


2023 ANNUAL REPORT



Mid Valley Megamall



The Gardens Mall

CONTENT

2024 ANNUAL GENERAL MEETING

Day and Date

Wednesday
17 April 2024

Time

2.30 pm

Online Meeting Platform

<https://tiih.online>



QR Code for
2023 Annual Report

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ABOUT THIS REPORT

INTRODUCTION

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 (Bursa) on 21 September 2012, it owns income producing real estate that is used for retail purposes in Malaysia and overseas. 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 2.69 million square feet (sf), and as at 31 December 2023, had a market capitalisation of RM6.19 billion. Its investment properties are independently valued at RM5.186 billion.

IGB Berhad is the major unitholder of IGB REIT with a unitholding of 48.13% as at 31 December 2023.

REPORTING PERIOD

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

REPORTING FRAMEWORKS AND STANDARDS

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

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

ASSURANCE

All data contained within this annual report has been sourced internally and has been verified by the respective business units or information owners. PricewaterhouseCoopers PLT is the statutory auditor appointed to audit IGB REIT's financial statements for the financial year ended 31 December 2023. The audit was limited to the financial statements on pages 97 to 138 of this annual report.

MATERIALITY

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

FORWARD LOOKING STATEMENT

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

NAVIGATION ICONS

6 Capitals



Material Matters



United Nations Sustainable Development Goals Adopted



CORPORATE DIRECTORY

MANAGER

IGB REIT Management Sdn Bhd
201201006785 (908168-A)
Capital Market Services License : CMSL/A0305/2013

Registered Address : Level 32, The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Telephone : 603-2289 8989
Telefax : 603-2289 8802
Website : www.igbreit.com
Email : corporate-enquiry@igbreit.com
Investor Relation : investorrelations@igbreit.com
Feedback : feedback@igbreit.com

BOARD OF DIRECTORS

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

Halim bin Haji Din
Independent Non-Executive Director

Robert Ang Kim Pack
Independent Non-Executive Director

Raymond Yeoh Cheng Seong
Independent Non-Executive Director

Datuk Richard Lee Say Tshin
Independent Non-Executive Director

Tan Lei Cheng
Non-Independent Non-Executive Director

Elizabeth Tan Hui Ning
Non-Independent Executive Director/Chief Executive Officer ("CEO")

Tan Mei Sian
Non-Independent Executive Director

HEAD OF COMPLIANCE / COMPANY SECRETARY

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

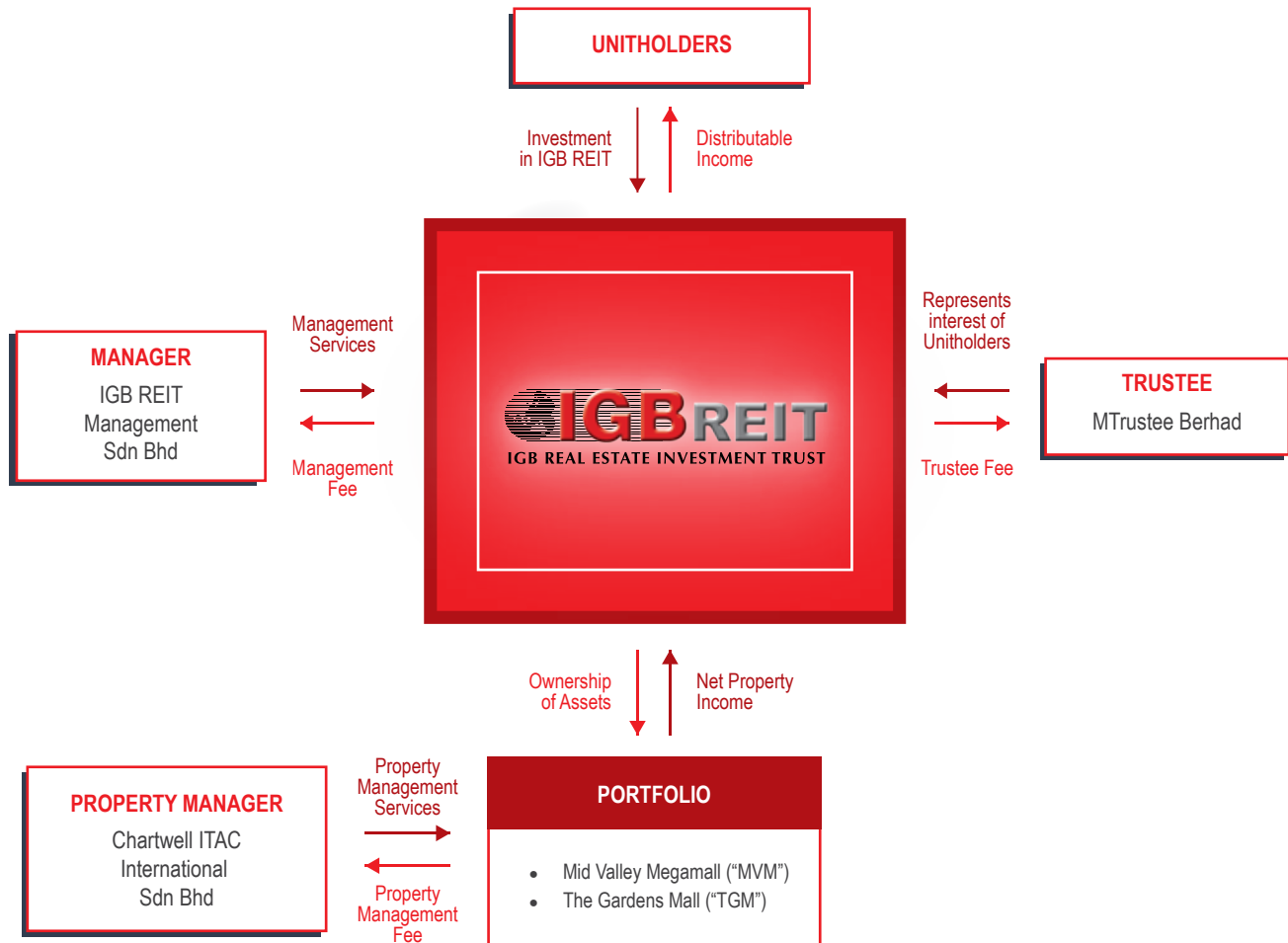
REGISTRAR

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



REIT SALIENT FEATURES

Fund Category	Real Estate Investment Trust
Fund Type	Income and Growth
Fund Duration	<p>The earlier of:</p> <ul style="list-style-type: none"> 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 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.
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 SC's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines") or as may be permitted by the SC
Investment Limits	<p>The investments of IGB REIT are subject to the following investment limits imposed by REIT Guidelines:</p> <ul style="list-style-type: none"> at least 75% of IGB REIT's total asset value ("TAV") must be invested in Real Estate that generates recurrent rental income 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	<ul style="list-style-type: none"> At least 90% of IGB REIT's distributable income Quarterly distribution
Revaluation Policy	Annually by an independent professional valuer
Manager Fee	<p>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):</p> <ul style="list-style-type: none"> Base Fee: up to 1% per annum ("p.a.") of IGB REIT's TAV (excluding cash and bank balances which are held in non-interest bearing accounts) Performance Fee: 5% p.a. 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
Listing Date	21 September 2012
Stock Name and Stock Code	IGBREIT, 5227

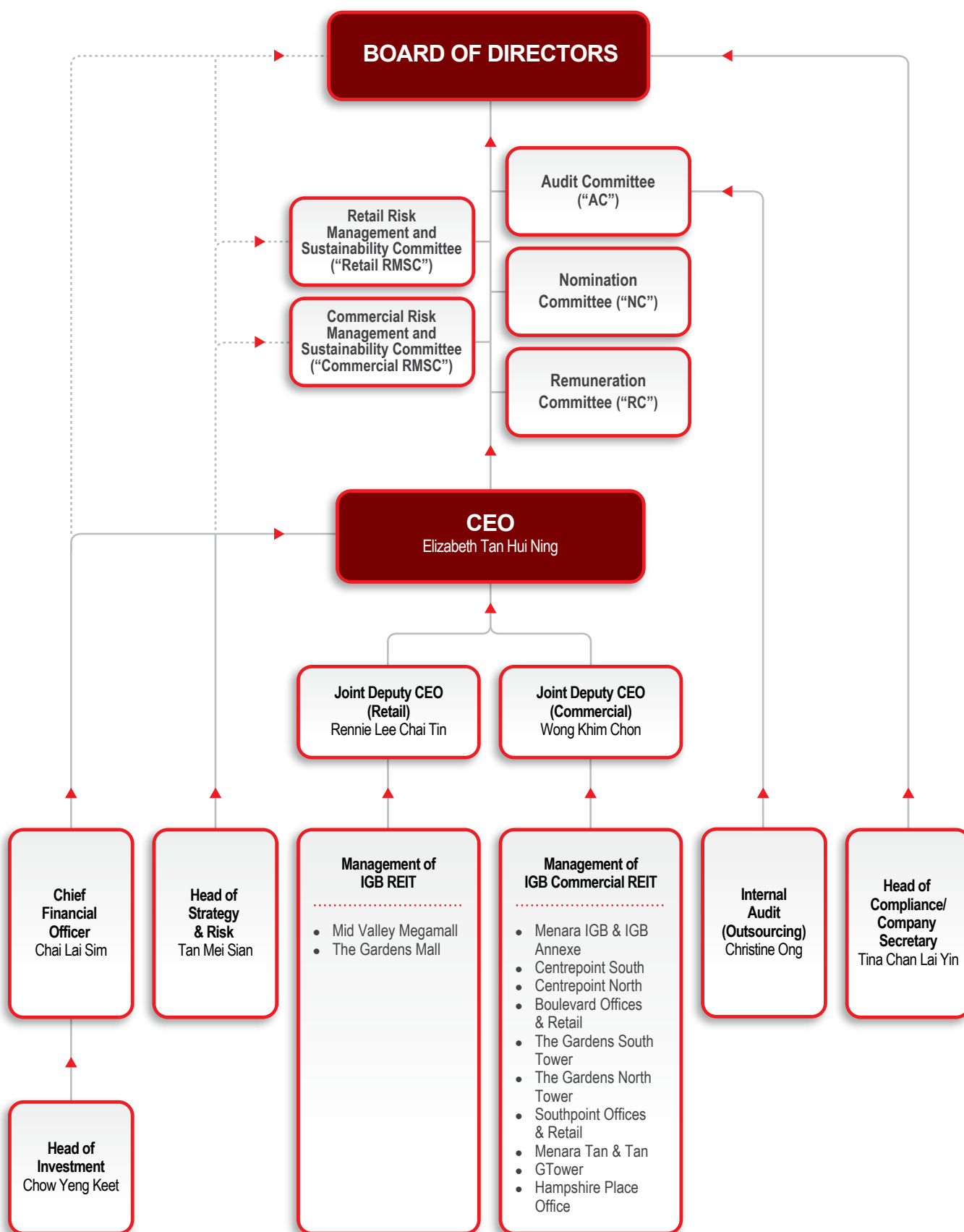
REIT PORTFOLIO

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	<ul style="list-style-type: none"> 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 Private caveat lodged by Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W)) vide Presentation No. PDB3740/2023 dated 16 March 2023 	<ul style="list-style-type: none"> 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)
Appraised Value as at 31 December 2023 (RM'000)	3,790,000	1,396,000
Purchase consideration (RM'000)	3,440,000	1,160,000
Net Lettable Area (NLA) as at 31 December 2023 (sq ft)	1,844,924	840,266
Gross Floor Area as at 31 December 2023 (sq ft)	6,107,052	3,540,767
Number of tenancies as at 31 December 2023	553	231
Occupancy rate as at 31 December 2023 (%)	99.9	94.8
Number of car park bays as at 31 December 2023	6,127	3,957

[#] 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 July 2024.

ORGANISATION STRUCTURE OF THE MANAGER



Awards & Recognition

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



The Gardens Mall team receiving the Persatuan Pengurusan Kompleks Malaysia (PPKM) Award for Best Experiential Marketing 2022-2023



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



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

Business Events and Highlights

Business events and highlights for TGM in 2023:

- ◆ TGM celebrated its 16th anniversary in 2023. Several campaigns were running under the Sweet 16 umbrella including:
 - Sweet 16 Treats: a collaboration with selected food and beverage tenants.
 - Sweet 16 Swag: a gift-with-purchase (GWP) campaign. Visitors could also participate in a social media photo contest and win prizes.
 - Sweet 16 Celebration: this included a private media event and a GWP campaign. Participants of the GWP campaign also stood a chance to win one of 16 grand prizes at a draw held during TGM's Sweet 16 Birthday Bash.
 - Sweet 16 Birthday Bash: this included elaborate decorations and on-ground celebrations which shoppers could participate in. It highlighted the 16 lucky shoppers who participated in the Sweet 16 Celebration GWP campaign and walked away with prizes.



TGM's Sweet 16 media appreciation event



TGM's Sweet 16 celebrations: giveaway



TGM's Sweet 16 celebrations: performers

Business events and highlights for MVM in 2023:

- ◆ MVM ran 7 campaigns in 2023: Chinese New Year, Hari Raya, Oh So Sweet, Mid-Autumn Festival, Take a Break, Deepavali, and Christmas.



MVM's Mid-Autumn Festival celebrations



MVM's "Oh So Sweet" campaign

OUR APPROACH TO VALUE CREATION

1

STRATEGIC PRIORITIES / GOALS

- Deliver long-term sustainable returns to unitholders
- Explore yield-accretive and business enhancing asset acquisition opportunities
- Efficiently manage capital and risks to support growth and value creation

2

BUSINESS STRENGTHS

- Prime retail assets
- Synergistic integration with Mid Valley City (MVC)
- Strong and reputable sponsor with a proven track record
- Diverse tenant base
- Prudent capital and risk management
- Strong corporate governance

3

INPUTS by Capitals



Financial

- Total Assets: **RM5.5 billion**
- Total Liabilities: **RM1.5 billion**
- Unitholders' fund: **RM4.0 billion**



Manufactured

- 2 retail malls
- Total Property Value: **RM5.186 billion**



Human

- Total employees: **356**
- Employee turnover: **9.6%**



Natural

- Energy consumption: **59,451 MWh**
- Water consumption: **718,973 m³**



Social and Relationship

- 26 community initiatives
- **RM975k** contributed towards community investment
- Regular stakeholder engagement
- Creating sustainable business opportunities with local suppliers



Intellectual

- Data and Cybersecurity Policies
- Digitalisation
- Analytics

4

OUR BUSINESS MODEL & ACTIVITIES

OUR STRATEGIC FRAMEWORK

1

Asset Management

2

Asset Enhancement

3

Customer Experience

4

Operational Excellence

* All references to employees are in relation to employees of the Manager and Service Providers

OUR APPROACH TO VALUE CREATION

(continued)

5 OUTPUT by Capitals

Financial

- Revenue: **RM604.3 million**
- Net Property Income: **RM447.9 million**
- Distribution per unit: **10.47 sen**

Manufactured

- MVM: **1.85 million sq ft NLA**
- TGM: **0.84 million sq ft NLA**
- Total **10,084** carpark bays

Human

- Employee retention: **90.4%**
- Total training hours: **6,293**
- Average training hours per employee: **17.7 hours**

Natural

- Waste Diversion Rate: **9%**
- Rainwater harvested: **2,019 m3**
- 2,562** tCO₂e Scope 1 emissions
- 34,779** tCO₂e Scope 2 emissions
- 52,422** tCO₂e Scope 3 emissions

Social and Relationship

- 3,946** individuals benefitted from community initiatives
- 23,977** bags of blood collected for Pusat Darah Negara (PDN)
- 99.91%** spending on local suppliers

Intellectual

- Zero** cybersecurity incidents
- Upgraded to cloud-based IT infrastructure
- Improved workflow efficiency and business applications

6 OUTCOMES

- Continue to offer a strong value proposition through continual review of business plans, sales performance and initiatives that support our recurring income business.
- Maintained a healthy balance sheet through effective capital, cashflow and cost management for shareholders.

- MVM occupancy: **99.9%**
- TGM occupancy: **94.8%**

- Building employee engagement platforms to attract and retain a diverse workforce and create a positive employee experience.
- Increased training programmes and learning hours to build talent and a resilient workforce.
- Job opportunities created for the community.

- To ensure our long-term business strategies support environmental sustainability and climate-change resilience.

- Bridging the connectivity gap and creating a seamless customer experience.
- Support local issues and, in particular, to help the underprivileged and the needy.
- Community development and partnerships in creating a collaborative environment.

- Accelerate technology adoption to improve resilience and gain competitive advantage.

7 TRADE-OFFS

Our financial resources fuel our growth, mitigate risks, and strengthen other capitals. Utilising financial capital for capital expenditure and investments allows for positive impact on the long-term performance of our manufactured assets.

Navigating market shifts requires adjustments. Utilising short-term financial capital to improve our assets presents an opportunity to unlock long-term value and enhance all our capitals, not just financially, but through improved brand perception and sustainability.

Empowering our people is key. Investing in training and engagement might impact short-term financials, but the long-term gain is undeniable: a skilled, engaged workforce driving growth and societal impact across all capitals.

Investing in efficient resource management has proven beneficial. While initial costs exist, preserving natural capital improves our manufactured assets' value, brand equity, and demonstrates our commitment to sustainability, ensuring a balanced future.

We leverage our financial resources to fuel impactful community programmes, empowering marginalised communities and contributing to a more sustainable future for all. This approach strengthens our social and relationship capital and ensures shared prosperity.

Investing in knowledge development might impact short-term financials, but the long-term benefits outweigh this. These investments empower our people, improve processes with digital technology, and enhance various capitals, driving sustainable growth and societal impact.

CEO STATEMENT



Dear Valued Stakeholders,

YEAR IN REVIEW

We entered 2023 cautiously on the back of extraordinary consumer spending in 2022, as the world grappled with adjusting to a new norm following a pandemic that lasted close to two years.

The global economy performed better than expected in 2023, but was not without its challenges. The year saw a worsening of geopolitical uncertainties, communities wrecked by terrible natural disasters, and a weakening in global trade growth. In Malaysia, growth momentum moderated in the year, however our economy continued to enjoy sustained growth, showing resilience to external headwinds. The retail market saw a normalisation in growth following the sharp post-covid rebound in 2022, with consumers emerging to be more discerning and community-centered.

Elizabeth Tan Hui Ning
CEO

Highlights for FY2023

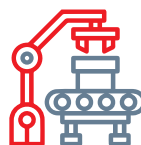
Received 2 awards:

- The Edge Billion Ringgit Club: Highest Return on Equity Over Three Years
- The Edge Billion Ringgit Club: Highest Returns to Shareholders Over Three Years



**Reconfigured
70,000 sf
of space**
in The Gardens Mall,
adding
14 new lots

Invested in a larger
composting
machine boosting average
**monthly
composting
from
200kg to
2,000kg**



Walkway
connecting
**The Gardens Mall
to The Gardens
South Tower and
The Gardens
North Tower**

Against this backdrop, IGB REIT performed above expectations, recording year-on-year growth in revenue and net property income. I am particularly proud to share that IGB REIT received two awards - The Edge Billion Ringgit Club: Highest Return on Equity Over Three Years and The Edge Billion Ringgit Club: Highest Returns to Shareholders Over Three Years - reflecting our commitment to driving value and sustainable growth for our stakeholders.

DRIVE TOWARDS COMMUNITY-CENTRED ENGAGEMENT

Consumers today are looking for more than just a place to go and shop. They are looking for experiences they can share with their friends and family, and want to be in spaces that are comfortable, safe, and conducive to building community and connections. We understand that to remain competitive in today's market, we need to go beyond the basic upkeep of our properties, and create a retail destination that is continually evolving to meet the needs of our customers. To this end, IGB REIT has not only continued to upgrade our equipment and infrastructure, we have been working to reimagine our spaces to allow for more community-centred engagement.

This year for example, we reconfigured approximately 70,000 square feet (sf) of space across two floors at The Gardens Mall adding 14 new lots, enhanced accessibility through the construction of a new walkway connecting The Gardens North Tower and The Gardens South Tower, as well as a new drop off. This new area will not only allow us to introduce a broader mix of tenants and rejuvenate our malls, but also allow for greater flexibility in the spaces available to us as we explore new concepts and customer engagement initiatives.

Engagement with both our tenants and visitors to our malls also continued to be a priority. In working with our tenants, we believe that collaboration is key. For us to succeed, we need to nurture strong relationships based on trust, and ensure our tenants understand our long-term goals and the plans we have in place to achieve them. Through this, we will be able to work together and bring to life creative new concepts and experiences that continue to excite the market. This year, for example, we worked with Louis Vuitton to bring to life a beautifully designed golden space that showcased their range of jewellery and watches. Visitors to the pop-up were also able to see the brand's Blossom collection in white gold before it was officially released to the public.

CEO STATEMENT

(continued)

Visitor engagement needs to go beyond the traditional gift-with-purchase campaigns, and include fun, community-driven events and activities that are suitable for visitors across all age groups and engage across platforms. MVM converted its South court into a community area for a month to engage customers of all ages with games and activities, and TGM celebrated its 16th Anniversary with a string of fun, iridescent events and activities held throughout the year that included performances, lucky draws, gift-with-purchase campaigns, social media contests, as well as interactive activities suitable for all ages. The response we received was overwhelmingly positive.

SUSTAINABILITY

Reaffirming our commitment to sustainability, IGB REIT adopted the IGB Group Sustainability Policy, which was established in August 2023.

Our sustainability efforts are ongoing. We are proud of the steps that have already been taken across our business and are committed to continue to embed meaningful Economic, Social and Governance (ESG) developments into our operations.

One of the initiatives that I am particularly proud of is our food waste recycling programme. Through the programme we work together with our tenants to compost food waste. This year we invested in a larger composting machine to enhance our food waste recycling programme. This has allowed us to boost our composting efforts from a monthly average of 200kg to 2,000kg. The compost produced through this initiative is used for landscaping across our malls.

EXCITING DEVELOPMENTS AND PLANS UNDERWAY

Moving forward, we will continue to focus on bringing exceptional retail experiences to our community and further embed sustainability into our operations. We have exciting plans lined up, including the introduction of new community-centred spaces. We are pushing forward with developing our rooftop garden which will offer visitors a calm and relaxing space to hang out. It will also be home to a vegetable garden, which will supply produce to a café located there and offer vegetable boxes that visitors can purchase as well.

In addition to reimagining our spaces, our people continue to remain key. I will be looking into nurturing our human capital management and leveraging the talents that we have to increase efficiency, promote innovation, and elevate our retail experience. Identifying and grooming talent will also be a priority to ensure seamless succession planning and business continuity.

Lastly, we are fortunate to be located in MVC which has a thriving ecosystem, of which we are a part. I will be exploring ways to leverage this ecosystem to drive growth through collaboration and engagement.

OUTLOOK

We enter 2024 cautiously optimistic. The Malaysian economy is expected to remain resilient, however downside risks remain. We expect the retail sector to continue to be competitive as new malls enter the market, and consumer sentiment to moderate on the back of the increase in the Sales and Service Tax, the introduction of the high-value goods tax, and the rationalisation of subsidies across commodities and utilities. Globally, growth is expected to be subdued and geopolitical uncertainties look set to remain.

These factors will inevitably impact our community and our business, but we remain committed to working collaboratively with our tenants, and exploring new ways of elevating the retail experience, making our malls a destination for community engagement. We have many exciting plans in the pipeline, and are confident in our strategy to build a sustainable business that will continue to positively impact our communities for generations to come.

ACKNOWLEDGEMENTS

I would like to thank the Board of Directors for their guidance and support, and for entrusting me as CEO to build on the strong foundation laid by Antony Barragry, CEO of IGB REIT Management Sdn Bhd (2012 to 2023). I would also like to express a personal, heartfelt thanks to Mr Barragry for his valuable guidance through the years and for his commitment to growing our asset portfolio. Today, I take on a business that is not only financially strong but poised for long-term sustainable growth.

Our gratitude must also be expressed to exiting members of our Board - Tan Sri Dato' Prof. Lin See Yan (Chairman / Independent Non-Executive Director), Le Ching Tai @ Lee Chen Chong (Independent Non-Executive Director), and Tan Boon Lee (Non Independent Non-Executive Director), all of whom have been invaluable in their guidance and counsel through the years.

Thank you also to my team for their efforts and continued commitment to working collaboratively to drive growth and deliver value to our stakeholders.

Finally, I would like to thank all our stakeholders for their continuous trust and support. I am excited to continue IGB REIT's journey, pushing boundaries and bringing to market exceptional experiences that keep retail engaging and exciting for our evolving customer demographic.

ELIZABETH TAN HUI NING

CEO

IGB REIT Management Sdn Bhd

FINANCIAL HIGHLIGHTS

Statement of comprehensive income	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Total revenue (RM'000)	604,308	556,409	399,527	465,239	552,132
Net property income ("NPI") (RM'000)	447,882	420,249	275,101	316,678	398,786
Distributable income (RM'000)	385,764	361,945	220,583	259,837	341,854
Basic earnings per Unit ("EPU") (realised) (sen)	9.99	9.38	5.61	6.65	8.91
Core basic EPU (sen)	14.40	11.05	5.61	6.65	8.91
Distribution per Unit (sen)	10.47	9.86	6.03	6.75	9.16
Distribution yield (%)	6.09	5.98	3.65	3.92	4.84
Management expense ratio (%)	1.00	0.99	0.80	0.86	0.98

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Total revenue	RM'000	RM'000	RM'000	RM'000	RM'000
MVM	416,921	386,632	281,143	322,554	386,850
TGM	187,387	169,777	118,384	142,685	165,282
Total	604,308	556,409	399,527	465,239	552,132

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
NPI	RM'000	RM'000	RM'000	RM'000	RM'000
MVM	321,690	301,891	200,312	231,595	294,941
TGM	126,192	118,358	74,789	85,083	103,845
Total	447,882	420,249	275,101	316,678	398,786

Statement of financial position	As at 31.12.2023	As at 31.12.2022	As at 31.12.2021	As at 31.12.2020	As at 31.12.2019
Investment properties (RM'000)	5,186,000	5,020,000	4,960,000	4,960,000	4,960,000
Total asset value (RM'000)	5,504,946	5,317,512	5,233,071	5,220,926	5,220,951
Total liabilities (RM'000)	1,468,372	1,446,730	1,428,524	1,420,157	1,436,988
Net asset value ("NAV") (RM'000)					
- before income distribution	4,413,346	4,224,308	4,019,847	4,041,283	4,108,669
- after income distribution	4,036,574	3,870,782	3,804,547	3,800,769	3,783,963
NAV per Unit (RM)					
- before income distribution	1.2254	1.1777	1.1254	1.1350	1.1578
- after income distribution	1.1208	1.0791	1.0651	1.0675	1.0663

Note:-

FYE Financial year ended 31 December.

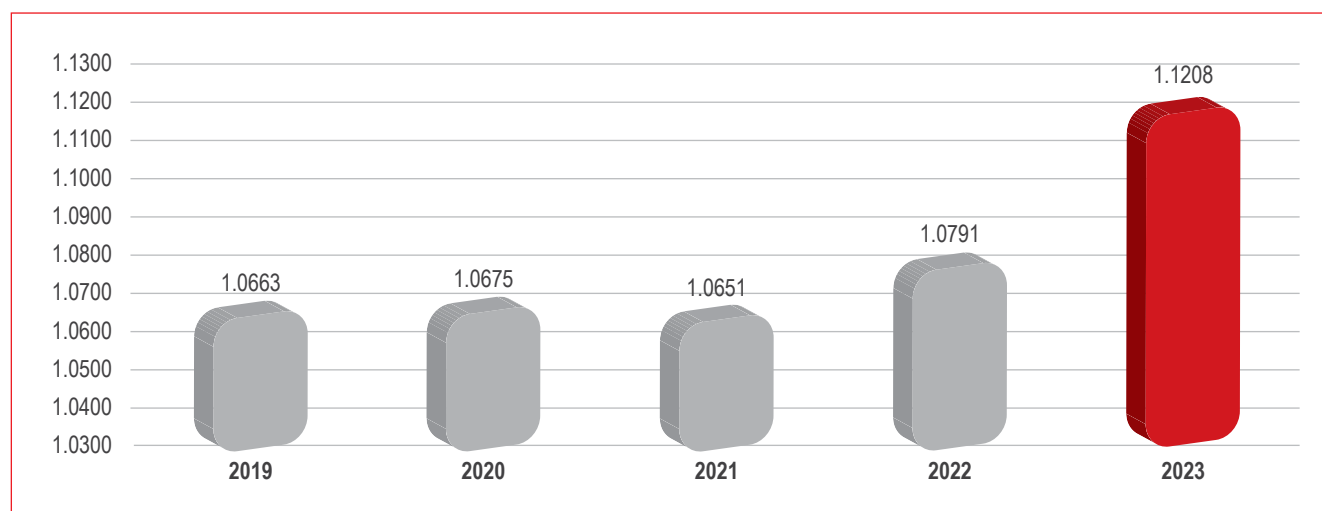
MVM Mid Valley Megamall

TGM The Gardens Mall

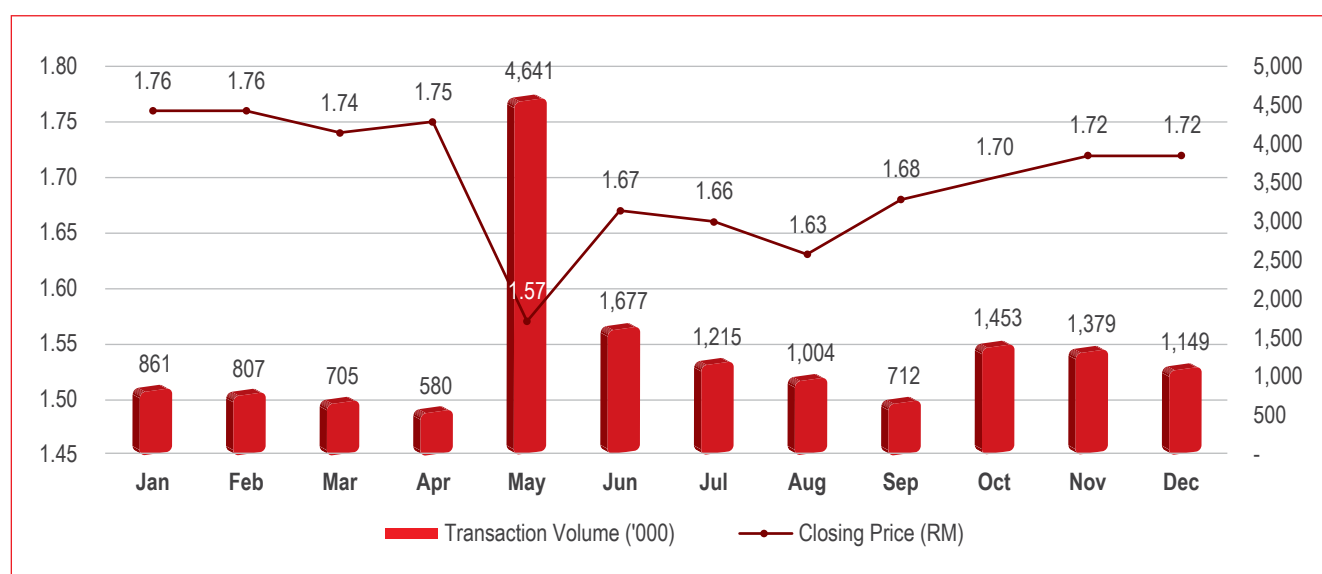
FINANCIAL HIGHLIGHTS

(continued)

NAV PER UNIT PERFORMANCE (RM)



UNIT PRICE PERFORMANCE 2023



Trading performance	2023	2022	2021	2020	2019
Closing price as at 31 December (RM)	1.72	1.65	1.65	1.72	1.89
Highest traded price (RM)	1.78	1.69	1.79	2.00	2.10
Lowest traded price (RM)	1.57	1.36	1.57	1.53	1.72
Issued units ('000)	3,601,639	3,586,907	3,571,851	3,560,560	3,548,828
Market capitalisation as at 31 December (RM'000)	6,194,819	5,918,397	5,893,554	6,124,163	6,707,285

FINANCIAL HIGHLIGHTS

(continued)

FINANCIAL REVIEW

a) 2023 highlights

Total revenue (RM'million)	604.31	Net property income (RM'million)	447.88	Net lettable area (million sf)	2.69
Distribution per unit (sen)	10.47	Occupancy rate (%)	MVM: 99.9 TGM: 94.8	Distribution yield (%)	6.09
Property valuation (RM'billion)	5.186	Net asset value per unit (RM)	1.1208	Market capitalisation (RM'billion)	6.19

b) Group key financial highlights	FY2023 RM'000	FY2022 RM'000	Change (%)
Total revenue	604,308	556,409	8.61%
• MVM	416,921	386,632	7.83%
• TGM	187,387	169,777	10.37%
Net property income	447,882	420,249	6.58%
• MVM	321,690	301,891	6.56%
• TGM	126,192	118,358	6.62%
Net profit	517,629	396,164	30.66%
DPU (sen)	10.47	9.86	6.19%

For FY2023, IGB REIT posted a total revenue of RM604.3 million and a net property income of RM447.9 million for the year, which were 8.61% and 6.58% higher than that recorded in FY2022 respectively.

