practice 5.10

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

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

Currently, there is a diversity policy in the IGB Group Employee Handbook

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages independent experts at least every 3 years, to facilitate objective and candid board evaluations.

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

The last performance evaluation was carried out on 19 January 2023 in respect of FY2022. In its assessment, NC took into consideration the Directors' attendance, contribution and participation at Board and BC meetings, Directors' individual evaluations, the intrinsic values demonstrated by INEDs and the overall effectiveness of the Board in steering and overseeing the conduct of the Manager's business vis-à-vis IGB REIT, and concluded that the Board as a whole and its BCs have performed well with the individual's creditability to add value to the Board and BC deliberations and exercise objective judgement in decision-making processes, and each Director has given sufficient time and attention to the affairs of IGB REIT and has been able to discharge his/her duties as a Director effectively notwithstanding he/she may have multiple listed company board representations and/or other principal commitments.

NC had also reviewed the size and composition of the Board with a view to ensure effective decision-making by taking into account the scope and nature of the operations of IGB REIT. NC was satisfied that the Board as presently constituted has an appropriate mix of expertise, skills, experience and diversity that enable the Board to discharge its mandate effectively with a balanced exchange of views, robust deliberations and discussions among Board members and to provide effective oversight over Management.

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

The Board was also satisfied that this internally facilitated process works well for its size and composition, and as such, the use of an independent consultant was not necessary at this stage.

Practice 7.1

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

Practice 7.2

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

IGB REIT, constituted as a trust, is externally managed by the Manager and accordingly, it has no personnel of its own. Remuneration of Directors and Management is not paid out of the deposited property of IGB REIT but paid by the Manager from the fees it receives.

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

The Board has established a formal RPP for Directors and Management. The RPP is structured to ensure that the compensation offered by the Manager is competitive and will attract, retain and motivate Directors and Management, and for Directors to be good stewards of the Manager and for Management with the required experience and expertise to run the Manager successfully.

In accordance with its ToR, RC must have at least 3 NEDs, be composed of a majority of INEDs, and be chaired by an INED. RC comprises 5 NEDs, a majority of whom, including the Chair, are independent. RC has oversight of the RPP in the context that these policies and practices fairly and responsibly reward individuals having regard to performance. Guided by the RPP, RC with the endorsement of the Board, reviews on an annual basis the NED fees and meeting attendance allowances as well as remuneration components of Management. In recommending the Directors and Management's remuneration to the Board for approval as a whole, with the Director concerned abstaining from the decision-making progress with regards to his/her own remuneration, RC will benchmark against relevant REIT managers and take into consideration industry practices to ensure that the remuneration and employment conditions are competitive.

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

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

The last performance evaluation for Directors and Management was carried out on 3 November 2022. RC had considered the quantum of NED fees (in respect of FY2022) and meeting allowances (in respect of year 2023), and recommended the fees and meeting allowances remained status quo. The Board had endorsed an amount of RM845,000 (for managing IGB REIT and IGBCR) as NED fees for FY2022 and this subject to the approval of the Manager's SH. The remuneration of Management to be determined at IGB-level whereby the remuneration package for each ED as well as for the Officer should reflect the level of responsibilities with the performance achieved. RC also considered service contract renewals for Management, and having assessed the individual performance, RC recommended to extend their employment with all contract extension remained on materially the same terms.

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

Practice 8.1

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



(continued)

Details of each individual Director's remuneration paid and payable in respect of FY2022 are set out in the table below:

Board Members	Remuneration RM	BIK RM	Fee RM	Meeting Allowance RM	Total RM
TSL	-	480	182,000	53,000	235,480
HHD	-	480	143,000	51,500	194,980
LCC	-	480	130,000	47,500	177,980
AKP	-	480	130,000	27,500	157,980
ETHN	516,049	-	-	-	516,049
TMS	413,680	-	-	-	413,680
DSRT	3,398,369	-	-	-	3,398,369
TLC	-	-	130,000	27,500	157,500
TBL	-	-	130,000	20,000	150,000
Total	4,328,098	1,920	845,000	227,000	5,402,018

Note:

The remuneration, BIK, fees and meeting allowances are to manage 2 funds i.e., IGB REIT and IGBCR

Practice 8.2

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

NC and Board are of the opinion that, given the confidentiality and sensitivity of staff remuneration matters, the competition for talent in the REIT management industry and the importance of ensuring stability and continuity of business and operations of IGB REIT with a competent and experienced Management, it is in the best interests of the Manager not to disclose the remuneration of its Management on a named basis, but in bands of RM50,000, and such disclosure is sufficient for providing transparency to UHs without prejudicing the interests of UHs.

The remuneration paid to the top 5 Officers (who are not Directors) in bands of RM50,000 (instead of on a quantum basis) for FY2022 are as follows:

Remuneration Bands	Number of Officer	Remuneration	BIK	Total
Between RM400,000 - RM450,000	1	100.00%	-	100.00%
Between RM500,000 - RM550,000	1	100.00%	-	100.00%
Between RM550,000 - RM600,000	1	100.00%	-	100.00%
Between RM950,000 - RM1,000,000	1	95.18%	4.82%	100.00%
Between RM1,150,000 - RM1,200,000	1	98.89%	1.11%	100.00%

Note:

The remuneration and BIK are to manage 2 funds i.e., IGB REIT and IGBCR

The aggregate remuneration paid to the top 5 officers for FY2022 was approximately RM4.0 million.

Practice 8.3 (Step Up)

Companies are encouraged to fully disclose the detailed remuneration of each member of SM on a named basis.

The Manager has opted not to disclose the detailed remuneration of Management on a named basis, as such disclosure would place the Manager in a competitively disadvantageous position. The Manager is of the view that intent of Practice 8.2 was met, as the RPP for setting remuneration applicable to Directors and Management is described in Practice 7.1, and the level and mix of remuneration is disclosed in Practice 8.2.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Practice 9.1

The Chairman of AC is not the Chairman of the Board.

In accordance with its ToR (last updated on 19 January 2023), AC must have at least 3 members and comprised only INEDs. AC comprises 3 INEDs: TSL, LCC and is chaired by HHD who is a former council member of the Malaysian Institute of Certified Public Accountants and a Member of the Malaysian Institute of Accountants (MIA).

Practice 9.2

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

Under AC's ToR, where a firm has been appointed as the external auditor (EA) of IGB REIT, any partner of the audit firm and/or its affiliates must not serve or be appointed as Director, including as AC member until at least 3 years after he/she ceases to be a partner of that firm. None of AC members have had an employment relationship with the incumbent EA, PricewaterhouseCoopers PLT (PwC).

Practice 9.3

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

AC monitors and review the effectiveness of the external audit process for the financial statements of IGB REIT and undertakes a detailed review of the audit plan and audit results report. Any concern with the effectiveness of the external audit process will be reported to the Board. No concerns were raised in respect of IGB REIT Financial Statements FY2022.

Cognisant that EA should be free from any business or other relationships with IGB REIT that could materially interfere with its ability to act with integrity and objectivity, AC undertook a review of the independence of EA and gave careful consideration to IGB REIT's relationships with them during FY2022, as well as considered the nature of the provision of non-audit services in FY2022 and ensure that the fees for such non-audit services did not impair or threaten auditor independence. AC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, PwC's experience in REIT industry and the size and complexity of the audit. AC was satisfied with the independence and objectivity of EA and their technical competency in terms of their skills, execution of audit plan, reporting and overall performance. PwC has provided a confirmation of their independence to AC that they were and had been independent throughout the conduct of the audit engagement in accordance with the provisions of By-Laws on Professional Independence of MIA and their firm's requirements for the audit of IGB REIT Financial Statements FY2022. The statement of EA's responsibilities on IGB REIT Financial Statements FY2022 is set out in the Independent Auditors' Report section.

For FY2022, IGB REIT paid RM141,450 to PwC, of which RM129,900 was for audit services and RM11,550 (predominantly tax compliance).

Practice 9.4 (Step Up)

AC should comprise solely of IDs.

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

Practice 9.5

Collectively, the AC should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the AC including the financial reporting process.

All members of AC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

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

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

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

During FY2022, AC reviewed the financial statements and announcements relating to quarterly financial results of IGB REIT before recommending to the Board for approval, the annual audit plans and reports issued by the internal and external auditors, the RPT/RRPT disclosures and the adequacy, effectiveness, independence, scope and results of the internal and external auditors. AC has met with EA and IA, in each case without the presence of Management, to enquire about Management's co-operation, their sharing of information as well as discuss the results of the audit and any other observations they may have during the audit process and regarding risk management and internal control issues. A summary of AC's responsibilities under its ToR, which also represents a summary of the work and key matters undertaken by AC during FY2022 are described in greater details in the Audit Committee Report section.

AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants. Updates on developments in accounting and governance standards are presented by EA at AC meetings. Details of the seminars/webinars that AC members attended during FY2022 as shown in Appendix.

Practice 10.1

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

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



continued

Proactive and effective risk management plays a critical role in IGB REIT's operations. While all operations are aligned to IGB REIT's focus on generating rental income to deliver regular and stable distributions and achieve long-term growth for UHs, the Board is cognisant of the risks entailed, be it inherent or operational, and endeavours to maintain a robust internal controls and risk management system to safeguard the interest of UHs and IGB REIT's business and assets.

The Manager has in place a Strategy and Risk Framework for IGB REIT (Framework) which aims to identify and manage the risks from all aspects of the business and evolve in tandem with the changes to the business environment and operations. The Framework integrates the enterprise risk management with business strategies and processes, thus providing IGB REIT a holistic and consistent process for the continuous identification of key risks, management and monitoring of risks as well as quarterly reporting of the risks to the Board. The ownership of these risks lies with CEO and the function heads of the Manager, with stewardship residing with the Board.

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

Each year, in consultation with AC, Retail RMSC and IA, the Board assesses the adequacy and effectiveness of risk management and internal controls of IGB REIT. Based on the system of internal controls and the Framework maintained by the Manager, the audits conducted by internal and external auditors, reviews performed by Retail RMSC, and assurances received from CEO and Chief Financial Officer, the Board, with the concurrence of AC, was satisfied that, as at 31 December 2022, IGB REIT's risk management system and internal controls to be adequate and effective in addressing the material financial, operational, compliance and IT risks faced by IGB REIT.

IGB REIT's approach to risk management and internal controls as well as the management of key business risks is set out in the <u>Statement on Risk Management and Internal Control</u> which has been reviewed by PwC.

Practice 10.3 (Step Up)

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

Retail RMSC assists the Board to oversee IGB REIT's overall strategy and risk framework with their expertise, experience and knowledge of the business, and is supported by HSR, who monitors and evaluates the effectiveness on an on-going basis. Retail RMSC comprises Management and is chaired by CEO, all of whom have detailed knowledge on the ongoing strategies and risks of the business. The Head of IA is also invited to the Retail RMSC meetings to provide insight on internal controls, risks and sustainability matters.

The IGB REIT culture pertaining to strategy and risks is one of ownership, whereby the functional 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. Functional units will monitor and measure performance of strategic plans, their mitigation actions before submitting strategy and risk reports every quarterly.

Practice 11.1

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

Practice 11.2

The board should disclose -

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

The Manager adopts the principles that a robust IA system is required to safeguard UHs' interests, IGB REIT's assets, and to manage risks.

The Manager has outsourced its IA function to GIA Department (GIAD) of IGB, which 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 IA is to provide an independent assurance function for Management and AC based on a systematic review and evaluation of the governance, risk management and internal control processes of the Manager and IGB REIT. IA 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.

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

AC reviews and deliberates on the issues highlighted by IA in the audit reports along with audit recommendations as well as Management's responses and action plans to rectify these issues. All significant issues deliberated at AC of the Manager are also reported to AC of IGB, for information.

The scope of IA reviews is carried out in accordance with the yearly plans prepared by IA and approved by AC. During FY2022, IA conducted its audit reviews based on 2022 IA Plan and issued multiple reports covering all levels of operations within the Manager and IGB REIT, and monitored the status of management action plans resulting from audit findings to ensure completion and reports progress each quarter to AC. A total of 20 audit reports (including progress reports and special reports) were issued by GIAD for the assignment conducted on the Manager and IGB REIT, and most findings were rated satisfactory while some required improvements relating to control weaknesses, compliance shortcomings, and documentation anomalies whereby all gaps had since been addressed. IA provides advisory and consultative services to Retail RMSC on risk and sustainability matters. IA scope of work includes assessing the adequacy and effectiveness of the risk management, governance and internal control processes and procedures. Details of IA functions and activities are disclosed in Audit Committee Report and Statement on Risk Management and Internal Control sections.

Apart from the usual IA function, IA is the contact point for feedback@igbreit.com i.e., communication channel for lodging complaints and feedback from stakeholders. The Head of GIA manages the feedback channel for IGB REIT. The Head of GIA is also a member of IGB's WBC and ABC Committee.

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.

AC has reviewed the independence and performance of IA function and was satisfied that IA was independent, adequately resourced and effective in performing its functions, and has appropriate standing within the Manager and IGB REIT.

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

Practice 12.1

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

The Manager understands IGB REIT's regulatory obligations around continuous disclosure as a listed entity. The Manager is committed to providing UHs and other relevant stakeholders with timely communication regarding any matters that may impact or influence the investment performance of IGB REIT.

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

IGB REIT's corporate website (www.igbreit.com) allows for easy access to comprehensive information on IGB REIT. Information such as announcements, financial results, press releases, presentation slides, ARs, and other corporate development are regularly updated to keep UHs and investment community abreast of IGB REIT's performance on a timely basis. Through publishing information on the corporate website, the Manager provides insights into its growth strategy and latest developments. In addition, the Manager actively encourages UHs to provide feedback or submit their enquiries to corporate-enquiry@igbreit.com. To address stakeholders' concerns and expectations, the website also contains a facility (feedback@igbreit.com) for UHs to direct queries to IGB REIT. Designated personnel have been assigned to attend or respond to enquiries from UHs and the investment community.

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

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



(continued)

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

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

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

Practice 13.1

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

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

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

Practice 13.2

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

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

All Directors and CEO attended the virtual 2022 AGM as shown in Appendix.

Practice 13.3

Listed companies should leverage technology to facilitate -

- voting including voting in absentia; and
- remote SHs' participation at GMs

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

The proceedings of 2022 AGM of IGB REIT on 28 April 2022 was conducted in a virtual manner through live streaming from the broadcast venue. UHs and proxies were able to log in and participate remotely, as well as pose questions/clarifications on the relevant agenda items as well as information on IGB REIT's operations via the technology platform provided by the unit registry, Tricor Investor & Issuing House Services Sdn Bhd. The 2022 AGM, chaired by TSL, in the presence of members of the Board, was participated by 1,139 UHs and proxies. The voting results were displayed live on-screen, uploaded on BursaLINK and made available on IGB REIT's website after the AGM. The minutes was uploaded to IGB REIT's website within 5 days from the date of the 2022 AGM.

The Manager recognises the increased risk of cyber-attacks and hence places high importance on cyber security in the organisation. In order to maintain integrity and availability of the data environment, the Manager subscribes to IGB's Group Cybersecurity Policy and IT Acceptable Use Policy. These policies define the technical controls and security configurations that users and IT administrators are required to implement, as well as provide users with policies and guidelines regarding the acceptable use of the Group's technology equipment and email. The Group IT Department strives to continuously strengthen the IT infrastructure, ensuring that personal data are used or maintained in a responsible manner, and heighten the Group's ability to monitor any potential cyber-attacks and threats to breach of data. The Group has deployed critical cybersecurity software including ransomware protection, log management and privilege access management across key systems. The Group staff are continuously trained on cybersecurity awareness that focuses on educating them about potential IT risks and vulnerabilities.

Practice 13.4

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

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

Practice 13.5

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

As described in Practice 13.3, IGB REIT hosted its 2022 AGM in full virtual proceedings, where the meeting was conducted via live streaming and online voting. UHs were given opportunity to communicate their views and to raise pertinent questions to Directors and to participate effectively in and vote at the 2022 AGM.

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

Details of how UHs will be able to join, vote and submit questions in advance of the 2023 AGM can be found in the Notice of Annual General Meeting accompanying Virtual Meeting Guide as set out in this AR. Should UHs wish to have a printed copy of the AR, they may also submit a request via email to IGB REIT at corporate-enquiry@igbreit.com.