Net profit was RM517.6 million for the year, representing a 30.66% increase compared with net profit in FY2022.

c) Group statement of financial position	As at 31.12.2023	As at 31.12.2022	Change (%)
Investment properties (RM'000)	5,186,000	5,020,000	3.31%
• MVM (RM'000)	3,790,000	3,700,000	2.43%
• TGM (RM'000)	1,396,000	1,320,000	5.76%
Total asset value (RM'000)	5,504,946	5,317,512	3.52%
Cash and bank balances (RM'000)	274,026	258,382	6.05%
Total liabilities (RM'000)	1,468,372	1,446,730	1.50%
Net asset value ("NAV") (RM'000)	4,036,574	3,870,782	4.28%
NAV per Unit (RM)	1.1208	1.0791	3.86%
No. of Issued Units ('000 units)	3,601,639	3,586,907	0.41%

FINANCIAL HIGHLIGHTS

(continued)

Investment properties are stated at fair value based on valuations performed by an independent registered valuer, One Asia Property Consultants (KL) Sdn Bhd. The valuer holds recognised relevant professional qualification and has relevant experience in valuing investment properties. Based on the valuation reports dated 8 January 2024, the market values of MVM and TGM as at 31 December 2023 were RM3.790 billion and RM1.396 billion respectively.

Cash and bank balances as at 31 December 2023 was RM274.0 million, compared with RM258.4 million as at 31 December 2022.

NAV after income distribution as at 31 December 2023 was RM4.037 billion, compared with RM3.871 billion the year before, reflecting a growth of 4.28%.

IGB REIT's issued units increased from 3,586.907 million as at 31 December 2022 to 3,601.639 million as at 31 December 2023, due to the issuance of new units as part settlement for the Manager's management fees.

d) Income distribution	FY2023	FY2022
Income distribution (RM'million)	376.7	353.5
• 1st quarter (RM'million)	100.5	89.7
• 2nd quarter (RM'million)	85.3	87.7
• 3rd quarter (RM'million)	93.6	87.6
• 4th quarter (RM'million)	97.3	88.5
Average payout ratio (%)	97.5%	97.5%

For the first quarter ended 31 March 2023, a distribution amounting to RM100.5 million or 2.80 sen per unit (@ 2.77 sen taxable and 0.03 sen non-taxable) was paid on 30 May 2023.

For the second quarter ended 30 June 2023, a distribution amounting to RM85.3 million or 2.37 sen per unit (@ 2.33 sen taxable and 0.04 sen non-taxable) was paid on 29 August 2023.

For the third quarter ended 30 September 2023, a distribution amounting to RM93.6 million or 2.60 sen per unit (@ 2.55 sen taxable and 0.05 sen non-taxable) was paid on 20 November 2023.

For the fourth quarter ended 31 December 2023, a distribution amounting to approximately RM97.3 million or 2.70 sen per Unit (@ 2.65 sen taxable and 0.05 sen non-taxable), will be made and be payable on 29 February 2024.

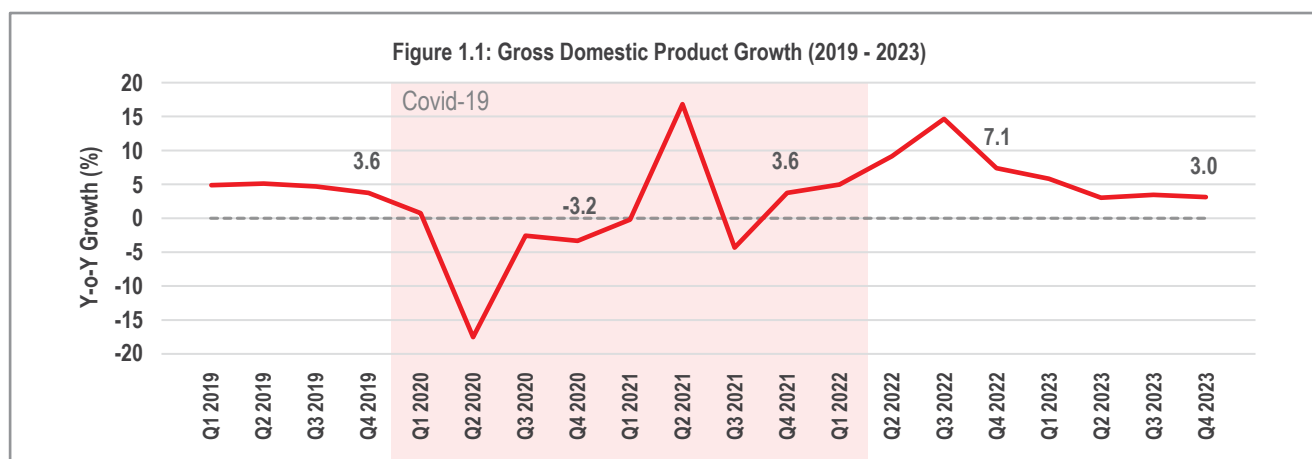
Distribution for FY2023 amounted to 10.47 sen per unit.

At least 90% of IGB REIT's distributable income will be paid for FY2024 subject to IGB REIT's financial position, earnings, funding and capital management requirements. This is in line with the Manager's objective of providing investors with regular and stable income distribution.

MANAGEMENT DISCUSSION AND ANALYSIS

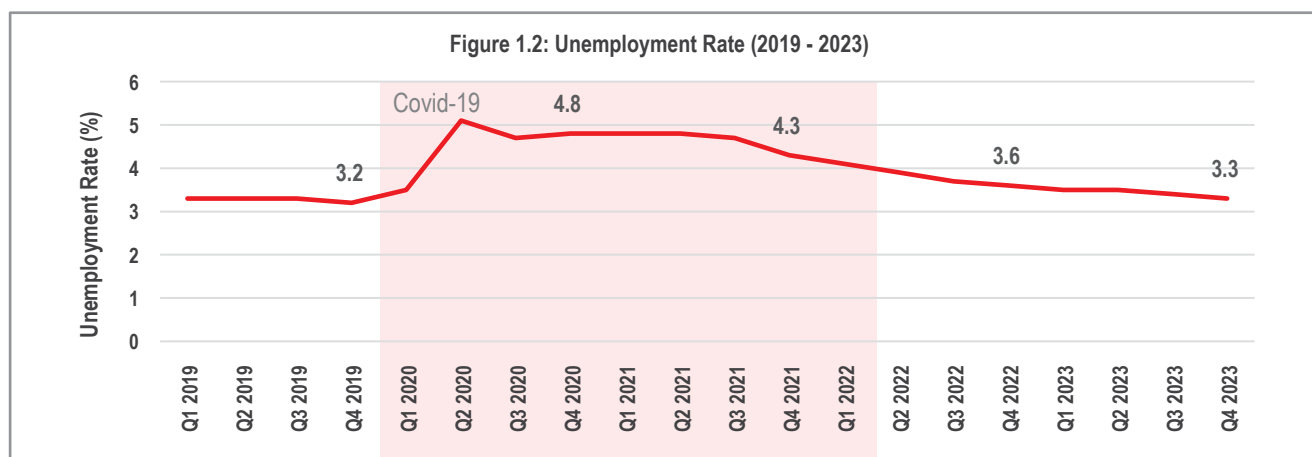
MALAYSIAN ECONOMY REMAINED RESILIENT

In 2023, the Malaysian economy remained resilient, growing by 3.0% in Q4 2023 and 3.7% for the full year (*Figure 1.1*). Domestic demand and private consumption drove much of the growth in output, with the services, wholesale & retail trade, as well as transportation and storage sectors performing well. Activity in construction, real estate, and tourism-related industries added buoyancy, while international travel gradually built momentum in Asia following China's reopening in January. Major infrastructure projects such as the East Coast Rail Link (ECRL), Pan Borneo Highway, West Coast Expressway (WCE), and Johor-Singapore Rapid Transit System (RTS), made good progress in the year, while exports and imports were subdued amid weakness in external demand caused by global geopolitical and macroeconomic challenges.



Source: Department of Statistics Malaysia (DOSM)

The labour market continued its recovery trajectory with the national unemployment rate improving to 3.3% in Q4 2023, bringing the full year average in parity with the pre-Covid average (*Figure 1.2*). Employment in the services sector showed remarkable improvement, particularly for the transportation and storage, information and communication, food and beverage, and accommodation groups. Mining and quarrying, manufacturing, and agriculture also saw robust job creation despite headwinds.

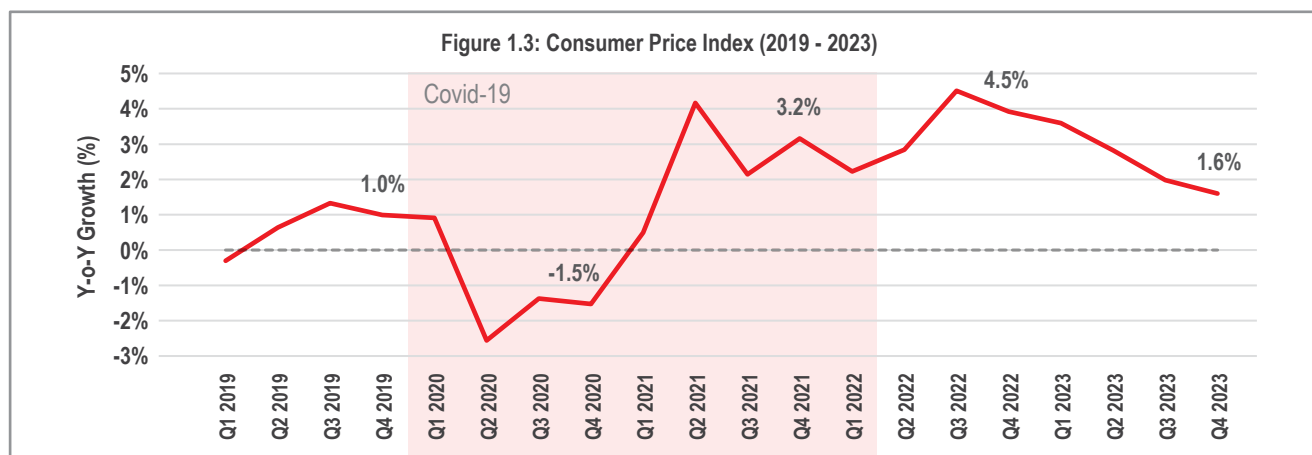


Source: Department of Statistics Malaysia (DOSM)

As cost pressures eased and prices stabilised, we saw a moderation of inflation with the consumer price index (CPI) declining from a high of 4.5% in Q3 2022 to 1.6% in Q4 2023 (*Figure 1.3*). On an annual basis, the headline rate came in at 2.5% compared to 3.3% in the preceding year. The improvement was mainly attributable to slower price increases in transport, communication, furnishings and household equipment, as well as food and non-alcoholic beverages. Core inflation improved in tandem but to a lesser degree.

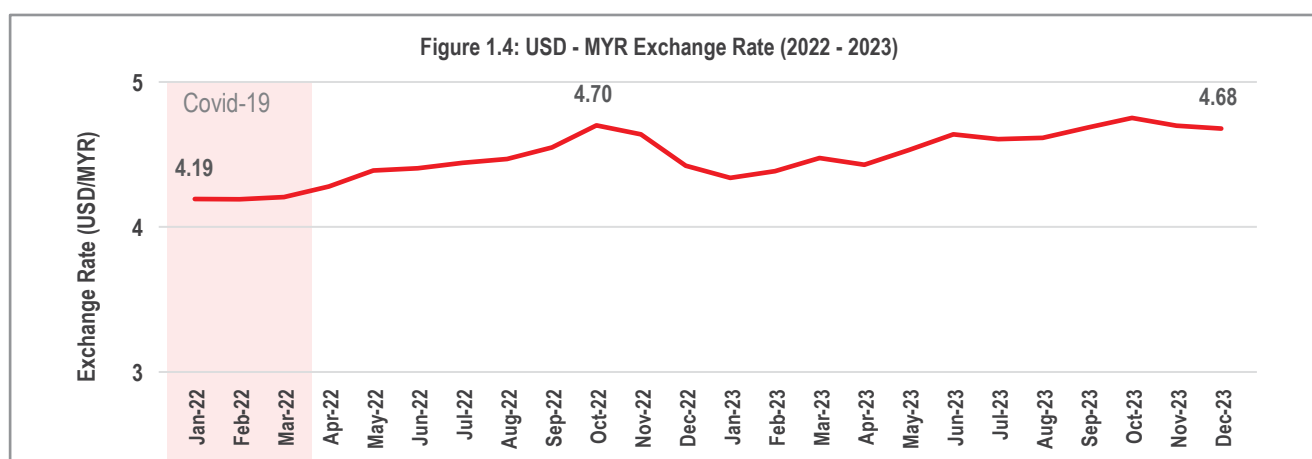
MANAGEMENT DISCUSSION AND ANALYSIS

(continued)



Source: Department of Statistics Malaysia (DOSM)

Bank Negara Malaysia (BNM) raised the Overnight Policy Rate (OPR) only once in May, compared to four times in 2022, providing much needed relief for businesses and consumers. At its last Monetary Policy Committee (MPC) meeting in November, BNM left the OPR unchanged at 3.00%. Meanwhile, the United States Federal Reserve (The Fed) raised its Federal Funds Rate four times during the year to the 5.25% - 5.50% range. The widening interest rate gap between Malaysia and The United States resulted in a further depreciation of the Ringgit (*Figure 1.4*). However, it is anticipated that the Ringgit will see some improvement moving forward, as The Fed has signalled for rate cuts in 2024, contingent on economic indicators.

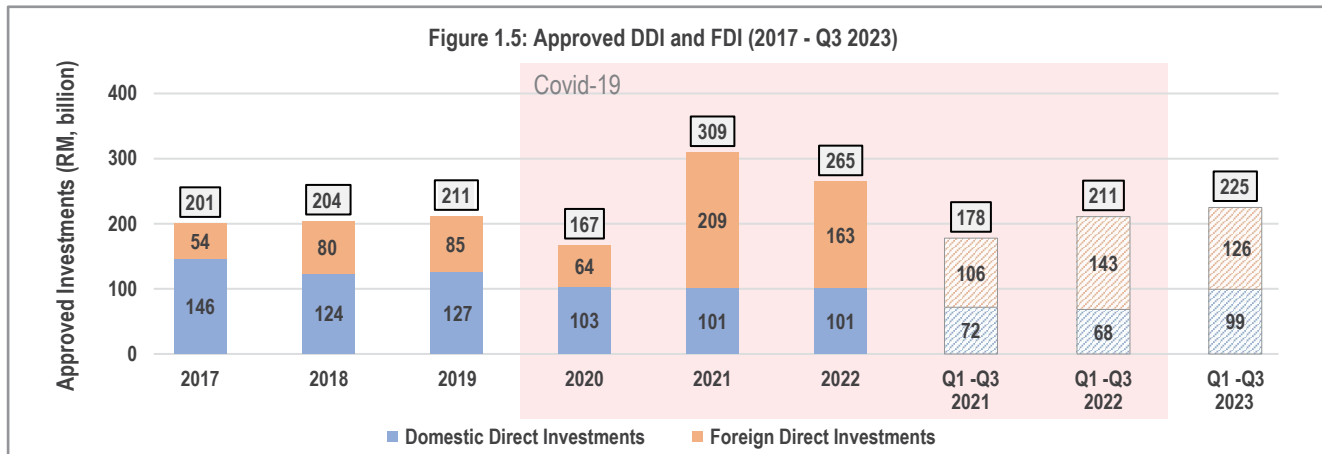


Source: Bank Negara Malaysia (BNM)

Investment facilitation efforts by the government attracted RM225 billion (b) in approved Domestic and Foreign Direct Investments (DDI and FDI) for Malaysia from Q1 to Q3 2023. This is 6.6% higher year-on-year and the highest in the corresponding period over the past decade (*Figure 1.5*). FDI constituted 56% (RM125.7b) of the total approved investments with The Netherlands (RM35b), Singapore (RM20.4b), The United States (RM18.9b), China (RM11.6b), and Japan (RM11.2b) emerging as major investors. Investments from The Netherlands and Singapore grew an astonishing 112% and 134% respectively, while Chinese inflows shrank by 76%. DDI increased significantly from RM68.3b to RM99.3b, reflecting the local market's confidence. The services sector continued to lead in 2023, accounting for 52% (RM117.7b) of total approvals, followed by 44% (RM99.8b) for manufacturing, and 4% (RM7.5b) for the primary sector. Among the many services sub-sectors, information and communications (ICT) and real estate were the largest beneficiaries, attracting 38% and 37% of all services-related approved investments.

MANAGEMENT DISCUSSION AND ANALYSIS

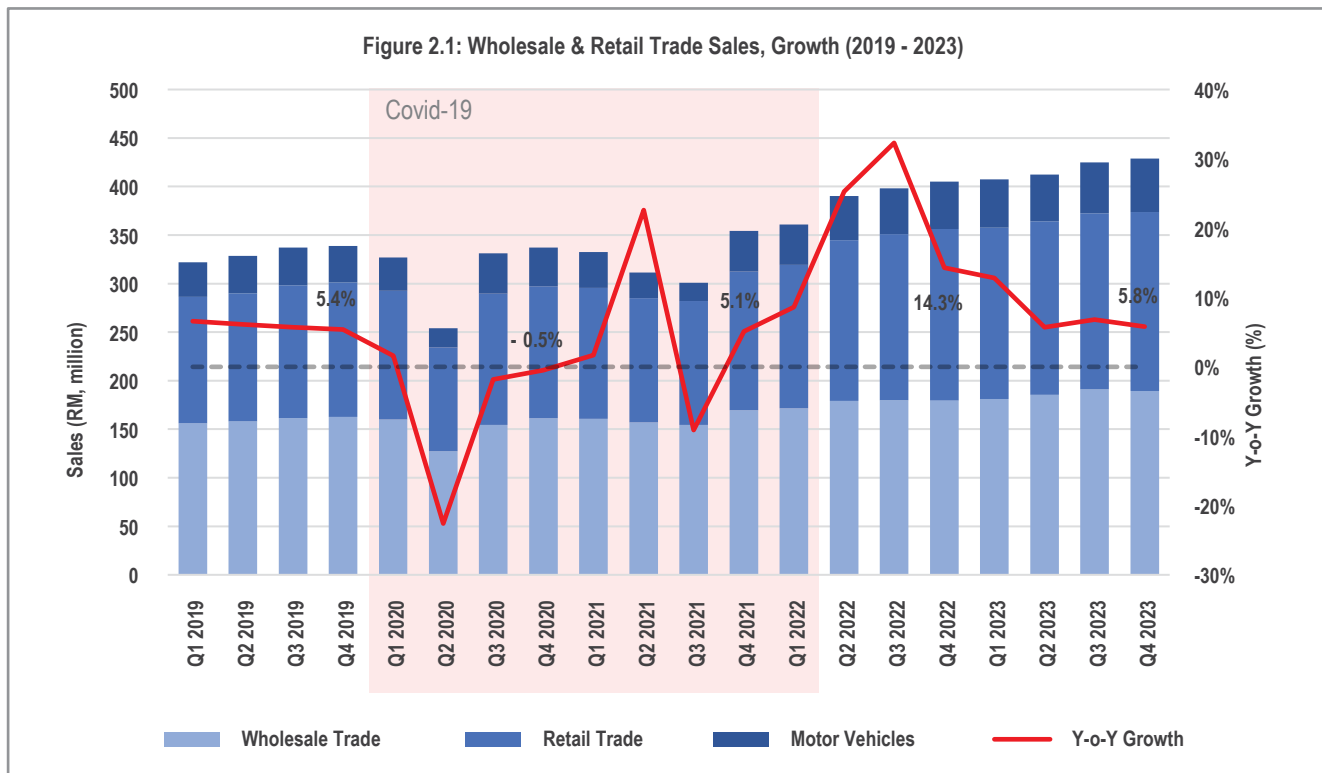
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Source: Malaysian Investment Development Authority (MIDA)

MALAYSIAN RETAIL MARKET SUSTAINED GROWTH, NORMALISED IN 2023

The Malaysian retail market normalised in 2023. Footfall returned to pre-pandemic levels while shopping and spending patterns eased to a more moderate pace. Total wholesale & retail trade sales reached nearly RM429b in Q4 2023, growing 0.9% quarter-on-quarter and 5.8% year-on-year. Cumulative sales for 2023 were recorded at RM1.67 trillion (t), 7.7% and 26% higher than last year and 2019 respectively (Figure 2.1). While the 'revenge shopping' trend dissipated and cost concerns became more pronounced for both consumers and businesses, all wholesale and retail trade sub-sectors showed resilience, with festive celebrations and the school holidays helping to drive demand and traffic.

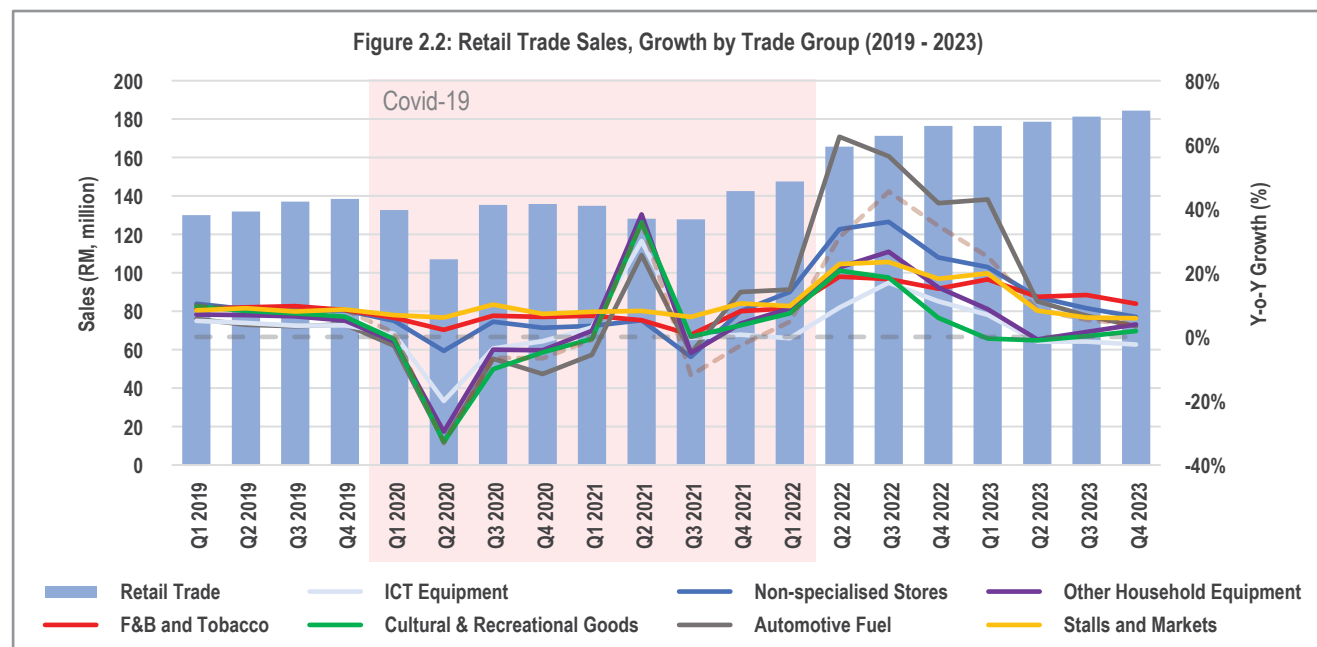


Source: Department of Statistics Malaysia (DOSM)

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

By specific retail trade group, retail sales of food, beverages and tobacco in specialised stores registered a remarkable expansion of 10.3% year-on-year in Q4 2023. Other trade groups which also saw moderate sales growth were retail sales in non-specialised stores (such as supermarkets and department stores), retail sales via stalls and markets (such as roadside stalls and night markets), and retail sales of other household equipment (consisting of items such as furniture, carpets, electrical appliances). Retail sales of information and communications equipment stood out as the only trade group to have shrunk during the period (-2.4%), reflecting the slump in the technology and consumer electronics markets (Figure 2.2).



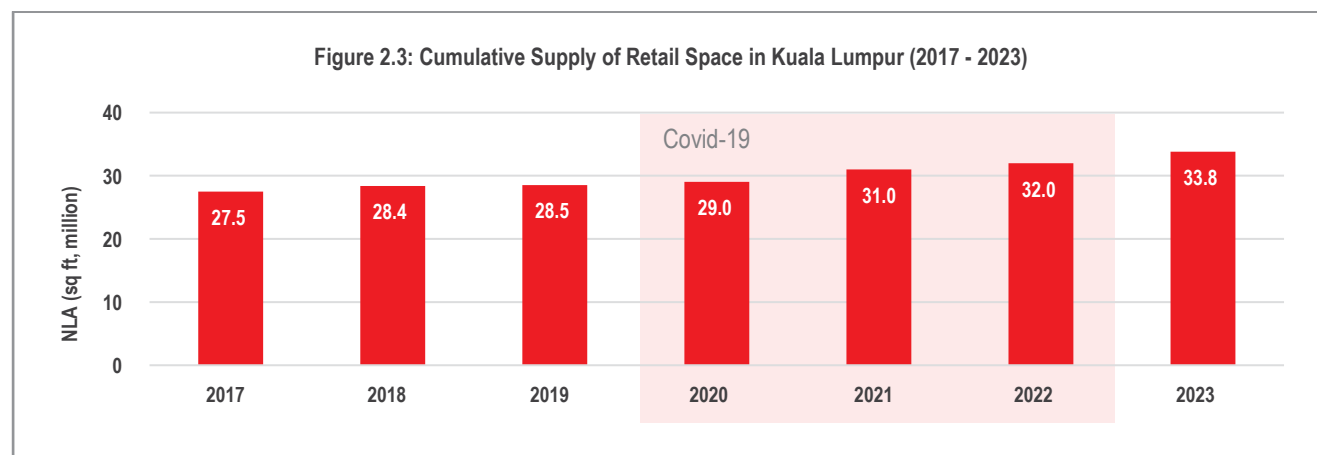
Source: Department of Statistics Malaysia (DOSM)

E-commerce sales saw a decline in growth, growing by just 5.4% year-on-year in Q3 2023 and 6% from January to September, a significantly lower pace compared to the growth witnessed during the height of the pandemic. Retailers continue to craft more engaging experiential retail experiences and enhance their e-commerce platforms, elevating their omnichannel capabilities.

SUPPLY AND DEMAND OF RETAIL SPACE

Kuala Lumpur

The cumulative supply of retail space in Kuala Lumpur increased to approximately 34 million (m) square feet (sf) of net lettable area (NLA) in 2023 (Figure 2.3). The influx of new malls over the years has seen supply continue to grow at a steady pace. Two landmark malls - Pavilion Damansara Heights (Phase 1) and The Exchange TRX @ TRX - opened to the public towards the end of 2023, adding approximately 1.83m sf of prime retail space to the market. Both malls are integrated developments targeting the mid-to-upper and high-income consumer segments. An additional 1.53m sf is slated to come into the market in 2024 with the opening of Pavilion Damansara Heights (Phase 2) and Warisan Merdeka Mall @ Merdeka 118 (Figure 2.4).