Practice 13.6

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

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



(continued

Appendix

ATTENDANCE RECORD OF DIRECTORS AND CEO AT BOARD AND BC MEETINGS, AND IGB REIT'S AGM IN FY2022

	Board	AC	NC	RC	RMSC	AGM
Number of meetings in FY2022	4	4	1	1	4	1
TSL	4	4	1	1	N.A.	1
HHD	4	4	1	1	N.A.	1
LCC	4	4	1	1	N.A.	1
AKP	4	N.A.	1	1	N.A.	1
DSRT	4	4*	1*	1*	N.A.	1
ETHN	4	N.A.	N.A.	N.A.	3	1
TMS	4	N.A.	N.A.	N.A.	4	1
TLC	4	3*	1	1	N.A.	1
TBL	4	N.A.	1*	1*	N.A.	1
APB, CEO	4*	1*	N.A.	N.A.	4	1

Note:

*Attendance by invitation

CONTINUING PROFESSIONAL DEVELOPMENT

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

Training Focus	Seminars/Webinars
ESG	 Bursa – Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers Iclif Executive Education Centre – Corporate Governance/Open Enrolment: Sustainability and its Impact on Organisations - What Directors Need to Know KPMG Board Leadership Centre – 2022 Board and Audit Committee Priorities PwC – ESG and Real Estate: Towards Greater Value Creation Securities Industry Development Corporation (SIDC) – Sustainable and Responsible Investment (SRI 2022): Preserving the Climate through Sustainable Business and Living
Industry	 Fin Freedom Sdn Bhd – Beyong Dollars & Sense: The Art of Communication in Creating Better Values to Clients (Parts 1 & 2) Malaysian REIT Managers Association – 3rd Annual Malaysian REIT Forum 2022: M-REITs & The Road Ahead SIDC – The Future of Work Redesigned in Hybrid.
Economics, Finance and Accounting	 CHK Consultancy (CHK) – Sun Tzu's Art of War for Traders and Investors Series: Effective Corporate Strategy in Current Environment SC – Audit Oversight Board's Conversation with Audit Committees
Internet of Things	CHK – Digital Leadership for Sustainable Business in Industry 4.0

(continued)

RRPT MANDATE

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

Transacting Parties	RRPT nature	Estimated value RM'000	Actual value FY2022 RM	Interested RPs
IGB Group ^(a)	Retail leases, car parks and related services	10,000	6,245	IGBRM ^(c) IGB Corporation Berhad (IGBC) ^(c)
	Receipt of intellectual property	10	5	IGB ^(c) DSRT ^(d)
IGBCR ^(b)	Provision of chilled water and liquefied petroleum gas	8,000	3,984	ETHN ^(e) Tan Mei Sian (TMS) ^(f)
	Receipt of upgrading, repair and maintenance works	2,000	727	Tan Lei Cheng (TLC) ^(a) Tan Boon Lee (TBL) ^(h)
	Receipt of information system services and products	1,500	413	Pauline Tan Suat Ming (PTSM) ⁽ⁱ⁾ Tony Tan Choon Keat (TTCK) ⁽ⁱ⁾ Tan Chin Nam Sdn Bhd (TCNSB) ^(k)
	Receipt of tenant sales verification audit and special review	200	162	Tan Kim Yeow Sdn Bhd (TKYSB) ^(f) Wah Seong (M) Trading Co. Sdn Bhd (WSTSB) ^(m)
	Manager fee	40,000	37,162	Daniel Yong Chen-I (DYCI) ⁽ⁿ⁾ Gabrielle Tan Hui Chween (GTHC) ^(o)
	Commercial leases, car parks and related services	20	3	Gabilelle Tait Flui Oliweell (GTTTO)
	Provision of chilled water	10,000	5,302	

Notes:

- The principal activities of IGB Group are investment holding, provision of management services, 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 REITs
- 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.
- (c) IGBRM is a major UH of IGB REIT; a wholly-owned subsidiary of IGBC, which in turn is wholly-owned by IGB, a major UH of IGB REIT and
- (d) DSRT is NINED of IGBRM and IGB; a director of certain subsidiaries within IGB Group, WSTSB Group and TKYSB Group; a major UH of IGB REIT and IGBCR; a major SH of IGB; a substantial SH of TKYSB; the father of ETHN and GTHC; and a brother of PTSM and TTCK.
- (e) ETHN is Joint DCEO and ED of IGBRM; alternate to DSRT on the board of IGB; a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of GTHC.
- (f) TMS is ED and HSR of IGBRM; Deputy Group CEO (GCEO) and alternate to TLC on the board of IGB and WSTSB; and a director of certain subsidiaries within IGB Group.
- TLC is NINED of IGBRM; Chairman and NINED of IGB; a director of certain subsidiaries within IGB Group, TCNSB Group and WSTSB; and a sister of TBL.
- (h) TBL is NINED of IGBRM; GCEO and ED of IGB; a director of certain subsidiaries within IGB Group, TCNSB Group and WSTSB Group; and a brother of TLC.
- (i) PTSM is a director of TKYSB Group; a major UH of IGB REIT and IGBCR; a major SH of IGB; a substantial SH of TKYSB; the mother of DYCI; and a sister of DSRT and TTCK.
- 0 TTCK is a director of TKYSB Group; a major UH of IGB REIT and IGBCR; a major SH of IGB; a substantial SH of TKYSB; and a brother of DSRT and PTSM.
- (k) TCNSB is a major UH of IGB REIT and IGBCR; a major SH of IGB; a substantial SH of WSTSB; and a person connected to TLC, TBL and
- (1) TKYSB is a major UH of IGB REIT and IGBCR; a major SH of IGB; a substantial SH of WSTSB; and a person connected to DSRT, PTSM, TTCK, ETHN, DYCI and GTHC.
- (m) WSTSB is a major UH of IGB REIT and IGBCR; a major SH of IGB; and a person connected to DSRT, PTSM, TTCK, TCNSB and TKYSB.
- DYCI is a director of certain subsidiaries within IGB Group, WSTSB Group and TKY Investment Pte Ltd; alternate to PTSM on the board of TKYSB; and a son of PTSM.
- GTHC is a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of ETHN.



AUDIT COMMITTEE REPORT

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

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

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

Membership

AC comprises 3 Independent Non-Executive Directors; Tan Sri Dato' Prof. Lin See Yan, Mr. Lee Chen Chong and is chaired by Encik Halim bin Haji Din (AC Chairman), who is a former council member of the Malaysian Institute of Certified Public Accountants and a Member of the Malaysian Institute of Accountants.

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

Meetings

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

AC met 4 times during the year and attendance at these meetings is disclosed in the <u>Corporate Governance Overview Statement</u> (CGOS) section. The management team of the Manager (Management) who can provide additional insight on financial results and business operations of IGB REIT attended all meetings as requested by AC. Head of Group Internal Audit (GIA) of IGB Berhad (IGB), the parent company of the Manager, providing internal audit (IA) outsourcing, was also invited to AC meetings to present and provide deeper insight on its reports. After each AC meeting, AC Chairman reports to the Board on the key issues which have been discussed.

The audit lead engagement partner and Head of GIA have direct access to AC Chairman at all times and meet with AC, without Management being present, for open dialogue and feedback. AC had 2 private sessions with EA on 26 January 2022 and 3 November 2022 to discuss audit issues and concerns that EA wished to highlight to AC. Head of GIA also joined the November private session with AC. No major concerns were highlighted by EA and IA and they received full cooperation from Management.

Evaluation

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

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

Summary of Work

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

(a) Financial reporting

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

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

On 19 January 2023, AC reviewed the financial reporting checklist FY2022 completed by the Chief Financial Officer and assessed by the Chief Executive Officer, and obtained their assurance, in making its recommendation to the Board, that adequate processes and controls were in place for an effective and efficient process in the preparation of the 2022 financial statements of IGB REIT (IGB REIT Financial Statements FY2022) and, in all material respects, IGB REIT Financial Statements FY2022 complied with the applicable accounting standards as well as regulatory disclosure requirements, and fairly present the results of the operations, cash flow and financial position of IGB REIT. Based on this, AC confirmed to the Board that IGB REIT Financial Statements FY2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for unitholders to assess IGB REIT's financial position and results.

AUDIT COMMITTEE REPORT

(b) Risk and control environment

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

Risk management and sustainability oversight is placed under the purview of the Retail Risk Management and Sustainability Committee (Retail RMSC) whose responsibilities include, among others, determining the strategic approach to risk and setting the risk appetite, understanding the significant risks and ensuring the adequacy and reliability of the risk management processes and system of internal controls, as well as implementing sustainability strategy, including monitoring progress against agreed targets and considering the environmental, social and governance reporting requirements. Each regular Retail RMSC meeting included reviews of strategy, risk and sustainability related activities. The IA function, as part of their audit review, provides objective assurance to AC that Management has its strategy and risk framework and risk management policies and procedures in place.

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

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

As described above, the IA function is outsourced and undertaken by IGB's GIA Department. The Head of GIA function is Christine Ong May Ee, who holds the following qualifications - Certified Internal Auditor (USA), Certified Risk Management Assurance (USA), Fellow of the Chartered Accountant Australia and New Zealand, Fellow of the Institute of Internal Auditors (Malaysia), Chartered Accountant (Malaysia) and Bachelor of Accountancy (Hons.) (Singapore), reports directly and functionally to AC.

The IA function assists AC in discharging some of its duties and responsibilities, as an integral part of the governance framework. The IA function provides AC with risk-based independent and objective assurance, advice and insight on the adequacy and effectiveness of the internal control systems to manage risk exposures as well as the governance processes of the Manager and IGB REIT. IA carries out its responsibilities in conformance to the International Standards for the Professional Practice of Internal Auditing as confirmed by a quality assurance review (QAR) conducted by Crowe Governance Sdn Bhd in October 2020. The next QAR review will be due in 2025. The IA function also engages in quality improvement programs on an on-going basis to ensure that IA activities keep up with the latest developments in the internal auditing practices.

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

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

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

AC is responsible for monitoring and reviewing the operation and effectiveness of IA function including its focus, plans, activities and resources. In fulfilling this responsibility, AC during FY2022 - reviewed and approved IA function's charter and annual plan including its work programme and activities; considered and were satisfied that the competencies, experience and level of resources within the GIA team were adequate to achieve the proposed plan; considered the role and effectiveness of IA in the overall context of internal controls and risk management of the Manager and IGB REIT, including financial, operational, compliance and IT controls; received quarterly updates on the delivery of the 2022 plan and on the principal findings from the work of IA and Management's actions to remediate issues identified; approved the 2023 IA plan and scope of work and audit programme; and ensured co-ordination between IA and EA to maximise the benefits from clear communication and co-ordinated activities. AC also held a private meeting with GIA, without the presence of Management, to discuss any matters that AC should be aware of. A total of 20 IA reports, including progress reports and special reports, were issued for the audit reviews conducted on the Manager and IGB REIT based on the 2022 IA plan.

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

The Manager and IGB REIT have paid RM211,600 for IA services in FY2022.



AUDIT COMMITTEE REPORT

(continued)

(d) <u>EA</u>

Post completion of the 2021 audit, AC at its meeting in January 2022, reviewed PwC's audit report of the financial statements of IGB REIT setting out their comments and conclusions on the significant auditing and accounting issues highlighted, including Management's judgements, estimates and/or assessments made, and adequacy of disclosures in the financial statements.

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

On 19 January 2023, AC met separately with PwC (without Management present) to discuss any issues that may have arisen during the audit of IGB REIT Financial Statements FY2022. AC also received a detailed presentation and final report from PwC on the conduct of IGB REIT Financial Statements FY2022, the audit findings together with recommendations, in particular key audit matters included in the auditor's report.

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

In assessing the effectiveness of EA, AC considered the quality of presentations to AC; the technical insights provided relevant to IGB REIT; the key audit findings, including their robustness and perceptiveness in handling of key accounting and audit judgements; and their demonstration of a clear understanding of IGB REIT's business and key risks. On the basis of this review, AC confirmed to the Board that it was satisfied with PwC's technical competency in terms of their skills, execution of audit plan and reporting and overall performance, and the non-audit fees (predominantly tax compliance) paid to PwC, which were minimal, did not compromise their independence or objectivity. Requisite assurance was sought and provided by EA that internal governance processes within PwC demonstrate and support the firm's independence. AC also took note of the transparency report issued by PwC in 2022.

(e) RPT/COI

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

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

On 19 January 2023, AC reviewed the circular in relation to the renewal of existing RRPT with IGB Group and IGB Commercial REIT to be sought at the 2023 Annual General Meeting, and having considered, among others, the nature of RRPT to be made were intended to meet the ordinary and usual course of business needs of IGB REIT 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 REIT's usual practices and policies, as well as the procedures and processes established to regulate RRPT, was satisfied that adequate processes and controls were in place for an effective and efficient process in the monitoring, tracking and identifying RRPT in a timely and orderly manner. The details of the RRPT mandate are set out in the Circular to Unitholders – RRPT Mandate.

(f) Annual Reporting

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

The ACR and SORMIC were approved by the Board.

CONTINUING PROFESSIONAL DEVELOPMENT

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

This ACR is current as at 19 January 2023 and has been approved by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (Board) of IGB REIT Management Sdn Bhd 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.

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 Retail Risk Management and Sustainability Committee (Retail RMSC) assists the Board to oversee the overall strategy and risk framework with their expertise, experience and knowledge of the business.

RISK MANAGEMENT FRAMEWORK

IGB REIT adopts the "IGB REIT 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:

- 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.
- 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.
- 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.
- 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.
- 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 the Retail RMSC to ensure its adequacy as more robust methodologies are introduced.

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

RISK MANAGEMENT

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

The IGB REIT culture pertaining to strategy and risks is one of ownership, whereby the functional units themselves take ownership on 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. Functional units will monitor and measure performance of strategic plans, their mitigation actions before submitting strategy and risk reports every half year.

The Retail RMSC maintains the database for the IGB REIT functional units' strategies and risks and monitor updates. Functional units' escalation of risks of new and existing investments, strategies or opportunities are reviewed by the Retail RMSC to ensure that exposures are within the approved risk appetite in consultation with Group Strategy & Risk (GSR). 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 reviews the risk management process for comprehensiveness and effectiveness.

During the meetings held in the financial year, the Retail RMSC 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 Manager. Highlights of the salient risks and corresponding mitigating actions by IGB REIT have been further detailed in the Management Discussion & Analysis section of the Annual Report.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(continued

BUSINESS CONTINUITY PLAN

In order to provide contingency plans and recovery processes to respond and recover in the event of a disaster, IGB REIT 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 BCP is reviewed annually to ensure its adequacy for operational response and recovery.

ANTI-BRIBERY & CORRUPTION POLICY

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

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

The Manager is a subsidiary of IGB and therefore subscribes to the ABC. Risks in relation to bribery and corruption are assessed as part of the risk management process before being reviewed by the Retail RMSC.

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.

The Manager is a subsidiary of IGB and therefore subscribes to the WPP.

CYBER SECURITY

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

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

The Manager is a subsidiary of IGB and therefore subscribes to the CSP and ITAUP. Risks in relation to cyber security are assessed as part of the risk management process before being reviewed by the Retail RMSC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 functional units in IGB REIT.

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 IGB REIT.
- 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 functional 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 Chief Executive Officer (CEO) 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 IA 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 AC.

The Board, with the concurrence of AC, has reviewed the effectiveness of IGB REIT'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 IGB REIT annual report.

The Board has received assurance from CEO that the IGB REIT'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 IGB REIT.

This Statement has been approved by the Board.





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31 December 2022

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MANAGER'S REPORT

IGB REIT Management Sdn Bhd, the Manager for IGB Real Estate Investment Trust ("IGB REIT" or "Fund"), is pleased to present its report together with the audited financial statements of IGB REIT and its wholly-owned subsidiary, IGB REIT Capital Sdn Bhd ("Group") for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITY OF THE MANAGER

The principal activity of the Manager is the management of real estate investment trust ("REIT"). There has been no significant change in the nature of this activity during the financial year.

THE FUND AND ITS INVESTMENT OBJECTIVE

IGB REIT is a Malaysia-domiciled REIT established on 25 July 2012 pursuant to the deed of trust dated 18 July 2012, as amended by the first amending and restating deed dated 25 October 2018 ("Deed") between the Manager and MTrustee Berhad ("Trustee"), listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 21 September 2012 and regulated by the Securities Commission Act 1993, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), the Listing Requirements of Bursa Securities, the Rules of Bursa Malaysia Depository ("Depository") and taxation laws and rulings. IGB REIT will continue its operations until such time as determined by the Manager and the Trustee as provided under the provisions of Clause 27 of the Deed. The principal investment policy of IGB REIT is to invest, directly and indirectly, in a diversified portfolio of income producing real estate used primarily for retail purposes as well as real estate related assets. Real estate used primarily for retail purposes would include retail properties and mixed used development with a retail component.

DISTRIBUTION OF INCOME

IGB REIT had declared distributions in the financial year as follows:-

- 2.51 sen per unit (@ 2.50 sen taxable and 0.01 sen non-taxable) for the period from 1 January 2022 to 31 March 2022, which was paid on 30 May 2022;
- 2.45 sen per unit (@ 2.43 sen taxable and 0.02 sen non-taxable) for the period from 1 April 2022 to 30 June 2022, which was paid on 29 August 2022:
- 2.44 sen per unit (@ 2.41 sen taxable and 0.03 sen non-taxable) for the period from 1 July 2022 to 30 September 2022, which was paid on 30 November 2022; and
- 2.46 sen per unit (@ 2.43 sen taxable and 0.03 sen non-taxable) for the period from 1 October 2022 to 31 December 2022, which is payable on 27 February 2023.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have served on the Board of the Manager during the financial year and during the period from end of the financial year to the date of this report are as follows:-

Tan Sri Dato' Prof. Lin See Yan Dato' Seri Robert Tan Chung Meng Halim bin Haji Din Le Ching Tai @ Lee Chen Chong Tan Lei Cheng Elizabeth Tan Hui Ning Tan Mei Sian Tan Boon Lee Robert Ang Kim Pack

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Manager is a party, with the object or objects of enabling the Directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of IGB REIT or any other body corporate, other than as disclosed in Directors' interest.

For the financial year ended 31 December 2022, no Director has received or become entitled to receive a benefit (other than certain Directors received remuneration as a result of their employment with the Manager or related corporations).



MANAGER'S REPORT

(continued)

DIRECTORS' INTEREST

The following Directors of the Manager who held office at the end of the financial year had, according to the register of unitholdings in IGB REIT, interests in the units of IGB REIT as follows:-

		Number of units				
	Balance at 01.01.2022	Addition	Disposal/ Transferred/ Ceased	Balance at 31.12.2022		
Dato' Seri Robert Tan Chung Meng						
Direct	16,272,721	-	-	16,272,721		
Indirect	1,921,104,761	11,332,210	-	1,932,436,971		
Tan Lei Cheng						
Direct	1,853,742	152,202	-	2,005,944		
Elizabeth Tan Hui Ning						
Direct	3,844,000	910,000	-	4,754,000		
Tan Boon Lee						
Direct	1,705,025	-	-	1,705,025		

Other than as disclosed above, the other Directors who held office at the end of the financial year did not have interests in the units of IGB REIT.

OTHER INFORMATION

Before the financial statements of the Group and of the Fund were prepared, the Manager took reasonable steps:-

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

At the date of this report, the Manager is not aware of any circumstances:-

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Fund inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Fund misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Fund misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Manager, will or may affect the ability of the Group or of the Fund to meet its obligations when they fall due.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group or of the Fund which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Fund which has arisen since the end of the financial year.

At the date of this report, the Manager is 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.

MANAGER'S REPORT

(continued)

OTHER INFORMATION (continued)

In the opinion of the Manager:-

- (a) the results of the operations of the Group and of the Fund during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) 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 of the Fund for the financial year in which this report is made.

MATERIAL LITIGATION

The Manager is not aware of any pending material litigation as at the date of statement of financial position and up to the date of this report.

SOFT COMMISSION

There was no soft commission received by the Manager and/or its delegates during the financial year.

ULTIMATE HOLDING COMPANY

The Manager regards IGB Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Securities, as the ultimate holding company.

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 of the Manager in accordance with a resolution of the Directors of the Manager dated 23 February 2023.

HALIM BIN HAJI DIN **DIRECTOR**

ELIZABETH TAN HUI NING EXECUTIVE DIRECTOR



STATEMENT BY THE MANAGER

In the opinion of the Directors of the Manager, the financial statements are drawn up in accordance with the provisions of the Deed, the REIT Guidelines, applicable securities laws, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2022 and of their financial performance and cash flows for the financial year ended 31 December 2022.

for the financial year ended 31 December 2022.	
Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors of the Manager in accordance with a resolution of the Directors o	Manager dated 23 February 2023.
HALIM BIN HAJI DIN DIRECTOR	ELIZABETH TAN HUI NING EXECUTIVE DIRECTOR
STATUTORY DECLARATION	
I, Chai Lai Sim, the Chief Financial Officer of the Manager primarily responsible for the financial nd o solemnly and sincerely declare that the financial statements are, to the best of my knowledge declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statuto	and belief, correct and I make this solemn
CHAI LAI SIM	
Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 23	February 2023.
Before me:	
COMMISSIONER FOR OATHS	

TRUSTEE'S REPORT

To the Unitholders of IGB REIT (Established in Malaysia)

We have acted as Trustee of IGB REIT for the financial year ended 31 December 2022. In our opinion and to the best of our knowledge, the Manager has managed IGB REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the REIT Guidelines, applicable securities laws and other applicable laws during the financial year then ended.

We have ensured the procedures and processes employed by the Manager to value and price the units of IGB REIT are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements.

We also confirm the income distributions declared during the financial year ended 31 December 2022 are in line with and are reflective of the objectives of IGB REIT. Income distributions have been declared for the financial year ended 31 December 2022 as follows:-

- 2.51 sen per unit (@ 2.50 sen taxable and 0.01 sen non-taxable) for the period from 1 January 2022 to 31 March 2022, which was paid on 30 May 2022;
- 2.45 sen per unit (@ 2.43 sen taxable and 0.02 sen non-taxable) for the period from 1 April 2022 to 30 June 2022, which was paid on 29 August 2022;
- 2.44 sen per unit (@ 2.41 sen taxable and 0.03 sen non-taxable) for the period from 1 July 2022 to 30 September 2022, which was paid on 30 November 2022; and
- 2.46 sen per unit (@ 2.43 sen taxable and 0.03 sen non-taxable) for the period from 1 October 2022 to 31 December 2022, which is payable on 27 February 2023.

For and on behalf of the Trustee, MTRUSTEE BERHAD

NURIZAN BINTI JAHI CHIEF EXECUTIVE OFFICER

Selangor.

Date: 23 February 2023



INDEPENDENT AUDITORS' REPORT

To the Unitholders of IGB REAL ESTATE INVESTMENT TRUST (Established in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IGB Real Estate Investment Trust ("the Fund") and its subsidiary ("the Group") give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Group and of the Fund, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Fund, and the statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 120.

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 Fund 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 Fund. In particular, we considered where the Directors of the Manager 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 Fund, the accounting processes and controls, and the industry in which the Group and the Fund 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 Fund 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 Fund 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
Fair value of investment properties As at 31 December 2022, the Group's and the Fuinvestment properties, carried at fair value, amounted to RN billion.	
The valuation of the Group's and the Fund's investi properties were carried out by an external valuer. We focused on this area due to the magnitude of the bal and the complexities in determining the fair values of investment properties, which involves significant judgement estimations.	lettable area used in the valuation, on a sample basis, to satisfy ourselves of the accuracy and completeness of the property information supplied to the external valuer by management. This the included agreeing a sample of these data back to the underlying

INDEPENDENT AUDITORS' REPORT

To the Unitholders of IGB REAL ESTATE INVESTMENT TRUST (Established in Malaysia) (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

Key audit matters

Fair value of investment properties (continued)

The existence of significant judgement and estimation uncertainty could result in material misstatement, which is why we have given special audit focus and attention to this area.

Refer to Note 3(b) (Summary of Significant Accounting Policies - Investment Properties), Note 4 (Critical Accounting Estimates and Judgements) and Note 6 (Investment Properties).

How our audit addressed the key audit matters

We assessed the reasonableness of the capitalisation rates, outgoing expenses and allowance for void used by the valuer, with references to comparable real estate investment trusts, and car park income, percentage rent and other income to historical trends. We held discussions with the valuer to understand the factors they have considered in adjusting the inputs, including consideration of current market conditions and long term perspective. We challenged the valuer on certain inputs and estimates with the involvement of auditors' experts.

We reviewed the disclosures of sensitivity analysis on the capitalisation rates on term and reversionary periods, the outgoings expenses and the percentage rent, and the appropriateness of assumptions and estimates disclosed in the financial statements. Based on the above procedures performed, we did not identify any material exceptions.

Information other than the financial statements and auditors' report thereon

The Directors of the Manager are responsible for the other information. The other information comprises all other information contained within the 2022 Annual Report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Fund 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 Fund, 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 Fund 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 of the Manager for the financial statements

The Directors of the Manager are responsible for the preparation of the financial statements of the Group and of the Fund that give a true and fair view in accordance with the provisions of the Deed of Trust dated 18 July 2012, the REIT Guidelines, applicable securities laws, Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors of the Manager are also responsible for such internal control as the Directors of the Manager determine is necessary to enable the preparation of financial statements of the Group and of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Fund, the Directors of the Manager are responsible for assessing the Group's and the Fund'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 of the Manager either intend to liquidate the Group or the Fund or to terminate the Fund, 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 Fund 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 Fund, 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.



INDEPENDENT AUDITORS' REPORT

To the Unitholders of IGB REAL ESTATE INVESTMENT TRUST (Established in Malaysia) (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- (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 Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Manager.
- (d) Conclude on the appropriateness of the Directors of the Manager's 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 Fund'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 Fund 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 Fund 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 Fund, including the disclosures, and whether the financial statements of the Group and of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Manager 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 of the Manager 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 of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Fund 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.

OTHER MATTERS

This report is made solely to the unitholders of the Fund, 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

Kuala Lumpur 23 February 2023 GAN WEE FONG 03253/01/2025 J Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

		G	iroup	Fund		
		2022	2021	2022	2021	
	Note	RM'000	RM′000	RM′000	RM′000	
Non-current assets						
Plant and equipment	5	1,690	2,600	1,690	2,600	
Investment properties	6	5,020,000	4,960,000	5,020,000	4,960,000	
Investment in subsidiary	7	-	-	- *	- *	
Trade and other receivables	8	-	-	30,341	-	
Total non-current assets		5,021,690	4,962,600	5,052,031	4,962,600	
Current assets						
Trade and other receivables	8	37,440	47,475	37,300	77,123	
Cash and bank balances	9	258,382 222,996		228,181	193,348	
Total current assets		295,822	270,471	265,481	270,471	
Total assets		5,317,512	5,233,071	5,317,512	5,233,071	
Financed by						
Unitholders' fund						
Unitholders' capital	10	4,525,538	4,501,941	4,525,538	4,501,941	
Accumulated losses		(654,756)	(697,394)	(654,756)	(697,394)	
Total unitholders' fund		3,870,782	3,804,547	3,870,782	3,804,547	
Non-current liabilities						
Borrowings	11	1,199,269	-	-	-	
Trade and other payables	12	-	-	1,199,269	-	
Total non-current liabilities	_	1,199,269	-	1,199,269	-	
Current liabilities						
Borrowings	11	15,204	1,214,705	-	-	
Trade and other payables	12	232,257	213,819	247,461	1,428,524	
Total current liabilities		247,461	1,428,524	247,461	1,428,524	
Total liabilities		1,446,730	1,428,524	1,446,730	1,428,524	
Total unitholders' fund and liabilities	_	5,317,512	5,233,071	5,317,512	5,233,071	
Net asset value ("NAV")						
- before income distribution		4,224,308	4,019,847	4,224,308	4,019,847	
- after income distribution		3,870,782	3,804,547	3,870,782	3,804,547	
Number of units in circulation ('000 units)	10	3,586,907	3,571,851	3,586,907	3,571,851	
NAV per unit (RM)						
- before income distribution		1.1777	1.1254	1.1777	1.1254	
- after income distribution		1.0791	1.0651	1.0791	1.0651	

Denotes RM2 share capital in IGB REIT Capital Sdn Bhd



STATEMENTS OF COMPREHENSIVE INCOME For the Financial Year Ended 31 December 2022

	(Group and Fund	
		2022	2021	
	Note	RM′000	RM′000	
Lease revenue		415,902	283,173	
Revenue from contracts with customers		140,507	116,354	
Total revenue	13	556,409	399,527	
Utilities expenses		(43,444)	(27,254)	
Maintenance expenses		(25,004)	(21,359)	
Quit rent and assessment		(14,937)	(14,078)	
Reimbursement costs	14	(40,619)	(54,532)	
Upgrading costs		(12,156)	(7,203)	
Property operating expenses		(136,160)	(124,426)	
Net property income		420,249	275,101	
Changes in fair value on investment properties		60,000	-	
Interest income		7,585	8,655	
Net investment income		487,834	283,756	
Manager's management fees	15	(37,162)	(29,155)	
Trustees' fees		(320)	(320)	
Valuation fees		(80)	(210)	
Other trust expenses		(770)	(863)	
Finance costs	16	(53,338)	(53,060)	
Profit before taxation		396,164	200,148	
Taxation	17		-	
Profit after taxation		396,164	200,148	
Other comprehensive income, net of tax		<u> </u>	-	
Total comprehensive income attributable to unitholders	_	396,164	200,148	
Total comprehensive income is made up as follows:-				
Realised		336,164	200,148	
Unrealised		60,000	-	
		396,164	200,148	
Basic earnings per unit (sen)	18	11.05	5.61	
Diluted earnings per unit (sen)	18	11.05	5.61	
Total comprehensive income		396,164	200,148	
Distribution adjustments	19	(34,219)	20,435	
Distributable income	_	361,945	220,583	
Distribution per unit (sen)	19	9.86	6.03	

STATEMENTS OF CHANGES IN NET ASSET VALUE

For the Financial Year Ended 31 December 2022

		Unitholders' capital	Accumulated losses*	Total unitholders' funds
	Note	RM'000	RM'000	RM′000
Group and Fund				
As at 1 January 2022		4,501,941	(697,394)	3,804,547
Profit after tax/Total comprehensive income for the financial year attributable to unitholders		-	396,164	396,164
Distribution to unitholders	19	-	(353,526)	(353,526)
Net total comprehensive loss for the financial year attributable to unitholders		-	42,638	42,638
Unitholders' transactions				
Issue of new Units				
- Manager's management fees paid in Units	10	23,597	-	23,597
Increase in net assets resulting from unitholders' transactions	_	23,597	-	23,597
As at 31 December 2022	_	4,525,538	(654,756)	3,870,782
As at 1 January 2021		4,483,011	(682,242)	3,800,769
Profit after tax/Total comprehensive income for the financial year attributable to unitholders		_	200,148	200,148
Distribution to unitholders	19	-	(215,300)	(215,300)
Net total comprehensive loss for the financial year attributable to unitholders		-	(15,152)	(15,152)
Unitholders' transactions				
Issue of new Units				
- Manager's management fees paid in Units	10	18,930	-	18,930
Increase in net assets resulting from unitholders' transactions	_	18,930	-	18,930
As at 31 December 2021	_	4,501,941	(697,394)	3,804,547

IGB REIT adopted predecessor accounting as its accounting policy to account for business combinations under common control on 21 September 2012. In accordance with this policy, the difference between the fair value of the Units issued as consideration and the aggregate carrying amounts of the assets and liabilities acquired as of the date of the business combination is included in equity as accumulated losses.



STATEMENTS OF CASH FLOWS For the Financial Year Ended 31 December 2022

		G	roup	Fund		
		2022	2021	2022	2021	
	Note	RM'000	RM'000	RM′000	RM'000	
Cash flows from operating activities						
Profit before taxation		396,164	200,148	396,164	200,148	
Adjustments for:-						
Changes in fair value on investment properties		(60,000)	-	(60,000)	-	
Manager's management fee payable in Units		24,155	18,951	24,155	18,951	
Amortisation of fit-out incentives		219	-	219	-	
Finance costs		53,338	53,060	53,338	53,060	
Interest income		(7,585)	(8,655)	(7,585)	(8,655)	
Movement of loss allowance of trade receivables		(6,955)	1,064	(6,955)	1,064	
Depreciation of plant and equipment		1,173	1,224	1,173	1,224	
Plant and equipment written-off		53	6	53	6	
Loss on disposal of plant and equipment		-	9	-	9	
Operating income before changes in working capital		400,562	265,807	400,562	265,807	
Net change in trade and other receivables		17,034	(13,150)	17,109	(13,135)	
Net change in trade and other payables		7,093	4,541	7,092	4,541	
Net cash generated from operating activities		424,689	257,198	424,763	257,213	
Cash flows from investing activities						
Purchase of plant and equipment		(316)	(237)	(316)	(237)	
Proceeds from disposal of plant and equipment		-	- *	-	- *	
Interest received		7,322	8,710	6,695	8,196	
Movement in pledged deposit		29,615	(499)	-	-	
Net cash generated from investing activities	_	36,621	7,974	6,379	7,959	
Cash flows from financing activities						
Interest paid		(52,800)	(52,655)	(52,800)	(52,655)	
Distribution paid to unitholders		(342,739)	(211,900)	(342,739)	(211,900)	
Payment of financing expenses		(770)	-	(770)	-	
Net cash used in financing activities	_	(396,309)	(264,555)	(396,309)	(264,555)	
Net increase in cash and cash equivalents		65,001	617	34,833	617	
Cash and cash equivalents at beginning of the financial year		193,381	192,764	193,348	192,731	
Cash and cash equivalents at end of the financial year	9	258,382	193,381	228,181	193,348	
oo initational jour	· —	200,002	100,001	220,101	100,010	

Amount below RM1,000.

Details of the reconciliation of liabilities arising from financing activities are disclosed in Note 9.

GENERAL

(A) Background

IGB Real Estate Investment Trust ("IGB REIT" or "Fund") is a Malaysia-domiciled real estate investment trust established on 25 July 2012 pursuant to the deed of trust dated 18 July 2012, as amended by the first amending and restating deed dated 25 October 2018 ("Deed") between the Manager and MTrustee Berhad ("Trustee"), listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 21 September 2012 and regulated by the Securities Commission Act 1993, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), the Listing Requirements of Bursa Securities, the Rules of Bursa Malaysia Depository ("Depository") and taxation laws and rulings. IGB REIT will continue its operations until such time as determined by the Manager and the Trustee as provided under the provisions of Clause 27 of the Deed. The addresses of the Manager's registered office and principal place of business are as follows:-

Registered office

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

Principal place of business

Mid Valley Megamall and The Gardens Mall Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur

The principal investment policy of IGB REIT is to invest, directly and indirectly, in a diversified portfolio of income producing real estate used primarily for retail purposes in Malaysia and overseas as well as real estate related assets. Real estate used primarily for retail purposes would include retail properties and mixed used development with a retail component. The principal activity of the subsidiary, incorporated in Malaysia, is disclosed in Note 7 to the financial statements.

The consolidated financial statements comprise the Fund and its subsidiary ("Group").

The Manager's key objective is to provide unitholders with regular and stable distributions, sustainable long term IGB REIT's units ("Unit") price and distributable income and capital growth, while maintaining an appropriate capital structure.

The Manager regards IGB Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Securities, as the ultimate holding company.

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution by the Directors of the Manager on 23 February 2023.

(B) Fee Structure

IGB REIT has entered into service agreements in relation to the management of IGB REIT and its property operations. The fee structures are as follows:-

(a) Property management fees

The property manager, Chartwell ITAC International Sdn Bhd, is entitled to property management fee of RM18,000 per month (excluding sales and service tax). In addition, the property manager is also entitled to full disbursement of costs and expenses properly incurred in the operation, maintenance, management and marketing of the properties held by IGB REIT ("Permitted Expenses") as well as fees and reimbursements for Permitted Expenses payable to its service providers.

(b) Manager's management fees

Pursuant to the Deed, the Manager is entitled to receive the following fees from IGB REIT, in the forms of cash, new Units or a combination thereof at the election of the Management Company in its sole discretion:-

- a base fee ("Base Fee") of up to 1.0% per annum of the total asset value of IGB REIT (excluding cash and bank balances which are held in non-interest bearing accounts).
- a performance fee ("Performance Fee") of up to 5.0% per annum of net property income in the relevant financial year.
- an acquisition fee of 1.0% of the transaction value (being total purchase consideration) of any real estate and real estaterelated assets directly or indirectly acquired from time to time by the Trustee or one or more special purpose vehicle ("SPV") on behalf of IGB REIT pro-rated, if applicable, to the proportion of IGB REIT's interest.