Source: Knight Frank Research

MANAGEMENT DISCUSSION AND ANALYSIS

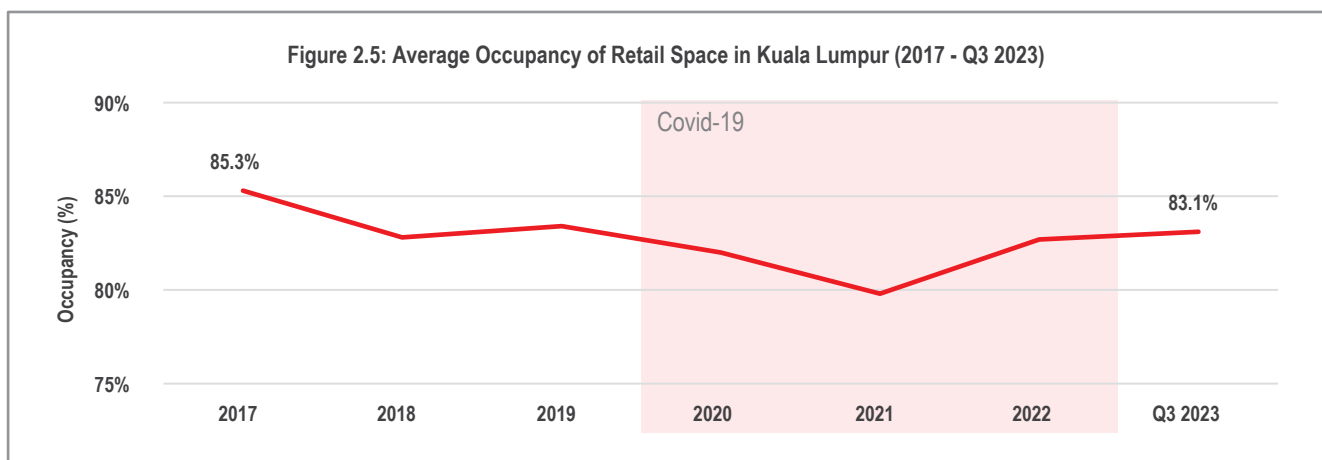
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Figure 2.4: Notable Retail Completions and Incoming Supply in Kuala Lumpur

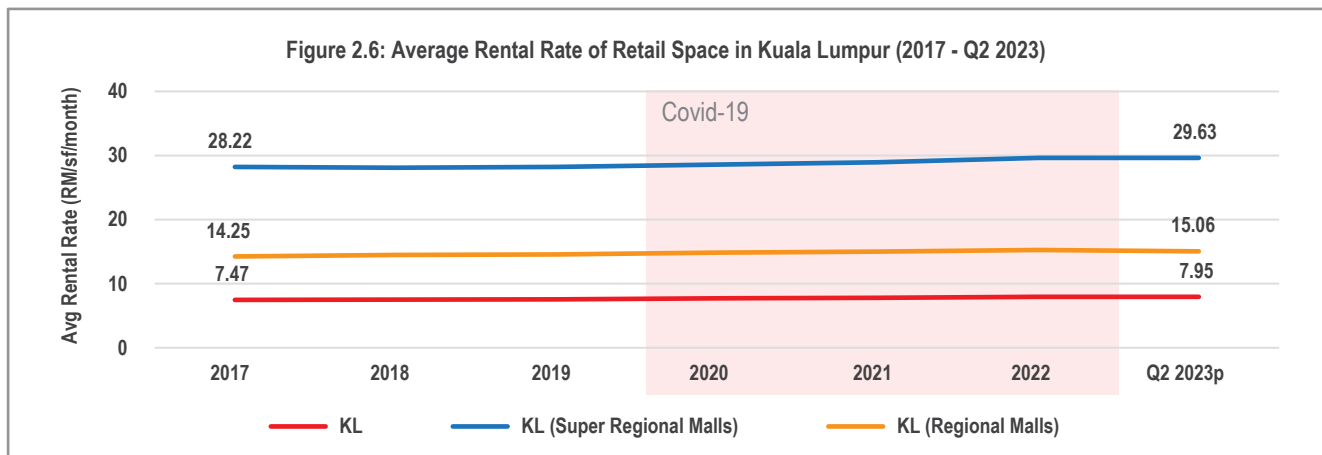
Shopping Complex	Location	Completion	NLA (sq ft)
Pavilion Damansara Heights (Phase 1)	Pusat Bandar Damansara	Q4 2023	533,000
The Exchange TRX @ TRX	Jalan Tun Razak	Q4 2023	1,300,000
Pavilion Damansara Heights (Phase 2)	Pusat Bandar Damansara	2024	530,000
Warisan Merdeka Mall @ Merdeka 118	Jalan Hang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

Source: Knight Frank Research

Newly added retail supply and moderate consumer demand saw occupancy and rental rates improve only marginally. Occupancy rates improved by 0.4 percentage points (p.p.), while rental rates increased by just 0.1% in Q3 2023 as compared to the end of 2022. Super regional (> 1m NLA) and regional malls (500k – 1m NLA) managed to sustain rental rates, though they were equally subdued in terms of growth (Figure 2.5, Figure 2.6).



Source: National Property Information Centre (NAPIC)



Source: National Property Information Centre (NAPIC)

p = preliminary

Among select malls, Suria KLCC commanded between RM35 – RM206 per sf in rent per month, the highest rental rates in 1H 2023. This was driven by its prime location in the Golden Triangle. Further out, NU Sentral, MVM and TGM had rental rates ranging from RM12 – RM27, RM15 – RM80, and RM17 – RM40 respectively (Figure 2.7). With the exception of a decrease in NU Sentral's Ground floor rates, rental rates were overall relatively stable and in line with the market's muted trend.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

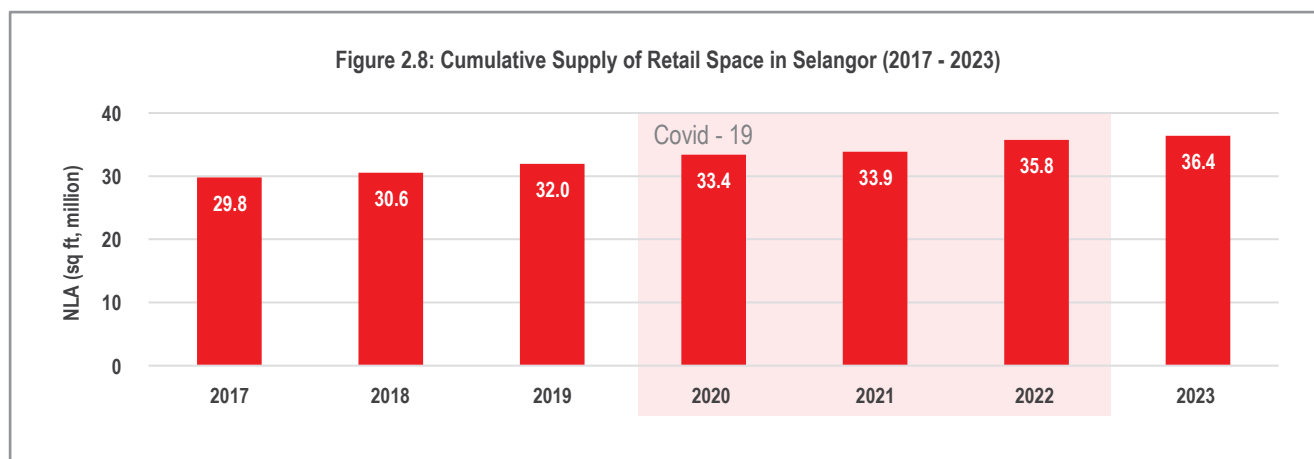
Figure 2.7: Rental Rates of Select Malls in Kuala Lumpur

Shopping Complex	Floor	Rental Range (RM / sf / month)			Y-o-Y Change (%)	
		2019	2022	1H 2023	Lower	Upper
Suria KLCC	LG	45.85 - 191.99	35.00 - 207.30	35.00 - 206.85	-	-0.2%
	G	10.35 - 191.99	44.10 - 151.00	44.10 - 154.35	-	2.2%
	1	31.15 - 114.40	95.40 - 113.10	95.40 - 116.10	-	2.7%
	2	43.85 - 102.82	36.54 - 100.54	36.30 - 103.15	-0.7%	2.6%
	3	35.05 - 106.58	43.95 - 100.20	42.00 - 100.20	-4.4%	-
	4	31.35 - 67.35	37.75 - 61.12	37.75 - 59.30	-	-3.0%
NU Sentral @ KL Sentral	LG	20.00 - 35.00	21.00 - 24.15	21.35 - 24.15	1.7%	-
	G	15.81 - 33.00	20.00 - 31.00	14.50 - 27.20	-27.5%	-12.3%
	1	12.38 - 28.00	13.70 - 16.95	13.70 - 16.95	-	-
	2	9.20 - 25.00	14.70 - 18.95	14.76 - 18.95	0.4%	-
	3	11.00 - 17.00	13.00 - 14.45	13.20 - 14.45	1.5%	-
	4	10.00 - 17.00	12.60 - 14.00	12.60 - 14.00	-	-
	5	12.00 - 18.02	13.05 - 15.20	13.21 - 15.20	1.2%	-
Mid Valley Megamall	LG	27.65 - 63.65	25.00 - 35.65	25.00 - 36.00	-	1.0%
	G	38.65 - 72.65	45.00 - 80.00	45.00 - 80.00	-	-
	1	18.15 - 52.65	33.50 - 38.00	33.50 - 38.00	-	-
	2	11.15 - 32.65	23.35 - 25.00	23.35 - 25.00	-	-
	3	13.15 - 29.65	15.00 - 22.00	15.00 - 22.00	-	-
The Gardens Mall	LG	18.10 - 40.15	27.00 - 40.00	27.00 - 40.00	-	-
	G	23.65 - 38.55	31.50 - 37.50	33.00 - 37.50	4.8%	-
	1	18.15 - 38.15	23.50 - 30.00	23.50 - 30.00	-	-
	2	13.65 - 31.65	18.50 - 21.00	18.50 - 21.15	-	0.7%
	3	12.75 - 26.65	17.00 - 18.00	17.50 - 18.00	2.9%	-

Source: National Property Information Centre (NAPIC)

Selangor

In Selangor, the cumulative supply of retail space increased by approximately 600k sf to 36.4m sf in 2023 (Figure 2.8). Ongoing developments in new and existing townships, as well as the gentrification of older and underutilised urban areas continue to transform and revitalise the state's retail landscape.

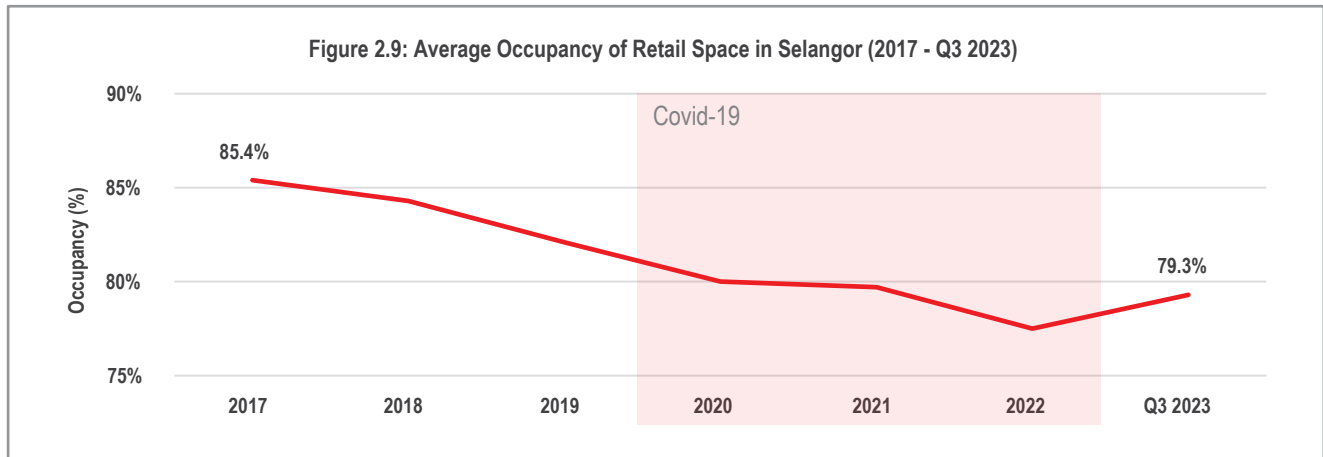


Source: Knight Frank Research

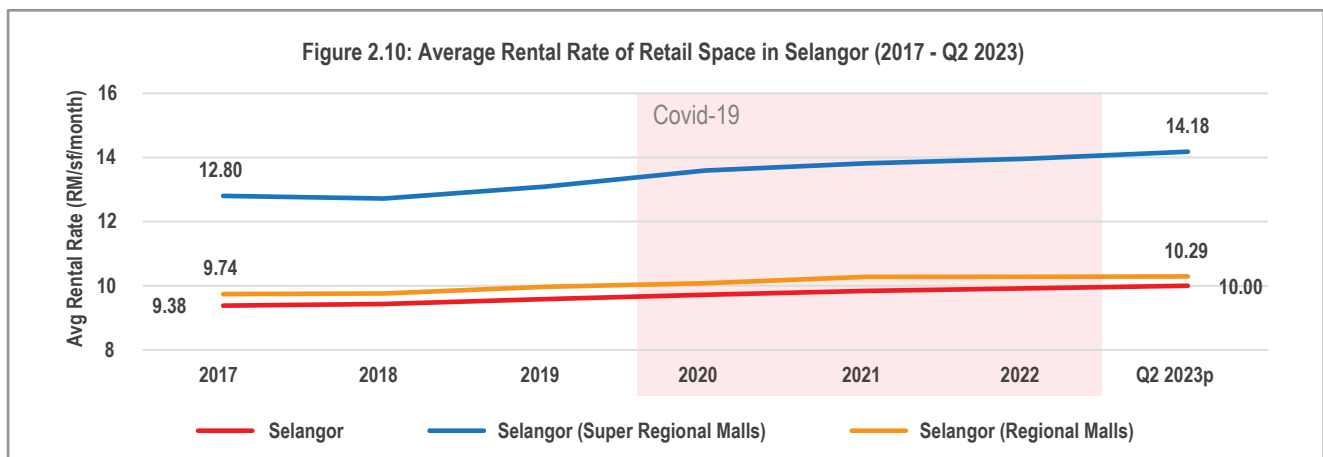
MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Selangor saw a reversal in a 5-year-long decline in occupancy rates, which improved by 1.8 p.p. to 79.3% (*Figure 2.9*) by the end of Q3 2023. While still a few notches below 2017's peak of 85.4%, the rebound bodes well for the Selangor retail market. Average rental rates, which have stayed more or less stagnant since 2022, are anticipated to gradually build momentum and see real growth. As with Kuala Lumpur, super-regional and regional malls in Selangor enjoyed significant rental premiums over non-prime retail spaces, though by a considerably smaller margin (*Figure 2.10*).



Source: National Property Information Centre (NAPIC)



Source: National Property Information Centre (NAPIC)

p = preliminary

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Rental rates held steady among the selected malls below, ranging between RM2 – RM39 for The Curve and Ikano Power Centre in Mutiara Damansara, RM7 – RM41 for 1 Utama in Bandar Utama, and RM13 – RM58 for Sunway Pyramid in Sunway City (Figure 2.11).

Figure 2.11: Rental Rates of Select Malls in Selangor

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

Source: National Property Information Centre (NAPIC)

OPERATIONS OVERVIEW

IGB REIT performed well in 2023 and enjoyed sustained growth, recording revenue and net property income figures above those achieved in 2022. Cost pressures increased in the year, however, with significant increases seen in manpower and electricity in particular. Despite this, both malls achieved a positive overall performance.

Tenant sales have been the key driver of growth in the year. We believe that the engagement and support we have given and continue to give our tenants, have allowed us to build positive, collaborative relationships. These have ensured that tenants within our malls have kept up service levels and maintained current and regularly refreshed stock, providing a retail experience that continues to excite our customers.

New malls have continued to enter the market, increasing competitive pressures. However, we have continued to focus on investing in our assets, elevating service levels, and bringing to market vibrant and exciting retail experiences that build community. MVM and TGM are in their 24th and 16th year of operations respectively, and with this, we have started working to overhaul equipment to ensure that our operations can continue to run smoothly and with increased efficiency.

STRATEGIC RESPONSE

As the retail landscape has normalised post-Covid, consumers are emerging with a greater need for community and an increasingly discerning palette for retail. Against a backdrop where retail options are ever increasing and consumers have become more cautious in their spending, offering an exciting tenant mix is no longer enough to attract and retain consumers. Malls need to go above and beyond this, creating engagement through experiences and designing community-driven spaces.

We believe that our efforts to continually evolve and offer exceptional service levels are what sets our malls apart from our competitors. In 2023, we have continued to undertake asset enhancement initiatives (AEIs) and embark on community engagement events and activities that have allowed us to provide retail experiences unique to our malls. We have also continued to actively engage our tenants, working to support them so that together we can bring to market exciting and engaging retail experiences.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

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

1. Enhancing Retail Experiences

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

Asset Enhancement Initiatives

To ensure that our malls remain relevant and competitive, we continuously look for ways to enhance them to ensure that they provide safe and comfortable community spaces that meet the needs of our visitors. Post-Covid, as people prioritise their well-being and reconnect with friends and family, creating these community spaces have become more important.

In 2023, we kick-started a broader initiative to create more community spaces within our malls. This has required us to review the way in which our malls are currently laid out and embark on a reconfiguration exercise that will optimise the usage of space, create more areas for communities to gather, and convert low yield areas to higher yielding ones.

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

We believe that our strategy supports the longevity of our malls and our sustainability as a business. AEs undertaken in the year are set out below.

The Gardens Mall

AEs undertaken in 2023:

- ◆ Repainting of large round columns (from the Ground Floor to Level 7), ceilings (from Level 3 to Level 7) and walls (on Level 3).
- ◆ East entrance façade wall repair and repainting works.
- ◆ Installation of an inverter to optimise the Kitchen Exhaust Fan for a Food & Beverage outlet.
- ◆ Synchronisation of the South and North Genset to optimise efficiency and add redundancy for critical load and increased power capacity.
- ◆ Installation of a carbon monoxide (CO) sensor in the Basement Car Park to monitor concentrations of CO in the air and activate the ventilation fan as required.
- ◆ Reconfiguration of North Ground Floor and Level 1:
 - Converted a lot spanning 2 floors previously occupied by an anchor tenant into 14 new lots and 1 kiosk.
 - Enhanced the surrounding areas to allow for a seamless flow in design and created a new walkway towards the North office tower to allow for enhanced accessibility.
 - Installed an external LED to support marketing efforts.
 - Created a new cut-in driveway with exclusive car park bays, allowing access to the newly reconfigured area.
- ◆ Revarnishing of the Ground Floor Timber Flooring.
- ◆ Common Walkway Expansion (Ground Floor to Level 3): Joint Flooring Cover.
- ◆ Common Walkway Expansion (Ground Floor to Level 3): Joint Groove for Ceiling.
- ◆ Replacement of Acrylonitrile Butadiene Styrene (ABS) Pipes to Polypropylene Random Copolymer (PPR) Pipes for added strength and resilience, minimising the occurrence of cracks and leaks.
- ◆ Upgrading of energy monitoring system to allow for more detailed monitoring of power consumed by M&E services. This will allow for better energy optimisation.
- ◆ Completed the construction of a new food waste recycling room to support TGM's food waste recycling programme.
- ◆ Modernisation of service lifts 21 and 22.



New food waste recycling room



East Entrance façade where repair and repainting works were undertaken



Revarnished ground floor timber flooring

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)



Repainted columns, walls and ceilings in TGM



North Ground Floor and Level 1 reconfiguration

Mid Valley Megamall

AEIs undertaken in 2023:

- ◆ Second Floor South Escalator ceiling upgrade
- ◆ LG reconfiguration (partial space of AEON Big)
- ◆ New South Entrance Bus Stop
- ◆ Upgrading of Mid Valley Exhibition Center Hall 1 Toilet
- ◆ Replacement of transformer TX / LL1/V3 (MVEC)
- ◆ Consumer Low Voltage (LV) Power Coupling to build redundancy to enable transformer replacement
- ◆ Upgrading of a diesel tank
- ◆ Cooling Tower Replacement
- ◆ LED Lighting Replacement
- ◆ Chiller Replacement



Upgraded Hall 1 toilet at MVEC



New South Entrance bus stop



LG reconfiguration



Upgrading of 2F ceiling

Enhancing Service Levels

We firmly believe that the experience visitors have in our malls plays a big part in building loyalty and a sense of community. We therefore work hard to ensure that our malls not only provide conducive spaces for our visitors but also positive experiences that will encourage them to stay longer, patronise us again, and bring their friends and family.

We work closely with our tenants to ensure that they continue to offer their customers a consistently high level of customer service and also work with our customer service staff to provide an elevated experience. We not only focus on the broader approach to customer service, but also the smaller, often unnoticed gestures, that make all the difference. From offering biscuits and candy at our concierge desks, having customer service officers come around to the front of their desks to engage with customers instead of talking to them from behind a table, and changing their uniforms to one that is more informal and approachable, we believe that our overall efforts work to provide a welcoming space for visitors to our malls.

We have set our focus on delivering experiential engagement to generate “customer stickiness” and loyalty to our Malls.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Bringing to Market Exciting Brands and Concepts

Creative Brand Pop-Ups

The retail market is extremely competitive, and brands are constantly looking for ways to engage with their customers, bringing to market new ideas and concepts to stay fresh and relevant. New, up-and-coming brands are also looking to gain a foothold in the market and grow their customer base. To support these brands, we have:

- ♦ Worked with existing tenants on pop-ups in the malls to test out new concepts



Some of the exciting pop-ups with TGM's existing tenants in 2023

- ♦ Worked with brands that currently do not have a presence in our malls on pop-ups allowing them to test out the market. Pop-ups also allows us to gauge community interest and engage with the brands before they commit to a long-term lease. This strategy allows the Mall and potential new tenants to gauge the market potential by locating in TGM.



Some of the 2023 pop-ups with brands without a presence in TGM

Maintaining a Vibrant Tenant Mix

As consumer tastes and preferences evolve, it is important that our malls continue to offer a tenant mix that is relevant to today's consumers. We are therefore always on the lookout for new and exciting brands and work to keep our tenant mix fresh, vibrant and, most importantly, relevant to our shoppers.

In 2023, we welcomed the following new tenants:

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

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

2. Community Engagement

Malls are no longer brick and mortar destinations where shoppers only go for purchases. They have evolved to become community spaces that people visit to gather with friends and family, and to see exciting and engaging retail experiences come to life. Community engagement is therefore critical as we work to enhance retail experiences.

The Gardens Mall: Community Engagement, Visitors to Our Malls

Celebrating The Gardens Mall's 16th Anniversary

In 2023, TGM celebrated its 16th anniversary with a variety of engagement events and activities. The following campaigns were run under the Sweet 16 umbrella:

- ◆ Sweet 16 Treats: From the 1st to the 16th of selected months throughout the year, TGM worked with selected F&B tenants to offer visitors an item at a discounted price of RM16 per set. The event sought to raise brand awareness for the tenants.
- ◆ Sweet 16 Swag: From 29 May to 18 June, shoppers who spent RM700 (RM600 for Standard Chartered credit cardholders or The Gardens Club members) and above in a single receipt at any of TGM's specialty stores had a chance to win either a pair of champagne flutes or a dining voucher worth RM100 from our Sweet 16 gashapon machine. Visitors to the mall could also participate in TGM's Social Rewards contest to win prizes.
- ◆ Sweet 16 Celebration:
 - o From 13 to 28 October, shoppers who spent RM700 (RM600 for Standard Chartered credit cardholders or The Gardens Club members) and above in a single receipt at any of TGM's specialty stores could redeem an iridescent umbrella and stand a chance to win one of 16 grand prizes during a lucky draw held at the mall's Sweet 16 Birthday Bash.
 - o Media Appreciation Event: TGM's 16th anniversary was a good opportunity to reconnect with members of the media post-covid. An intimate media get together was organised at MST Golf on 17 October.
- ◆ Sweet 16 Birthday Bash: The event, held on 29 October, had hourly giveaways, performances, free photo printing, and a cake-cutting session. A lucky draw ceremony to announce the winning 16 shoppers who participated in the Sweet 16 Celebration GWP campaign was also held.



TGM's Sweet 16 celebration: grand and special prize winners



TGM's Sweet 16 celebration: giveaway



TGM's Sweet 16 celebration: media appreciation event

Play Date Campaign

TGM ran the Play Date Campaign on 25 and 26 November. The campaign required participants to decipher clues posted on TGM's social media platforms. Deciphering the clues allowed them to be rewarded in person at the mall by our team. The campaign received a positive response, with our customer service lines receiving phone calls from the public asking about the activity.



Participants of TGM's Play Date campaign



Shoppers participating in TGM's Play Date campaign

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Festive Campaigns

TGM's festive campaigns are always a big hit with shoppers. With festive decorations, activities and performances, the campaigns provide an opportunity to attract visitors and directly engage with shoppers. During Deepavali for example, we organised a saree draping workshop for shoppers on the weekends. 260 shoppers participated in this activity.

We also continued to work with non-governmental organisations (NGOs) during the festive periods. TGM ran three corporate social responsibility (CSR) programmes in 2023 during Chinese New Year, Hari Raya and Christmas. For more information on these initiatives, please refer to the Sustainability Statement in this annual report.



TGM's festive celebrations

Mid Valley Megamall: Community Engagement, Visitors to Our Malls

Oh! So Sweet

Shoppers were invited to celebrate the summer with some holiday fun at MVM's "Oh! So Sweet" campaign which ran from 12 July to 6 August 2023. The campaign saw the mall decked out in decorations that brought shoppers to a sunny paradise. The campaign included:

- ◆ Capsule vouchers: Shoppers were rewarded with capsule vouchers for frosty ice creams and cheery doughnuts.
- ◆ A Fashion Challenge: Visitors were encouraged to cast their vote on the hottest holiday fashion trends on MVMs official social media platforms, then come to the mall dressed in the winning theme and take photos against the mall's decorations. Shoppers were asked to post their photos on Instagram with the hashtag #MVMOhSoSweet2023.
- ◆ A Gift-With-Purchase Campaign: Shoppers who spent a minimum of RM250 (or RM200 with an HSBC Credit Card) at participating stores were entitled to redeem a token for a surprise treat.



MVM's "Oh! So Sweet" campaign

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Take A Break

Shoppers were invited to come by MVM to take a break, relax, and have some fun during the “Take a Break” campaign, which ran from 25 October to 13 November 2023. The campaign included:

- ◆ Game Stations: Shoppers could participate at 6 game stations and even challenge their friends and family. Once all 6 games were completed, shoppers could trade their scorecards for a treat. New games, bonus challenges, and prizes were introduced each weekend.
- ◆ Group Adventures: Shoppers who preferred taking part in a group activity could pick up a “Take a Break Activity Book” to complete with friends. The book included such activities as crossword puzzles, mazes and more.
- ◆ A Gift-With-Purchase Campaign: Shoppers who spent RM200 with their AmBank Credit Card (or RM300 in cash or through other payment methods) at participating stores could redeem a gift.



MVM's “Take A Break” campaign

Festive Campaigns

MVM's festive campaigns continued to excite shoppers through colourful displays of festive decorations, on-ground activities and engagements, and GWP programmes. Additionally, in 2023, we considered how our actions could impact the broader local community and incorporated initiatives that would help support them. For more information, on these initiatives, please refer to our Sustainability Statement in this annual report.



MVM's festive events and activities

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Tenant Engagement

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

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



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



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

MARKET OUTLOOK

Heading into 2024, the Malaysian economy is expected to remain resilient against prevailing uncertainties in the global economic and geopolitical landscapes. The Ministry of Finance (MOF) forecasts Gross Domestic Product (GDP) to grow between 4%– 5% in 2024, supported by robust domestic demand, easing inflationary pressures, a strong labour market, and improvements in trade and tourism-related activities. Financial conditions remain accommodative and The Federal Reserve's intent to loosen interest rates are likely to provide some upside to the Ringgit's strength. Frameworks such as the National Energy Transition Roadmap (NETR) and National Industrial Master Plan (NIMP) 2030 have strong potential to channel and boost investments in strategic, high-growth areas such as renewable energy, electric vehicle (EV) manufacturing, electrical and electronics (E&E) fabrication, aerospace engineering, and pharmaceuticals.

Nevertheless, downside risks continue to persist. The outlook for the retail industry in Malaysia remains cautious as consumer demand and sentiment are anticipated to be dampened by the increase in the Sales and Service Tax, the introduction of the high-value goods tax in May 2024, and the rationalisation of subsidies across commodities and utilities. Inflation could see an uptick as the impact on prices propagates through the value chain. Additionally, global growth is projected to slow down in 2024, with both the economic and geopolitical situations in several regions remaining volatile. As an export-driven country, these factors will undoubtedly affect the Malaysian economy and the Malaysian consumer, shifting spending patterns to become more value-driven and cost conscious in 2024.

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

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

The Framework puts in place a robust risk management process which allows us to identify, assess and manage significant business risks in a timely manner as well as achieve our strategic objectives.

MANAGEMENT DISCUSSION AND ANALYSIS





(continued)

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







MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
A Business / Market Risk Risks associated with macroeconomic factors and retail industry trends such as low business and consumer sentiment, changing consumer preferences, oversupply of retail space, and disruptions to the supply and demand of goods and services. 	<ul style="list-style-type: none"> Lower revenue and net property income due to poor economic conditions, reduced gross turnover for tenants, loss of tenants, and increasing operational costs. 	<ul style="list-style-type: none"> Differentiation of our malls by optimising our tenancy mix, delivering operational excellence, and crafting engaging and memorable customer experiences. Strengthening relationships with our tenants through win-win negotiations in tenancy terms and conditions. Improvement of operational efficiencies to mitigate rising costs. 	<ul style="list-style-type: none"> Continual improvement and optimisation of the tenancy mix, amenities, services, fit-out and events offered by our malls to attract visitorship. Collaboration with our sister companies under the IGB Group to maximise operational and business synergies. Strict monitoring of operational costs and regular reviews on process efficiencies.
B Supply Chain Risk Internal and external events such as geopolitical conflicts, outbreaks of infectious diseases, extreme weather, and changes in regulations that result in unanticipated disruptions to supply chains. 	<ul style="list-style-type: none"> Disruptions to operational and maintenance activities, resulting in lower service levels to our tenants and customers. Increased operating costs due to the mismatch in the supply and demand of goods and services. 	<ul style="list-style-type: none"> Diversification and expansion of the vendor management system database to allow for a wider selection of vendors. Improvement of inventory management systems and processes to account for unexpected supply chain disruptions. 	<ul style="list-style-type: none"> Ongoing monitoring and management of costs amid an inflationary surge in expenses. Maintain an adequate inventory surplus of critical operational equipment and components to mitigate long lead times in order fulfilment and other unexpected disruptions.
C Information & Cyber Security Risk Incidents related to information technology systems which have the potential to result in compromised system security or access, or the loss or exposure of confidential data. 	<ul style="list-style-type: none"> Disruptions to operations from compromised information technology systems or loss of key operational data. Financial and reputational implications from the exposure of confidential company, tenant or customer data. 	<ul style="list-style-type: none"> Establishment of strong cyber security policies and processes related to information technology management, with an emphasis on security protocols. Establishment of a business continuity plan (BCP) as well as recovery plans that can be activated in the event of a cyber security incident. 	<ul style="list-style-type: none"> Established a Business Continuity Plan (BCP) for IGB REIT, which is supplemented by IGB Group's IT BCP. Subscription to IGB Group's Cybersecurity Policy, IT Acceptable Use Policy and Data Governance and Data Privacy Policies. Deployment of critical cyber security software across key information technology systems e.g. privilege access management, endpoint protection, log management systems etc. Regular cyber security training through e-portals, as well as ad hoc social engineering tests throughout the year.
D Competition Risk Intensified competition for visitors and tenants as a result of new mall openings in the Klang Valley and the prevalence of online shopping platforms. 	<ul style="list-style-type: none"> Loss of visitors to new malls in the surrounding areas and loss of in-store purchases to e-commerce platforms, resulting in reduced revenue from lower gross turnover from tenants as well as the exiting of tenants due to low sales. 	<ul style="list-style-type: none"> Strengthening customer loyalty by improving the overall customer experience in our malls. Continuous AELs to ensure our malls remain relevant in the market. 	<ul style="list-style-type: none"> Regular communication with tenants alongside timely retail curation to maintain high retention rates within the malls. Craft unique and memorable mall experiences to attract visitors throughout the year e.g. festive seasons, tenant roadshows etc. Completed AELs during the year in both malls for a refreshed look and feel, and to accommodate evolving trends and preferences (<i>Further details can be found in the Asset Enhancement Initiatives section of the Management Discussion And Analysis (MD&A).</i>)





MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
E Tenant Concentration Risk Over-reliance on one tenant or a group of tenants for rental income or their ability to attract visitors. 	<ul style="list-style-type: none"> Significant drop in mall occupancy due to the loss of a key tenant or group of tenants. Loss of customer interest due to a tenancy mix that lacks vibrancy and does not meet the needs and wants of consumers today. 	<ul style="list-style-type: none"> Diversification of our tenant mix across business size, type and industry within our malls. 	<ul style="list-style-type: none"> Employ proactive leasing strategies by closely engaging with tenants for forward renewals and to spread out the portfolio lease expiry profile. Continually assess our tenant mix and work to bring in fresh, new and exciting brands. Ensure no single tenant or group of tenants contribute more than 10% of IGB REIT's total gross rental income.
F Health, Safety & Security Risk Incidents related to health, safety & security which have the potential to result in significant adverse outcomes for individuals and communities. 	<ul style="list-style-type: none"> Loss in profitability and long-term sustainable performance due to reputational loss. 	<ul style="list-style-type: none"> Embed strong health, safety & security procedures and protocols, as well as recovery plans within our operations. 	<ul style="list-style-type: none"> All health, safety & security incidents occurring within our malls are tracked and investigated promptly, with appropriate follow-up actions taken. Regularly hold health, safety & security briefings, trainings and inspections (including annual fire drills) to manage the risks within our malls and ensure compliance with the Occupational Safety and Health Act. Quarterly Safety, Health and Environment Committee meetings to review all matters pertaining to health and safety.
G Infrastructure & Facilities Risk Risks relating to potential events or conditions that could damage or disrupt the physical structure, systems, and operations of our assets, leading to financial losses, safety hazards, and reputational damage. 	<ul style="list-style-type: none"> Failure of mechanical, electrical or plumbing (MEP) infrastructure, resulting in disruptions to service levels, higher operating costs and lower customer satisfaction. Loss of reputation from customer interactions with noticeably weathered or overused infrastructure or equipment. Reduction in infrastructure and equipment efficiency, leading to higher operating costs and lower service levels over time. 	<ul style="list-style-type: none"> Establishment of strong policies and procedures related to preventive maintenance of infrastructure and equipment to drive long-term sustainable performance. Continuous AEIs to ensure the upkeep of our malls. 	<ul style="list-style-type: none"> Adhere to strict maintenance policies and procedures, with preventative maintenance conducted regularly. Replace worn-out or underperforming infrastructure and equipment with modern, effective and efficient upgrades. Completed AEIs during the year to not only improve performance but enhance safety (<i>Further details can be found in the Asset Enhancement Initiatives section of the MD&A</i>).
H Talent & Resource Management Risk The inability to attract, retain or effectively utilise talent. <i>Chartwell ITAC International Sdn Bhd (Property Manager) engages Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd (Service Providers) to employ and manage the personnel who oversee the day-to-day running of our properties.</i> 	<ul style="list-style-type: none"> Reduced operational and business capabilities, adversely impacting profitability and sustainable long-term performance. 	<ul style="list-style-type: none"> Inclusion of talent development and succession plans as key strategies. Expansion and diversification of responsibilities for high potential talent to drive career development. 	<ul style="list-style-type: none"> The Service Providers invest in talent development programmes and offer competitive employment packages to attract and retain talent. The Service Providers monitor and assess for potential skill gaps, redeployment needs, succession plans, and other beneficial career and employee-related initiatives. The Service Providers foster an inclusive and equitable work culture through regular engagement sessions and events with employees. The Service Providers ensure full compliance with all local labour and employment laws and regulations.



MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
I Regulatory & Compliance Risk Compliance with Malaysian laws and regulations, which include those related to employment, health & safety, data privacy, and anti-corruption, amongst others. 	<ul style="list-style-type: none"> Financial and reputational impact from failure to comply with applicable laws and/or regulations. 	<ul style="list-style-type: none"> Establishment of strong corporate governance policies and frameworks to ensure the highest level of operational, financial and legal compliance with all applicable laws and regulations. 	<ul style="list-style-type: none"> Keep abreast with regulatory requirements and roll out updates to policies and frameworks in a timely manner. Subscription to IGB Group's Anti-Bribery and Corruption Policy and Group Whistleblowing Policy.
J Climate Change Risk The physical and transitional risks of climate change, such as extreme weather events, disruptions to commodity and resource production, and the implementation of sustainability-related laws, regulations and financing. 	<ul style="list-style-type: none"> Increased maintenance costs and potential damage to our malls from the impact of extreme weather events such as floods, water seepages, extreme heat, etc. Taxation, penalties or restrictions imposed by authorities due to new regulations concerning carbon emissions, supply chains and sustainable financing. 	<ul style="list-style-type: none"> Establishment of sustainability policies and frameworks to build operational resilience against climate change risks. Improvement of energy, water, waste and material management practices to achieve higher levels of operational efficiency and lower operating costs. 	<ul style="list-style-type: none"> Set sustainability targets for energy usage intensity (EUI) and waste diversion for IGB REIT. Subscription to IGB Group's Sustainability Policy. Ongoing efforts to improve energy and water usage efficiency within the malls' operations. Ongoing food composting and recycling initiatives to divert waste from landfills. Completed AELs during the year to improve consumption efficiency (<i>Further details can be found in the Sustainability Statement</i>).
K Credit Risk Credit exposure 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 the business which is mainly rental-related and cash-based. 	<ul style="list-style-type: none"> Financial losses from the impairment of uncollectible receivables. 	<ul style="list-style-type: none"> Establishment of stringent tenant due diligence and credit collection policies to maintain low exposure to outstanding receivables. 	<ul style="list-style-type: none"> Employ strict tenant selection procedures, with close monitoring of credit balances. Ensure cash, cash equivalents and deposits are only held with financial institutions with high credit ratings assigned by reputable credit rating agencies.
L Liquidity & Cash Flow Risk Arises when there are inadequate funds to meet financial obligations. 	<ul style="list-style-type: none"> Significant impact on mall operations from inadequate funds. 	<ul style="list-style-type: none"> Establishment of strong financial control policies to reduce the likelihood and impact of unexpected interruptions to business operations and new growth ventures. 	<ul style="list-style-type: none"> Close monitoring and prudent maintenance of adequate cash, cash equivalents and bank facilities to finance operations, distribute income to unitholders, and mitigate the effects of fluctuations in cash flows. Adhere to the limits on total borrowings set by the Guidelines on Listed Real Estate Investment Trusts issued by SC.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Key Risk Areas	Potential Impact	Opportunities	Mitigating Actions
(M) Interest Rate Risk Exposure to changes in interest rates, which affect borrowing and loan obligations. 	<ul style="list-style-type: none"> Inability to effectively manage interest rates, leading to fluctuations in interest payment obligations. 	<ul style="list-style-type: none"> Management of interest rates to facilitate better financial planning and returns to unitholders and other stakeholders. 	<ul style="list-style-type: none"> 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.
(N) Capital Management Risk The mismanagement of capital, which adversely impacts the ability to operate as a going concern or to provide returns for unitholders and other stakeholders. 	<ul style="list-style-type: none"> Inability to continue as a going concern, resulting in the reduction of value delivered to unitholders and other stakeholders. 	<ul style="list-style-type: none"> Maintain an efficient capital structure to facilitate sustainable long-term performance and delivery of returns to unitholders and other stakeholders. 	<ul style="list-style-type: none"> Maintain an appropriate gearing level and adopt an interest rate management strategy to manage the risks associated with refinancing and changes in interest rates. Diversify sources of debt funding as appropriate, secure favourable funding terms, and maintain a reasonable level of debt servicing capability. Manage financial obligations and exposures arising from adverse interest rate movements to improve the efficiency of the cost of capital.
		31.12.2023 RM' million	31.12.2022 RM' million
Borrowings		1,215	1,214
Cash and bank balances		(274)	(258)
Net gearing		941	956
Total Unitholders' fund		4,037	3,871
Net gearing (%)		23%	25%
Loan-to-total asset value (LTV) (%)		22%	23%
Securities Commission allowable gearing limit for M-REITS is 50% of TAV as at 31 December 2023.			

SUSTAINABILITY STATEMENT

INTRODUCTION

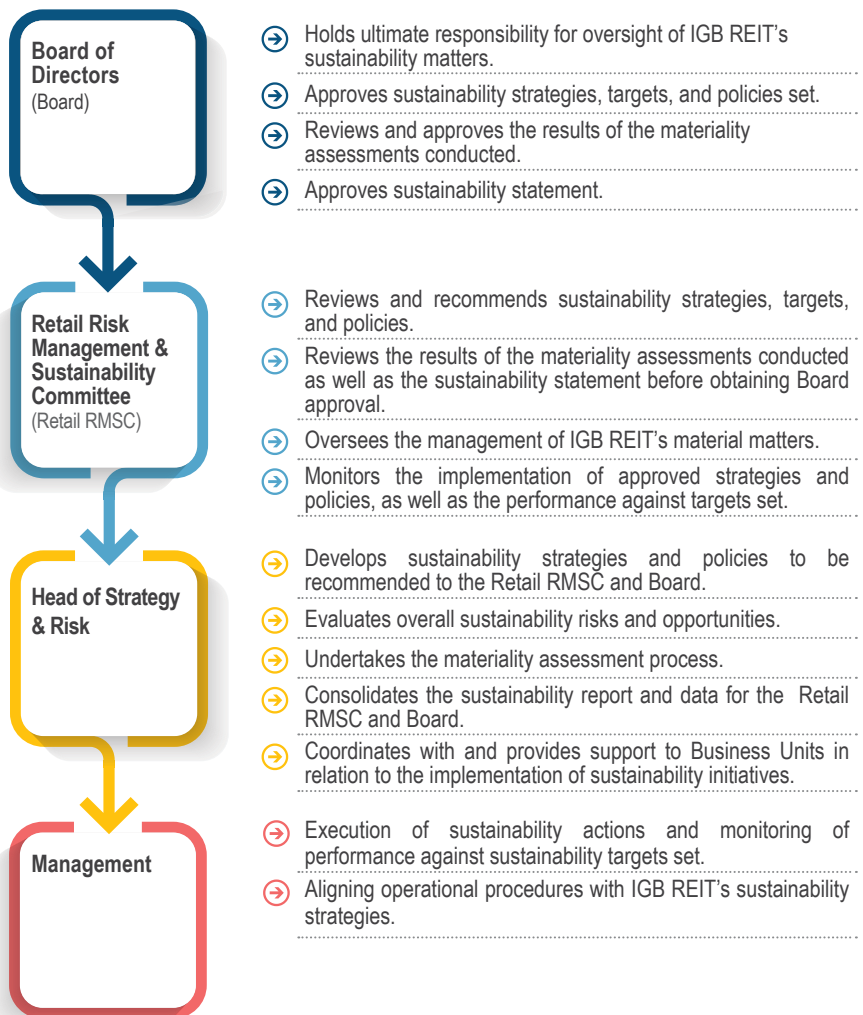
IGB REIT is committed to building a business that remains relevant in an industry that is ever-evolving, and that positively impacts our community and environment. This year, we have continued to make strides in our sustainability journey and are proud to present IGB REIT's Sustainability Statement for the year ended 31 December 2023. This statement covers all properties in our portfolio and sets out the progress we have made, and includes our strategies, implemented initiatives, as well as future goals and targets.

OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability has evolved through the years, with our efforts initially piecemeal and largely focused on reducing costs. As the meaning of sustainability has evolved over time and people have developed a deeper appreciation of what it means, sustainability has become an all-encompassing priority that we continue to embed into our medium- and long-term strategies. This year, our approach to sustainability has been formalised through the adoption of the IGB Group Sustainability Policy which was established in August 2023.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Roles and responsibilities



SUSTAINABILITY STATEMENT

(continued)

STAKEHOLDER ENGAGEMENT

Feedback Channels

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

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

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

Business Partners & Industry Associates

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To nurture strong and lasting relationships with business partners. To discover business opportunities. To share knowledge and best practices. To keep up to date with changes in the operating environment. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Digital communication channels Participation in industry associations ➔ Periodically <ul style="list-style-type: none"> Forums & dialogue sessions ➔ As required <ul style="list-style-type: none"> Formal engagement through meetings organised 	<ul style="list-style-type: none"> Identify business opportunities and share knowledge. To contribute to industry advancement. To have fair representation of the industry with authorities.
		Our Responses <ul style="list-style-type: none"> Attend and participate in forums, dialogues, workshops, and other events. Collaborate with business partners to further shared goals. Contribute to industry advancement initiatives. Hold memberships in industry associations.

Government & Authorities

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To fulfil legal and compliance requirements. To keep up to date with the regulatory landscape. To listen and respond to concerns and interests of the authorities. To seek clarification on applicable laws, guidelines and frameworks. To share industry-related issues and concerns. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Digital communication channels ➔ Periodically <ul style="list-style-type: none"> Forums & dialogue sessions ➔ As required <ul style="list-style-type: none"> Formal engagement through meetings organised 	<ul style="list-style-type: none"> Regulatory and legal compliance. Compliance with corporate governance practices. Health, safety and security management. A fair and balanced view of key material topics. Contribution to economic growth. Contribution to industry advancement.
		Our Responses <ul style="list-style-type: none"> Ensure full compliance with all regulatory requirements. Establish policies to align with and ensure compliance with relevant legislation. Attend physical / virtual meetings to keep up with regulatory changes. Conduct briefings and inspections with the relevant authorities in their areas of interest. Timely communication with authorities to provide information.

SUSTAINABILITY STATEMENT

(continued)

Employees*

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To support human capital development and talent retention. To communicate employee benefits and welfare matters. To ensure the overall welfare of employees is addressed. To support the creation of a safe and healthy work environment. To foster a culture of diversity, inclusivity and excellence. To provide fair and equal opportunities that recognise the talent of individuals. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Employee Communication platforms Company websites ➔ Periodically <ul style="list-style-type: none"> Workshops, trainings & team building ➔ Quarterly <ul style="list-style-type: none"> Company newsletter Townhalls & dialogue sessions ➔ Annual / Bi-annual <ul style="list-style-type: none"> Employee satisfaction survey Performance appraisals 	<ul style="list-style-type: none"> Career development and progression. Opportunities for upskilling and learning. Remuneration and benefits. Job security. Healthy, safe and inclusive work environment. Fair and ethical labour practices and standard. Non-discrimination and equal opportunity. Work-life balance. Strategy and future orientation of the business. Opportunities to contribute to CSR programmes.
		Our Responses <ul style="list-style-type: none"> Offer competitive benefits and remuneration packages. Develop a high performing workforce through structured training programmes. Provide enriching employee engagement activities on a regular basis. Communicate updates on company financial performance and growth plans. Promote a culture of inclusivity, openness and collaboration. Provide equal employment opportunities without discrimination. Ensure compliance with all applicable health & safety and labour laws. Conduct fair and constructive employee appraisals.

Investment Community

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To communicate financial performance, key business activities and decisions. To listen and respond to shareholders' concerns and interests. To nurture strong and lasting relationships with the investment community. To obtain access to capital and other financial resources. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Digital communication channels Company websites Social media ➔ As required <ul style="list-style-type: none"> Corporate announcements Physical & virtual meetings ➔ Quarterly <ul style="list-style-type: none"> Investor & analyst briefings Quarterly results ➔ Annually <ul style="list-style-type: none"> Annual reports & General Meetings 	<ul style="list-style-type: none"> Economic and financial performance. Business strategy and future orientation. Long-term sustainable value creation. Timely and accurate disclosure of information. Return on investment / equity. Corporate governance practices. Sustainability initiatives and climate change strategies.
		Our Responses <ul style="list-style-type: none"> Deliver operational excellence to our customers and tenants. Employ sound investment and capital management strategies. Ensure full compliance with all regulatory requirements. Establish policies to align with and ensure compliance with relevant legislation. Timely communication and dissemination of information to investors. Provide appropriate channels for investor engagement and communication. Integrate sustainability into business decisions and strategies.

SUSTAINABILITY STATEMENT

(continued)

Customers

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To keep abreast with changing customer needs and preferences. To further improve our spaces and services to drive customer satisfaction. To listen and respond to queries and/or complaints. To build market and brand reputation. To nurture strong and lasting relationships with customers. To communicate and raise awareness about events and happenings. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Customer service platforms Company websites Social Media ➔ As required <ul style="list-style-type: none"> Customer feedback & satisfaction surveys Marketing & Promotional campaigns 	<ul style="list-style-type: none"> High quality assets and amenities. Excellent operational service and standards. Timely and appropriate responses to queries / issues. Positive and convenient customer experience. Onsite safety and security. Data privacy and security. Attractive customer loyalty programme benefits. Engaging and memorable events and experiences. Clean and hygienic spaces.
		Our Responses <ul style="list-style-type: none"> Regular and thorough maintenance of assets. Deliver operational excellence. Timely response to queries / issues. Engage and communicate with customers to gauge their satisfaction. Maintain high health and safety operating standards. Ensure compliance with all relevant data privacy and security laws. Offer a diverse product range / retail mix. Craft engaging and enriching customer experiences. Provide a range of lifestyle amenities for customers.

Tenants

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To facilitate operational practices and the maintenance of properties. To further improve our spaces and services to drive tenant satisfaction. To listen and respond to queries and / or complaints. To build market and brand reputation. To nurture strong and lasting relationships with tenants. To communicate and support sustainability initiatives and awareness. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Digital communication channels Company websites Social Media Tenant feedback and enquiry channels ➔ As required <ul style="list-style-type: none"> Collaborative / joint events Physical and virtual meetings ➔ Annually <ul style="list-style-type: none"> Festive / corporate greetings and events 	<ul style="list-style-type: none"> High quality assets and amenities. Excellent operational service and standards. Safety and security of managed properties. Timely and appropriate responses to queries / issues. Fair and transparent lease / rental agreements. Good value for rental. Data privacy and security. Opportunities to collaborate. Upgrading the quality of assets and amenities through Asset Enhancement Initiatives (AEI).
		Our Responses <ul style="list-style-type: none"> Regular and thorough maintenance of assets. Deliver operational excellence. Enforce health and safety standard operating procedures. Timely response to tenants queries / issues. Engage and communicate with tenants to gauge their satisfaction. Offer competitive rental rates and packages. Ensure compliance with all relevant data privacy and security laws. Notify tenants of possible service disruptions in advance. Craft engaging and enriching tenant experiences. Collaborate with tenants on Environmental, Social and Governmental (ESG) initiatives and activities.

SUSTAINABILITY STATEMENT

(continued)

Local Communities

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To build strong and long-lasting relationships with our local communities. To contribute to the well-being of our local communities. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Company websites Social Media ➔ As required <ul style="list-style-type: none"> Digital communication channels Donation drives, sponsorships, volunteer work Festive and cultural themed events 	<ul style="list-style-type: none"> Economic and financial aid. Sustained, long-term support. Social impact of business activities. Environmental impact of business activities. Job opportunities. Opportunities to collaborate. Opportunities for upskilling and learning. <p>Our Responses</p> <ul style="list-style-type: none"> Contribute to the economic well-being of our local communities. Contribute manpower and resources to support community initiatives. Communicate and engage with local communities to understand their needs. Collaborate with local authorities and Non-governmental Organisation (NGO)s to deliver positive social impact.

Media

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To communicate financial performance, key business activities and decision. To communicate and raise awareness on events and happenings. To listen and respond to queries. To build market visibility and brand recognition. To nurture trust and confidence with media organisations. 	<ul style="list-style-type: none"> ➔ Ongoing <ul style="list-style-type: none"> Company websites Social Media ➔ As required <ul style="list-style-type: none"> Digital communication channels Press briefings, conferences and statements ➔ Quarterly <ul style="list-style-type: none"> Investor & analyst briefings Quarterly results ➔ Annually <ul style="list-style-type: none"> Annual reports & General Meeting 	<ul style="list-style-type: none"> Economic and financial performance. Business strategy and future orientation. Timely and accurate disclosure of information. Timely and accurate responses to queries. Events, advertisements and promotions. Engagement with media. Accessibility to corporate communications / investor relations. <p>Our Responses</p> <ul style="list-style-type: none"> Timely communication and dissemination of information to the media. Communicate market outlook and future orientation. Timely response to media queries. Organise press briefings and media interviews. Engage and nurture relationships with media organisations. Provide appropriate channels for media engagement and communication.

Vendors

Engagement Objective	Engagement Approach	Key Concerns
<ul style="list-style-type: none"> To engage with reputable and reliable vendors for supplies and services. To ensure fair, ethical and transparent procurement of supplies and services. To mitigate supply chain risks. 	<ul style="list-style-type: none"> ➔ As required <ul style="list-style-type: none"> Digital communication channels Tender briefings and interviews Occupational health & safety briefings and updates Contract negotiations Vendor / supplier feedback surveys ➔ Periodically <ul style="list-style-type: none"> Vendor evaluations and assessments 	<ul style="list-style-type: none"> Smooth and efficient procurement processes. Fair and transparent procurement processes. Regular and clear communication between parties. Fair compensation for scope of work and deliverables. Timely and reasonable payment schedules. Occupational health and safety. Regulatory and legal compliance. Contract extensions or cancellations. <p>Our Responses</p> <ul style="list-style-type: none"> Conduct fair and thorough vendor evaluations and assessments. Regularly engage and communicate with vendors. Offer competitive rates and contract terms. Adhere to strict deliverable timelines and payment schedules. Require vendors to comply with the Group's business ethics and sustainability policies. Provide equal opportunities for vendors. Support local vendors and employment through our supply chain.

* Chartwell ITAC International Sdn Bhd (the Property Manager) has engaged Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd (Service Providers) to manage the personnel who oversee the day-to-day running of our properties.

SUSTAINABILITY STATEMENT

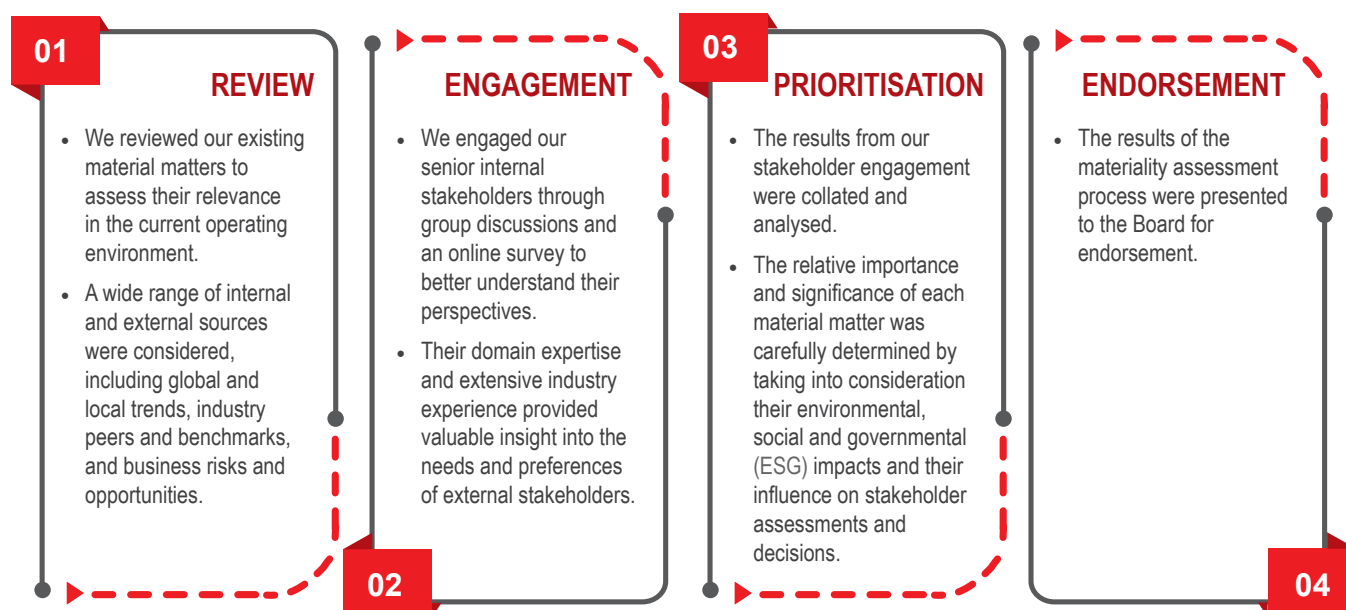
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MATERIAL MATTERS

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

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

IGB REIT's MATERIALITY ASSESSMENT PROCESS



MATERIAL MATTERS

HIGH	1		Health, Safety & Security
	2		Customer Satisfaction
	3		Economic Performance
	4		Human Capital Management
	5		Data Privacy & Security
	6		Corporate Governance
	7		Climate Change
MEDIUM	8		Diversity, Equity & Inclusion
	9		Water Management
	10		Community / Society
	11		Waste Management
	12		Supply Chain Management

Note:

1. Anti-Corruption is managed under "Corporate Governance".

2. Energy management and emissions management are collectively managed under "Climate Change".

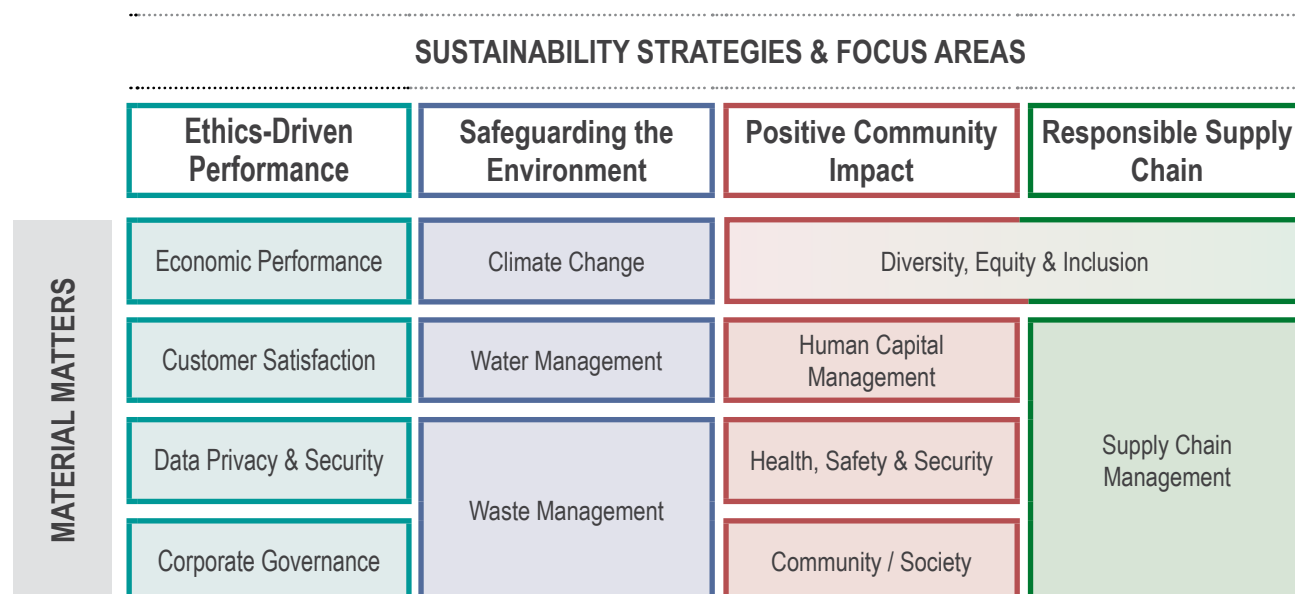
3. Labour practices and standards are managed under "Human Capital Management" and "Diversity, Equity & Inclusion".