In the case of acquisition of SPVs or holding entities which holds real estate, 1.0% of the underlying value (as determined by an independent valuer appointed by the Trustee) of any Real Estate (which are directly or indirectly held through one or more SPVs of IGB REIT) pro-rated, if applicable, to the proportion of IGB REIT's interest.

Any payment to third party agents or brokers in connection with the acquisition of any real estate and real estate-related assets for IGB REIT shall not be paid by the Manager out of the acquisition fee received or to be received by the Manager (but shall be borne by IGB REIT).



(continued)

- 1 GENERAL (continued)
 - (B) Fee Structure (continued)
 - (b) Manager's management fees (continued)
 - iii) For the avoidance of doubt, no acquisition fee is payable with respect to acquisition of the subject properties in connection with the listing of IGB REIT but acquisition fee is payable with respect to all other transactions (which includes related party and non-related party transactions), including acquisitions from the sponsor.
 - iv) a divestment fee of 0.5% of the transaction value (being total sale consideration) of any real estate and real estate-related assets directly or indirectly sold or divested from time to time by the Trustee or one or more SPVs on behalf of IGB REIT prorated, if applicable, to the proportion of IGB REIT's interest.

In the case of divestment of SPVs or holding entities which holds real estate, 0.5% of the underlying value (as determined by an independent valuer appointed by the Trustee) of any real estate (which are directly or indirectly held through one or more SPVs of IGB REIT) pro-rated, if applicable, to the proportion of IGB REIT's interest.

Any payment to third party agents or brokers in connection with the sale or divestment of any real estate and real estaterelated assets for IGB REIT shall not be paid by the Manager out of the divestment fee received or to be received by the Manager (but shall be borne by IGB REIT).

For the avoidance of doubt, the divestment fee is payable with respect to all transactions (which includes related party and non-related party transactions), including divestments to the sponsor, as well as for compulsory acquisitions.

The payment of the Manager's management fee in the form of new Units will be in accordance with the following formula:-

New Units to be issued as payment of the Manager's management fee management fee

For this purpose, "Market Price" means the volume weighted average market price of the Units for the last 5 market days preceding the following events:-

- (i) in respect of the Base Fee and Performance Fee, the announcement of the relevant quarterly financial reports; or
- (ii) in respect of the acquisition fee and divestment fee, the completion of the relevant acquisition/divestment,

(each a "Trigger Event").

With reference to any book closing date, where the Trigger Event is before but the issuance of the new Units relating to such Trigger Event is after the said book closing date, the Market Price will be further adjusted for the entitlement relating to such book closing date.

The Manager will make an immediate announcement to Bursa Securities disclosing the number of new Units to be issued and the issue price of the new Units when new Units are issued as payment for management fee. Payment of the management fees in Units shall also be subject to IGB REIT complying with the public spread requirements stated in the Listing Requirements of Bursa Securities and there being no adverse implications under Malaysian Code on Take-Overs and Mergers 2016.

(c) Trustee's fees

In accordance to the Deed, an annual trustee fee of up to 0.03% per annum of NAV of IGB REIT is to be paid to Trustee.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Fund have been prepared in accordance with the provisions of the Deed, the REIT Guidelines, applicable securities laws, Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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

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

BASIS OF PREPARATION (continued)

(b) Amendments to published standards and interpretations that are effective

The Group and the Fund have applied the following amendments for the first time for the financial year beginning on 1 January 2022:-

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

The adoption of new amendments to published standards and interpretations above did not have any material impact on the financial statements of the Group and of the Fund in the current period or any prior period.

(c) IFRIC agenda decisions that are concluded and published

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

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

In line with the IFRIC agenda decision, the Group has as at the reporting date reassessed the presentation of its pledged deposit which is maintained in a Debt Service Reserve Account, and determine that the deposits meet the definition of cash and cash equivalents as disclosed in Note 9. Prior year comparatives have not been restated as the impact to the comparative is not material.

(d) Standards and amendments that have been issued but not yet effective

The new standards and amendments to standards and interpretations that are effective for financial year beginning after 1 January 2022 and are applicable to the Group and the Fund are as follows:-

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023) clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024) specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that they do not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retained.

The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the sellerlessee initially applied MFRS 16.

There are two amendments to MFRS 101 'Presentation of Financial Statements'. The first amendment, 'Classification of liabilities as current or non-current' clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The second amendment, 'Non-current Liabilities with Covenants' specifies that covenants of financing arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date. Both amendments are effective for the annual reporting periods beginning on or after 1 January 2024.

The amendments shall be applied retrospectively.

The Group and the Fund will continue to assess the potential impact, if any, of new standards and amendments on the financial statements and expect the assessment to be completed prior to effective date of such standards and amendments.



(continued

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the period presented in these financial statements. The financial statements consist of statements of financial position, statements of comprehensive income, statements of changes in net asset value, statements of cash flows and notes to the financial statements. Other information as required by the REIT Guidelines are presented and clearly distinguished in the financial statements.

(a) Consolidation

(i) Business combination under common control

IGB REIT applied predecessor accounting to account for business combinations under common control on 21 September 2012, i.e. combination involving entities or businesses under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the holding company. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (at the date of the transaction) of the acquired business is recorded as an adjustment to retained earnings. No additional goodwill is recognised. Acquisition-related costs are expensed as incurred. The acquired business' results and the related balance sheet items are recognised prospectively from the date on which the business combination between entities under common control occurred.

(ii) Subsidiary

Subsidiary is an entity 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. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

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 Fund. 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 acquirite 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 of consideration transferred, non-controlling interest recognised and fair value of previous equity interest measured is less than the fair value of the identifiable net assets of the acquiree, the difference is recognised directly in the statement of comprehensive income.

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 statement of comprehensive income.

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 'Financial Instruments' 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.

Inter-company 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.

(iii) Investment in subsidiary

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

The amounts due from subsidiary of which the Fund does not expect repayment in the foreseeable future are considered as part of the Fund's investment in the subsidiary.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Investment properties

Investment properties are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group and the Fund.

Investment properties are measured initially at cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment properties are carried at fair value. Fair value is based on valuation using an income approach, where cash flows projections are capitalised using a capitalisation rate and takes into account the unexpired period, yield and outgoings, where applicable. Valuations are performed as of the financial position date by registered valuers who hold recognised and relevant professional qualifications and have relevant experience in valuing the investment properties.

The fair value of investment properties reflects, among others, rental income from current leases and other assumptions that market participants would make when pricing the investment properties under current market conditions.

Subsequent expenditure is recognised 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 Fund, and the cost of the item can be measured reliably. All other repair, maintenance and upgrade costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair value are recognised in the statement of comprehensive income. Investment properties are derecognised either when they have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group and the Fund dispose of an investment property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income as a net gain or loss from fair value adjustment on such investment property.

Prepaid or accrued operating lease income is excluded from the fair value of the related investment property. The prepaid or accrued operating lease income is a separate asset or liability.

Incentives paid by a lessor to a lessee to enter into a lease are initially recognised as an asset and treated as a reduction of the lease payments over the lease term (see chapter 15 para 134). The fair value of the property is based on the net rentals (after deducting the incentive). The fair value does not reflect the element of the gross rental that has effectively been subsidised by the lessor through giving the incentive.

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

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

(c) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Cost of plant and equipment includes purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing plant and equipment at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of the plant and equipment.

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 Fund, 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 charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on capital work-in-progress commences when the assets are ready for their intended use. Plant and equipment are depreciated on a straight-line basis to allocate the cost of the assets to their residual values over their estimated useful lives, summarised as follows:-

Motor vehicles	20%
Furniture and fittings	12.5%
Equipment	12.5%
Information technology equipment	33 1/3%
Plant and machinery	10%



(continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and equipment (continued)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. The assessment of expected residual values and estimated useful lives of assets is carried out on an annual basis.

At the end of the reporting period, the Group and the Fund assess 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. Please refer to accounting policy on impairment of non-financial assets (Note 3(h)).

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

(d) Financial assets

(i) Classification

The Group and the Fund classify financial assets at amortised cost. The classification depends on the Group and the Fund business model for managing the financial assets and the contracted terms of the cash flows.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Fund commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Fund have transferred substantially all the risks and rewards of ownership.

(iii) Initial measurement

At initial recognition, the Group and the Fund measure 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 the statement of comprehensive income.

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

(iv) Subsequent measurement - gain or loss

Subsequent measurement of financial asset depends on the Group's and the Fund's business model for managing the asset and the cash flow characteristics of the asset.

The Group and the Fund classify financial assets at amortised cost.

Financial 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 interest income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in the statement of comprehensive income and presented in reimbursement cost together with foreign exchange gain and loss.

(v) Subsequent measurement – impairment

The Group and the Fund assess on a forward-looking basis the expected credit loss ("ECL") associated with financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Trade and other receivables are subject to the ECL model.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9 'Financial Instruments', the impairment loss was immaterial.

ECL represents 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 Fund expect 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.

(continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (d) Financial assets (continued)
 - (v) Subsequent measurement impairment (continued)

Simplified approach for trade receivables, accrued billings and trade intercompany balances

The Group and the Fund apply the MFRS 9 "Financial Instruments" simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, accrued billings and trade intercompany balances. Note 23.1(b) sets out measurement details of ECL.

General 3-stage approach for other receivables, deposits and non-trade intercompany balances

The Group and the Fund measure ECL through loss allowance at an amount equal to twelve (12) months 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 23.1(b) sets out measurement details of ECL.

Significant increase in credit risk

The Group and the Fund consider 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 and the Fund compare 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. The Group and the Fund take into account the available, reasonable and supportable forward-looking information in the measurement of ECL.

The following indicators are incorporated:-

- internal credit rating and/or external credit rating (if available);
- actual or expected significant 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; or
- significant changes in the expected credit performance and payment behaviour of the debtor, including changes in the payment status of debtor in the group.

Definition of default and credit-impaired financial assets

The Group and the Fund define a financial instrument as default, which is aligned with the definition of credit-impaired, when the financial asset meets one or more of the following criteria:-

Quantitative criteria

The Group and the Fund define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days when 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 a financial difficulty or it is becoming probable that the debtor will enter bankruptcy, financial restructuring or will become insolvent.

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

Write-off - trade receivables and intercompany balances

Trade receivables and intercompany balances are written off when there is no reasonable expectation of recovery. Indicators of no reasonable expectation of recovery include, amongst others, failure of a debtor to engage in a repayment or settlement plan with the Group and the Fund, and/or legal action is taken against the debtor.

Impairment losses on trade receivables and intercompany balances are presented as net impairment losses within the net property income. Subsequent recoveries of amounts previously written off are credited within the net property income.

Write-off – other receivables, deposits and non-trade intercompany balance

The Group and the Fund write off financial assets, in whole or in part, when they have exhausted all practical recovery efforts and have 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 and the Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.



(continued

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Offsetting financial instruments

Financial assets and liabilities can be offset and the net amount presented in the statement 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.

(f) Trade and other receivables

Trade receivables are amounts due from customers and tenants for services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Fund. If collection is expected in one (1) 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 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 costs. 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 impairment allowance.

(g) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, vendors or contractors. Trade payables are classified as current liabilities if payment is due within one (1) year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Deposits received from tenants are classified as current liabilities.

Trade payables, deposits received from tenants and other payables are recognised initially at fair value, net of transaction costs incurred, which include transfer taxes and duties, if applicable, and subsequently measured at amortised cost using the effective interest method.

(h) Impairment of non-financial assets

Plant and equipment 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 (cash-generating units).

The impairment loss is charged to the statement of comprehensive income during the period in which they are incurred and any subsequent increase in recoverable amount is recognised in the statement of comprehensive income during the period in which they are incurred.

(i) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, deposits held at call with licensed financial institutions, other short term and highly liquid investments with original maturities of three (3) months or less, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts, if any, are included within borrowings in current liabilities in the statement of financial position.

(j) Unitholders' capital

Unitholders' contributions are classified as equity when there is no obligation to transfer cash or other assets, nor they are redeemable at the unitholders' option. Any consideration received or distributions paid is added or deducted directly from equity. Incremental external costs directly attributable to the issue of new Units are shown in equity as a deduction, net of tax, from the proceeds.

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Group and the Fund have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Borrowings costs directly attributable to the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Borrowings (continued)

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Fees paid on the establishment of borrowings are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the borrowings will be issued. In this case, the fees are deferred until the issuance occurs. To the extent there is no evidence that it is probable that some or all of the borrowings will be issued, the fees are capitalised as a prepayment for liquidity and amortised over the period of the borrowings.

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 other party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

Revenue/income recognition

Lease revenue

Rental income is recognised in accordance with the accounting policy set out in Note 3(o)(b).

Revenue from contracts with customers

Revenue which represents income from the Group's and the Fund's principal activities within the ordinary course of business and is recognised by reference to each distinct performance obligation in the contract with customer when or as the Group and the Fund transfer the control of the goods or services 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 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 the Fund, and their customer have approved the contract and intend to perform their respective obligations, the Group's and the Fund'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 and the Fund, will collect the consideration to which they will be entitled to in exchange of such goods or services.

Specific revenue recognition criteria for each of the Group's and the Fund's principal business activities are as described below:-

Service charge

Service charge, a non-lease component included in the tenancy agreement, is recognised upon services being 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 3(o)(b).

(ii) Car park income and other income

Car park income and other income are recognised upon services being rendered.

(iii) Utilities recoveries

Recoveries from utilities are recognised upon supply, distribution and billing of utilities to the customer and the customer receives and/or consumes the utilities.

(iv) Advertising and promotional income

Advertising and promotional income is recognised in the accounting period in which the services are rendered and the customer receives and/or consumes the economic benefits provided by the Group and the Fund, and the Group and the Fund have a present right to receive payment for such services.

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).



(continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Manager's management fees

Manager's management fees are recognised in the statement of comprehensive income in the period in which they are incurred. If, the payment of the Manager's management fees is in the form of new Units, such payment is determined by reference to the market price of the Units as set out in Note 1(B)(b).

(n) Income tax

Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established 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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3(b), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

(o) 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 term is reassessed upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Fund and affect whether the Group and the Fund are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease 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 asset's useful life and the lease term on a straight-line basis. If the Group and the Fund are 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 remeasurement of the lease liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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
- 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 and the Fund 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 and the Fund, 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 statement of comprehensive income 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 statement of comprehensive income in the period in which the condition that triggers those payments occurs.

Lease liabilities are presented as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of comprehensive income.

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 lowvalue assets are recognised on a straight-line basis as an expense in the statement of comprehensive income.

(b) Accounting by lessor

As a lessor, the Group and the Fund determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Fund make 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 and the Fund consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

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

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

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

Operating leases

The Group and the Fund classify 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 and the Fund recognise lease payments received under operating lease as lease income on a straight-line basis over the

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



(continued

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Leases (continued)

Operating leases (continued)

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 and the Fund provide 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 and the Fund in negotiating and arranging an operating lease is recognised as an asset and amortised over the lease term on the same basis as the rental income.

The Group and the Fund grant rental supports, which are not required by the existing contractual terms in the 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 supports are recognised by the Group and the Fund in the following manner:

- a) Supports granted on lease payments in advance of them being due are accounted for as a lease modification, as the supports have changed the total lease consideration. The supports granted are 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 statement of comprehensive income over the remaining lease term on a straight-line basis; and
- b) supports granted on lease payments that are contractually past due are accounted for as partial extinguishment of lease payments as the Group's and the Fund's contractual rights to these lease receivables have been waived. The supports are 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 and the Fund separate the lease and non-lease components based on the transaction price contractually agreed in the tenancy agreement. If the services rendered by the Group and the Fund exceed the payment, a contract asset is recognised for non-lease components. If the payments exceed the services rendered, a contract liability is recognised.

(p) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group and the Fund operates ("functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Group and the Fund's functional and presentation currency.

(q) Earnings per unit

The earnings per Unit ("EPU") are presented on basic and diluted format.

Basic EPU is calculated by dividing the total comprehensive income attributable to unitholders by the weighted average number of Units outstanding during the period.

Diluted EPU is determined by adjusting the total comprehensive income attributable to unitholders against the weighted average number of Units outstanding adjusted for the effects of all dilutive potential units.

(r) 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 makers, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions for the Group and the Fund, have been identified as the Directors of the Manager.

(s) Net asset value ("NAV")

NAV is the value of the total assets less the value of the total liabilities in accordance with the REIT Guidelines.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Distribution of income

Distribution of income should only be made from realised gains or realised income in accordance with the REIT Guidelines.

Distribution of income should be made after the Manager has taken into consideration the total returns for the period, income for the period, cash flow for distribution, stability and sustainability of income and the investment objective and distribution policy of IGB REIT. Liability is recognised for the amount of any distribution of income not distributed at the end of the reporting period.

Distribution adjustments are disclosed in Note 19.

(u) Realised and unrealised profit or loss analysis in the statement of comprehensive income

In accordance with the REIT Guidelines, a charge or a credit to the statement of comprehensive income is deemed as realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use.

Where a credit or a charge to the statement of comprehensive income upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should be deemed as unrealised until the consumption of resource could be demonstrated. Unrealised profit or loss comprises mainly the changes in fair value on investment properties.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors of the Manager 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 and the Fund make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Significant assumptions for estimation of fair value of investment properties

The significant assumptions underlying estimation of fair value of investment properties are those related to term and reversionary rental, car park income, percentage rent, other income, outgoings, capitalisation rate and allowance for void.