SUSTAINABILITY STATEMENT

(continued)

OUR FOCUS AREAS

As a subsidiary of IGB Berhad, IGB REIT has adopted the IGB Group Sustainability Policy which was established in August 2023. The policy outlines the following strategies and how they align with our material matters:



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



We have also set the following sustainability targets:

MATERIAL MATTERS	TARGETS	2023 STATUS
Climate Change	➔ Reduction in Energy Usage Intensity (EUI) of 5.8% by 2025 and 9.5% by 2030 using 2019 as a baseline.	➔ Average reduction of 3.7% from 2019 baselines.
Waste Management	➔ Diversion rate of 17.5% by 2030.	➔ Diversion rate of 8.3%.
Data Privacy & Security	➔ To achieve zero substantiated complaints concerning breaches of customer privacy and loss of customer data annually.	➔ Achieved zero substantiated complaints concerning breaches of customer privacy and loss of customer data.
Corporate Governance	➔ To achieve zero confirmed incidents of corruption annually.	➔ Achieved zero confirmed incidents of corruption.
Health, Safety & Security	➔ To achieve zero work-related fatalities annually.	➔ Zero work related fatalities
Diversity, Equity & Inclusion	➔ A minimum of 30% of positions within the Board of Directors to be represented by women.	➔ Women representation on the Board at 37.5%.
	➔ To achieve zero substantiated complaints concerning human rights violations annually.	➔ Achieved zero substantiated complaints concerning human rights violations.

SUSTAINABILITY STATEMENT

(continued)

MANAGEMENT APPROACH TO MATERIAL MATTERS

Health, Safety & Security



Related UNSDGs:



Why this is important to us:

We work hard to prioritise the health, safety and security of everyone who comes into our malls including tenants, shoppers, employees, and suppliers.

- ➔ Visitors to our malls should feel comfortable and safe when on our premises and know that we are doing our utmost best to ensure their health, safety and security. By providing such an environment, visitors are more likely to visit us again and again, while feeling comfortable staying for extended periods of time.
- ➔ Focusing on the health, safety, and security of people working in our malls support the efficiency and productivity of our business operations.

Prioritising health, safety, and security therefore supports the long-term sustainability of our business.

Our approach:

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

Regular safety audits, training sessions, and inspections are conducted to uphold compliance with the Occupational Safety and Health Act, and to ensure we are able to manage safety risks within our malls.

Annual fire drills are executed to familiarise all employees and tenants with evacuation procedures in the event of an emergency.

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

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

Our performance:

Health and safety training

	2023
■ Number of employees trained on health and safety standards	207

Work-related fatalities and lost-time injuries

During the year, we achieved zero work related fatalities and lost-time injuries.

	2023	2022	2021
■ Work-related fatalities	-	-	-
■ Lost-time injuries	-	-	-
■ Lost-time injury rate	-	-	-

*Figures for those years were not tracked

Reported health and safety incidences in our malls

We had 2 reported fatalities this year. The first incident involved a patient receiving outpatient care from a clinic who was found collapsed and in a non-responsive state. The second incident involved a motorcyclist involved in an accident outside our malls. Our teams promptly addressed these incidents and provided assistance until the authorities arrived.

	2023	2022	2021	2020	2019
■ Fatality	2	1	2	-	1
■ Dangerous Occurrence	0	-	2	1	4
■ Injury	45	42	21	27	29
■ Near Misses	5	-	-	2	7
■ Occupational Poisoning or Disease	-	-	-	-	12
■ Motor Vehicle Accident or Property Damage	28	10	11	8	16

IGB REIT regrets the occurrence of all adverse health and safety incidents within our malls and remains steadfast in our commitment to ensuring a secure environment for our employees, tenants, customers, and business partners. We will continue to track our safety performance, bolster safety standards, and refine our standard operating procedures to ensure we continue to make improvements year-on-year. The health, safety and security of our community continues to be a priority and we will work in collaboration with our teams and authorities to ensure a safe and secure environment for everyone visiting our premises.

* All references to employees are in relation to employees of the Manager and Service Providers

SUSTAINABILITY STATEMENT

(continued)

Customer Satisfaction



Related UNSDGs:



Why this is important to us:

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

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

Customer satisfaction is therefore crucial for our long-term success, helping us build a strong reputation in the market, driving footfall and sales, and allowing us to remain a relevant and vibrant retail destination.

Our approach:

We are committed to enhancing the experience of our customers through the following:

Shoppers	Tenants
<ul style="list-style-type: none"> • Maintaining a vibrant tenant mix that meets the needs and wants of our shoppers. • Elevating their shopping experience through interactive activities, marketing events and festive attractions. • Prioritising customer health and safety. • Establishing and maintaining multiple communication channels such as websites, social media platforms, customer hotlines and a mobile text service. These will allow shoppers to get updates on events and activities at our malls, receive customer service assistance, and provide feedback. 	<ul style="list-style-type: none"> • Regular engagement with tenants to identify tenants' needs and issues faced. • Enhancing operational efficiencies to minimise disruption to tenant operations. • Collaboration with tenants to bring to market exciting new retail concepts and experiences.

Our performance:

Our commitment to providing a safe, vibrant, and engaging customer experience has been a key driver in our continued success and is evidenced by our ability to maintain high occupancy rates across our mall network.

SUSTAINABILITY STATEMENT

(continued)

Economic Performance



Related UNSDGs:



Why this is important to us:

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

Our approach:

IGB REIT's approach to economic performance centres around delivering sustainable recurring income in line with our value creation model through the following strategies:

- ➔ Active asset management to optimise rental and occupancy rates of our properties alongside proactive risk management.
- ➔ Asset enhancement through future-proofing our properties to stay ahead of evolving trends and attract tomorrow's customers.
- ➔ Creating exciting and engaging retail experiences in collaboration with our tenants.
- ➔ Maintaining a vibrant tenant mix that meets the needs and wants of customers.
- ➔ Building operational excellence to maintain a high level of efficiency and effectiveness, keeping costs manageable and limiting disruptions.

Our performance:

This year, we achieved a total revenue of RM604.31 million and a net property income of RM447.88 million. We have also contributed to the wealth of our stakeholders.

	2023 RM'000	2022 RM'000	2021 RM'000
Economic Value Generated:			
➔ Total revenue	604,308	556,409	399,527
➔ Interest income	5,459	7,585	8,655
Economic Value Distributed:			
➔ Operating costs	157,496	137,010	125,499
➔ Manager's management fees	38,853	37,162	29,155
➔ Trustee's fees	320	320	320
➔ Finance costs	54,034	53,338	53,060
➔ Distribution to unitholders	376,772	353,526	215,300
Economic Value Retained*	(8,812)	(17,362)	(15,152)

* Mainly comprises unrealised income/loss and distribution adjustments.

SUSTAINABILITY STATEMENT

(continued)

Human Capital Management



Related UNSDGs:



Why this is important to us:

People are critical to our continued success. They determine the experiences that our tenants and shoppers have when they interact with us, and collectively drive the growth of our business. How well-equipped and competent our people are, determines our ability to navigate the dynamic and increasingly competitive retail industry, and adapt to evolving trends and unforeseen challenges. By prioritising human capital management, we work to build a competitive and future-proof workforce, safeguarding the long-term organisational sustainability of our business.

Our approach:

The Service Providers continue to adhere to all local labour and employment regulations in their management of all employees. They are further guided by the following focus areas in cultivating a positive and healthy work environment that is open and supports continued growth and development for employees across all functions.

Continuous Learning to Support Growth and Development

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

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

Competitive and Attractive Compensation

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

Employees are provided with a comprehensive benefits package which include:

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

Effective recruitment and retention of talent

The Service Providers utilise a variety of platforms to recruit talent including employment websites, agencies, executive search consultants, and employee referrals. Candidates are rigorously vetted by both human capital teams and hiring managers, with final approval received from Business Unit Heads. This process ensures merit-based selections that align with role requirements and a cultural fit, fostering a diverse and high performing talent pool. New hires enrol in a formal onboarding programme to familiarise themselves with the organisation. A probationary period is also required to allow both the new hire and the business unit an opportunity to assess the fit. This period also provides time for the new hire to learn what is required on the job and adjust to the new work environment. This process allows for a better chance of achieving a successful long-term employment relationship.

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

Cultivating Connections through Employee Engagement

Building on two-way conversations, the Service Providers conducted an employee engagement survey during the year. This explored employee insights on their roles, career aspirations, team engagement, and the value of engagement initiatives. Equipped with insights from the survey,

* All references to employees are in relation to employees of the Manager and Service Providers

SUSTAINABILITY STATEMENT

(continued)

the Service Providers undertook efforts to organise more diverse employee engagement initiatives and develop an internal training programme leveraging cross-departmental expertise.

Employee engagement initiatives carried out in the year include:

- ➔ Quarterly employee newsletters.
- ➔ IGB REIT Monthly Birthday Bash for employees.
- ➔ Health month including events like health talks and health screenings.
- ➔ Financial literacy talks by financial institutions.
- ➔ Employee-led activities including fitness events, rowing, and carrying out volunteer work at Zoo Negara.
- ➔ Festive celebrations.
- ➔ Games and sports tournaments e.g Chess, Darts, Futsal, Badminton, Bowling, etc.

Our performance:

This year, the Service Providers invested a total of 6,293 internal and external training hours across all employee categories.

Employee Category	Total hours of training (2023)	Average training hours per employee (2023)
■ Senior Management	203	16.9
■ Managers & Senior Managers	732	17.0
■ Senior Executives & Assistant Managers	1,333	18.3
■ Executives	1,763	23.5
■ Non-Executives	2,262	14.8
Total	6,293	17.7

Employee turnover for 2023 ended at 9.6% and is in line with the industry turnover rate.

Employee Category	Total number of employee turnover (2023)	Turnover rate (2023)
■ Senior Management	1	8.3%
■ Managers & Senior Managers	3	7%
■ Senior Executives & Assistant Managers	4	5.5%
■ Executives	15	20%
■ Non-Executives	11	7.2%
Total	34	9.6%

* All references to employees are in relation to employees of the Manager and Service Providers

SUSTAINABILITY STATEMENT

(continued)

Data Privacy and Security



Related UNSDGs:



Why this is important to us:

In a technology-driven world, where everything is digitally recorded, companies have been empowered with the ability to access data like never before. This access has allowed them to uncover insights that are able to drive product development, curate personalised experiences, and anticipate trends. The growth of the digital space however, has also resulted in elevated concerns about the privacy of data collected. IGB REIT understands the importance of safeguarding data and works to prioritise data protection through having strong data privacy and security practices. This not only allows us to prevent breaches but also lessen their impact should they occur, thereby safeguarding information and intellectual property for all stakeholders.

Our approach:

As a subsidiary of IGB Berhad, IGB REIT has adopted the following policies:

- ➔ IGB Group Cybersecurity Policy.
- ➔ IGB Group IT Acceptable Use Policy.
- ➔ IGB Group's Data Governance and Data Privacy Policies.

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

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

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

As cyber threats evolve, we will need to adjust our cybersecurity approach. Some of the measures we have implemented include:

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

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

Our performance:

As of 31st December 2023, there were **zero** substantiated complaints concerning breaches in customer privacy or data loss.

2023

- Number of substantiated complaints concerning breaches in customer privacy and losses of customer data.

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* All references to employees are in relation to employees of the Manager and Service Providers

SUSTAINABILITY STATEMENT

(continued)

Corporate Governance



Related UNSDGs:



Why this is important to us:

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

Our approach:

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

- ➔ Directors Code of Business Conduct and Ethics with core concepts of conducting business that is premised on transparency, integrity and accountability.
- ➔ IGB Group's Anti-Bribery and Corruption (ABAC) Policy which is wholly aligned with the Malaysian Anti-Corruption Commission Act 2009.
- ➔ IGB Group's Whistleblowing Policy and Procedures which provides a framework that allows employees and stakeholders to disclose or report serious or illegal acts in relation to our business activities in a safe and secure manner. The framework also sets out procedures for investigations into all disclosures or reports received.

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

As part of the Service Providers' onboarding process, an introduction to the ABAC Policy together with a training module is provided to all new employees.

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

Our performance:

Corruption risk assessment

This year we have undertaken a corruption risk assessment that covers all of our operations.

2023

■ Percentage of operations that underwent corruption risk assessments	100%
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Corruption-related training

This year, 83% of employees have completed corruption-related training. The remaining employees will receive similar training in 2024.

Employee Category	Completion rate (%)
	2023
■ Senior Management	100%
■ Managers & Senior Managers	100%
■ Senior Executives & Assistant Managers	89%
■ Executives	87%
■ Non-Executives	71%
Total	83%

Corruption incidents

There were **zero** incidents of corruption in 2023.

2023

■ Incidents of corruption	-
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* All references to employees are in relation to employees of the Manager and Service Providers

SUSTAINABILITY STATEMENT

(continued)

Climate Change



Related UNSDGs:



Why this is important to us:

The impact of climate change is irreversible and increasing. As a responsible corporate entity, we recognise the important role that we play in doing our part to reduce the impact that we have on our planet. As societal expectations have evolved, there is a greater urgency for companies to embrace opportunities that support the shift towards a low carbon economy. As such, it is important that we remain committed to exploring opportunities to reduce our carbon footprint and implement initiatives that positively impact our community and environment. By doing so, we are building resilience against regulatory shifts and market demand, while securing our long-term continuity as a business.

Our approach:

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

- ➔ Tracking and monitoring energy consumption. Any unusual deviations are promptly investigated and addressed.
- ➔ Regular engagement with external consultants to drive efficiency in our malls' M&E systems.
- ➔ The use of energy-efficient escalators. These escalators are able to regulate speed based on shopper traffic and conserve energy during periods of low usage. Additionally, the standby modes feature allows for enhanced energy savings.

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

Mid Valley Megamall

Key Initiatives	Description
Chiller Replacement	<ul style="list-style-type: none"> A 2000 RTon highly efficient chiller has been replaced. It brings considerable system efficiency improvements with monthly savings of approximately 230,000 kWh and a reduction of 500kW in Maximum Demand.
Cooling Tower and Piping Replacement	<ul style="list-style-type: none"> 2 Cooling Towers out of 6 have been replaced with an ongoing process planned for the remaining 4.
Upgrading of LED Lighting	<ul style="list-style-type: none"> Enhancement of GF and L1 common area lighting to LED which has lower energy consumption and higher lumens rating.

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

- ➔ **Scope 1** emissions which primarily arise from company vehicles, fuel combustion and fugitive emissions.
- ➔ **Scope 2** emissions which include purchased electricity.
- ➔ **Scope 3** emissions, which include employee commute, business travel, waste generated in operations, district cooling and downstream leased assets.

In July, we have started a pilot version of our Sustainable Commuting Programme for employees which has helped us avoid 1.3 tonnes of CO₂.

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

* All references to employees are in relation to employees of the Manager and Service Providers

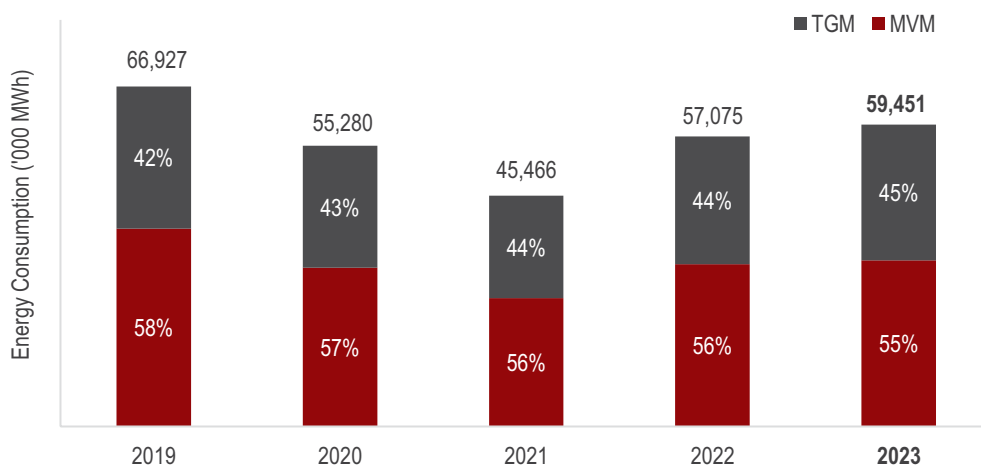
SUSTAINABILITY STATEMENT

(continued)

Our Performance:

Energy Consumption

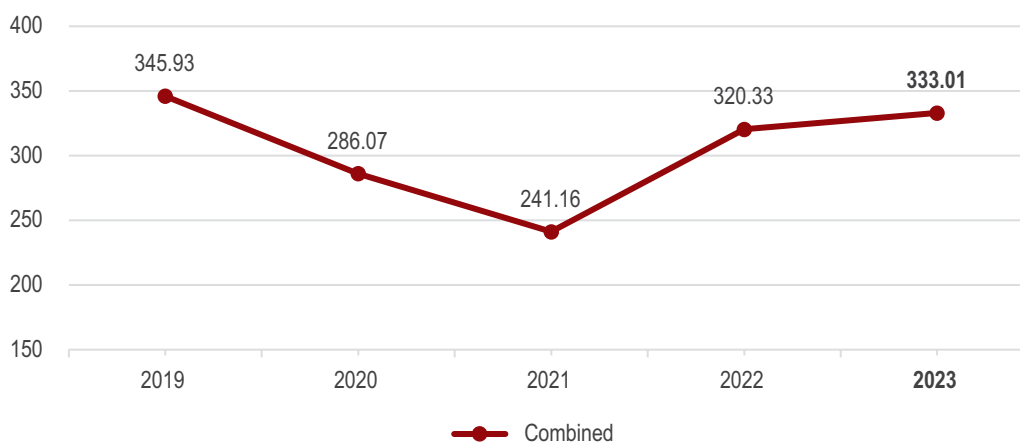
Annual Energy Consumption



* 2019-2022 data restated for accuracy.

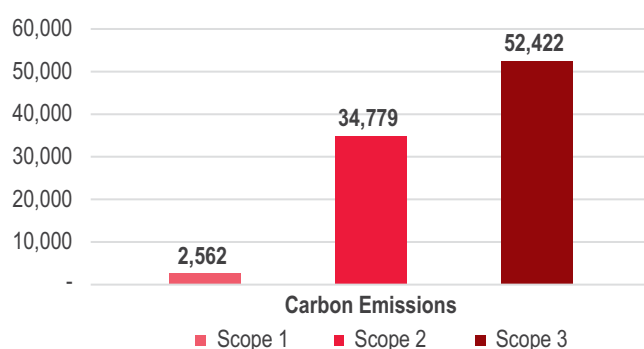
In 2023, we started work to understand the full efficiency of our assets by tracking our malls' Energy Usage Intensity (EUI) (kWh/m²/year). We have set an EUI reduction target of 5.8% by 2025 and 9.5% by 2030 from our 2019 baselines.

EUI (kWh/m²/yr)



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

Carbon Emissions

2023 Carbon Emissions (tCO₂e)

Note:

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

SUSTAINABILITY STATEMENT

(continued)

Diversity, Equity and Inclusion



Related UNSDGs:



Why this is important to us:

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

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

Our approach:

Guided by the IGB Group Sustainability Policy, IGB REIT is committed to the following:

- ➔ Being an equal opportunity employer, which extends to the Service Providers.
- ➔ Ensuring no form of discrimination against our employees on the basis of age, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, and other characteristics that make our employees unique.
- ➔ Operating in full compliance with applicable wage, work hours, overtime and benefits laws.
- ➔ Zero tolerance for any form of harassment and abuse including physical, sexual, psychological or verbal.
- ➔ Ensuring that no children are employed directly by the Service Providers or our contractors.
- ➔ Ensuring that all our operations are free of forced labour, human trafficking and modern slavery.

- ➔ Recognising and respecting the legal and customary rights of local communities and indigenous people, as well as the need to protect the basic human rights of marginalised groups, including refugees.

These commitments are also enshrined in the Service Provider's Professional Code of Conducts and Business Ethics which applies to all employees.

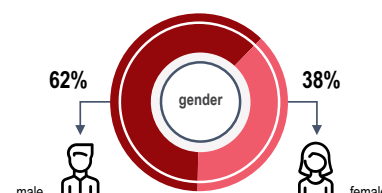
Our commitment towards diversity, equity and inclusion in the workplace is also evidenced by gender representation on our Board and in leadership roles with women representing a minimum of 30% of positions on our Board and Management. We have further set a target to continue to maintain a minimum of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

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

Our performance:

Board diversity

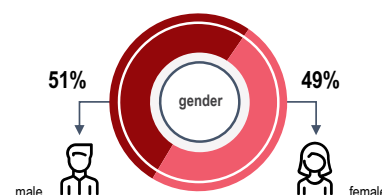
Age	% 2023
■ 30-50	25%
■ Above 50	75%



Workforce diversity

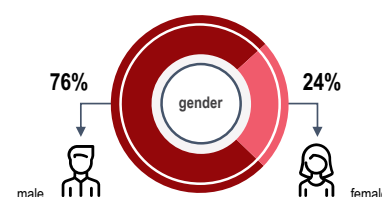
Executives and Senior Management

Age	% 2023
■ Below 30	19%
■ 30 - 40	28%
■ 40 - 50	33%
■ Above 50	20%



Non-Executives

Age	% 2023
■ Below 30	29%
■ 30 - 40	31%
■ 40 - 50	21%
■ Above 50	19%



Employee Composition

Total employees of the Manager and Service Providers of 355 in 2023.

	%(2023)
■ Permanent	99.2%
■ Contractors or temporary staff	0.8%

Human Rights Violations

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

* All references to employees are in relation to employees of the Manager and Service Providers

SUSTAINABILITY STATEMENT

(continued)

Water Management



Related UNSDGs:



Why this is important to us:

The growing challenge of water scarcity is compounded by various factors including climate change, poor water management, and contamination. Effective management of this invaluable resource has become critical for businesses striving for sustainable growth. Effective water management strategies can help companies optimise their water usage, reduce operational costs, and enhance overall efficiency. Additionally, effective water management practices enable companies to build resilience in the face of climate change and other operational uncertainties and work to mitigate risks posed by water scarcity. By working to conserve this vital resource, we hope to foster environmental stewardship, fortify our operational resilience, and secure our long-term sustainability.

Our approach:

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

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

- ➡ Usage of water efficient fittings and flushing systems to reduce water usage.
- ➡ Review of piping to reduce leakages throughout our water system networks.
- ➡ Recycled water from our chillers is used to water plants and wash common areas.
- ➡ Installation of water harvesting systems to harvest rainfall.
- ➡ Water audits to address any unaccounted water consumption.

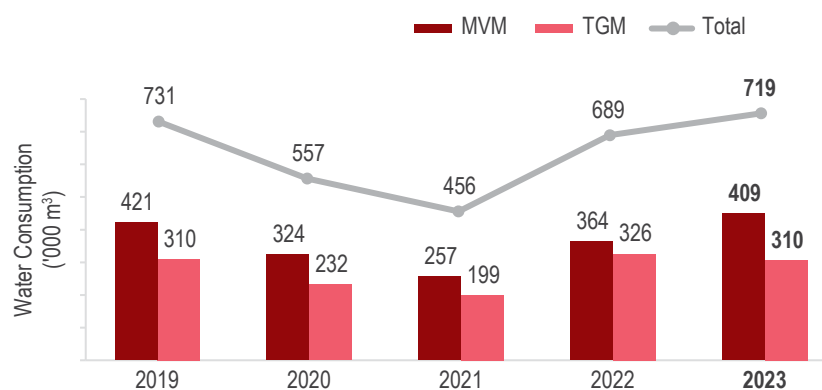
This year, we installed a further 4 rainwater harvesting tanks, 2 each at Mid Valley Megamall (MVM) and The Gardens Mall (TGM), bringing the total number of tanks on our premises to 6. Each tank has a capacity of 10,000 litres. The water collected through our rainwater harvesting tanks is used to meet our landscaping needs. This initiative has allowed us to save 2,019m³ in water usage in 2023.

Our current water storage systems are able to sustain our malls for 1.5 days in the event of a disruption in supply from the municipal water provider. We also have in place agreements with the providers for additional water where required. Our approach has allowed us to adequately manage water disruptions in the past.

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

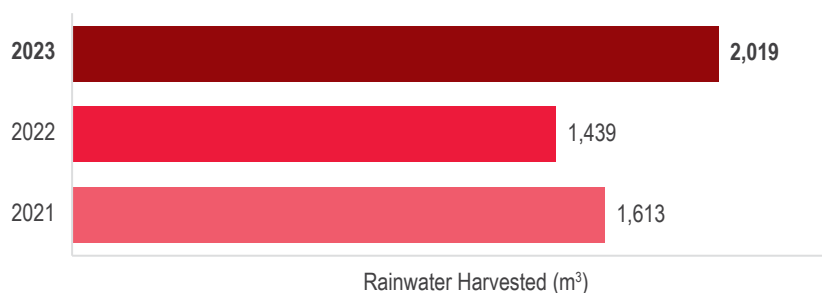
Our performance:

Annual Water Consumption



This year, overall water consumption increased as compared to the year before. This was due to the increase in footfall as shoppers returned post-covid.

Annual Rainwater Collection



SUSTAINABILITY STATEMENT

(continued)

Community and Society



Related UNSDGs:



Why this is important to us:

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

Our approach:

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

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

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

Our Performance

In 2023, our direct contributions amounted to RM974,856 impacting 3,946 beneficiaries. Additionally, our initiatives also helped to collect a total of 23,977 bags of blood which were channelled to Pusat Darah Negara (PDN).

	2023	2022	2021
■ Total amount invested in the community where the target beneficiaries are external to the listed issuer (RM)	974,856	617,314	650,573
■ Total number of beneficiaries of the investment in communities	3,946		

*Figures for those years were not tracked

Full Year Rental Waivers by Mid Valley Megamall

The following rental waivers were provided for the full 12 months in 2023:

Name of Organisation	Amount
■ Pusat Darah Negara – Donation Suite	RM16,013 per month
■ Kedai BLESS	RM13,365 per month
■ OKU Dobi Sdn Bhd	RM7,759 per month
■ MAB Shoppe	RM8,791 per month

Initiatives undertaken in 2023 include:

Mid Valley Megamall

Ti-Ratana children's homes (July 2023)

Beneficiaries: 60 Children from Ti-Ratana Children's Homes.

Contribution: RM75,000 in donations.



Presenting the cheque to a representative of Ti-Ratana Children's Home.



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

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

SUSTAINABILITY STATEMENT

(continued)

TSM Blood Donation at Centre Court, Ground Floor (February 2023)

Beneficiaries: Recipients through the National Blood Centre.

Contribution: RM24,920 in rental waivers.



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



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

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

iHeal Jom Sihat event at Centre Court, Ground Floor (March 2023)

Beneficiaries: 1,000 shoppers.

Contribution: RM 26,725 in rental waivers.



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

The event was held to raise public awareness on the importance of community action to fight disease and promote a healthy lifestyle. To support the event, MVM waived a total of RM26,725 in promotion space rental. The event successfully provided free glucose and BMI tests, blood group tests, and basic heart screenings. It also helped to raise awareness about the importance of leading a healthier lifestyle to more than 1,000 patrons.

Hari Raya 2023: Gift-with-Purchase, Batu Seremban (March – May 2023)

Beneficiaries: 27 individuals in total through Persatuan Wanita & Ibu Tunggal WITUS and Persatuan Pembangunan Jayadiri.

Contribution: RM 28,500 in purchases.



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

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

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

Surin International School Field Trip

Beneficiaries: 7 Children from Surin International School.

Contribution: N/A



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



Students from Surin International School.

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

SUSTAINABILITY STATEMENT

(continued)

The Gardens Mall

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

Beneficiaries: 20 individuals through the Beautiful Gate Foundation.
Contribution: RM10,000 in donations and RM39,900 in rent waiver.



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



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

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

Beautiful Gate Foundation for the Disabled during Christmas period (November – December 2023)

Beneficiaries: 30 individuals through the Beautiful Gate Foundation.
Contribution: RM10,000 in donations and RM81,900 in rent waiver.



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



TGM's Gardensville postal service post boxes.

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

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

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

Beneficiaries: The Jahai Community in Kampung Kelab located in the interior of Perak.
Contribution: RM10,000 in donations and RM54,500 in rent waiver.



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



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

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

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

SUSTAINABILITY STATEMENT

(continued)

Waste Management



Related UNSDGs:



Why this is important to us:

Human beings continue to create increasing amounts of waste each year, contributing to the worsening of the climate crisis and negatively impacting the wildlife population, as well as public health. Proper waste management not only supports the sustainability of the environment, it can also positively impact businesses. Implementing proper waste management strategies can help businesses reduce costs, improve operational efficiency, bolster your reputation in an environment where companies and consumers alike are increasingly valuing sustainable practices, and pave the way for long-term environmental sustainability.

Our approach:

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

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

- ➔ Recycling bins placed in our malls.
- ➔ Food composting initiative which composts food waste collected from tenants.
- ➔ Educating tenants on the importance of segregating waste into compostable, recyclable and non-recyclable waste at the source to increase the efficiency of our waste diversion efforts.
- ➔ Installing grease traps at dedicated drainage outlets to ensure that pollutants are dealt with in a responsible manner instead of being released into the sewerage system.

In 2023, we invested in a larger composting machine which has allowed us to boost our food waste composting efforts from a monthly average of 200 kg to 2,000 kg. We are now able

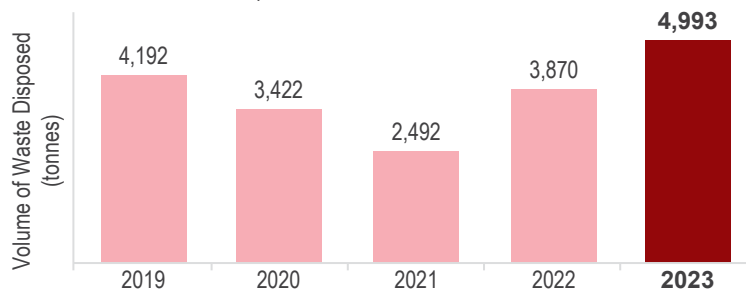
to produce 1.6 to 1.8 tonnes of compost monthly, which we use for landscaping purposes across our malls. Construction of a new food waste recycling room was also completed in the year to support MVM and TGM's food waste recycling program.