Investment properties are stated at fair value based on valuations performed by Henry Butcher Malaysia Sdn. Bhd. ("Henry Butcher"), an independent registered valuer who holds a recognised relevant professional qualification and has relevant experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The valuations of investment properties are carried out at the end of the financial year. The Manager concurred with the independent valuers for the valuations of investment properties performed for financial reporting purposes as the determination of fair value using the income approach involves the use of certain estimates that reflect the prevailing market conditions. The valuations were approved by the Board of Directors of the Manager.

The valuations are compared with actual market yield data, actual transactions and those reported by the market, when available. Assumptions used are mainly based on market conditions existing at each reporting date.

Sensitivity analysis on fair value of investment properties is disclosed in Note 6.



NOTES TO THE FINANCIAL STATEMENTS (continued)

5 PLANT AND EQUIPMENT

Group and Fund	Motor vehicles RM'000	Furniture and fittings RM'000	Equipment RM'000	Information technology equipment RM'000	Plant and machinery RM'000	Total RM'000
Cost						
As at 1 January 2022	712	2,733	16,406	2,661	28	22,540
Additions	-	94	104	118	-	316
Write-offs	-	(104)	(826)	(80)	(8)	(1,018)
As at 31 December 2022	712	2,723	15,684	2,699	20	21,838
Accumulated depreciation						
As at 1 January 2022	696	2,454	14,361	2,403	26	19,940
Depreciation charge for the financial year	6	70	906	189	2	1,173
Write-offs	-	(54)	(824)	(79)	(8)	(965)
As at 31 December 2022	702	2,470	14,443	2,513	20	20,148
Carrying amounts						
As at 31 December 2022	10	253	1,241	186		1,690
Cost						
As at 1 January 2021	712	2,732	16,422	2,624	28	22,518
Additions	-	19	81	137	-	237
Disposals	-	-	(14)	-	-	(14)
Write-offs	-	(18)	(83)	(100)	-	(201)
As at 31 December 2021	712	2,733	16,406	2,661	28	22,540
Accumulated depreciation						
As at 1 January 2021	681	2,394	13,519	2,299	23	18,916
Depreciation charge for the financial year	15	75	928	203	3	1,224
Disposals	-	-	(5)	-	-	(5)
Write-offs	-	(15)	(81)	(99)	-	(195)
As at 31 December 2021	696	2,454	14,361	2,403	26	19,940
Carrying amounts						
As at 31 December 2021	16	279	2,045	258	2	2,600

INVESTMENT PROPERTIES

	Gr	roup and Fund
	2022	2021
	RM'000	RM'000
As at 1 January	4,960,000	4,960,000
Fair value gain	60,000	-
As at 31 December	5,020,000	4,960,000

On 20 September 2012, IGB REIT acquired the investment properties of which the consideration was settled in cash for RM1,200 million and issuance of 3,400 million units in IGB REIT.

The title deed of the land for MVM is currently being held in trust by a related company.

MVM is charged as a security for borrowings as disclosed in Note 11.

Investment properties as at 31 December 2022 and 31 December 2021 are stated at fair value based on valuations performed by independent registered valuer, Henry Butcher. These valuations were concurred by the Manager and approved by the Board of Directors of the Manager as the determination of fair value using the income approach involves the use of certain estimates that reflect the current market conditions.

Based on the valuation reports dated 3 January 2023 issued by Henry Butcher, the fair values of MVM and TGM as at 31 December 2022 amounted to RM3.70 billion (2021: RM3.665 billion) and RM1.32 billion (2021: RM1.295 billion) respectively.

Fair value is determined based on income approach method using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 'Fair Value Measurement'. Under the income approach, the fair value of the investment properties is derived from an estimate of the market rental which the investment properties can reasonably be let for. Rental evidence may be obtained from actual passing rents commanded by the investment properties if they are tenanted. Outgoings, such as guit rent and assessment, utilities costs, reimbursable manpower costs, repair and maintenance, insurance premium, asset enhancement initiatives, upgrades expenses as well as management expenses, are then deducted from the rental income. Thereafter, the net annual rental income is capitalised at an appropriate prevailing market yield to arrive at its fair value. Changes in fair value are recognised in the statement of comprehensive income during the period in which they are reviewed.

The Level 3 inputs or unobservable inputs include:-

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 which is part of passing rental);

Reversionary rental the expected rental that the investment properties are expected to achieve upon expiry of term rental;

Percentage rent the variable lease payment related to sales generated from tenants;

Car park income the rental on car park bays;

Other income mainly leasing and advertising income;

Outgoings mainly quit rent and assessment, utilities costs, reimbursable manpower costs, repair and maintenance,

insurance premium, asset enhancement initiatives/upgrades expense and management expenses;

based on actual location, size and condition of the investment properties and taking into account market data Capitalisation rate

at the valuation date based on the valuers' knowledge of the factors specific to the investment properties; and

Allowance for void allowance given for transition period for new tenants to start operation as well as vacancy periods.

There has been no change to the valuation techniques used during the financial year.



NOTES TO THE FINANCIAL STATEMENTS (continued)

The fair value measurements using Level 3 inputs as at 31 December 2022 were as follows:-

Group and Fund

		Impact of higher	outgoings	RM'000	(93,900)	(27,000)	(006'06)
ements*1		Impact of lower	outgoings	RM'000	99,800	32,200	000'66
value measure		Impact of higher	rent	RM'000	11,700	12,300	24,000
Sensitivity analysis on fair value measurements*1			rent	RM′000	(18,500)	(3,900)	(22,400)
Sensitivity an		Impact of higher	rate	RM'000	(94,900)	(27,700)	(122,600)
		Impact of Iower	rate	RM′000	104,200	34,900	139,100
			for void	%	2.00	2.00	-
			Outgoings	RM psf	3.80	4.50	
SLS		Other	income	%	7.50	7.50	
Parameters	rates	Car park	income	%	7.50	7.50	
	Capitalisation rates	Perce	rent	%	9.25	9.25	
		Reversionary	period	%	6.35-7.35	6.35-7.35	
		Term	period	%	5.85-6.85	5.85-6.85	
		Fair	value	RM′000	3,700,000	1,320,000	5,020,000
		Valuation	technique		Income approach 3,700,000	Income approach	-
					MVM	TGM	

Notes:-

Changes in capitalisation rates on term and reversionary periods by 25 basis points, percentage rent by 5% and outgoings by RM0.20 per square feet on existing unexpired contractual terms are used as these are the key inputs subjected to changes in market conditions.

The fair value measurements using Level 3 inputs as at 31 December 2021 were as follows:-

Group and Fund

n S*1			wer higher	Ū	RM'000 RM'000	(000,000) (68,000)	29,000 (30,000)	(98,000)
analysis or asurement		lmpac	lower	outgoings	RM'			89,
Sensitivity analysis on fair value measurements*		Impact of higher	<u>6</u>	rate	RM'000	(100,000)	(31,000)	(131,000)
		Impact of Iower	capitalisation	rate	RM'000	97,000	33,000	130,000
			Allowance	for void	%	2.00	2.00	
				Outgoings	RM psf	3.80	4.50	
ers			Other	income*2	%	7.50-9.25	7.50-9.25	
Parameters	on rates		Car park	income	%	7.50	7.50	
	Capitalisation rates		Term Reversionary	period	%	6.35-7.35	6.35-7.35	
			Term	period	%	5.85-6.85	5.85-6.85	
			Fair	value	RM′000	3,665,000	1,295,000	4,960,000
				Valuation technique		Income approach	Income approach	ı 1
						MVM	TGM	

Notes:-

*2

INVESTMENT PROPERTIES (continued)

Changes in capitalisation rates on term and reversionary periods by 25 basis points and outgoings by RM0.20 per square feet on existing unexpired contractual terms are used as these are the key inputs subjected to changes in market conditions. Includes percentage rent. *

NOTES TO THE FINANCIAL STATEMENTS (continued)

The investment properties are as follows:-

Group and Fund

Fair value value to NAV*3 at acquisition as at 31.12.2022 RM*000 %	3,440,000 95.6 1,160,000 34.1 4,600,000	Percentage of fair Fair value value to NAV*3 at acquisition as at 31.12.2021 RM'000 %	3,440,000 96.3 1,160,000 34.0 4,600,000
F. at acc		Fi at acc	ω - 4
Fair value as at 31.12.2022 RM′000	3,700,000 1,320,000 5,020,000	Fair value as at 31.12.2021 RM′000	3,665,000 1,295,000 4,960,000
Occupancy rates as at 31.12.2022	99	Occupancy rates as at 31.12.2021	98 6
Tenure	Leasehold*1 Leasehold*2	Tenure	Leasehold*¹ Leasehold*²
Location	Kuala Lumpur Kuala Lumpur	Location	Kuala Lumpur Kuala Lumpur
Date of valuation	31.12.2022	Date of valuation	31.12.2021
Date of acquisition Date of valuation	20.09.2012 20.09.2012	Date of acquisition Date of valuation	20.09.2012 20.09.2012
	MVM TGM		MVM TGM

Notes:-

INVESTMENT PROPERTIES (continued)

The expiry date of the lease has been extended from 6 June 2103 to 11 April 2104. * * *

The lease has a period of 99 years expiring on 6 June 2103. Based on consolidated NAV after income distribution.

(continued

6 INVESTMENT PROPERTIES (continued)

(i) Amounts recognised in statement of comprehensive income for investment properties

The lease revenue arising from investment properties during the financial year are RM415,902,000 (2021: RM283,173,000) (Note 13).

Direct operating expenses arising from investment properties during the financial year are RM136,160,000 (2021: RM124,426,000), as disclosed under property operating expenses in statement of comprehensive income.

(ii) Leasing arrangement

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Group and the Fund are a lessor is recognised as income on a straight-line basis over the lease term.

The security deposits in the form of cash or bank guarantees collected by the Group and the Fund act as collateral if receivables due from the tenant are not settled timely or in case of breaches of tenancy. Although the Group and the Fund are exposed to changes in the residual value at the end of the current leases, the Group and the Fund typically enter into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Undiscounted lease payments to be received on leases of investment properties are disclosed in Note 24.

7 INVESTMENT IN SUBSIDIARY

			Fui	nd
			2022	2021
			RM′000	RM'000
At cost				
Unquoted shares			_*	_*
* Denotes RM2				
Name of company	Principal activities	Place of incorporation		s effective rest (%)
			2022	2021
IGB REIT Capital Sdn Bhd	A special purpose vehicle to raise financing via the issuance of medium term notes pursuant to a medium term notes programme	Malaysia	100	100

TRADE AND OTHER RECEIVABLES

	Group		Fund	
	2022	2021	2022	2021
	RM'000	RM′000	RM'000	RM'000
Non-current				
Amount owing by subsidiary	-		30,341	-
Current				
Trade receivables	14,623	49,761	14,623	49,761
Accrued billings	13,567	6,290	13,567	6,290
Amount owing by ultimate holding company	18	18	18	18
Amounts owing by related companies	918	3,391	918	3,391
Less: Loss allowance	(10,874)	(28,265)	(10,874)	(28,265)
Trade receivables – net	18,252	31,195	18,252	31,195
Deferred lease incentives	9,136	7,731	9,136	7,731
	27,388	38,926	27,388	38,926
Other receivables	1,000	272	860	205
Deposits	7,564	7,564	7,564	7,564
Amount owing by subsidiary	-	-	-	29,715
	8,564	7,836	8,424	37,484
Prepayments	1,488	713	1,488	713
	10,052	8,549	9,912	38,197
Total current trade and other receivables	37,440	47,475	37,300	77,123
Total trade and other receivables	37,440	47,475	67,641	77,123

The carrying amount of trade and other receivables is a reasonable approximation of fair value as trade and other receivables are short-term in nature or payable on demand.

The credit terms of trade receivables were 7 days (2021: 7 days).

The amount owing by subsidiary represents advances, mainly to comply with the minimum required balance in Debt Service Reserve Account pursuant to Tranche 2, MTN (Note 11), which are unsecured, repayable on demand and carries interest rate at 2.90% (2021: 1.75%) per annum. The Fund does not expect to realise this balance within twelve months after the reporting period, therefore it is classified as noncurrent asset as at 31 December 2022.

The amounts owing by ultimate holding and related companies are trade in nature, unsecured and with credit terms of 7 days (2021: 7 days).

CASH AND CASH EQUIVALENTS

Group		Fund	
2022	2021	2022	2021
RM'000	RM'000	RM′000	RM′000
664	434	664	434
21,521	23,819	21,517	23,814
236,197	198,743	206,000	169,100
258,382	222,996	228,181	193,348
-	(29,615)	-	-
258,382	193,381	228,181	193,348
	2022 RM'000 664 21,521 236,197 258,382	2022 2021 RM'000 RM'000 664 434 21,521 23,819 236,197 198,743 258,382 222,996 - (29,615)	2022 2021 2022 RM'000 RM'000 RM'000 664 434 664 21,521 23,819 21,517 236,197 198,743 206,000 258,382 222,996 228,181 - (29,615) -



(continued

9 CASH AND CASH EQUIVALENTS (continued)

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

The weighted average effective interest rate of deposits with licensed banks of the Group and the Fund that were effective at the reporting date were 2.76% per annum (2021: 1.69%) and 2.73% per annum (2021: 1.67% per annum) respectively.

Deposits with licensed banks of the Group and the Fund have a weighted average maturity of 38 days (2021: 36 days) and 31 days (2021: 27 days) respectively.

In 2021, included in the deposits placed with licensed banks of the Group is pledged deposit of RM29.6 million which carries interest rate at 1.75% per annum, which is maintained in a Debt Service Reserve Account to cover a minimum of six (6) months interest for borrowings (Note 11). In line with the IFRS Interpretation Committee ('IFRIC') agenda decision, the Group has reassessed the presentation of the pledged deposit and determine that the deposits of RM30.2 million which carries interest rate at 2.90% meet the definition of cash and cash equivalents as at 31 December 2022.

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

<u>Group</u>	Non-current borrowings	Current borrowings	Distribution payable to unitholders	Total
	RM′000	RM′000	RM′000	RM′000
As at 1 January 2022	-	1,214,705	77,561	1,292,266
Cash flows:-				
Interest paid	-	(52,800)	-	(52,800)
Distribution paid to unitholders	-	-	(342,739)	(342,739)
Payment of financing expenses	(770)	-	-	(770)
	(770)	(52,800)	(342,739)	(396,309)
Non-cash changes:-				
Amortisation of transaction costs	60	174	-	234
Accrual for interest	-	53,104	-	53,104
Distribution to unitholders	-	-	353,526	353,526
Reclassification	1,199,979	(1,199,979)	-	-
	1,200,039	(1,146,701)	353,526	406,864
As at 31 December 2022	1,199,269	15,204	88,348	1,302,821
As at 1 January 2021	1,199,545	14,755	74,161	1,288,461
Cash flows:-				
Interest paid	-	(52,655)	-	(52,655)
Distribution paid to unitholders	-	-	(211,900)	(211,900)
	-	(52,655)	(211,900)	(264,555)
Non-cash changes:-				
Amortisation of transaction costs	-	260	-	260
Accrual for interest	-	52,800	-	52,800
Distribution to unitholders	-	-	215,300	215,300
Reclassification	(1,199,545)	1,199,545	-	-
	(1,199,545)	1,252,605	215,300	268,360
As at 31 December 2021	-	1,214,705	77,561	1,292,266

NOTES TO THE FINANCIAL STATEMENTS (continued)

CASH AND CASH EQUIVALENTS (continued)

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

<u>Fund</u>	Non-current – amount due to subsidiary	Current – amount due to subsidiary	Distribution payable to unitholders	Total
	RM′000	RM'000	RM'000	RM'000
As at 1 January 2022	-	1,214,705	77,561	1,292,266
Cash flows:-				
Interest paid	-	(52,800)	-	(52,800)
Distribution paid to unitholders	-	-	(342,739)	(342,739)
Payment of financing expenses	(770)	-	-	(770)
	(770)	(52,800)	(342,739)	(396,309)
Non-cash changes:-				
Amortisation of transaction costs	60	174	-	234
Accrual for interest	-	53,104	-	53,104
Accrual for income distribution	-	-	353,526	353,526
Reclassification	1,199,979	(1,199,979)	-	-
	1,200,039	(1,146,701)	353,526	406,864
As at 31 December 2022	1,199,269	15,204	88,348	1,302,821
As at 1 January 2021	1,199,545	14,755	74,161	1,288,461
Cash flows:-				
Interest paid	-	(52,655)	-	(52,655)
Distribution paid to unitholders	-	-	(211,900)	(211,900)
	-	(52,655)	(211,900)	(264,555)
Non-cash changes:-				
Amortisation of transaction costs	-	260	-	260
Accrual for interest	-	52,800	-	52,800
Accrual for income distribution	-	-	215,300	215,300
Reclassification	(1,199,545)	1,199,545	_	-
	(1,199,545)	1,252,605	215,300	268,360
As at 31 December 2021		1,214,705	77,561	1,292,266



(continued

10 UNITHOLDERS' CAPITAL

		Group and Fund			
		2022		2021	
	Number of units '000	Value RM'000	Number of units '000	Value RM'000	
	000	KW 000	000	KIVI 000	
Issued and fully paid up:					
As at 1 January	3,571,851	4,501,941	3,560,560	4,483,011	
Issue of new Units *	15,056	23,597	11,291	18,930	
As at 31 December	3,586,907	4,525,538	3,571,851	4,501,941	

^{*} During the financial year, a portion of the Manager's management fees was paid in Units. Total Manager's management fees paid/payable in Units are disclosed in Note 15.