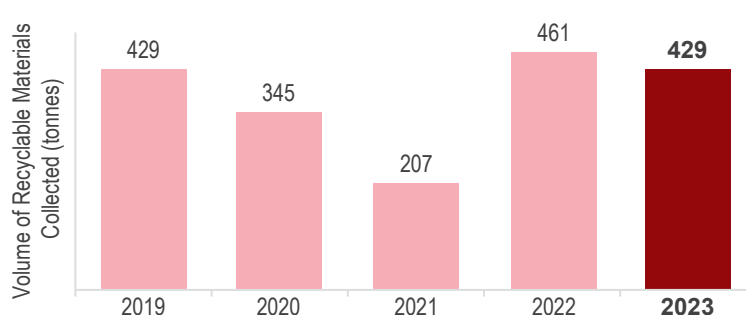
*MVM and TGM's food recycling room.

Our performance:

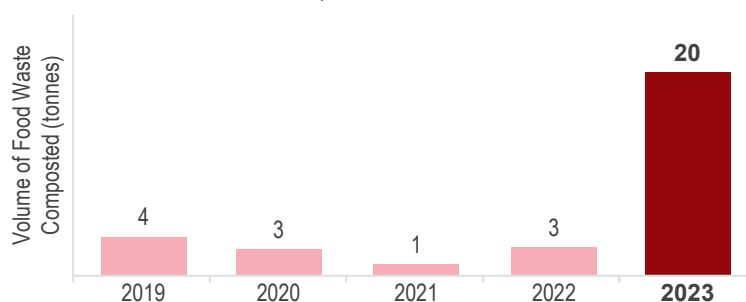
Annual Volume of Waste Disposed



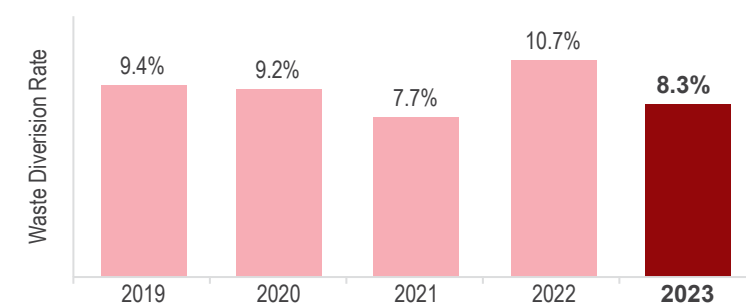
Annual Volume of Recyclable Materials Collected



Annual Volume of Food Waste Composted



Annual Waste Diversion Rate



SUSTAINABILITY STATEMENT

(continued)

Supply Chain Management



Related UNSDGs:



Why this is important to us:

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

Our approach:

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

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

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

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

Our performance:

In 2023, **99.91%** of our supplier procurement was spent on local suppliers, reinforcing our commitment to positively contributing to the local community.

	2023
■ Proportion of spending on local suppliers.	99.91%

SUSTAINABILITY STATEMENT

(continued)

2023 Performance Data Table for IGB REIT

Indicator	Measurement Unit	2021	2022	2023
Health, Safety & Security				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	-	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	207
Economic Performance				
Economic Value Generated	MYR	408,182,000	563,994,000	609,767,000
Economic Value Distributed	MYR	423,334,000	581,356,000	627,475,000
Human Capital Management				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	-	203
Managers & Senior Managers	Hours	-	-	732
Senior Executives & Assistant Managers	Hours	-	-	1,333
Executives	Hours	-	-	1,763
Non-Executives	Hours	-	-	2,262
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	-	-	1
Managers & Senior Managers	Number	-	-	3
Senior Executives & Assistant Managers	Number	-	-	4
Executives	Number	-	-	15
Non-Executives	Number	-	-	11
Data Privacy & Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	0
Corporate Governance				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	-	100.00
Managers & Senior Managers	Percentage	-	-	100.00
Senior Executives & Assistant Managers	Percentage	-	-	89.00
Executives	Percentage	-	-	87.00
Non-Executives	Percentage	-	-	71.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	-	0

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT

(continued)

Indicator	Measurement Unit	2021	2022	2023
Climate Change				
Bursa C4(a) Total energy consumption	Megawatt ¹	45,465.81	57,074.68	59,450.74
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	2,562.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	-	34,779.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	52,422.00
Diversity, Equity & Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executives and Senior Management Below 30	Percentage	-	-	18.70
Executives and Senior Management 30 - 40	Percentage	-	-	28.10
Executives and Senior Management 40 - 50	Percentage	-	-	33.50
Executives and Senior Management Above 50	Percentage	-	-	19.70
Non-Executives Below 30	Percentage	-	-	29.40
Non-Executives 30 - 40	Percentage	-	-	30.70
Non-Executives 40 - 50	Percentage	-	-	20.90
Non-Executives Above 50	Percentage	-	-	19.00
Gender Group by Employee Category				
Executives and Senior Management Male	Percentage	-	-	51.20
Executives and Senior Management Female	Percentage	-	-	48.80
Non-Executives Male	Percentage	-	-	75.80
Non-Executives Female	Percentage	-	-	24.20
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	-	62.50
Female	Percentage	-	-	37.50
30 - 50	Percentage	-	-	25.00
Above 50	Percentage	-	-	75.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	-	0.80
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	-	0

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT

(continued)

Indicator	Measurement Unit	2021	2022	2023
Water Management				
Bursa C9(a) Total volume of water used	Megalitres	456.000000	689.000000	718.973000
Community / Society				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	650,573.00	617,314.00	974,856.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	3,946
Waste Management				
Bursa C10(a) Total waste generated	Metric tonnes	2,700.00	4334.00	5,442.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	208.00	464.00	449.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2,492.00	3,870.00	4,993.00
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	-	99.91

¹ Megawatt-hours

SUSTAINABILITY STATEMENT

(continued)

Statement of Assurance

Internal Review Assurance Statement to the Board of Directors (Board) of IGB REIT Management Sdn Bhd (the Manager)

The Audit Committee of the Manager has requested Group Internal Audit of IGB Berhad, being the outsourced internal audit function of IGB REIT, to perform an internal review on selected subject matters contained in the Sustainability Statement of the 2023 Annual Report (SS2023).

Scope of Work

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

The scope of work covered the data and information from the operations of:

- a) Mid Valley Megamall
- b) The Gardens Mall

Subject Matters

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

Material Matters	Subject Matter
Health, Safety & Security	<ul style="list-style-type: none"> Number of work-related fatalities. Lost time incident rate. Number of employees trained on health and safety standards.
Human Capital Management	<ul style="list-style-type: none"> Total hours of training by employee category. Total number of employee turnover by employee category.
Data Privacy & Security	<ul style="list-style-type: none"> Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
Corporate Governance	<ul style="list-style-type: none"> Percentage of employees who have received training on anti-corruption by employee category. Percentage of operations assessed for corruption-related risks. Confirmed incidents of corruption and action taken.
Climate Change	<ul style="list-style-type: none"> Total energy consumption.
Diversity, Equity & Inclusion	<ul style="list-style-type: none"> Percentage of employees by gender and age group, for each employee category. Percentage of directors by gender and age group. Percentage of employees that are contractors or temporary staff. Number of substantiated complaints concerning human rights violations.
Water Management	<ul style="list-style-type: none"> Total volume of water used.
Community / Society	<ul style="list-style-type: none"> Total amount invested in the community where the target beneficiaries are external to the listed issuer. Total number of beneficiaries of the investment in communities.
Supply Chain Management	<ul style="list-style-type: none"> Proportion of spending on local suppliers.

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

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

Description of procedures performed

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

- Gaining an understanding of IGB REIT's business, internal processes, and approach to sustainability;
- Conducting interviews with key personnel and collating evidence to understand IGB REIT's process for reporting of performance indicators;

SUSTAINABILITY STATEMENT

(continued)

- Conducting limited assurance procedures over the selected Subject Matter including.
 - » Undertaking analytical procedures to support the reasonableness of the data.
 - » Checking that the calculation as per the methodologies for the Subject Matter has been applied consistently.
 - » Identifying and testing assumptions supporting calculations.
 - » Testing, on a sample basis, underlying source information to check accuracy of the data.
 - » Performing recalculation of performance indicators using input data.
 - » Checking that measurements made at the end of the reporting period are entered in the records and in the sustainability statement in a timely manner.

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

Other Matters

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

Conclusion

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

Restriction of use

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

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

Group Internal Audit

IGB Berhad

23 February 2024

PROFILE OF DIRECTORS



DATO' SERI ROBERT TAN CHUNG MENG

(Malaysian, male, age 71)

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

Date of Appointment	21 March 2012
Profile Summary	<p>On 1 January 2024, Dato' Seri Robert Tan Chung Meng ("DSRT") was made Non-Independent Non-Executive Chairman. In March 2012, when IGB REIT Management Sdn Bhd was incorporated, Dato' Seri Robert Tan was appointed Managing Director, a post in which he has served for 10 years before being redesignated to NINED between the period 1 January 2023 to 31 December 2023.</p> <p>Dato' Seri Robert Tan, who has been on the Board of IGB Berhad ("IGB") Group since 1995, was 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 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.</p> <p>With more than 30 years of operational and leadership experience as IGB's leader, DSRT is well regarded for expertise in property development, hotel construction, retail design and development as well as corporate management. After studying Business Administration in the United Kingdom, he was attached to a firm of chartered surveyor for a year. He has developed a housing project in Central London before returning to Malaysia. He was involved in various development projects carried out by the IGB Group, notably the Mid Valley City. From inception to the realisation of Mid Valley Megamall and The Gardens Mall (collectively, the MV Malls), he was actively involved in every stage of their developments. He has been instrumental and crucial to the success of the MV Malls.</p> <p>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.</p>
External Appointments	IGB IGBC Wasco Berhad (fka Wah Seong Corporation Berhad) ("Wasco") Yayasan Tan Kim Yeow



ELIZABETH TAN HUI NING

(Malaysian, female, age 40)

*CEO / Non-Independent
Executive Director
("NIED")*

Date of Appointment	27 April 2012
Board Committee(s)	Retail RMSC (Chair) Commercial RMSC (Chair)
Profile Summary	<p>Elizabeth Tan Hui Ning ("ETHN"), a NIED, has been appointed as CEO on 2 January 2024. Prior to her appointment as CEO, she was Joint Deputy CEO ("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, and before that, 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.</p> <p>Elizabeth Tan has over 20 years of retail management and operations experience; in particular, she was a key member of TGM pre-opening team. She joined Mid Valley City Gardens Sdn Bhd, a wholly-owned subsidiary of IGB, in August 2004 as Head of Operations/Leasing, and in January 2011 as ED, then elected CEO, before relinquishing her position on 31 December 2023.</p> <p>Elizabeth Tan was appointed to the Board of IGB on 29 August 2022 as alternate director to Dato' Seri Robert Tan Chung Meng.</p> <p>Elizabeth Tan holds a Bachelor of Business Administration (First Class Honours) from Cardiff University, Wales, United Kingdom.</p>
External Appointments	IGB (Alternate Director to DSRT)

PROFILE OF DIRECTORS

(continued)



HALIM BIN HAJI DIN

(Malaysian, male, age 77)

*Independent**Non-Executive Director ("INED")*

Date of Appointment	27 April 2012
Board Committee(s)	Audit Committee (Chairperson) Nomination and Remuneration Committees (Member)
Profile Summary	<p>Halim bin Haji Din is a Chartered Accountant who spent more than 30 years working for multinational corporations and international consulting firms.</p> <p>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.</p> <p>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.</p> <p>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 non-executive 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).</p> <p>He is the fellow member of MICPA and Malaysian Institute of Accountants.</p>
External Appointments	Wasco



ROBERT ANG KIM PACK

(Malaysian, male, age 66)

INED

Date of Appointment	26 August 2020
Board Committee(s)	Remuneration Committee (Chairperson) Audit and Nomination Committees (Member)
Profile Summary	<p>Robert Ang is a registered estate agent. He joined Rahim & Co in 1982 and has extensive experience in the field. Robert was the MD of the Agency in Rahim & Co. for 30 years prior to retiring in 2019.</p> <p>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 has also advised the 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, Robert has considerable experience in valuation and property management.</p> <p>Robert Ang graduated from the University of Waterloo (Canada) with a Bachelor's Degree in Mathematics.</p>
External Appointments	Nil

PROFILE OF DIRECTORS

(continued)



**RAYMOND YEOH
CHENG SEONG**

(Malaysian, male, age 61)

INED

Date of Appointment	1 November 2023
Board Committee(s)	Audit, Remuneration and Nomination Committees (Member)
Profile Summary	<p>Raymond Yeoh began his career at Deloitte Haskins & Sells, London in 1984 as an Accountant prior to being employed as a Derivatives Research Analyst at Hoare Govett Securities Limited based in London and then in Singapore in the early 1990s. He then moved to become an Arbitrage Trader at Bankers Trust Company, Singapore and subsequently held the position of Vice-President/Joint Head of Asian Currency and Interest Rate Trading at Merrill Lynch International Bank Limited, Singapore before joining Banco Santander SA, Singapore as Head of Asian Markets Trading. After various other positions there, Mr. Yeoh then moved to Hong Kong to become Banco Santander's Regional Treasurer for Asia.</p> <p>Raymond Yeoh returned to Malaysia to join Hong Leong Bank Berhad as its Head of Treasury, Wealth Management and Intra Group Cross Selling prior to moving to ABN AMRO Bank Berhad, Malaysia as its Executive Director/Head of Global Markets/Financial Markets. His career continued with his appointment as the Head of Global Markets (Malaysia and Vietnam) and subsequently as the Country Chief Executive Officer of Deutsche Bank (Malaysia) Berhad and Principal Officer of its Labuan branch. Mr. Yeoh concluded his banking career with another 10 years at Bank of America Malaysia Berhad as Country Head and Chief Executive Officer and Principal Officer of its Labuan branch before finally retiring in October 2023.</p> <p>Raymond Yeoh completed his Bachelor of Art's degree in Economics and Social Studies at the University of Manchester, United Kingdom. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Banker.</p>
External Appointments	CIMB Investment Bank Berhad Ayer Holdings Berhad



**DATUK RICHARD
LEE SAY TSHIN**

(Malaysian, male, age 70)

INED

Date of Appointment	1 November 2023
Board Committee(s)	Nomination Committee (Chairperson) Audit and Remuneration Committees (Member)
Profile Summary	<p>Datuk Richard is an accomplished banker with over 46 years of experience in the banking industry, having held various positions in HSBC Bank Malaysia Berhad ("HSBC"), including the position of MD of Strategic Business Development prior to his retirement in 2013. He is currently the Vice Chairman, Strategic Initiatives for HSBC. He is also a Council Member of the Malaysia-China Business Council.</p> <p>Datuk Richard graduated from the University Malaya with a Bachelor's Degree in Economics.</p>
External Appointments	CJ Century Logistics Holdings Berhad Padini Holdings Berhad Alpha IVF Group Berhad Malaysia-China Business Council

PROFILE OF DIRECTORS

(continued)



TAN LEI CHENG

(Malaysian, female, age 66)

NINED

Date of Appointment	27 April 2012
Board Committee(s)	Nomination and Remuneration Committees (Member)
Profile Summary	<p>Tan Lei Cheng ("TLC") has more than 40 years' experience in the property industry and corporate sector. She was Chief Executive Officer of Tan & Tan Developments Berhad ("Tan & Tan") from March 1995, a property development company that was listed on Bursa Malaysia Securities Berhad. Following the completion of the merger between IGBC and Tan & Tan on 8 May 2002, she assumed the role of Executive Chairman and Chief Executive Officer 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 NEC of Goldis. After the privatisation of IGBC by IGB on 16 March 2018, she remains as NEC of IGB.</p> <p>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.</p>
External Appointments	IGB Dato' Tan Chin Nam Foundation



TAN MEI SIAN

(Malaysian, female, age 40)

NIED / Head of Strategy & Risk ("HSR")

Date of Appointment	11 June 2020
Board Committee(s)	Retail RMSC (Member) Commercial RMSC (Member)
Profile Summary	<p>Tan Mei Sian ("TMS") was appointed HSR of the Manager on 1 February 2020, a position she still holds, and NIED on 11 June 2020.</p> <p>Tan Mei Sian is Deputy GCEO 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 Deputy GCEO 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.</p> <p>Earlier in her career, Tan Mei Sian was an Engagement Manager at Oliver Wyman, specialising in financial services strategy and risk management consulting, having worked with major financial institutions in the United States, United Kingdom, Netherlands, China, Taiwan, Hong Kong, Singapore, Malaysia, Thailand and Australia.</p> <p>Tan Mei Sian graduated with a 2.1 from the London School of Economics and Political Science with a Bachelor of Science in Economics.</p>
External Appointments	IGB (DGCEO / Alternate Director to TLC) Tan & Tan

Other disclosures

1. Except for DSRT, TLC, ETHN and TMS, 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. DSRT, TLC, ETHN and TMS have actual and/or potential conflicts-of-interest due to their family companies' unitholding in IGB REIT in connection with the general mandate for recurrent related party transactions as disclosed in the Corporate Governance Overview Statement.
3. None of the Directors has been convicted of any offence (other than traffic offences) within the past 5 years.
4. None of the Directors has been imposed with public sanction or penalty by the relevant regulatory bodies during financial year ended 31 December 2023 ("FY2023").
5. Directors' attendance at the Board and Board Committee meetings during FY2023 as disclosed in the Corporate Governance Overview Statement.
6. Directors' unitholdings in IGB REIT as disclosed in the Unitholding Statistics.

PROFILE OF MANAGEMENT

ELIZABETH TAN HUI NING

CEO

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

RENNIE LEE CHAI TIN

Joint Deputy CEO
("DCEO") (Retail)

Academic/ Background/ Working Experience

Rennie Lee appointed as Joint DCEO of the Manager on 1 January 2024. She is also 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 DCEO, she was Joint Chief Operating Officer, and before that, 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 General Manager ("GM") of Mid Valley City Sdn Bhd ("MVC"), a wholly-owned subsidiary of IGB Berhad ("IGB") since 1995, and then elected as CEO on 1 January 2024. Preceding that, her past work experiences involved leasing and marketing of shopping malls such as Mahkota Parade, Subang Parade and IOI City Mall.

WONG KHIM CHON

Joint DCEO
(Commercial)

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 also a member of Commercial RMSC of the Manager.

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 GM developing various building types from residential, industrial, high-rise condominiums, commercial offices, hotel to government projects, both in Malaysia and Singapore.

Thereafter, in 1997, he joined Taraf Wijaya Sdn Bhd as GM, overseeing projects in Cameron Highlands, Ipoh and Bangi. From 1998 to 2002, as Managing Partner of Manifold Alliance Sdn Bhd, he was responsible in overseeing the management of project portfolio which included housing and industrial projects in Johor, township development in Sepang, Hulu Langat and Port Dickson. He then moved to Great Eastern Life Assurance (M) Berhad as Head of Property, overseeing the acquisition and management of investment properties as well as branch offices from 2002 to 2008. Subsequently from 2008 until 2010, he joined 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 Executive Director 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 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, United Kingdom.

PROFILE OF MANAGEMENT

(continued)

TAN MEI SIAN

HSR

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

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 Developments Berhad (“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 Malaysian Institute of Accountants (“MIA”) and Malaysian Institute of Certified Public Accountants (“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 also a member of the Retail RMSC of the Manager.

He 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 then appointed as 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 Malaysian Institute of Accountants.

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 Chartered Governance Institute.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Manager

IGB REIT, constituted as a REIT, is externally managed by IGB REIT Management Sdn. Bhd. (in its capacity as manager of IGB REIT) ("the Manager"). The business and affairs of IGB REIT are managed under the direction and oversight of the Manager's Board of Directors (the "Board" or "Directors").

The Manager has general powers of management over the assets of IGB REIT. Its main responsibility is to manage the assets and liabilities of IGB REIT for the benefit of unitholders ("UHs"), with a focus on generating rental income and enhancing asset value over time to maximise returns from the investments, and ultimately the distributions to UHs.

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 trustee of IGB REIT) on any investment or divestment opportunities in accordance with the stated investment strategy of IGB REIT.

The Manager is a wholly-owned subsidiary of IGB Corporation Berhad ("IGBC"), which is, in turn, wholly owned by IGB Berhad ("IGB"), the sponsor and controlling UH of IGB REIT.

Governance at IGB REIT

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

The Board remains committed to effective CG as the basis for promoting the long-term growth and sustainability of IGB REIT's business for the benefit of UHs and wider stakeholders.

While IGB REIT must comply with the Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines") by the Capital Markets and Services Act 2007 ("CMSA") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa"), the Manager continues to have regard to the principles of good governance of the Malaysian Code on Corporate Governance ("MCCG") and seek to comply with MCCG wherever this is appropriate for IGB REIT and the Manager.

This Corporate Governance Overview Statement ("CGOS") describes the Manager's governance practices relating to operations of IGB REIT and how the Board has discharged its responsibilities during the financial year ended 31 December 2023 ("FY23") and up to the date of this CGOS. IGB REIT has complied with the key principles in MCCG in all material respects. Where there are deviations from the principles of MCCG, appropriate explanations and details of the alternative practices are provided in this CGOS. This CGOS was approved by the Board on 30 January 2024.

Principle A: Board Leadership and Effectiveness

The Manager Governance Framework

Board Chairman

Dato' Seri Robert Tan Chung Meng
("DSRT")
Non-Independent Non-Executive
Director ("NINED")

- Leads the Board in its collective oversight of IGB REIT and ensures its effectiveness by steering effective, productive, and comprehensive discussions on strategies, business operations, sustainability risk management and other plans of IGB REIT.
- Spearheads IGB REIT's drive to promote, attain and maintain good governance standard.
- Presides over all general meetings and fosters constructive dialogue between UHs, Board and Chief Executive Officer ("CEO").

Board

- 2 NINED
- 4 Independent Non-Executive Directors ("INEDs")
- 2 Executive Directors ("EDs"), one of whom is a CEO

- Fosters the success of IGB REIT to deliver sustainable value over the long term to UHs.
- Oversees the strategic vision, direction, performance, and affairs of the Manager and IGB REIT.
- Engages stakeholders based on the principles of sustainability and sound governance.
- Provides leadership to CEO and key senior management (collectively "KSM" and individually, the "Officer").

Board Committees ("BC")

Audit Committee ("AC")

Chair: Halim bin Haji Din ("HHD")
➔ 4 INEDs

Remuneration Committee ("RC")

Chair: Ang Kim Pak ("AKP")
➔ 4 INEDs and 1 NINED

Nomination Committee ("NC")

Chair: Datuk Richard Lee Say Tshin ("DRL")
➔ 4 INEDs and 1 NINED

Retail Risk Management & Sustainability Committee ("Retail-RMSC")

Chair: Elizabeth Tan Hui Ning ("ETHN")
➔ KSM

- The BCs' terms of reference ("ToR"), reviewed and approved annually, are available on IGB REIT's website www.igbreit.com.
- The Board Chairman is not a member of the BCs.

CEO/ED ETHN

- Spearheads the business and day-to-day management of the Manager and IGB REIT.
- Makes major corporate decisions ranging from daily operations to managing company resources.
- Leads the KSM to address strategies, business operations and sustainability risk management in meeting the strategic, investment and operational objectives of IGB REIT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Clear division of roles and responsibilities

Board Chairman	Provides overall leadership to, and ensures the effectiveness of, the Board; sets the agenda, character and tone of Board meetings and discussions; maintains an effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors ("NEDs") and KSM; establishes good CG practices and procedures, and promotes the standards of integrity, probity, and CG throughout IGB REIT and particularly at Board level; and ensures that there is effective communication with UHs.
NEDs	Monitor and scrutinise IGB REIT's performance against its strategic goals and financial plans; bring objective perspective to the Board's deliberation and decision-making, drawing on their collective broad experience and individual expertise and insights; play a lead role in the functioning of BCs; and monitor and assess the effectiveness of, and support and constructively challenge, the EDs, one of whom is CEO.
CEO	Develops IGB REIT's strategy for consideration and approval by the Board and provides effective leadership to KSM in their delivery strategy; oversees day-to-day management and conducts of business and affairs of the Manager and IGB REIT; manages, with KSM, relationships with key stakeholders, from UHs to tenants, customers, and suppliers; and communicates IGB REIT's progress against strategy and operational performance to investors and analysts. In carrying her task, CEO, is supported by Joint Deputy CEO ("JDCEO") (Retail) and JDCEO (Commercial).

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

Board Framework

The Board has a Charter (available on IGB REIT's website and last updated on 30 January 2024) that sets out the Board's role, responsibilities, and mandates. The Charter has been developed to give prominence to the Board's commitment to good CG, adopting best practices, applicable rules and regulations, processes and procedures to guide the Board in discharging their duties and functions. The Charter is reviewed on a regular basis to enhance its processes and procedures and ensure alignment with new requirements and regulations.

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

Sustainability Governance

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

The Board recognises that sustainability is essential part of good governance and acknowledges its stewardship duties over IGB REIT. The Board remains steadfast in building a sustainable and resilient IGB REIT, with the aim of creating value for UHs and stakeholders. The Board, together with Retail-RMSC, led by CEO, which in turn, is responsible for sustainability management across IGB REIT. The Board determines the material ESG factors and considers them in IGB REIT's sustainability and business strategy. The Board oversees the management and monitoring of sustainability issues through quarterly reports presented by the Head of Strategy & Risk ("HSR"), who assists the Retail-RMSC in monitoring and evaluating the effectiveness on an on-going basis.

As disclosed in the annual reporting under the [Sustainability Statement](#), the Manager is transparent about how sustainability is embedded in IGB REIT's business and initiatives driven by IGB REIT in terms of material matters. Through monitoring efforts during FY23, 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 efforts towards sustainable value creation. The Manager will 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, annual reports ("AR"), media releases, investor presentations, quarterly analyst briefings, etc.) stakeholders.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

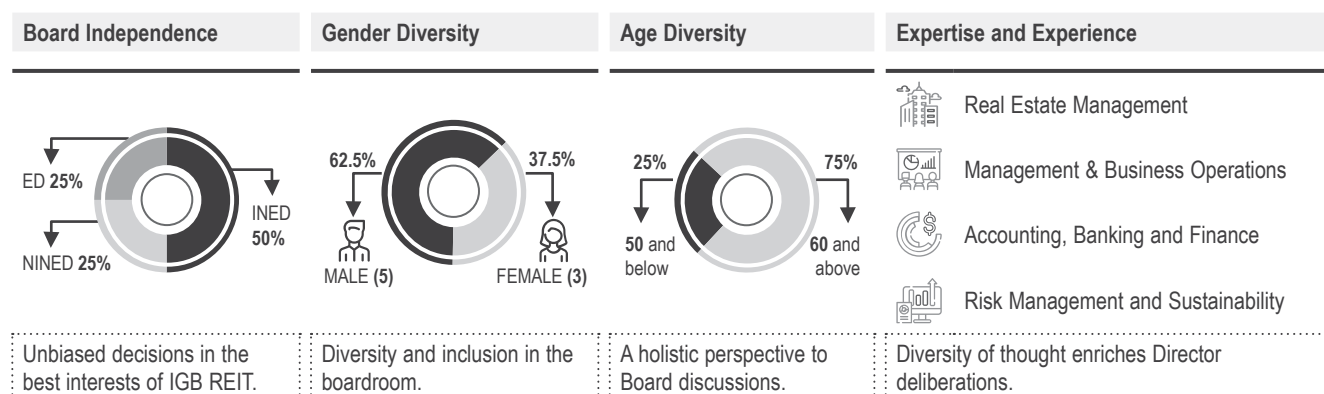
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The Board's 2023 effectiveness evaluation which is facilitated through NC includes a section relating to ESG and sustainability issues. KSM's performance evaluation is guided by the Manager's Remuneration Policies and Practices ("RPP") which measures value creation to IGB REIT through financial benefits and cost-savings as well as impact on IGB REIT's long-term business sustainability.

As described above, sustainability management has Board-level oversight, with the support of Retail-RMSC presided by CEO, overseeing sustainability matters of IGB REIT – identification, assessment, and disclosures of such risks, and these data flow into the boardroom to ensure well-informed discussion. Besides, the internal audit ("IA") will look at internal controls to ensure that ESG is integrated within IGB REIT's decision-making process, while the external auditor ("EA") will focus on financial statement disclosures. As such, there has not yet been a need to designate a specific individual to strategically manage sustainability of IGB REIT.

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

Board Diversity



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

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

The NC has a rigorous process around the direction of selection, nomination, and appointment of Directors. The assessment process includes reviewing the candidate curriculum vitae and other biographical information (career paths, personal and professional merits), conducting background searches (must not have any prohibited characteristics according to relevant laws and criteria set out in the Manager's Fit and Proper ("FAP") Guidelines), as well as formal/informal interview at NC's discretion. The final decision on the selection of the Directors will be based on merit against an objective criterion that complements and expands the skills and experience of the Board as whole. The potential candidate may be proposed by existing Directors, KSM, or third-party referrals.

During FY23, the Board's succession planning has seen the retirement and appointment of several Directors. DRL and Raymond Yeoh Cheng Seong ("RYCS") joined the Board as INEDs on 1 November 2023. On 29 December 2023, the Manager announced that Tan Sri Dato' Prof. Lin See Yan ("TSL") and Lee Chen Chong ("LCC") stepped down from the Board on 31 December 2023, after almost 12 years' service as INEDs. Tan Boon Lee ("TBL") also resigned as NINED, effective from the same date. The Manager also announced new leadership for both its Board and KSM with the appointment of DSRT as its new Chairman effective 1 January 2024 and ETHN, as the new CEO, replacing Antony Patrick Barragry ("APB"), effective 2 January 2024. The Board thanked TSL, LCC, TBL and APB for their significant contribution to the Board and the Manager during their tenures, and welcomed DRL and RYCS to the Board.

Further information about the Board's and its BCs' composition, succession plans and evaluation, and how diversity and inclusion are being fostered on the Board and across the Manager, are fully explained in the **NC Report** section. The NC will continue to consider the forward skill and experience requirements of the Board with respect to Board succession to ensure strong corporate knowledge is coupled with new skills and thinking to support the long-term strategic direction of the Manager and IGB REIT.

As IGB REIT is 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 Manager's Constitution. However, the Board evaluates the performance of each individual Director on an annual basis.

Board Processes

Board/BC Schedules

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 at least 4 times a year, with additional meetings held as required to address specific issues. The dates for the Board/BC meetings are preset, allowing for active and insightful participation during meetings. All Directors are required to attend UHs, Board and / BC meetings called, in person or via audio or video conference, unless required to recuse.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Provision of Information

Directors are provided with meeting materials setting out relevant information on the agenda items to be discussed at Board / BC meetings at least 5 business days in advance of the meeting (save in cases of urgency), to give Directors sufficient time to prepare for the meeting and review and consider the matters being tabled so that discussions can be more meaningful and productive and Directors have the necessary information to make sound and informed decisions.

The CEO, CFO, HSR, Head of Compliance/Company Secretary ("HOC/CS") and Head of Group IA ("GIA") of IGB (providing IA outsourcing) attend Board meetings, and where necessary, BC meetings, to brief and make presentations to Directors, provide input and insight into matters being discussed, and respond to queries and take any follow up instructions from the Directors.

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

Board Areas of Focus

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

At each scheduled Board meeting, the Board is apprised of 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), sustainability and ESG-related risks and mitigation strategies, regulatory and compliance updates, as well as mandate sought by KSM, including, where applicable, relevant budgets and business plans. BC Chairs also provide summaries of the main decisions and recommendations arising from BC meetings to ensure non-members are kept up to date with the work undertaken by each BC.

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

- IGB REIT's strategies (including ESG), budgets, plans and policies.
- CEO quarterly property portfolio performance (including asset enhancement initiatives) reports.
- Quarterly financial results of IGB REIT and the audited financial statements of IGB REIT.
- Quarterly income distributions of IGB REIT.
- Quarterly desktop update and year-end valuation of IGB REIT's property portfolio.
- Quarterly updates on strategy and key risks associated to IGB REIT's business operations.
- Quarterly updates on sustainability related initiatives and key ESG performance as tracked against 2023 goals and targets, including reviewing and assessing the readiness of IGB REIT to comply with the MMLR on Enhanced Sustainability Disclosure, which the gaps closure plan had been established and approved by the Board.
- Policies, procedures, and practices relating to operational governance.
- Board appointment and succession, including changes to BCs' composition.
- CEO and KSM appointment and succession.
- Remuneration of Directors and KSM
- Board effectiveness evaluation.
- FAP assessments of Directors and Management.
- Reports and statements for inclusion in AR of IGB REIT, including Management Discussion and Analysis, Sustainability Statement, Statement on Risk Management and Internal Control ("SORMIC"), CGOS and Circular to UHs in relation to renewal of recurrent related party transactions ("RRPT") ("Circular-RRPT Mandate").

Conflicts-of-Interest ("COI")

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Following review by AC of the application of this policy, the Board is satisfied that every Director and Officer has complied with this standing policy. No Director conflict situation currently exists, save in respect of DSRT, TLC, TMS and ETHN ("Interested Directors"). The Interested Directors have actual and/or potential COI due to their family companies' unitholding in IGB REIT in connection with the RRPT. This conflict has been authorised by the Board on the basis that, a general mandate for such RRPT had been obtained from UHs at the Eleventh Annual General Meeting of IGB REIT on 27 April 2023 ("2023 AGM").

Board Access to KSM and Independence Advice

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

Tina Chan Lai Yin, a Fellow of the Chartered Governance Institute, is the HOC/CS. She is a qualified Chartered Secretary and experienced in the field of corporate compliance and governance. HOC / CS plays a vital role in ensuring the Manager and IGB REIT comply with the relevant guidelines, rules and regulations, including disclosure requirements under the REIT Guidelines and MMLR. A summary of role and responsibilities is set out below:

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

HOC / CS works synergistically with CEO and KSM in ensuring that necessary internal controls and procedures are in place so that regulatory compliance can be measured and monitored. To play an effective advisory role to the Board, HOC / CS remains informed of the latest regulatory changes, evolving industry developments and best practices in CG through continuous training.

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

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

Board Effectiveness Evaluation

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

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

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

Director independence

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

The tenure of an INED shall not exceed a cumulative term of 9-year, as stated in the Charter (last updated on 30 January 2024).

The Board reviews the independence of INEDs annually. The NC assesses the annual independence confirmation received from each INED, having regard to the criteria laid down in the Charter, REIT Guidelines and MMLR. All INEDs have declared that there were no relationships or instances that would otherwise deem them not to be independent.

The NC has considered the independence of each individual Director and the overall independence balance of the Board in January 2024, as more fully explained in the **NC Report** section.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Continuing Development of Directors

Directors are expected to maintain the skills required to discharge their obligations to the Manager. Directors must keep up-to-date with strategic issues and commercial changes affecting IGB REIT and the market in which it operates. All Directors have participated in continuing education, training, and development programmes during FY23, as detailed below:

- Asia School of Business – Beyond box-ticking: Essentials for effective remuneration committees
- Bursa Malaysia Berhad – Advocacy Session for Directors and CEOs of Main Market Listed Issuers
- CHK Consultancy (“CHK”) – Industry 4.0 and its impact on Malaysian Capital Markets
- CHK – Creative and Innovation: The key to successful corporate transformation in Covid-19 era
- CHK – Rethinking Business Strategies in driving the ESG and Sustainability Agenda
- CKM Advisory (“CKM”) – Common pitfalls in transactions and related party transactions (“RPT”) rules
- CKM – Key disclosure obligations of a Listed Company
- Institute of Corporate Directors Malaysia – MAP Part II (Leading for Impact)
- MESH Consultancy & Training Centre PLT – Effective set up of safety and health committee
- PricewaterhouseCoopers PLT (“PwC”) – Trust in Leadership
- Securities Industry Development Corporation (“SIDC”) – Sustainable and Responsible Investment: Revving up the race for sustainability
- SIDC – Leveraging Artificial Intelligence in Growing the Digital Economy

BC

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

The objectives, remit and powers of each BC are established in the Charter. Topics of discussion and frequency of meetings will vary depending on each BC's ToR (last updated on 30 January 2024) and the portfolio's complexity. BCs may invite non-BC members and members of KSM to attend BC meetings to provide reports and/or guidance where appropriate. BCs may seek any independent counsel, expert, or advisor that they believe to be desirable and appropriate.

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

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

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

AC Report

Primary Role	Provides independent oversight of IGB REIT's financial accounting and reporting process, IA function, external audit, RPT, COI situations, and annual reporting.
Activity Highlights	<p>The following were key deliberations, and basis for the decisions and/or recommendations made to, and approved by the Board:</p> <p>Financial reporting</p> <ul style="list-style-type: none"> ▪ IGB REIT's financial and portfolio performance. ▪ Financial Reporting Checklist FY23 completed by CFO, and assessed by CEO, and obtained their assurance, that adequate processes and controls were in place for an effective and efficient process in the preparation of IGB REIT Financial Statements FY23. ▪ IGB REIT's quarterly financial results and year-end financial statements, including consideration of these reports being fair, balanced, and understandable, and provide the information necessary for UHs to assess IGB REIT's position, performance, and strategy. The results of the review have been provided to the Board. The Board's conclusion in this respect is set out in the Manager's Report and Statement by the Manager <p>Internal control</p> <ul style="list-style-type: none"> ▪ IGB REIT's internal processes for monitoring and assessing the effectiveness of internal controls and governance. No significant irregularity or deficiency in internal controls has come to the attention of AC during FY23. AC has reported this opinion to the Board. <p>IA</p> <ul style="list-style-type: none"> ▪ IA function's charter and annual risk-based IA plan, and received assurance from the Head of GIA that the IGB GIA Department (“GIAD”) has the resources and competency to carry out the IA function effectively and independently. ▪ Quarterly reports on the delivery of IA plan and on the principal findings from the work of IA and management's actions to remediate issues identified. A total of 14 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, risk management, compliance shortcomings, and documentation anomalies whereby all gaps had since been addressed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Activity Highlights	<ul style="list-style-type: none"> Coordination between IA and EA to maximise the benefits from clear communication and coordinated activities. The assurance statement by IA on the internal review of the Sustainability Statement. Met with IA twice without presence of KSM, to discuss any matter in relation to audit issues and internal control weaknesses noted in the course of their audit. There were no major shortcomings or impediments highlighted by IA in relation to the execution of their audit assignments. The role and effectiveness of IA in the overall context of risk management, internal control and governance systems and processes of IGB REIT and the Manager. The IA function continues to be effective, and has appropriate standing within the Manager and IGB REIT.
	External Audit
	<ul style="list-style-type: none"> The external audit's plan for IGB REIT, encompassing the planned scope and timing for the year's audit. For FY23, amount payable to PwC is RM138,000 for audit services. The EA's report on the conduct of audit of the year-end financial statements, the audit findings together with recommendations, in particular key audit matters included in the Independent Auditor's Report ("IAR"). The Board had obtained assurance from EA on their independence in their duties throughout the conduct of the audit engagement. Adopted a framework in relation to the provision of non-audit services ("NAS") by EA. For certain specified NAS, IGB REIT can employ EA without reference to AC, subject to a specified fee limit. NAS (predominantly tax compliance) fees for FY23 amounting to RM11,550. The Board was satisfied based on advice from AC that the provision of these NAS was not in conflict with the role of EA or its independence. The EA has also confirmed its independence to the Directors in accordance with applicable laws and standards as set out in the IAR. Met with EA twice without presence of KSM to discuss any issues or reservations arising from their audit. No major concerns were highlighted by EA and they received full cooperation from KSM and were given unrestricted access to the Manager's and IGB REIT's records. PwC's Annual Transparency Report i.e., a summary of the legal and governance structure of PwC, audit quality measures and audit quality indicators. The annual performance assessment of EA via evaluation questionnaire completed by AC, in consultation with CFO. The assessment included review of EA performance in terms of professional expertise, objectivity, business understanding, scope, quality, efficiency, and independence, as well as PwC's own internal quality control procedures. Based on this review, AC confirmed to the Board that it was satisfied with PwC's technical competency in terms of their skills, execution of audit plan and reporting and overall performance.
	RPT and COI
	<ul style="list-style-type: none"> Quarterly report of COI disclosures. AC was satisfied with the current arrangements in place to address perceived as well as actual conflicts, assured by transparent self-declarations of interest. Quarterly report on RPT and RRPT transactions to ensure proper monitoring and reporting of such transactions according to RPT policy and against approved mandate. Circular-RRPT Mandate to be sought at the Twelfth AGM of IGB REIT ("2024 AGM"). AC was satisfied that adequate processes and controls were in place for an effective and efficient process in monitoring, tracking, and identifying RRPT in a timely and orderly manner

NC Report

Primary Role	Reviews the structure, size, and composition (including the balance of skills, experience, independence, and diversity) of the Board and its BCs, oversees development of a diverse pipeline for Board and management succession, identifies and nominates candidates to fill Board vacancies as and when they arise, evaluates the effectiveness of the Board, BCs and individual Directors including independent status of NEDs on an annual basis, and reviews CG matters.
Activity Highlights	<p>The following were key deliberations, and basis for the decisions and/or recommendations made to, and approved by the Board:</p> <p>Reconstitution of the Board/BCs to facilitate independence and diversity in the boardroom DRL and RYCS were appointed to the Board and Chair/member of AC, NC, and RC on 1 November 2023. Both highly talented individuals with diverse experiences and expertise in various business leadership roles with financial institutions and publicly held companies. With a focus on board diversity and renewal, DRL and RYCS with their specialised expertise, knowledge, and talent, will enhance the Board's collective strong and relevant experiences. DRL and RYCS met the FAP criteria and the requirement of independence set out in the REIT Guidelines and MMLR.</p> <p>Board Chairman succession DSRT was appointed Board Chairman on 1 January 2024, replacing TSL. DSRT has the breadth of leadership experience to ably lead the Board and IGB REIT due to his extensive experience and deep knowledge in the REIT businesses, as well as his notable work as Managing Director of the Manager, a post in which he has served for 10 years before being redesignated to NINED in January 2023. DSRT did not have any prohibited characteristics according to relevant laws and the Manager's FAP criteria.</p> <p>Board decision: The Board has engaged in thoughtful long-term succession planning, and the resulting composition of the Board/BC members, adequately encompass the knowledge, qualifications, diversity, and experience needed to drive IGB REIT's continued growth and success. The Board has also considered it important that the Manager has a mix of Directors with a level history with the Manager, and newer appointments to bring a fresh perspective to discussions.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Activity Highlights	CEO succession ETHN has been named CEO, effective 2 January 2024, taking over the position from APB, whose term of office ended on 31 December 2023. ETHN has been an integral part of the Manager for over 11 years, where she held a variety of executive, operational and leaderships roles, having served as ED, JDCEO (Retail), Joint Chief Operating Officer and Head of Operations / Leasing (The Gardens Mall). With acknowledgment that CEO succession was necessary to prepare the Manager for its next phase of growth, ETHN has the leadership skills, capabilities, and experience for the CEO's role to lead IGB REIT through its next strategic phase. ETHN has satisfied the FAP criteria.
	Board decision: The Board has full faith in ETHN's ability to lead the Manager, and to continue delivering on the Manager's mandate in leading IGB REIT forward.
	Annual Board evaluation The effectiveness of the Board, its BCs and of individual Directors was assessed in January 2024 by means of an internal questionnaire evaluation. Upon due consideration of the Directors' attendance, contribution and participation at the Board/BC meetings, Directors' individual evaluations, the intrinsic values demonstrated by INEDs and the overall effectiveness of the Board in steering and overseeing the conduct of IGB REIT's business, NC concluded that the Board members have, between them, highly relevant knowledge and experience, a broad range of skills and a collective deep understanding of IGB REIT's business; and the Board and its BC have functioned effectively and that each Director has given sufficient time to fulfil his/her duties and responsibilities.
	Board decision: The Board has a balanced team with diverse skillsets, enabling them to provide effective oversight and strategic guidance to CEO and KSM, as well as to facilitate effective decision-making and constructive deliberations during its meetings, and that each Director has dedicated, and is able to dedicate, sufficient time and attention to their duties to the Manager. BCs have performed their duties with diligence, ethics, and independence, ensuring fairness, transparency, and objectivity in their decision-making processes, that helped enhance efficiency of the Board to steer the operations of IGB REIT forward in line with the established strategies and direction efficiently. The Board has met its performance objectives for FY23, and an external facilitator was not necessary considering the Board size and composition and regular meetings held by the Board and BCs.
	Independence of INEDs INEDs have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and act in the best interests of IGB REIT and UHs, thereby enabling balanced and well-considered decisions to be made. None of the INEDs have any financial, business, family, or other material/relevant relationships with the Manager or IGB REIT or major UHs or KSM. The NC considered each NED to be independent throughout FY23. Every NC member had abstained from assessing his own independence.
	Board decision: The Board considers it has an appropriate balance of independence on the Board and all INEDs continued to demonstrate strong independence in judgement and were free from any business or other relationships which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.
	Governance policies and practices Every year, NC reviews and reassesses the adequacy of the Manager's CG framework and practices and makes recommendations for improvements, where applicable to IGB REIT's governance environment. The assessment was undertaken in January 2024 and NC was satisfied that the Board has been committed to ensuring good governance standards and compliance practices, and has continuously strived to refine the Manager's policies and practices to ensure at a minimum that IGB REIT meets the expectations of UHs and evolve in line with best practice in CG and the Manager's internal processes and practices. During FY23, key governance enhancements implemented by the Manager include the reconstitution of Board composition with 50% INEDs; a female CEO with women representing 38% of the Board, and over 67% female representation in KSM; the establishment of COI Policy so that any such conflict may be assessed and appropriately addressed; and the commitment and focus of the Board and KSM in meeting ESG and sustainability goals of IGB REIT by means of mapping and prioritising material ESG topics towards achieving the sustainable development goals.
	Board decision: The Board remains of the view that the Manager is fully dedicated to upholding good governance principles, business integrity and professionalism in IGB REIT's activities.

RC Report

Primary Role	Oversights of the Manager's RPP and within the terms of the policy, determines the level of remuneration of Directors and KSM (including terms of employment).
Activity Highlights	Remuneration of NEDs Based on the comparative data of peer group, the fee level and meeting allowance of NEDs were within the benchmark of market median rates, and as such NED fee (FY23) and meeting allowance (2024) remained status quo, except for the addition of annual health screening, on top of the existing insurances i.e., health and medical and directors' and officers' liability and travel personal accident.
	Remuneration of CEO and KSM The quantum for the annual increment and bonus were determined with due consideration to the market practice, benchmarking against peer companies of a similar size and complexity, assigned responsibilities and individual work performance, as well as taking due cognisance of an excellent performance of IGB REIT in FY23, a testament to the commendable job that the Manager and its team have done.
	Board decision: The Manager's remuneration structures are aligned to its culture and value, which includes a core principle to offer a competitive, fair and well-balanced remuneration package, enabling the Manager to recruit and retain talented people on board, which support IGB REIT's overall business strategy and long-term interests – including its growth, sustainability and profitability – and that contribute to long-term growth in UH value.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Activity Highlights	Service contracts of CEO and KSM With a view to maintaining a skilled, well-balanced, and experienced KSM which is of fundamental importance to the long-term success of IGB REIT's business, as well as taken cognisance of the individual performance, their employment had been extended with all contract extension remained on materially the same terms, which the Board had approved.
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Retail-RMSC Report

Primary Role	Oversight of IGB REIT's strategic activities, policies, and practices for sustainability and management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
Activity Highlights	<p>The following matters were discussed, deliberated upon, and dealt with at Retail-RMSC quarterly meetings:</p> <ul style="list-style-type: none"> ▪ Key performance indicators of the retail mall businesses. ▪ Financial and non-financial business risks and risk mitigation action plans. ▪ Sustainability objectives, strategies, and targets, and effectiveness of sustainability policies and programs. ▪ Benchmarking of ESG-focused practices, risk oversight and disclosure as compared against peer practices, regulatory requirements, and institutional investor guidelines.

Board and BC Meeting Attendance

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

Attendance of Meetings	Board	AC	NC	RC	Retail-RMSC	AGM
Total meetings in 2023	4	4	4	1	4	
Chairman and NEDs						
DSRT ^(a)	4	-	-	-	-	✓
TSL ^(b)	4	2	1	-	-	✓
HHD	4	4	4	1	-	✓
LCC ^(c)	4	4	4	1	-	✓
AKP ^(d)	4	2	4	1	-	✓
DRL ^(e)	-	-	-	1	-	-
RYCS ^(f)	-	-	-	1	-	-
TBL ^(g)	4	-	4*	1*	-	✓
Tan Lei Cheng ("TLC")	4	-	4	1	-	✓
EDs						
Tan Mei Sian ("TMS")	4	-	-	-	3	✓
ETHN ^(h)	4	-	-	-	4	✓

(a) Appointed as Board Chairman on 1 January 2024, succeeding TSL as the Board Chairman.

(b) Ceased to be members of AC, NC and RC on 10 July 2023, and retired from the Board on 31 December 2023

(c) Ceased to be members of AC, NC and RC on 1 November 2023, and retired from the Board on 31 December 2023

(d) Appointed as a member of AC and chairman of RC on 10 July 2023, succeeding TSL in this role.

(e) Appointed as INED, members of AC and RC, and chairman of NC on 1 November 2023 but did not attend any Board/BC meetings save for RC in the year as none were held after the date he was appointed.

(f) Appointed as INED and members of AC, NC and RC on 1 November 2023 but did not attend any Board/BC meetings save for RC in the year as none were held after the date he was appointed.

(g) Resigned as NINED on 31 December 2023

(h) Appointed as CEO on 2 January 2024

* By invitation

Directors and KSM Remuneration

The Manager also manages IGB Commercial REIT ("IGBCR") which is listed on the Main Market of Bursa. IGB REIT and IGBCR (collectively, the "REITs") have different investment policies. The REITs, constituted as trusts, have no personnel of their own. Remuneration of Directors and KSM is paid by the Manager, and not by the REITs.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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

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

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

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

Directors	Remuneration ^{(a)(b)} RM	Fee ^(a) RM	Meeting Allowance ^(c) RM	Benefits-in-kind ("BIK") ^{(a)(d)} RM	Total RM
Chairman and NEDs					
DSRT	1,571,997	130,000	10,000	-	1,711,997
TSL	-	182,000	20,000	480	202,480
HHD	-	143,000	35,500	480	178,980
LCC	-	130,000	30,500	480	160,980
AKP	-	130,000	28,000	480	158,480
DRL	-	21,667 ^(d)	2,500	40	24,207
RYCS	-	21,667 ^(d)	2,500	40	24,207
TBL	-	130,000	10,000	-	140,000
TLC	-	130,000	22,500	4,740	157,240
EDs					
TMS	471,451	-	-	1,185	472,636
ETHN	539,149	-	-	-	539,149
TOTAL	2,582,597	1,018,334	161,500	7,925	3,770,356

(a) Managing 2 funds i.e., IGB REIT and IGBCR, subject to the approval of IGBC.

(b) Base salary and annual bonus

(c) Number of Board/BC meetings in respect of IGB REIT attended by Directors

(d) Car park season pass card

(e) Pro-rated based on part of the year during which they served on the Board.

The NC and the Board are of the opinion that, given the confidentiality and sensitivity of staff remuneration matters, the competition for talent in the REIT management industry and the importance of ensuring stability and continuity of business and operations of the REITs with a competent and experienced KSM, it is in the best interests of the Manager not to disclose the remuneration of its top 5 officers (who are not Directors) on a named basis, but in bands of RM50,000, and such disclosure is sufficient for providing transparency to 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 FY23 are as follows:

Remuneration Band	Number of Officer	Remuneration ^(a)	BIK ^(a)	Total
Between RM250,000 – RM300,000	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 RM1,000,000 – RM1,050,000	1	95.35%	4.65%	100.00%
Between RM1,050,000 – RM1,150,000	1	99.09%	0.91%	100.00%

(a) Base salary, annual bonus and fixed allowance are to manage 2 funds i.e., IGB REIT and IGBCR.

Acting Ethically and Responsibly

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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

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

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

The Board is guided by the Code in discharging its oversight role effectively. The Code requires all Directors to observe high ethical business conduct, honesty, and integrity and to apply these values to all aspects of the business and professional practice of the Manager and act in good faith in the best interests of the Manager, IGB REIT and UHs.

KSM is required to abide by the IGB Group Employee Code of Conduct, which sets out the behaviour and conduct expected of all employees in accordance with the guiding principles.

FAP Guidelines

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

In relation to the policy, Directors and KSM are required to provide FAP declaration twice a year i.e., before filing the Anniversary Reporting for Authorisation of Activity to the Securities Commission and issuance of IGB REIT's AR. The FAP assessment were undertaken in January 2024 in accordance with the process.

Guidelines for dealings in units of IGB REIT ("Units")

The Manager's internal procedures on dealings in securities reinforce the requirements of CMSA in relation to the prohibition against insider trading. Directors and KSM 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 KSM will be notified of the closed trading period by an internal memorandum, which sets out the prohibition on dealing in Units in the period commencing one month before the quarterly financial 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 change in interest. Directors are required to update disclosure of interests in Units quarterly. All dealings in Units by Directors and/or KSM will be announced via the regulatory information service ("BursaLINK").

The interests in Units of Directors are shown in the Unitholding Statistics section.

Anti-Bribery & Corruption ("ABC") Policy

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

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

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

Whistleblowing Policies and Procedures ("WPP")

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

There was 1 complaint received via the whistleblowing channel which has been attended to and resolved in FY23.

Guidelines for RPT and RRPT

The Manager has established controls and reporting measures for RPT and RRPT to ensure all transactions involving, among others, 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. KSM has been kept informed of the disclosure procedures for RPT/RRPT, who would ensure that transactions with related parties ("RPs") would be entered into after taking into account the pricing and contract rates, terms and conditions, level of service and expertise required, and the quality of products and services provided, when compared to prevailing market prices and rates, industry norms and standards, as well as general practices, adopted by service providers of similar capacities and capabilities generally available in the open market.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

All RPT / RRPT entered into by IGB REIT with RPs are maintained in records by the Manager and reviewed by the 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 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.

At the 2023 AGM, a general mandate under paragraph 10.09(2) of the MMLR for IGB REIT to enter into RRPT with RPs had been obtained from UHs. Based on the actual amount transacted from the date of 2023 AGM up to the date of this CGOS, the actual value of RRPT has not exceeded the estimated value by 10% under the mandate.

On 30 January 2024, IGB REIT announced its intention to seek UHs' approval for the renewal of existing RRPT at its 2024 AGM. The RRPT that have been entered into and will be entered into by IGB REIT with the RPs are necessary for its business and are intended to meet the ordinary and usual course of business needs at the best possible terms. Directors who have interests in the RRPT Mandate have abstained from board deliberations and voting and would ensure that they and any person connected with them would also abstain from voting on the RRPT Mandate at the 2024 AGM. The details of the RRPT Mandate are set out in the Circular-RRPT Mandate.

The AC has reviewed the Circular-RRPT Mandate in January 2024, and having considered, among others, the nature of RRPT to be made, are intended to meet the ordinary and usual course of business needs of 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 are in place for monitoring, tracking and identifying RRPT in a timely and orderly manner.

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

Transacting Parties	RRPT nature	Estimated value RM'000	Actual value FY23 RM'000	Interested RPs
IGB Group ^(a)	Retail leases, car parks & related services	15,000	6,491	IGBRM ^(c)
	Receipt of intellectual property	10	6	IGBC ^(c)
	Provision of chilled water & liquefied petroleum gas	15,000	5,477	IGB ^(c)
	Receipt of upgrading, repair & maintenance works	3,000	2,451	DSRT ^(d)
	Receipt of information system services & products	1,500	439	ETHN ^(e)
	Receipt of tenant sales verification audit & special review	200	168	TMS ^(f)
	Manager fee	42,000	38,853	TLC ^(g)
				TBL ^(h)
IGBCR ^(b)	Commercial leases, car parks & related services	20	9	Pauline Tan Suat Ming ("PTSM") ⁽ⁱ⁾
				Tony Tan Choon Keat ("TTCK") ^(j)
	Provision of chilled water	10,000	7,346	Tan Chin Nam Sdn Bhd ("TCN") ^(k)
				Tan Kim Yeow Sdn Bhd ("TKY") ^(l)
				Wah Seong (M) Trading Co. Sdn Bhd ("WST") ^(m)
				Gabrielle Tan Hui Chween ("GTHC") ⁽ⁿ⁾

- (a) 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.
- (b) IGBCR is a REIT with principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate used primarily for retail purposes in Malaysia and overseas.
- (c) IGBRM is a wholly-owned subsidiary of IGBC, which in turn is wholly-owned by IGB, a substantial UH of IGB REIT.
- (d) DSRT is Chairman and NINED of IGBRM and Wasco; NINED of IGB; a director of certain subsidiaries within IGB Group; a major shareholder ("SH") of IGB; a major UH of IGB REIT and IGBCR; a director and/or a substantial SH of TKY Group and WST Group; a brother to PTSM and TTCK, and the father of ETHN and GTHC.
- (e) ETHN is ED and CEO 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 and alternate to TLC on the board of IGB; and a director of certain subsidiaries within IGB Group.
- (g) TLC is NINED of IGBRM; Chairman and NINED of IGB; a director of TCN Group and WST; and a sister of TBL.
- (h) TBL is Group CEO and ED of IGB; a director of certain subsidiaries within IGB Group, TCN Group and WST Group; and a brother of TLC.
- (i) PTSM is a director of TKY; a major UH of IGB REIT and IGBCR; a major SH of IGB and Wasco; a substantial SH of TKY Group and WST Group; and a sister of DSRT and TTCK.
- (j) TTCK is a director of TKY Group; a major UH of IGB REIT and IGBCR; a major SH of IGB and Wasco; a substantial SH of TKY Group and WST Group; and a brother of DSRT and PTSM.
- (k) TCN is a major UH of GB REIT and IGBCR; a major SH of IGB and Wasco; a substantial SH of WST; and a person connected to TLC, TBL and TMS.
- (l) TKY is a major UH of IGB REIT and IGBCR; a major SH of IGB and Wasco; a substantial SH of WST; and a person connected to DSRT, PTSM, TTCK, ETHN and GTHC.
- (m) WST is a major UH of IGB REIT and IGBCR; a major SH of IGB and Wasco; and a person connected to DSRT, PTSM, TTCK, TCN and TKY.
- (n) GTHC is a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of ETHN.

Principle B: Effective Audit and Risk Management

AC

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

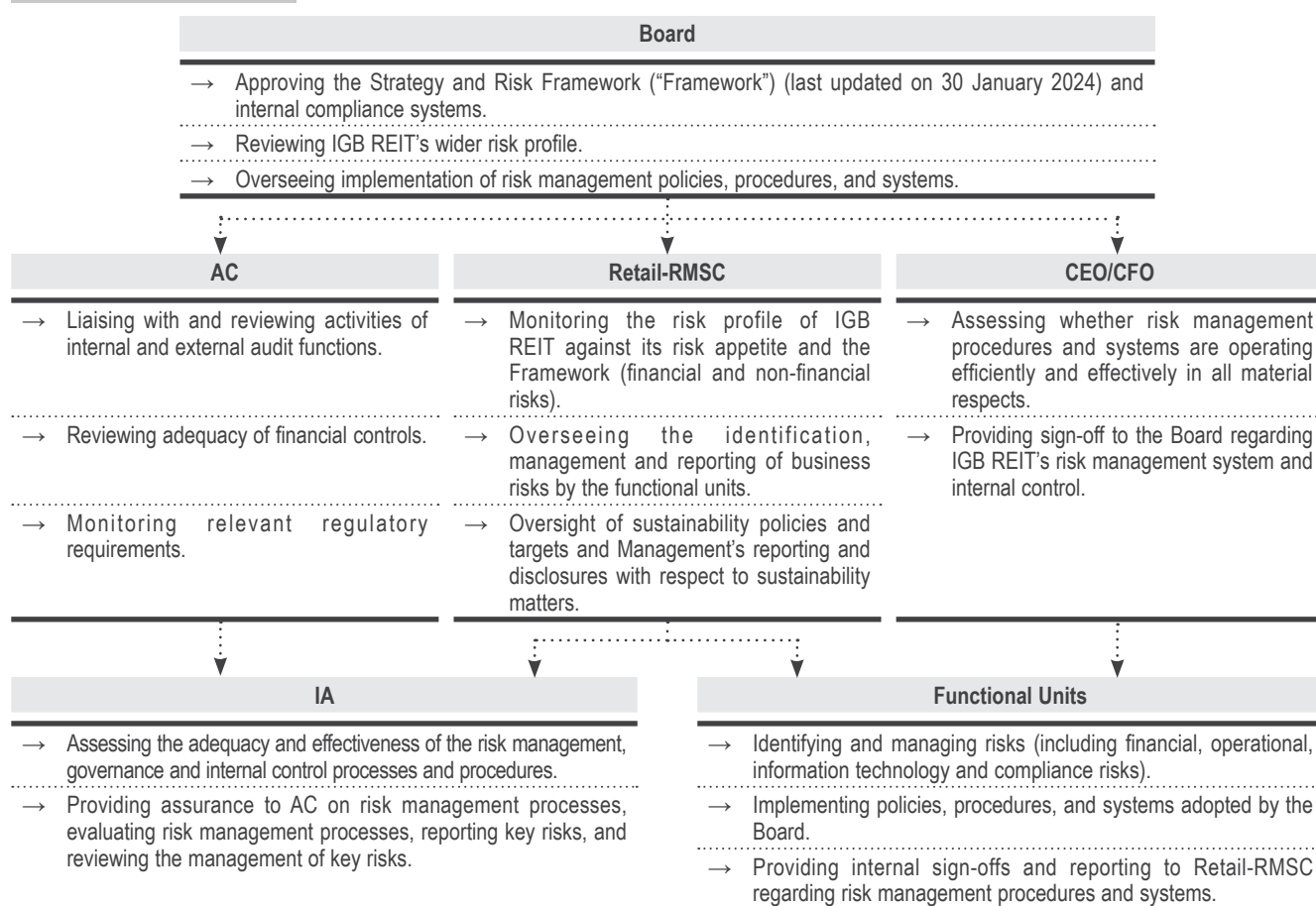
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Meetings shall be held at least once a quarter or at a frequency to be decided by AC. Typically, the CEO, CFO, HOC/CS and Head of GIA, as well as EA are invited to attend meetings of AC. When required, other key executives are invited to attend to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

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

The details of the matters discussed, deliberated and/or approved at AC meetings are shown in the [AC Report](#) section.