11 BORROWINGS

		Group
	2022	2021
	RM′000	RM'000
Current (secured):		
Medium term notes	15,204	1,214,705
	15,204	1,214,705
Non-current (secured):		
Medium term notes	1,199,269	-
	1,199,269	-
Total	1,214,473	1,214,705

Medium Term Notes ("MTN") Programme of up to RM5.0 billion in nominal value ("MTN Programme")

On 18 August 2017, the Manager announced on the Main Market of Bursa Securities that IGB REIT Capital Sdn Bhd ("IGBRC"), a special purpose vehicle wholly-owned by IGB REIT via MTrustee Berhad (acting in its capacity as trustee for IGB REIT), had lodged a MTN Programme with the SC pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC. The MTN Programme has a tenure of twenty (20) years from the date of first issuance of MTN under the MTN Programme.

The Tranche 1, MTN of RM1.2 billion was matured on 20 September 2022. On 20 September 2022, IGBRC issued the second tranche AAA-rated MTN ("Tranche 2, MTN") of RM1.2 billion to fully redeem the Tranche 1, MTN. The Tranche 2, MTN has a tenure of 7.5 years ("Legal Maturity") effective 20 September 2022. For the first 5 years ("Expected Maturity"), the 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 Tranche 2, 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 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 Trustee's rights, titles, interests and benefits under the proceeds derived from the tenancy/ lease agreements in relation to MVM;
- (iii) a third party legal assignment of the Trustee'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;

11 BORROWINGS (continued)

Medium Term Notes ("MTN") Programme of up to RM5.0 billion in nominal value ("MTN Programme") (continued)

The Tranche 2, MTN is secured against, among others, the following:- (continued)

- (iv) a third party first ranking legal assignment and charge over the revenue and operating accounts of the Tranche 2, MTN;
- (v) a first party first ranking legal assignment and charge over the debt service reserve account of the Tranche 2, 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 MVM upon expiry of the remedy period under the terms of the Tranche 2, MTN;
- (vii) a letter of undertaking from the Trustee 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 Tranche 2, MTN's Trustee financing agreement.

The maturity profiles of the borrowings are as follows:-

	<1 year	1 to 2 years	2 to 3 years	>3 years	Total carrying amount
	RM'000	RM′000	RM′000	RM'000	RM'000
Group					
As at 31 December 2022					
Tranche 2, MTN	15,204	-	-	1,199,269	1,214,473
	15,204	-	-	1,199,269	1,214,473
As at 31 December 2021					
Tranche 1, MTN	1,214,705	-	-	-	1,214,705
	1,214,705	-	-	-	1,214,705

The weighted average effective interest rates as at the reporting date are as follows:-

		Group	
	2022	2021	
	per annum	per annum	
Tranche 2, MTN	4.46%	-	
Tranche 1, MTN		4.38%	



(continued

12 TRADE AND OTHER PAYABLES

		G	roup		Fund
		2022	2021	2022	2021
	Note	RM'000	RM′000	RM'000	RM′000
Non-current					
Amount due to subsidiary	a	-		1,199,269	-
Current					
Trade payables	b	7,645	7,686	7,645	7,686
Tenants' deposits	С	94,189	96,415	94,189	96,415
		101,834	104,101	101,834	104,101
Other payables and accrued expenses		16,972	8,270	16,972	8,270
Indirect tax payable		361	304	361	304
Prepaid rental		7,279	12,630	7,279	12,630
Contract liabilities	е	4,165	-	4,165	-
Amount due to subsidiary	а	-	-	15,204	1,214,705
Amounts due to related companies	d	13,298	10,953	13,298	10,953
Distribution payable to unitholders		88,348	77,561	88,348	77,561
		130,423	109,718	145,627	1,324,423
Total current trade and other payables		232,257	213,819	247,461	1,428,524
Total trade and other payables		232,257	213,819	1,446,730	1,428,524

- (a) The amount due to subsidiary represents advances from the issuance of Tranche 2, MTN (2021: Tranche 1, MTN), which are secured and carries fixed interest rate at 4.49% (2021: 4.40%) per annum, in which the repayment terms mirror the terms stated in Note 11.
- (b) Credit terms for trade payables range from 30 days to 90 days (2021: 30 days to 90 days).
- (c) Tenants' deposits 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 deposit to the tenant at the end of the tenancy and lease or transferred to the statement of comprehensive income in accordance with the terms and conditions of the tenancy and lease agreement.
- (d) Amounts due to related companies are unsecured, interest-free (2021: interest-free) and repayable on demand.
- (e) Contract liabilities mainly consist of advance receipts for the payment of service charges and car park season pass.

13 TOTAL REVENUE

	Group	and Fund
	2022	2021
	RM′000	RM'000
Lease revenue	415,902	283,173
Revenue from contracts with customers		
- Service charge	70,801	70,459
- Car park income	41,612	25,203
- Utilities recoverable	20,914	13,665
- Promotion partnership income	1,670	1,570
- Forfeited deposits, fit-out works and others	5,510	5,457
	140,507	116,354
Total revenue	556,409	399,527
Revenue from contracts with customers is recognised:-		
- Over time	140,507	116,354

Lease revenue included percentage rent related to sales generated from tenants which approximate to 18.8% (2021: 10.0%) of lease revenue.

Total conditional rental supports granted by the Group and the Fund under the rental support programme offered to eligible tenants affected by the COVID-19 pandemic amounted to RM9.5 million (2021: RM93.1 million), of which RM8.3 million (2021: RM91.9 million) were recognised as a reduction to lease revenue and service charge in the financial year.

Conditional rental supports resulting in lease modification in 2020 and 2021 were recognised over the lease term and the amount recognised during the financial year was RM2.5 million (2021: RM6.8 million).

14 REIMBURSEMENT COSTS

These are costs incurred in the operation, maintenance, management and marketing of the investment properties by the property manager pursuant to the Service Provider Agreement, as well as insurance premiums which is reimbursed to the property manager.

	Group	Group and Fund	
	2022	2021 RM′000	
	RM′000		
Manpower costs	31,761	27,089	
Marketing expenses	4,751	3,700	
Administration expenses	4,990	5,834	
Management expenses	4,569	4,511	
Insurance premium	1,503	1,512	
(Reversal)/Impairment of trade receivables	(6,955)	11,886	
	40,619	54,532	



(continued

15 MANAGER'S MANAGEMENT FEES

	Gro	Group and Fund	
	2022	2021	
	RM'000	RM′000	
Base fee	15,949	15,601	
Performance fee	21,213	13,554	
	37,162	29,155	

For the financial year ended 31 December 2022, 65% of the total Manager's management fees has been paid/payable in Units (2021: 65%) and the remaining 35% in cash (2021: 35%), amounting to approximately RM24,155,000 and RM13,007,000 (2021: RM18,951,000 and RM10,204,000) respectively.

16 FINANCE COSTS

		Group	F	und		
	2022	2022 2021		2022 2021 2022		2021
	RM'000	RM′000	RM′000	RM'000		
Interest expense on:						
- Medium Term Notes	53,338	53,060	-	-		
- advances from subsidiary	-	-	53,338	53,060		
	53,338	53,060	53,338	53,060		

17 TAXATION

	Group	and Fund
	2022	2021
	RM′000	RM'000
Reconciliation of tax expense		
Profit before taxation	396,164	200,148
Income tax using Malaysian tax rate of 24% (2021: 24%)	95,079	48,036
Non-deductible expenses	8,677	7,822
Fair value gain on investment properties not subject to tax	(14,400)	-
Income exempted from tax	(89,356)	(55,858)
	<u></u>	-

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of IGB REIT will be exempted from tax provided that at least 90% of its total taxable income (as defined in the Act) is distributed to the investors in the basis period of IGB REIT 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 financial year which forms the basis period for a year of assessment, IGB REIT will be subject to income tax at the prevailing rate on its total taxable income. Income which has been taxed at the IGB REIT level will have tax credits attached when subsequently distributed to unitholders.

As the distribution to unitholders for the financial year ended 31 December 2022 is approximately 97.5% (2021: 97.5%) of the total distributable income, no provision for income taxation has been made for the current and prior financial year.

18 EARNINGS PER UNIT ("EPU") – BASIC AND DILUTED

The calculation of EPU is based on total comprehensive income attributable to unitholders divided by the weighted average number of Units.

		Group and Fund		
	Note	2022	2021	
		RM′000	RM'000	
Total comprehensive income				
- Realised		336,164	200,148	
- Unrealised		60,000	-	
Total		396,164	200,148	
Weighted average number of Units ('000)				
Weighted average number of Units in issue		3,579,799	3,566,981	
Adjustment for Manager's management fees payable in Units	a	3,578	3,587	
Weighted average number of Units for diluted EPU		3,583,377	3,570,568	
Basic/Diluted EPU (sen)				
- Realised		9.38	5.61	
- Unrealised		1.67	-	
Total	_	11.05	5.61	

Diluted EPU approximates Basic EPU.

Note (a):-

	Group and Fund																					
_	202	2	2021																			
																						Value
	'000	RM'000	'000	RM'000																		
Manager's management fees payable in Units																						
- from 1 October 2022 to 31 December 2022 at RM1.72 per Unit listed on 31 January 2023	3,578	6,154	-	-																		
- from 1 October 2021 to 31 December 2021 at RM1.56 per Unit listed on 3 February 2022	-	-	3,587	5,596																		
	3,578	6,154	3,587	5,596																		



NOTES TO THE FINANCIAL STATEMENTS (continued)

19 DISTRIBUTION TO UNITHOLDERS

		Group	p and Fund
		2022	2021
	Note	RM′000	RM′000
Total comprehensive income		396,164	200,148
Distribution adjustments	а	(34,219)	20,435
Distributable income		361,945	220,583
Distribution per unit (sen)			
- for the period from 1 January 2022 to 31 March 2022		2.51	-
- for the period from 1 April 2022 to 30 June 2022		2.45	-
- for the period from 1 July 2022 to 30 September 2022		2.44	-
- for the period from 1 October 2022 to 31 December 2022		2.46	-
- for the period from 1 January 2021 to 31 March 2021		-	1.33
- for the period from 1 April 2021 to 30 June 2021		-	1.35
- for the period from 1 July 2021 to 30 September 2021		-	1.18
- for the period from 1 October 2021 to 31 December 2021		_	2.17
		9.86	6.03
			_
Sources of distribution			
Lease revenue		415,902	283,173
Revenue from contracts with customers		140,507	116,354
Changes in fair value on investment properties		60,000	-
Interest income		7,585	8,655
		623,994	408,182
Less: Expenses		(227,830)	(208,034)
Total comprehensive income		396,164	200,148
Distribution adjustments	а	(34,219)	20,435
Distributable income		361,945	220,583
Income distribution of 2.51 sen per unit (@ 2.50 sen taxable and 0.01 sen non-taxable) for the period from 1 January 2022 to 31 March 2022		(89,666)	-
Income distribution of 2.45 sen per unit (@ 2.43 sen taxable and 0.02 sen non-taxable) for the period from 1 April 2022 to 30 June 2022		(87,763)	-
Income distribution of 2.44 sen per unit (@ 2.41 sen taxable and 0.03 sen non-taxable) for the period from 1 July 2022 to 30 September 2022		(87,577)	-
Income distribution of 2.46 sen per unit (@ 2.43 sen taxable and 0.03 sen non-taxable) for the period from 1 October 2022 to 31 December 2022		(88,520)	-
Income distribution of 1.33 sen per unit (@ 1.32 sen taxable and 0.01 sen non-taxable) for the period from 1 January 2021 to 31 March 2021		-	(47,368)
Income distribution of 1.35 sen per unit (@ 1.33 sen taxable and 0.02 sen non-taxable) for the period from 1 April 2021 to 30 June 2021		-	(48,090)
Income distribution of 1.18 sen per unit (@ 1.16 sen taxable and 0.02 sen non-taxable) for the period from 1 July 2021 to 30 September 2021		-	(42,190)
Income distribution of 2.17 sen per unit (@ 2.16 sen taxable and 0.01 sen non-taxable) for the period from 1 October 2021 to 31 December 2021		-	(77,652)
Income distributed		(353,526)	(215,300)
Income retained		8,419	5,283

19 DISTRIBUTION TO UNITHOLDERS (continued)

		Group a	up and Fund	
		2022	2021	
	Note	RM'000	RM'000	
Note (a):-				
Distribution adjustments comprise:-				
Changes in fair value on investment properties	6	(60,000)	-	
Manager's management fees paid/payable in Units	15	24,155	18,951	
Amortisation of fit-out incentives		219	-	
Amortisation of transaction costs		234	260	
Depreciation of plant and equipment	5	1,173	1,224	
		(34,219)	20,435	
Withholding tax has been deducted for distributions as follows:-				
		Withholdi	ng tax rate	

	Wilnnoidin	ig tax rate
	2022	2021
Resident corporate	N/A^	N/A^
Resident non-corporate	10%	10%
Non-resident individual	10%	10%
Non-resident corporate	24%	24%
Non-resident institutional	10%	10%

[^] to tax at prevailing rate

20 MANAGEMENT EXPENSE RATIO

	Group and Fund	
	2022	2021
Management expense ratio ("MER") (%)	0.99	0.80

The calculation of the MER is based on the total fund operating fees of the Group and the Fund incurred for the financial year, including the Manager's management fees, trustees' fees and other trust expenses, to the NAV (after income distribution).

The calculation of the MER is required as the REIT Guidelines and the basis of calculating MER can vary among REITs. As such, there is no consistent or coherent basis for providing an accurate comparison of the Group's and of the Fund's MER against other REITs.

21 SEGMENT REPORTING

The segmental financial information by business or geographical segments is not presented as there is only one (1) business activity within the investment properties portfolio of the Group and of the Fund, which comprises of MVM and TGM and its entire business is conducted in Kuala Lumpur.

The Manager assesses the financial performance of the operating segments based on, including but not limited to, net property income ("NPI"). The NPI enables financial performance benchmarking as such basis eliminates the effect of financing and investment decisions which may not be made at operating level.

(continued

22 FINANCIAL INSTRUMENTS BY CATEGORY

		(Group		Fund
		2022	2021	2022	2021
	Note	RM'000	RM′000	RM′000	RM '000
Financial assets at amortised cost					
Assets as per statement of financial position:-					
 Trade and other receivables (excluding prepayments and deferred lease incentives) 	8	26,816	39,031	57,017	68,679
- Cash and bank balances	9	258,382	222,996	228,181	193,348
Total financial assets		285,198	262,027	285,198	262,027
Financial liabilities at amortised cost					
Liabilities as per statement of financial position:-					
- Borrowings	11	1,214,473	1,214,705	-	-
- Trade and other payables (excluding indirect tax payable, prepaid rental and contract	40	220 452	000 005	1 424 025	4 445 500
liabilities)	12	220,452	200,885	1,434,925	1,415,590
Total financial liabilities		1,434,925	1,415,590	1,434,925	1,415,590

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1 Financial risk factors

The Group's and the Fund's activities expose it to a variety of financial risks: interest rate risk (including fair value interest rate risk), credit risk and liquidity and cash flow risk. The Group's and the Fund's overall financial risk management objective is to ensure that it creates value for its unitholders. The Group and the Fund focus on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the financial performance of the Group and the Fund. Financial risk management is carried out through risk reviews, internal control systems and insurance programmes. The Manager regularly reviews the risk profile and ensure adherence to the Group's and the Fund's financial risk management policies.

(a) Interest rate risk

The Group's and the Fund's income and cash flows are substantially independent of changes in market interest rates as the interest rate of Tranche 2, MTN is fixed at 4.49% per annum which locks in the interest rate against any fluctuation resulting in exposure to fair value and cash flow interest rate risk.

Sensitivity analysis for interest rate fluctuation is irrelevant or not applicable as the Group and the Fund do not use variable rates in managing its cash flow interest rate risk.

(b) Credit risk

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

Credit risk with respect to trade receivables is limited due to the nature of business which is mainly rental and security deposit receivable in advance. Credit risks arising from outstanding receivables from the tenants are monitored and managed on an ongoing basis via compliance with credit control standard operating and reporting procedures.

Other than anchor tenants, namely Aeon BIG, Aeon, Metrojaya, GSC Mid Valley, Isetan, Pop In by Isetan and GSC Aurum Theatre, which contribute 8.2% (2021: 10.3%) of the total rental income, the Group and the Fund do not have any significant exposure to any individual or group of tenants or counterparties.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.1 Financial risk factors (continued)

(b) Credit risk (continued)

Simplified approach for trade receivables, accrued billings and trade intercompany balances

The Group and the Fund apply simplified approach which requires expected lifetime losses to be recognised from initial recognition of the trade receivables, accrued billings and trade intercompany balances.

The expected credit loss and default rates are based on the historical payment profiles of tenants, the corresponding historical credit loss and default experienced. The historical credit loss and default rates are adjusted to reflect current and forward-looking factors affecting the ability of the tenants to settle the receivables. The Group and the Fund have identified the credit profile, sales performance, cash flow sustainability and business outlook of 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.

Furthermore, the tenants have placed security deposits in the form of cash or bank guarantees which act as collateral if receivables due from the tenants are not settled or in case of breaches of tenancy or lease agreements. As such, no additional credit risk beyond amounts allowed for expected credit losses is inherent in the Group's and the Fund's trade receivables.

Bank deposits are placed with licensed financial institutions with high credit ratings assigned by credit rating agencies. The Group consider the risk of material loss in the event of nonperformance by a financial counterparty to be unlikely and hence, the expected credit loss is immaterial, if any.

The analysis of credit risk exposure of trade receivables, accrued billings and trade intercompany balances is as follows:-

Trade receivables, accrued billings and trade intercompany balances

Group and Fund

As at 31 December 2022 Trade receivables 1,365 2,715 723 172 9,648 14,623 Accrued billings 13,567 - - - - 13,567 Intercompany balances (trade) 850 20 66 - - 936 Total (gross) 15,782 2,735 789 172 9,648 29,126 Loss allowance* (132) (1,088) (179) (106) (9,369) (10,874) Total (net) 15,650 1,647 610 66 279 18,252 As at 31 December 2021 Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512)		Not due and 1-7 days	8-30 days	31-60 days	61-90 days	>90 days	Total
Trade receivables 1,365 2,715 723 172 9,648 14,623 Accrued billings 13,567 - - - - - 13,567 Intercompany balances (trade) 850 20 66 - - 936 Total (gross) 15,782 2,735 789 172 9,648 29,126 Loss allowance* (132) (1,088) (179) (106) (9,369) (10,874) Total (net) 15,650 1,647 610 66 279 18,252 As at 31 December 2021 Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) <t< th=""><th><u>. </u></th><th>•</th><th>-</th><th>-</th><th>_</th><th>-</th><th></th></t<>	<u>. </u>	•	-	-	_	-	
Accrued billings 13,567 - - - - 13,567 Intercompany balances (trade) 850 20 66 - - 936 Total (gross) 15,782 2,735 789 172 9,648 29,126 Loss allowance* (132) (1,088) (179) (106) (9,369) (10,874) Total (net) 15,650 1,647 610 66 279 18,252 As at 31 December 2021 Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	As at 31 December 2022						
Intercompany balances (trade) 850 20 66 - - 936 Total (gross) 15,782 2,735 789 172 9,648 29,126 Loss allowance* (132) (1,088) (179) (106) (9,369) (10,874) Total (net) 15,650 1,647 610 66 279 18,252 As at 31 December 2021 Trade receivables Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Trade receivables	1,365	2,715	723	172	9,648	14,623
Total (gross) 15,782 2,735 789 172 9,648 29,126 Loss allowance* (132) (1,088) (179) (106) (9,369) (10,874) Total (net) 15,650 1,647 610 66 279 18,252 As at 31 December 2021 Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Accrued billings	13,567	-	-	-	-	13,567
Loss allowance* (132) (1,088) (179) (106) (9,369) (10,874) Total (net) 15,650 1,647 610 66 279 18,252 As at 31 December 2021 Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Intercompany balances (trade)	850	20	66	-	-	936
As at 31 December 2021 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Total (gross)	15,782	2,735	789	172	9,648	29,126
As at 31 December 2021 Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Loss allowance*	(132)	(1,088)	(179)	(106)	(9,369)	(10,874)
Trade receivables 891 4,640 7,505 1,005 35,720 49,761 Accrued billings 6,290 - - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Total (net)	15,650	1,647	610	66	279	18,252
Accrued billings 6,290 - - - - - 6,290 Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	As at 31 December 2021						
Intercompany balances (trade) 655 501 513 36 1,704 3,409 Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Trade receivables	891	4,640	7,505	1,005	35,720	49,761
Total (gross) 7,836 5,141 8,018 1,041 37,424 59,460 Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Accrued billings	6,290	-	-	-	-	6,290
Loss allowance* (585) (512) (1,026) (338) (25,804) (28,265)	Intercompany balances (trade)	655	501	513	36	1,704	3,409
	Total (gross)	7,836	5,141	8,018	1,041	37,424	59,460
7.054 4.000 0.000 700 44.000 0.4405	Loss allowance*	(585)	(512)	(1,026)	(338)	(25,804)	(28,265)
Total (net) 7,251 4,629 6,992 703 11,620 31,195	Total (net)	7,251	4,629	6,992	703	11,620	31,195

Expected loss rate for receivables due more than 90 days and tenants under legal actions are 100%. The Group and the Fund take into account security deposits and other factors in determining the expected credit loss.

General 3-stage approach for other receivables, deposits and non-trade intercompany balances

The other receivables, deposits and non-trade intercompany balances impairment are assessed individually to determine whether there was objective evidence that an impairment had been incurred but not yet identified. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs.



(continued

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.1 Financial risk factors (continued)

(b) Credit risk (continued)

Other receivables, deposits and non-trade intercompany balances

There is no impairment of other receivables, deposits and non-trade intercompany balances as the rate of default and expected credit loss rate are low.

The movement of loss allowance of trade receivables is as follows:-

	Group and Fund		
	2022	2021	
	RM′000	RM′000	
As at 1 January	28,265	27,201	
Loss allowance	2,571	19,466	
Reversal during the financial year	(9,526)	(7,580)	
Bad debt written-off	(9,497)	-	
Credit notes issued for rental support provided	(939)	(10,822)	
As at 31 December	10,874	28,265	

The decrease in the loss allowance is arising from receipt and recovery from tenants. Loss allowance net of reversal of approximately RM6,955,000 is included in "Reimbursement Cost" in Note 14.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

(c) Liquidity and cash flow risk

The rolling forecasts of liquidity requirements are monitored to ensure there is sufficient cash to meet operational needs while maintaining sufficient headroom on the committed borrowing facilities (Note 11).

Adequate cash, cash equivalents and bank facilities are maintained and monitored to finance the operations, to distribute income to unitholders, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the REIT Guidelines concerning limits on total borrowings of the investment trust.

Cash and bank balances as at 31 December 2022 of the Group and of the Fund of RM258 million (2021: RM223 million) and RM228 million (2021: RM193 million) respectively are expected to assist in the liquidity and cash flow risk management.

The analysis of the non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date is as follows:-

Group	<1 year RM′000	1 to 2 years RM'000	2 to 3 years RM'000	>3 years RM′000	Total RM'000
At 31 December 2022					
Borrowings	53,880	53,880	53,880	1,307,760	1,469,400
Trade and other payables and accruals (excluding indirect tax payable, prepaid rental and contract liabilities)	220,452	<u> </u>	<u> </u>	<u> </u>	220,452
At 31 December 2021					
Borrowings	1,252,800	-	-	-	1,252,800
Trade and other payables and accruals (excluding indirect tax payable, prepaid rental and contract liabilities)	200,885	<u>-</u>	<u> </u>	<u> </u>	200,885

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.1 Financial risk factors (continued)

(c) Liquidity and cash flow risk (continued)

Fund	<1 year RM'000	1 to 2 years RM'000	2 to 3 years RM'000	>3 years RM′000	Total RM'000
At 31 December 2022					
Trade and other payables and accruals (excluding indirect tax payable, prepaid rental and contract liabilities)	289,536	53,880	53,880	1,293,559	1,690,855
At 31 December 2021					
Trade and other payables and accruals (excluding indirect tax payable, prepaid rental and contract liabilities)	1,455,191	<u>-</u>	<u>-</u> _	<u>-</u> _	1,455,191

Note:-

The amounts are contractual and undiscounted cash flows, including interest payable up to the maturity date for the borrowings.

23.2 Capital risk management

The Group's capital includes the unitholders' capital and borrowings. The Fund's capital includes unitholders' capital and intercompany borrowings.

The overall capital management objectives are to safeguard the ability to continue as a going concern in order to provide returns for unitholders and other stakeholders as well as to maintain a more efficient capital structure.

The Manager's on-going capital management strategy involves maintaining an appropriate gearing level and adopting an active interest rate management strategy to manage the risks associated with refinancing and changes in interest rates. The Manager intends to implement this strategy by (i) diversifying sources of debt funding to the extent appropriate, (ii) maintaining a reasonable level of debt service capability, (iii) securing favourable terms of funding, (iv) managing its financial obligations and (v) where appropriate, managing the exposures arising from adverse market interest rates, such as through fixed rate borrowings, to improve the efficiency for the cost of capital.

The total borrowings to total assets ratio is as follows:-

		Group		Fund
	2022	2021	2022	2021
	RM′000	RM′000	RM'000	RM'000
Total borrowings	1,214,473	1,214,705	-	-
Total intercompany borrowings	-	-	1,214,473	1,214,705
Total assets	5,317,512	5,233,071	5,317,512	5,233,071
Borrowings to total assets ratio (%)	22.8	23.2	22.8	23.2

The Securities Commission Malaysia temporarily increased the gearing limit for Malaysia REIT from 50% to 60%, effective from 12 August 2020 until 31 December 2022. The Group and the Fund complied with the borrowing limit for the financial year ended 31 December 2022.



(continued)

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Capital risk management (continued)

The financial covenants of the MTN Programme are as follows:-

- (i) to ensure that the total amount raised by the Group from issuance of debt securities and/or any other financing facilities shall not exceed 50% of the total asset value of the Group; and
- (ii) to maintain the interest service cover ratio ("ISCR") of not less than 1.5 times for the Group, calculated on a yearly basis at the end of the financial year of the Group.

The financial covenants of the Tranche 2, MTN are as follows:-

- (i) to maintain a security cover ratio for MVM of not more than 60%;
- (ii) to maintain the ISCR of not less than 2.0 times for MVM, calculated on a yearly basis at the end of the financial year of IGB REIT;
- (iii) to ensure that the total amount raised by the Group from issuance of debt securities and/or any other financing facilities shall not exceed 50% of the total asset value of the Group.

The Group and the Fund complied with the financial covenants for the financial year ended 31 December 2022.

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of the Fund's distributable income. It is the intention of the Manager to distribute at least 90% of the Fund's distributable income on a quarterly basis (or such other interval as determined by the Manager at its absolute discretion).

For the financial year ended 31 December 2022, the Group and the Fund distributed approximately 97.5% (2021: 97.5%) of the total distributable income.

23.3 Fair value

The assets and liabilities measured at fair value and classified by level of the fair value measurement hierarchy are as follows:-

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data i.e. unobservable inputs (Level 3).

	Group	Group and Fund	
	2022	2021 RM′000	
	RM′000		
Level 3			
Recurring fair value measurements:-			
Investment properties	5,020,000	4,960,000	

Level 3 fair values of the investment properties have been derived from the income approach method based on valuations performed by Henry Butcher. The valuation techniques, significant parameters and movement in fair values are as disclosed in Note 6.

Assets and liabilities not carried at fair value

Save as disclosed below, the carrying amounts of financial assets and liabilities as at reporting date approximated their fair values.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.3 Fair value (continued)

The Group's borrowings are not measured at fair value as at reporting date. The fair value of such borrowings is disclosed within the fair value hierarchy as follows:-

	Group				
	2	022	2021		
	Carrying amount	Fair value	Carrying amount	Fair value	
	RM′000	RM′000	RM′000	RM′000	
Level 2					
Borrowings	1,214,473	1,214,424	1,214,705	1,234,256	
		Fu	ınd		
	2	022	2	021	
	Carrying amount	Fair value	Carrying amount	Fair value	
	RM′000	RM′000	RM′000	RM'000	
Level 2					
Intercompany borrowings	1,214,473	1,214,424	1,214,705	1,234,256	

24 OPERATING LEASES (LEASE COMPONENT)

Leases as lessor

The Group and the Fund lease out the investment properties (Note 6) 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 supports, incentive or waiver will be given to tenants, the undiscounted lease revenue, i.e. rental income, to be received, excluding any percentage rentals, based on committed tenancies as at 31 December 2022 are as follows:-

	Group and Fund	
	2022	2021
	RM'000	RM'000
Rental income:		
Less than one (1) year	316,183	314,604
Between one (1) and two (2) years	216,540	231,539
Between two (2) and three (3) years	105,953	122,763
Between three (3) and four (4) years	32,846	36,820
Between four (4) and five (5) years	19,174	19,174
More than five (5) years	87,172	106,346
	777,868	831,246



(continued

25 OPERATING LEASES (NON-LEASE COMPONENT)

The Group and the Fund lease out the investment properties (Note 6) 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 and no rental supports, incentive or waiver will be given to tenants, the yet to be satisfied performance obligation resulting from non-lease components, i.e. service charges, to be received, based on committed tenancies as at 31 December 2022 are as follows:-

	Group	o and Fund
	2022	2021
	RM′000	RM'000
Service charges:		
Less than one (1) year	69,874	72,031
Between one (1) and two (2) years	48,114	57,743
Between two (2) and three (3) years	25,631	31,854
Between three (3) and four (4) years	7,877	12,191
Between four (4) and five (5) years	5,681	5,681
More than five (5) years	23,467	29,148
	180,644	208,648

26 CAPITAL COMMITMENTS

The capital expenditure which has not been provided for in the financial statements is as follows:-

	Grou	Group and Fund	
	2022	2021	
	RM′000	RM'000	
Plant and equipment			
Authorised by Directors of the Manager but not contracted	1,260	787	

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions are carried out in the normal course of business on terms and conditions negotiated between the contracting parties.

Related party	Relationship
IGB Berhad ("IGB")	Major unitholder, the sponsor and ultimate holding company of the Fund
IGB Corporation Berhad ("IGBC")	A subsidiary of IGB
IGB REIT Management Sdn Bhd	The Manager of the Fund, a subsidiary of IGBC
IGB REIT Capital Sdn Bhd	A subsidiary of the Fund via MTrustee Berhad (acting in its capacity as trustee for the Fund)
IGB Digital Sdn Bhd	A subsidiary of IGB
IGB Commercial Real Estate Investment Trust ("IGB Commercial REIT")	A subsidiary of IGB
Ensignia Construction Sdn Bhd	A subsidiary of IGBC
IGB Properties Sdn Bhd	A subsidiary of IGBC
Mid Valley City Developments Sdn Bhd	A subsidiary of IGBC
Mid Valley City Energy Sdn Bhd	A subsidiary of IGBC
Mid Valley City Enterprise Sdn Bhd	A subsidiary of IGBC
Mid Valley City Hotels Sdn Bhd	A subsidiary of IGBC
Mid Valley City North Tower Sdn Bhd	A subsidiary of IGBC

NOTES TO THE FINANCIAL STATEMENTS (continued)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Related party	Relationship				
Mid Valley City South Tower Sdn Bhd	A subsidiary of IGBC				
MVC Centrepoint North Sdn Bhd	A subsidiary of IGBC				
MVC Centrepoint South Sdn Bhd	A subsidiary of IGBC				
MVC CyberManager Sdn Bhd	A subsidiary of IGBC				
MVEC Exhibition and Event Services Sdn Bhd	A subsidiary of IGBC				
Tanah Permata Sdn Bhd	A subsidiary of IGBC				
Strass Media Sdn Bhd	A subsidiary of Wah Sec	ong (Malaya) Trading	Co. Sdn Bhd		
Syn Tai Hung Trading Sdn Bhd	A subsidiary of Wah Sec				
Fast Casual Hospitality Sdn Bhd	A person connected to a	-			
CPI Spicy Gardens Sdn Bhd	A person connected to a		•		
Sigma Audio Visual Services Sdn Bhd	A person connected to a		-		
	G	roup	Į	und	
	2022	2021	2022	2021	
	RM′000	RM'000	RM′000	RM'000	
Significant related party transactions for the financial year:-					
Receivables					
1) Utilities charges					
- IGB Commercial REIT	5,386	715	5,386	715	
- IGB Properties Sdn Bhd	-	288	-	288	
- Mid Valley City Enterprise Sdn Bhd	168	182	168	182	
- MVC Centrepoint South Sdn Bhd	-	566	-	566	
- MVC Centrepoint North Sdn Bhd	-	400	-	400	
- Mid Valley City Hotels Sdn Bhd	2,388	1,327	2,388	1,327	
- Tanah Permata Sdn Bhd	743	344	743	344	
- Mid Valley City South Tower Sdn Bhd	-	1,012	-	1,012	
- Mid Valley City North Tower Sdn Bhd	-	831	-	831	
- Mid Valley City Energy Sdn Bhd	711	421	711	421	
- Mid Valley City Developments Sdn Bhd	52	38	52	38	
- Strass Media Sdn Bhd	50	102	50	102	
	9,498	6,226	9,498	6,226	
2) Rental of premises					
- MVEC Exhibition and Event Services Sdn Bhd	5,865	2,346	5,865	2,346	
- MVC CyberManager Sdn Bhd	60	60	60	60	
- Fast Casual Hospitality Sdn Bhd	-	208	-	208	
- CPI Spicy Gardens Sdn Bhd	244	148	244	148	
. ,	6,169	2,762	6,169	2,762	
3) Rental of light box					
- Strass Media Sdn Bhd	414	408	414	408	
4) Rental of car park		''			
- IGB Berhad	223	219	223	219	
5) Interest charges to					
- IGB REIT Capital Sdn Bhd	-	-	626	514	
- MVEC Exhibition and Event Services Sdn Bhd	-	76	-	76	
		76	626	590	



NOTES TO THE FINANCIAL STATEMENTS (continued)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Group		Fund	
_	2022	2021	2022	2021
	RM′000	RM'000	RM'000	RM′000
Significant related party transactions for the				
financial year:- (continued)				
<u>Payables</u>				
1) Utilities charges				
- Mid Valley City Energy Sdn Bhd	37,776	25,303	37,776	25,303
2) Manager's management fee				
- IGB REIT Management Sdn Bhd	37,162	29,155	37,162	29,155
3) Repair and maintenance				
- Ensignia Construction Sdn Bhd	353	-	353	-
- Sigma Audio Visual Services Sdn Bhd	-	52	-	52
- Syn Tai Hung Trading Sdn Bhd	11	53	11	53
- Strass Media Sdn Bhd	82	41	82	41
_	446	146	446	146
4) Support cost				
- IGB Digital Sdn Bhd	413	422	413	422
- IGB Berhad	162	99	162	99
	575	521	575	521
5) Hotel facilities and services				
- Mid Valley City Hotels Sdn Bhd	56	40	56	40
				-
6) Interest charged by			F0 000	50.000
- IGB REIT Capital Sdn Bhd	-		53,338	53,060
Significant related party balances as at reporting date:-				
1) Deposits placed with				
- Mid Valley City Energy Sdn Bhd	7,421	7,421	7,421	7,421
2) Amount owing by				
- IGB REIT Capital Sdn Bhd	-	-	30,341	29,715
- MVEC Exhibition and Event Services Sdn Bhd	-	2,718	-	2,718
3) Amount owing to				
- IGB REIT Management Sdn Bhd	9.468	8,609	9,468	8,609
- IGB REIT Capital Sdn Bhd	-	-	1,214,473	1,214,705
- Mid Valley City Energy Sdn Bhd	3,660	2,344	3,660	2,344

UNITHOLDING STATISTICS As at 8 February 2023

ISSUED UNITS

3,590,485,114 Units (voting right : 1 vote per Unit)

PUBLIC SPREAD

44.82%

ANALYSIS BY SIZE OF UNITHOLDINGS

Range of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
Less than 100	1,878	6.63	51,523	0.00
100 – 1,000	9,671	34.14	5,123,371	0.14
1,001 – 10,000	12,446	43.94	52,633,584	1.47
10,001 – 100,000	3,671	12.96	110,757,084	3.08
100,001 to less than 5% of Issued Units	654	2.31	1,169,418,485	32.57
5% and above of Issued Units	5	0.02	2,252,501,067	62.74
Total	28,325	100.00	3,590,485,114	100.00

SUBSTANTIAL UNITHOLDERS

	Direct		Deemed*	
Name	No. of Units	% of Units	No. of Units	% of Units
IGB Berhad	1,733,617,754	48.28	191,030,600	5.32
Dato' Seri Robert Tan Chung Meng	16,272,721	0.45	1,939,738,471	54.02
Pauline Tan Suat Ming	-	-	1,939,738,471	54.02
Tony Tan Choon Keat	1,000,000	0.03	1,939,738,471	54.02
Tan Chin Nam Sendirian Berhad	-	-	1,935,970,285	53.92
Tan Kim Yeow Sendirian Berhad	14,764,772	0.41	1,924,973,699	53.61
IGB REIT Management Sdn Bhd	190,485,114	5.31	-	-
Wah Seong (Malaya) Trading Co. Sdn. Bhd.	-	-	1,924,648,354	53.60
Employees Provident Fund Board	408,910,713	11.39	-	-
Kumpulan Wang Persaraan (Diperbadankan)	222,389,800	6.19	42,041,900	1.17

DIRECTORS UNITHOLDINGS

		Direct	De	Deemed*	
Name	No. of Units	% of Units	No. of Units	% of Units	
Dato' Seri Robert Tan Chung Meng	16,272,721	0.45	1,939,738,471	54.02	
Tan Lei Cheng	2,005,944	0.06	-	-	
Tan Boon Lee	1,705,025	0.05	-	-	
Elizabeth Tan Hui Ning	4,754,000	0.13	-	-	

Deemed to have interests in Units held by other corporations by virtue of section 4 of the Capital Markets and Services Act 2007



UNITHOLDING STATISTICS As at 8 February 2023 (continued)

TOP 30 UNITHOLDERS

No.	Name of Unitholder	No. of Units	% of Units
1	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for IGB Berhad (KLC)	920,000,000	25.62
2	IGB Berhad	453,617,754	12.63
3	IGB Berhad	360,000,000	10.03
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	296,703,513	8.26
5	Kumpulan Wang Persaraan (Diperbadankan)	222,179,800	6.19
6	IGB REIT Management Sdn Bhd	135,485,114	3.77
7	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for IGB REIT Management Sdn Bhd (KLC)	55,000,000	1.53
8	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	45,809,800	1.28
9	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (NOMURA)	42,892,200	1.19
10	Pertubuhan Keselamatan Sosial	37,808,050	1.05
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	35,712,200	0.99
12	Amanahraya Trustees Berhad Public Smallcap Fund	33,134,616	0.92
13	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (NP-Other-REITs)	27,105,100	0.75
14	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (Life PAR)	26,348,700	0.73
15	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	24,246,692	0.68
16	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AMUNDI)	20,685,700	0.58
17	Amanahraya Trustees Berhad Public Dividend Select Fund	18,807,232	0.52
18	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	17,520,700	0.49
19	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	14,548,156	0.41
20	Robert Tan Chung Meng	13,539,395	0.38
21	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad – Kenanga Growth Fund	13,258,700	0.37
22	Tan Kim Yeow Sendirian Berhad	11,953,968	0.33
23	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	11,521,900	0.32
24	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich General Insurance Malaysia Berhad (GI-REITs)	11,391,500	0.32
25	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (F Templeton)	11,380,000	0.32
26	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	11,321,931	0.32
27	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	11,017,000	0.31
28	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (ABERDEEN)	10,519,400	0.29
29	Lembaga Tabung Angkatan Tentera	9,944,400	0.28
30	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (AP-REITs)	9,601,600	0.27

NOTICE OF ANNUAL GENERAL MEETING

Notice convening the Eleventh Annual General Meeting of Unitholders of IGB REIT (2023 AGM) To be held on Thursday, 27 April 2023, beginning at 12.30 p.m. in a virtual (online) format at https://tiih.online

Items of business

The 2023 AGM is for the purpose of transacting the following businesses, and if thought fit, to pass the Ordinary Resolution (except agenda item 1.0 is a non-voting item):

1.0 Financial Statements and Reports

To receive the Audited Financial Statements of IGB REIT (together with reports of Trustee, Manager and Auditors) for the year ended 31 December 2022 (FY2022).

2.0 Ordinary Resolution: Renewal of Recurrent Related Party Transactions (RRPT Mandate)

"THAT authorisation be and is hereby accorded to IGB REIT to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions set out in Section 3.0 of the Circular to Unitholders dated 28 February 2023 (Circular) with the Transacting Related Parties mentioned therein, provided that such transactions are entered into in the ordinary course of business of IGB REIT and carried out on terms not more favourable to the Transacting Related Parties than those generally available to the public and not detrimental to the minority unitholders:

THAT the RRPT Mandate, unless varied or revoked by IGB REIT in a general meeting, shall continue for the period ending on the date of the AGM to be held in 2024;

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of IGB REIT to give effect to the transactions contemplated and/or authorised by this resolution."

By Order of the Board IGB REIT MANAGEMENT SDN BHD (Manager of IGB REIT)

Tina Chan MAICSA 7001659/SSM PC No. 201908000014 Head of Compliance/Company Secretary

Kuala Lumpur 28 February 2023

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed Ordinary Resolution to be considered by Unitholders of IGB REIT at the 2023 AGM:

(1) Financial Statements and Reports

There is no requirement for Unitholders to approve the Financial Statements and Reports. However, Unitholders will be given the opportunity to raise questions about, or make comments on, the reports and the management of IGB REIT at the 2023 AGM.

(2) RRPT Mandate

The authority given to IGB REIT at the 2022 AGM will expire at the conclusion of the 2023 AGM. The Ordinary Resolution seeks to enable IGB REIT to enter into RRPT with the Transacting Related Parties during the mandate period, the details are set out in the Circular. If granted, the authority sought in the Ordinary Resolution will be effective until the conclusion of the 2024 AGM. The Interested Directors as indicated in Section 7.0 of the Circular and their Persons Connected will not vote on the Ordinary Resolution.

(3) Voting Procedures

The Ordinary Resolution will be taken by poll. For this resolution to be passed, more than half of the votes cast must be in favour of the resolution.



NOTICE OF ANNUAL GENERAL MEETING

(continued)

Conduct of virtual 2023 AGM

- 1. There will be no physical meeting where Unitholders can attend. The broadcast venue at Matahari 3 & 4, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur is to facilitate the conduct of the virtual 2023 AGM.
- 2. Unitholders can attend the virtual 2023 AGM through the online platform: https://tiih.online. Please follow the procedures provided in the Virtual Meeting Guide in order to register and participate remotely via the Remote Participation and Voting (RPV) facility.
- 3. Unitholders may submit questions in writing, by sending them to investorrelations@igbreit.com before 21 April 2023. IGB REIT will address the questions during the meeting, to the extent appropriate in view of the orderly conduct of the meeting. The relevant questions and answers will be published on IGB REIT's website www.igbreit.com after the meeting.
- 4. No recording or photography of the virtual 2023 AGM proceedings is allowed without prior written consent of IGB REIT.

Online registration and voting

- Unitholders at the close of business on 19 April 2023 (Record Date) may participate and vote at the 2023 AGM or appoint proxy(ies)/ corporate representatives to participate and vote on his/her/their behalf.
- 2. A Unitholder is entitled to appoint up to 2 persons as proxies to attend the 2023 AGM and vote on a poll. A proxy need not be a Unitholder of IGB REIT.
- 3. A Unitholder, who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held; whereas, an exempt authorised nominee may appoint multiple persons as proxies in respect of each securities account held.
- 4. Where a Unitholder appoints 2 proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.
- 5. Proxy Form or any power of attorney under which it is signed or certified or office copy of such power or authority, may be sent via email to corporate-enquiry@igbreit.com or deposited at/posted to the Registered office of the Manager or submitted electronically via TIIH portal at https://tiih.online to arrive not later than 12.30 p.m. on Wednesday, 26 April 2023. Any Proxy Form received after that time will not be valid for the 2023 AGM. All valid proxy votes, whether submitted electronically or in hard copy form, will be included in the poll to be taken at the 2023 AGM.
- 6. Unitholders may call TIIH at 603-2783 9299 or email to <u>is.enquiry@my.tricorglobal.com</u> if they have questions or require assistance on e-proxy submission and the process to pre-register, participate and vote at the 2023 AGM, or encounter any log-in difficulties.
- Electronic copies of the AGM Notice, AR2022 and Circular to Unitholders (AGM Documents) are available at www.igbreit.com. Unitholders may request a printed copy of the AGM Documents by sending an email to corporate-enquiry@igbreit.com. Printed copies will be provided without charge.

VIRTUAL MEETING GUIDE

(1) Virtual AGM

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

There will be no physical meeting where Unitholders can attend. The broadcast venue is to facilitate the conduct of the virtual 2023 AGM. Unitholders can attend the virtual 2023 AGM through the online platform: https://tiih.online and participate remotely via the Remote Participation and Voting (RPV) facility. The online platform will allow Unitholders to participate in the 2023 AGM by:

- (a) joining the online meeting in real time;
- (b) asking questions through the online platform during the meeting; and
- (c) voting on the resolutions by direct voting during the online meeting.

Unitholders may also submit questions prior to the 2023 AGM to investorrelations@igbreit.com by Friday, 21 April 2023. IGB REIT will address the questions during the meeting, to the extent appropriate in view of the orderly conduct of the meeting. The relevant questions and answers will be published on IGB REIT's website www.igbreit.com after the meeting.

The Board of the Manager look forward to Unitholders virtual attendance and the opportunity to engage with Unitholders at the 2023 AGM of IGB REIT.

(2) RPV

As the holding of the 2023 AGM in the form of a virtual event, Unitholders to pay special attention to the procedures for RPV facility as summarised below:

	Procedure	Action Required		
	BEFORE THE DAY OF 2023 AGM			
(a)	Sign up as a user of TIIH Online (for first time registration only)	 Access website at https://tiih.online. Sign up as a user under the "e-Services" (refer to the tutorial guide posted on the homepage). Your registration as user will be approved within 1 (one) working day and you will be notified via e-mail on the approval/rejection of your user registration. 		
(b)	Submit your request to attend 2023 AGM	 Registration is open from 12.30 p.m. on Tuesday, 28 February 2023 until the day of 2023 AGM on Thursday, 27 April 2022, Login with your user ID and password and select the corporate event: "(REGISTRATION) IGB REAL ESTATE INVESTMENT TRUST 2023 AGM". Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting". Review your registration and proceed to register. System will send an e-mail notifying your registration for remote participation is received and to be verified. After verification of your registration against the Record of Depositors as at 19 April 2023, the system will send you an e-mail, approving or rejecting your registration for remote participation. 		
	ON THE DAY OF 202	ON THE DAY OF 2023 AGM		
(c)	Login to TIIH Online	 Login with your user ID and password for remote participation at the 2023 AGM from 12.10 p.m. i.e., 20 minutes before the commencement of 2023 AGM at 12.30 p.m. on Thursday, 27 April 2023. 		
(d)	Participate through Live Streaming	 Select the corporate event: "(LIVE STREAMING MEETING) IGB REAL ESTATE INVESTMENT TRUST 2023 AGM" to engage in the 2023 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 2023 AGM) submitted by remote participants during the 2023 AGM, as timing and circumstances permit. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants. 		
(e)	Online Remote Voting	 Select the corporate event: "(REMOTE VOTING) IGB REAL ESTATE INVESTMENT TRUST 2023 AGM". Read and agree to the Terms and Conditions and confirm the Declaration. Voting session commences from 12.30 p.m. on Thursday, 27 April 2023 until a time when the Chairman announces the completion of the voting session of the 2023 AGM. Select the CDS account that represents your unitholdings. Indicate your votes for the resolutions that are tabled for voting. 		
(f)	End of RPV	■ Upon the announcement by the Chairman on the closure of 2023 AGM, the Live Streaming will end.		

Note:

Please call Tricor's Help Lines at 011-4080 5616/ 3168/ 3169/ 3170 or e-mail to tilh.online@my.tricorglobal.com for assistance if you encounter problems with the RPV.



VIRTUAL MEETING GUIDE

(continued)

(3) Electronic Submission of Proxy Form (e-Proxy)

The procedures for submission of e-Proxy are summarised below:

	Procedure	Action	
1.	Individual Unitholders		
(a)	Sign up as User with TIIH Online	 Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register. 	
(b)	Proceed with submission of e-Proxy	 Login with your user name (i.e., email address) and password. Select the corporate event: "IGB REAL ESTATE INVESTMENT TRUST 2023 AGM - Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of 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 Insti	tutional Unitholders	
(a)	Sign up as User with TIIH Online	 Using your computer, access the website at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user first in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Unit 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 REAL ESTATE INVESTMENT TRUST 2023 AGM - Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. 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. 	

(4) Enquiry

Should you need assistance to access the RPV facility and e-Proxy submission, please contact the following persons at TIIH:

(a) Encik Mohammad Amirul : +603 2783 9263 (Mohammad.Amirul@my.tricorglobal.com)
(b) Encik Mohamad Khairudin : +603 2783 7973 (Mohamad.Khairudin@my.tricorglobal.com)



DDOVV FORM

PRUXY FURIWI	Cl	DS Account No.		
	N	o. of Units Held		
*I/We (full name as per NRIC/Certificate of Incorporation)				
NRIC No./Company No of (full	address)			
	,			
being a Unitholder of IGB REIT and entitled to attend and vote he	reby appoint:			
Name, NRIC No. and email of proxy		No. of U	Jnits to be repres	sented by proxy
1.				
2.				
or, failing the person named, or if no person is named, the Chairr in accordance with the following directions or, if no directions have 2023 AGM of IGB REIT to be held at 12.30 p.m. on Thursday, 27 a	e been given and			
VOTING DIRECTIONS				
	Firs	st Proxy	Seco	nd Proxy
Ordinary Resolution	For*	Against*	For*	Against*
RRPT Mandate				
* Please only mark either "For" or "Against" for each item. If no direction passed to the Chairman of the 2023 AGM as your proxy.	n is given on all of t	the items, or if you compl	ete both "For" or "Ag	gainst" your vote may be
Dated this day of 202	3	O'con a book		11-46-14
		Signature	e/Common Seal of	Unitholder

Notes:

- 1. Unitholders at the close of business on 19 April 2023 (Record Date) may participate and vote at the 2023 AGM or appoint proxy(ies)/corporate representatives to participate and vote on his/her/their behalf.
- 2. A Unitholder is entitled to appoint up to 2 persons as proxies to attend the 2023 AGM and vote on a poll. A proxy need not be a Unitholder of IGB REIT.
- 3. A Unitholder, who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held; whereas, an exempt authorised nominee may appoint multiple persons as proxies in respect of each securities account held.
- 4. Where a Unitholder appoints 2 proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.
- 5. Proxy Form or any power of attorney under which it is signed or certified or office copy of such power or authority, may be sent via email to corporate-enquiry@igbreit.com or deposited at/posted to the Registered office of the Manager or submitted electronically via TIIH portal at https://tiih.online to arrive not later than 12.30 p.m. on Wednesday, 26 April 2023. Any Proxy Form received after that time will not be valid for the 2023 AGM. All valid proxy votes, whether submitted electronically or in hard copy form, will be included in the poll to be taken at the 2023 AGM.
- 6. Unitholders may call TIIH at 603-2783 9299 or email to <u>is.enquiry@my.tricorglobal.com</u> if they have questions or require assistance on e-proxy submission and the process to pre-register, participate and vote at the 2023 AGM, or encounter any log-in difficulties.
- 7. The AGM Notice, Annual Report 2022 and Circular to Unitholders have been published on IGBREIT's website www.igbreit.com.

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PROXY FORM

Affix RM0.80 stamp

Head of Compliance/Company Secretary

IGB REIT Management Sdn Bhd 201201006785 (908168-A)
(Manager of IGB REIT)

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

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ANNUAL REPORT 2022 REQUEST FORM

Please select the document(s) you v	would like to receive by ticking (✓) within the box provided:					
Annual Report 2022						
Circular to Unitholders	Circular to Unitholders					
For further information, you may con	ntact Ms. Foo Swee Lee at 22898824 or Ms. Yvonne Fong at 22898825.					
Name of Unitholder	:					
NRIC/Company No.	:					
Mailing Address	:					
	- <u></u> -					
Email Address	:					
Contact Number	:					
Signature	:					
Date	:					

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ANNUAL REPORT 2022 REQUEST FORM

Affix RM0.80 stamp

Head of Compliance/Company Secretary

IGB REIT Management Sdn Bhd 201201006785 (908168-A)
(Manager of IGB REIT)

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

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IGB REIT MANAGEMENT SDN BHD 201201006785 (908168-A)

the Manager of IGB REIT

Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia Tel: +603 2289 8989 | Fax: +603 2289 8802 | Email: corporate-enquiry@igbreit.com