Risk Management and Internal Control



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

IA function

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

As described above, the IA function is outsourced and undertaken by IGB's GIAD, 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 KSM and AC based on a systematic review and evaluation of the risk management, internal control and governance processes of the Manager and IGB REIT. The 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.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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

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

The IA function also provides advisory services to Retail-RMSC in the areas of risk management, sustainability, and business continuity.

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 is also a member of IGB's WBC and ABC Committee.

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

In accordance with the Standards, an external quality assessment review ("QAR") of GIAD is conducted at least once every 5 years by a qualified, independent reviewer. A QAR of GIAD was performed by Crowe Governance Sdn Bhd in October 2020. The review had concluded that GIAD was in conformance with the Standards. The next review would be due in year 2025. The 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 Manager and IGB REIT have paid RM211,500 for IA services in FY23.

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

Principle C: Integrity Corporate Reporting and Meaningful Relationship with Stakeholders

Engagement with Stakeholders

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

Timely, Transparent Disclosures	Proactive Investor Outreach	Proactive 2-way Communication with UHs
<p>The Manager is committed to keeping UHs and investment community well-informed of IGB REIT's financial and operating performance.</p> <p>IGB REIT's market disclosure protocol ensure that IGB REIT discloses all market sensitive information to Bursa in a timely manner, in accordance with the MMLR and all UHs have timely and equal access to material information affecting IGB REIT, including its financial position and operating performance, and governance.</p> <p>Material information affecting IGB REIT are made public in a timely and transparent manner, via BursaLINK and concurrently at IGB REIT's website at www.igbreit.com, which include among others, quarterly results overview that sets out in relation to IGB REIT, an overview of its financial position, distribution statement, debt profile and information on its portfolio, comprising details of major tenants, tenancy expiry profile, occupancy rates, average monthly rent, new tenants and asset enhancement initiatives.</p> <p>The above, including robust and continuous communication with the investment community provide investors and members of the public with ease of accessibility to IGB REIT's latest material information and updates.</p>	<p>The Manager values investors as major stakeholders of IGB REIT and views investor engagement as an essential avenue to strengthen relationships and promote greater understanding of IGB REIT's financial and operating performance, and future growth strategies.</p> <p>The Manager has a dedicated communication channel at investorrelations@igbreit.com to enable UHs and to a lesser extent, institutional investors to direct queries and obtain responses to their queries. In addition, the Manager conducts quarterly results briefings with institutional investors and allows research analysts a platform for question that they may have on IGB REIT's financial and operating performance. The Manager ensures all institutional investors have equal access to information regarding IGB REIT.</p> <p>In FY23, the Manager continued its investor outreach by way of frequent physical and virtual meetings, one-on-one and group sessions as well as quarterly results briefings for institutional investors.</p>	<p>UHs have the option to receive communications from and send communications to IGB REIT and its unit registry electronically.</p> <p>IGB REIT also engages with UHs via yearly AGM. The Manager has successfully organised a virtual 2023 AGM. The AGM notice to UHs was published on 28 February 2023, more than 28 days in advance of the AGM, to give UHs more time to register and send questions. Registered UHs were able to observe the AGM proceedings through a live audio-visual webcast. The AGM minutes, including matters approved by UHs, voting results and substantial and relevant comments and queries from UHs relating to the agenda together with responses from the Board and KSM, were published on IGB REIT's website on 2 May 2023.</p> <p>IGB REIT will conduct its AGM this year as a virtual meeting. Details of how UHs will be able to join, vote and submit questions in advance of the 2024 AGM can be found in the Notice of 2024 AGM as set out in this AR. Should 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.</p>

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:

1. **Governance and Culture:** Governance sets the organisation's tone, reinforcing the importance of, and establishing oversight responsibilities for ERM. Culture pertains to ethical values, desired behaviours, and understanding of risk in the entity.
2. **Strategy and Objective-Setting:** ERM, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.
3. **Performance:** Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritised by severity in the context of risk appetite. The organisation then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.
4. **Review and Revision:** By reviewing entity performance, an organisation can consider how well the ERM components are functioning over time and in light of substantial changes, and what revisions are needed.
5. **Information, Communication, and Reporting:** ERM requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organisation.

The Framework is reviewed annually by the Retail RMSC to ensure its adequacy as more robust methodologies are introduced.

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

Risk Management

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

The IGB 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 their strategic plans and mitigation actions before submitting strategy and risk reports every quarter to the Retail RMSC.

The Retail RMSC maintains the database for the IGB REIT functional units' strategies and risks and monitors 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 the Head of Strategy and Risk (HSR). 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.

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 currently being updated to improve its effectiveness for operational response and recovery.

Anti-Bribery & Corruption Policy

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

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 Group Cybersecurity Policy (CSP) and the IT Acceptable Use Policy (ITAUP) which help to define the technical controls and security configurations that users and IT administrators are required to implement, as well as provide users with policies and guidelines regarding the acceptable use of the Group's technology equipment and email.

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 and reviewed by the Retail RMSC.

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), Joint Deputy 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 the CEO and CFO 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.



FINANCIAL STATEMENTS

31 December 2023

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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 2023.

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 supplemented on 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:-

- 2.80 sen per unit (@ 2.77 sen taxable and 0.03 sen non-taxable) for the period from 1 January 2023 to 31 March 2023, which was paid on 30 May 2023;
- 2.37 sen per unit (@ 2.33 sen taxable and 0.04 sen non-taxable) for the period from 1 April 2023 to 30 June 2023, which was paid on 29 August 2023;
- 2.60 sen per unit (@ 2.55 sen taxable and 0.05 sen non-taxable) for the period from 1 July 2023 to 30 September 2023, which was paid on 20 November 2023; and
- 2.70 sen per unit (@ 2.65 sen taxable and 0.05 sen non-taxable) for the period from 1 October 2023 to 31 December 2023, which is payable on 29 February 2024.

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:-

Dato' Seri Robert Tan Chung Meng	
Halim bin Haji Din	
Tan Lei Cheng	
Elizabeth Tan Hui Ning	
Tan Mei Sian	
Ang Kim Pack	
Datuk Lee Say Tshin	(Appointed on 1.11.2023)
Raymond Yeoh Cheng Seong	(Appointed on 1.11.2023)
Tan Boon Lee	(Resigned on 31.12.2023)
Le Ching Tai @ Lee Chen Chong	(Retired on 31.12.2023)
Tan Sri Dato' Prof. Lin See Yan	(Retired on 31.12.2023)

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 2023, 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 31.12.2023
	Balance at 01.01.2023	Addition	Disposal/ Transferred/ Ceased	
Dato' Seri Robert Tan Chung Meng				
Direct	16,272,721	-	-	16,272,721
Indirect	1,936,160,542	14,731,885	-	1,950,892,427
Tan Lei Cheng				
Direct	2,005,944	-	-	2,005,944
Elizabeth Tan Hui Ning				
Direct	4,754,000	57,000	-	4,811,000

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:-

- 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
- 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:-

- 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;
- which would render the values attributed to current assets in the financial statements of the Group and of the Fund misleading; or
- 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:-

- 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
- 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.

In the opinion of the Manager:-

- 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
- 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.

MANAGER'S REPORT

(continued)

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 2024.

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 2023 and of their financial performance and cash flows for the financial year ended 31 December 2023.

Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager dated 23 February 2024.

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 management of the Group and of the Fund, do solemnly and sincerely declare that the financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHAI LAI SIM

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 23 February 2024.

Before me:

COMMISSIONER FOR OATHS

TRUSTEE'S REPORT

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

We have acted as Trustee of IGB Real Estate Investment Trust ("IGB REIT") for the financial year ended 31 December 2023. 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 2023 are in line with and are reflective of the investment objectives of IGB REIT. Income distributions have been declared for the financial year ended 31 December 2023 as follows:-

- 2.80 sen per unit (@ 2.77 sen taxable and 0.03 sen non-taxable) for the period from 1 January 2023 to 31 March 2023, which was paid on 30 May 2023;
- 2.37 sen per unit (@ 2.33 sen taxable and 0.04 sen non-taxable) for the period from 1 April 2023 to 30 June 2023, which was paid on 29 August 2023;
- 2.60 sen per unit (@ 2.55 sen taxable and 0.05 sen non-taxable) for the period from 1 July 2023 to 30 September 2023, which was paid on 20 November 2023; and
- 2.70 sen per unit (@ 2.65 sen taxable and 0.05 sen non-taxable) for the period from 1 October 2023 to 31 December 2023, which is payable on 29 February 2024.

For and on behalf of the Trustee,
MTRUSTEE BERHAD

NURIZAN BINTI JALIL
CHIEF EXECUTIVE OFFICER

Selangor,
23 February 2024

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 2023, 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 2023 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, comprising material accounting policy information and other explanatory information, as set out on pages 97 to 138.

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
<p>1) Fair value of investment properties</p> <p>As at 31 December 2023, the Group's and the Fund's investment properties, carried at fair value, amounted to RM5.19 billion.</p> <p>The fair value of the Group's and the Fund's investment properties was determined by an external valuer.</p> <p>We focused on this area due to the magnitude of the balance and the complexities in determining the fair value of the investment properties, which involves significant estimates and judgements.</p>	<p>We evaluated the competency, capabilities and objectivity of the external valuer by considering their professional qualifications and recent experience in the location and segment of the investment properties being valued.</p> <p>We met with external valuer to discuss the methodology and assumptions used in the valuation.</p> <p>We performed testing on the rental rates, rental periods and net lettable area used in the valuation, on a sample basis to the underlying lease agreements.</p> <p>We assessed the reasonableness of capitalisation rates, outgoing expenses and allowance of void used by the external valuer, with references to comparable real estate investment trusts, and car park income, percentage rent and other income to historical trends. We discussed with the external valuer to understand the factors they have considered in adjusting the inputs, including consideration of current market conditions and long term perspective. We discussed with and challenged the external valuer on certain inputs and estimates with the involvement of auditors' experts.</p>

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	How our audit addressed the key audit matters
1) Fair value of investment properties (continued) <i>Refer to Note 3(b) (Material Accounting Policy Information - Investment Properties), Note 4 (Critical Accounting Estimates and Judgements) and Note 6 (Investment Properties).</i>	We assessed the sensitivity analysis prepared by management on the capitalisation rates on term and reversionary periods and the outgoing expenses, where applicable. We assessed the adequacy of the disclosure in the Group's and the Fund's 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 2023 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 Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, 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 cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the 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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Manager.

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)

- (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 2024

TAN CHIN YEE
03380/06/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		Group		Fund	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Plant and equipment	5	2,073	1,690	2,073	1,690
Investment properties	6	5,186,000	5,020,000	5,186,000	5,020,000
Investment in subsidiary	7	-	-	- *	- *
Trade and other receivables	8	-	-	31,326	30,341
Total non-current assets		5,188,073	5,021,690	5,219,399	5,052,031
Current assets					
Trade and other receivables	8	42,847	37,440	42,598	37,300
Cash and bank balances	9	274,026	258,382	242,950	228,181
Total current assets		316,873	295,822	285,548	265,481
Total assets		5,504,946	5,317,512	5,504,947	5,317,512
Financed by					
Unitholders' fund					
Unitholders' capital	10	4,550,473	4,525,538	4,550,473	4,525,538
Accumulated losses		(513,899)	(654,756)	(513,899)	(654,756)
Total unitholders' fund		4,036,574	3,870,782	4,036,574	3,870,782
Non-current liabilities					
Borrowings	11	1,199,423	1,199,269	-	-
Trade and other payables	12	-	-	1,199,423	1,199,269
Total non-current liabilities		1,199,423	1,199,269	1,199,423	1,199,269
Current liabilities					
Borrowings	11	15,204	15,204	-	-
Trade and other payables	12	253,745	232,257	268,950	247,461
Total current liabilities		268,949	247,461	268,950	247,461
Total liabilities		1,468,372	1,446,730	1,468,373	1,446,730
Total unitholders' fund and liabilities		5,504,946	5,317,512	5,504,947	5,317,512
Net asset value ("NAV")					
- before income distribution		4,413,346	4,224,308	4,413,346	4,224,308
- after income distribution		4,036,574	3,870,782	4,036,574	3,870,782
Number of units in circulation ('000 units)	10	3,601,639	3,586,907	3,601,639	3,586,907
NAV per unit (RM)					
- before income distribution		1.2254	1.1777	1.2254	1.1777
- after income distribution		1.1208	1.0791	1.1208	1.0791

* Denotes RM2 share capital in IGB REIT Capital Sdn Bhd

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2023

		Group and Fund	
		2023	2022
	Note	RM'000	RM'000
Lease revenue		446,041	415,902
Revenue from contracts with customers		158,267	140,507
Total revenue	13	604,308	556,409
Utilities expenses		(55,744)	(43,444)
Maintenance expenses		(26,284)	(25,004)
Quit rent and assessment		(15,367)	(14,937)
Reimbursement costs	14	(48,220)	(40,619)
Upgrading costs		(10,811)	(12,156)
Property operating expenses		(156,426)	(136,160)
Net property income		447,882	420,249
Net fair value changes on investment properties		158,565	60,000
Interest income		5,459	7,585
Net investment income		611,906	487,834
Manager's management fees	15	(38,853)	(37,162)
Trustees' fees		(320)	(320)
Valuation fees		(120)	(80)
Other trust expenses		(950)	(770)
Finance costs	16	(54,034)	(53,338)
Profit before taxation		517,629	396,164
Taxation	17	-	-
Profit after taxation		517,629	396,164
Other comprehensive income, net of tax		-	-
Total comprehensive income attributable to unitholders		517,629	396,164
Profit after taxation/Total comprehensive income is made up as follows:-			
Realised		359,064	336,164
Unrealised		158,565	60,000
		517,629	396,164
Basic earnings per unit (sen)	18	14.40	11.05
Diluted earnings per unit (sen)	18	14.38	11.05
Total comprehensive income		517,629	396,164
Distribution adjustments	19	(131,865)	(34,219)
Distributable income		385,764	361,945
Distribution per unit (sen)	19	10.47	9.86

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE

For the Financial Year Ended 31 December 2023

	Note	Unitholders' capital RM'000	Accumulated losses* RM'000	Total unitholders' funds RM'000
Group and Fund				
As at 1 January 2023		4,525,538	(654,756)	3,870,782
Profit after tax / Total comprehensive income for the financial year attributable to unitholders		-	517,629	517,629
Distribution to unitholders	19	-	(376,772)	(376,772)
Net total comprehensive income for the financial year attributable to unitholders		-	140,857	140,857
Unitholders' transactions				
Issue of new Units				
- Manager's management fees paid in Units	10	24,935	-	24,935
Increase in net assets resulting from unitholders' transactions		24,935	-	24,935
As at 31 December 2023		4,550,473	(513,899)	4,036,574
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 income 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

* 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.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023

	Note	Group		Fund	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before taxation		517,629	396,164	517,629	396,164
<i>Adjustments for:-</i>					
Changes in fair value on investment properties		(158,565)	(60,000)	(158,565)	(60,000)
Manager's management fee payable in Units		25,254	24,155	25,254	24,155
Amortisation of fit-out incentives		250	219	250	219
Finance costs		54,034	53,338	54,034	53,338
Interest income		(5,459)	(7,585)	(5,459)	(7,585)
Movement of loss allowance of trade receivables		(9,664)	(6,955)	(9,664)	(6,955)
Depreciation of plant and equipment		1,042	1,173	1,042	1,173
Plant and equipment written-off		9	53	9	53
Operating income before changes in working capital		424,530	400,562	424,530	400,562
Net change in trade and other receivables		4,114	17,034	4,224	17,109
Net change in trade and other payables		12,273	7,093	12,274	7,092
Net cash generated from operating activities		440,917	424,689	441,028	424,763
Cash flows from investing activities					
Purchase of plant and equipment		(1,434)	(316)	(1,434)	(316)
Payment of subsequent capital expenditure		(7,435)	-	(7,435)	-
Interest received		5,352	7,322	4,366	6,695
Movement in pledged deposit		-	29,615	-	-
Movement of fixed deposits with maturity period of more than 3 months		(31,000)	-	-	-
Net cash (used in) / generated from investing activities		(34,517)	36,621	(4,503)	6,379
Cash flows from financing activities					
Interest paid		(53,880)	(52,800)	(53,880)	(52,800)
Distribution paid to unitholders		(367,876)	(342,739)	(367,876)	(342,739)
Payment of financing expenses		-	(770)	-	(770)
Net cash used in financing activities		(421,756)	(396,309)	(421,756)	(396,309)
Net (decrease) / increase in cash and cash equivalents		(15,356)	65,001	14,769	34,833
Cash and cash equivalents at beginning of the financial year		258,382	193,381	228,181	193,348
Cash and cash equivalents at end of the financial year	9	243,026	258,382	242,950	228,181

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

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 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 supplemented on 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 ("MVM") and The Gardens Mall ("TGM")
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 2023 were authorised for issue in accordance with a resolution by the Directors of the Manager on 23 February 2024.

(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 Manager in its sole discretion:-

- i) 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).
- ii) a performance fee ("Performance Fee") of 5.0% per annum of net property income in the relevant financial year.
- iii) an acquisition fee ("Acquisition Fee") of 1.0% of the transaction value (being total purchase consideration) of any real estate and real estate-related 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

1 GENERAL (continued)

(B) Fee Structure (continued)

(b) Manager's management fees (continued)

- iii) 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).

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 ("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 pro-rated, 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 estate-related 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:-

$$\text{New Units to be issued as payment of the Manager's management fee} = \frac{\text{Manager's management fee payable in Units}}{\text{Market Price}}$$

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.

During the financial year, the Manager received a base fee of 0.3% per annum of the total asset value of IGB REIT (excluding cash and bank balances which are held in non-interest bearing accounts) and a performance fee of 5.0% per annum of net property income.

Manager's management fees are recognised in 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

1 GENERAL (continued)

(B) Fee Structure (continued)

(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 the Trustee.

(C) Other information

(a) Net asset value

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

(b) 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, 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.

(c) Realised and unrealised profit or loss analysis in 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.

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 material accounting policy information.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors 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.

(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 2023:-

- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'
- Amendments to MFRS 108 'Definition of Accounting Estimates'
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
- Amendments to MFRS 112 'International Tax Reform—Pillar Two Model Rules'

The adoption of new 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

2 BASIS OF PREPARATION (continued)

(c) 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 2023 and are applicable to the Group and the Fund are as follows:-

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024)
- Amendments to MFRS 101 'Presentation of Financial Statements' which are 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants' (effective 1 January 2024)

The adoption of the above amendments will not have a material impact on the financial statements of the Group and of the Fund in the current period or any prior period. 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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.

(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 acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Consolidation (continued)

(ii) Subsidiary (continued)

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.

(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. The fair value of the investment 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 such 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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%

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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Financial assets (continued)

(iv) Subsequent measurement – gain or loss (continued)

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 mainly due to the nature of the principal activity of the Fund.

(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.

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; and/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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Financial assets (continued)

(v) Subsequent measurement – impairment (continued)

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 unlikelihood 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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 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.

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.

(l) Revenue/income recognition

Lease revenue

Rental income and rent from promotion and marketing activities are recognised in accordance with the accounting policy set out in Note 3(n)(b).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Revenue/income recognition (continued)

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:-

(i) Service charge

Service charge, a non-lease component included in the tenancy agreement, is recognised upon services rendered over the lease term. Revenue is measured at the transaction price contractually agreed in the tenancy agreement. The accounting policy on separating lease and non-lease components is set out in Note 3(n)(b).

(ii) Car park income

Car park income is recognised upon collection for daily parking and over time when services are rendered for season parking measured at the transaction price.

(iii) Utilities recoveries

Recoveries from utilities are recognised upon supply, distribution and billing of utilities to the customers and the customers receive and/or consume the utilities based on the contractually agreed billing rate.

(iv) Promotion partnership income

Promotion partnership income is recognised upon collection of income.

(v) Other income

Other income is recognised upon services rendered.

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).

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Income tax (continued)

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.

(n) 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.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase and extension options if it is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(n) Leases (continued)

(a) Accounting by lessee (continued)

Lease liabilities (continued)

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 low-value 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.

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 lease term.

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.

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 capitalised as deferred lease incentive and is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Rent from promotion and marketing activities are recognised over the term of the lease on a straight-line basis.

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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(n) Leases (continued)

(b) Accounting by lessor (continued)

Operating leases (continued)

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 terms and conditions contractually agreed in the tenancy agreement. If the services rendered by the Group and the Fund exceed the payments, a contract asset is recognised for non-lease components. If the payments exceed the services rendered, a contract liability is recognised.

(o) 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.

(p) Earnings per unit

Basic earnings per Unit ("EPU") is calculated by dividing the profit after taxation or total comprehensive income attributable to unitholders by the weighted average number of Units outstanding during the financial year.

Diluted earnings per Unit ("EPU") is determined by adjusting the profit after taxation or total comprehensive income attributable to unitholders against the weighted average number of Units outstanding adjusted for the effects of all dilutive potential units.

(q) 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.

4 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 valuations of investment properties were carried out by an external valuer. There are complexities in determining the fair value of the investment properties which involves significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied.

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, outgoing capitalisation rate and allowance for void. The valuations are compared with actual market yield data 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

<u>Group and Fund</u>	<u>Motor vehicles RM'000</u>	<u>Furniture and fittings RM'000</u>	<u>Equipment RM'000</u>	<u>Information technology equipment RM'000</u>	<u>Plant and machinery RM'000</u>	<u>Total RM'000</u>
Cost						
As at 1 January 2023	712	2,723	15,684	2,699	20	21,838
Additions	508	41	458	267	160	1,434
Write-offs	-	(36)	(89)	(133)	-	(258)
As at 31 December 2023	1,220	2,728	16,053	2,833	180	23,014
Accumulated depreciation						
As at 1 January 2023	702	2,470	14,443	2,513	20	20,148
Depreciation charge for the financial year	101	64	695	175	7	1,042
Write-offs	-	(33)	(83)	(133)	-	(249)
As at 31 December 2023	803	2,501	15,055	2,555	27	20,941
Carrying amounts						
As at 31 December 2023	417	227	998	278	153	2,073
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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

6 INVESTMENT PROPERTIES

	Group and Fund	
	2023	2022
	RM'000	RM'000
As at 1 January	5,020,000	4,960,000
Addition from subsequent capital expenditure	7,435	-
Net fair value changes	158,565	60,000
As at 31 December	5,186,000	5,020,000

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.

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

Investment properties as at 31 December 2023 and 31 December 2022 are stated at fair value based on valuations performed by independent registered valuers, One Asia Property Consultants (KL) Sdn Bhd ("One Asia") and Henry Butcher Malaysia Sdn Bhd ("Henry Butcher") respectively. The independent registered valuers hold a recognised and relevant professional qualification and have relevant experience in the locations and segments of the investment properties being valued. These valuations were approved by the Board of Directors of the Manager.

Based on the valuation reports dated 8 January 2024 issued by One Asia, the fair values of MVM and TGM as at 31 December 2023 amounted to RM3.790 billion (2022: RM3.700 billion) and RM1.396 billion (2022: RM1.320 billion) respectively.

Fair value is determined based on income approach method using Level 3 inputs 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 quit 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 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;
Capitalisation rate	- based on actual location, size and condition of the investment properties and taking into account market data at the valuation date based on the valuers' knowledge of the factors specific to 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)

6 INVESTMENT PROPERTIES (continued)

The fair value measurements using Level 3 inputs as at 31 December 2023 were as follows:-

Group and Fund

Valuation technique	Fair value RM'000	Parameters					Sensitivity analysis on fair value measurements*1			
		Capitalisation rates								
		Term period %	Reversionary period %	Percentage rent %	Car park income %	Other income %	Outgoings RM psf	Allowance for void %	Impact of lower capitalisation rate RM'000	Impact of higher capitalisation rate RM'000
MVM Income approach	3,790,000	5.85-6.85	6.35-7.35	10.00	7.50	7.50	4.10	5.00	112,600	(91,100)
TGM Income approach	1,396,000	5.85-6.85	6.35-7.35	10.00	7.50	7.50	5.00	5.00	36,000	(23,600)
	5,186,000								148,600	(114,700)
									72,500	(57,600)
									34,300	(23,800)
									106,800	(81,400)

Notes:-

*1 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.

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

Group and Fund

Valuation technique	Fair value RM'000	Parameters					Sensitivity analysis on fair value measurements*1			
		Capitalisation rates								
		Term period %	Reversionary period %	Percentage rent %	Car park income %	Other income %	Outgoings RM psf	Allowance for void %	Impact of lower capitalisation rate RM'000	Impact of higher capitalisation rate RM'000
MVM Income approach	3,700,000	5.85-6.85	6.35-7.35	9.25	7.50	7.50	3.80	5.00	(94,900)	(18,500)
TGM Income approach	1,320,000	5.85-6.85	6.35-7.35	9.25	7.50	7.50	4.50	5.00	(27,700)	(3,900)
	5,020,000								139,100	(122,600)
									66,800	(63,900)
									32,200	(27,000)
									99,000	(90,900)

Notes:-

*1 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

6 INVESTMENT PROPERTIES (continued)

The investment properties are as follows:-

Group and Fund

	Date of acquisition	Date of valuation	Location	Tenure	Occupancy rates as at 31.12.2023	Fair value as at 31.12.2023	Fair value at acquisition	Percentage of fair value to NAV ^{*3} as at 31.12.2023
					%	RM'000	RM'000	%
MVM	20.09.2012	31.12.2023	Kuala Lumpur	Leasehold ^{*1}	99	3,790,000	3,440,000	93.9
TGM	20.09.2012	31.12.2023	Kuala Lumpur	Leasehold ^{*2}	95	1,396,000	1,160,000	34.6
						5,186,000	4,600,000	

	Date of acquisition	Date of valuation	Location	Tenure	Occupancy rates as at 31.12.2022	Fair value as at 31.12.2022	Fair value at acquisition	Percentage of fair value to NAV ^{*3} as at 31.12.2022
					%	RM'000	RM'000	%
MVM	20.09.2012	31.12.2022	Kuala Lumpur	Leasehold ^{*1}	99	3,700,000	3,440,000	95.6
TGM	20.09.2012	31.12.2022	Kuala Lumpur	Leasehold ^{*2}	97	1,320,000	1,160,000	34.1
						5,020,000	4,600,000	

Notes:-

^{*1} The expiry date of the lease has been extended from 6 June 2103 to 11 April 2104 (remaining term of lease of 81 years)(2022: 82 years).

^{*2} The lease will be expiring on 6 June 2103 (remaining term of lease of 80 years)(2022: 81 years).

^{*3} Based on consolidated NAV after income distribution.

NOTES TO THE FINANCIAL STATEMENTS

(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 RM446,041,000 (2022: RM415,902,000) (Note 13).

Direct operating expenses arising from investment properties during the financial year are RM156,426,000 (2022: RM136,160,000), 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 investment properties.

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

7 INVESTMENT IN SUBSIDIARY

	Fund	
	2023 RM'000	2022 RM'000
At cost		
Unquoted shares	..*	..*

* Denotes RM2

Name of company	Principal activity	Place of incorporation	Group's effective interest (%)	
			2023	2022
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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

8 TRADE AND OTHER RECEIVABLES

	Group		Fund	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Amount owing by subsidiary	-	-	31,326	30,341
Current				
Trade receivables	2,153	14,623	2,153	14,623
Accrued billings	17,563	13,567	17,563	13,567
Amount owing by ultimate holding company	16	18	16	18
Amounts owing by related companies	1,914	918	1,914	918
Less: Loss allowance	(1,210)	(10,874)	(1,210)	(10,874)
Trade receivables – net	20,436	18,252	20,436	18,252
Deferred lease incentives	11,532	9,136	11,532	9,136
	31,968	27,388	31,968	27,388
Other receivables	976	1,000	727	860
Deposits	8,270	7,564	8,270	7,564
	9,246	8,564	8,997	8,424
Prepayments	1,633	1,488	1,633	1,488
	10,879	10,052	10,630	9,912
Total current trade and other receivables	42,847	37,440	42,598	37,300
Total trade and other receivables	42,847	37,440	73,924	67,641

The credit terms of trade receivables were 7 days (2022: 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 4.20% (2022: 2.90%) per annum. The Fund does not expect to realise this balance within 12 months after the reporting period, therefore the amount owing by subsidiary is classified as non-current asset as at 31 December 2023.

The amounts owing by ultimate holding and related companies are trade in nature, unsecured and with credit terms of 7 days (2022: 7 days).

9 CASH AND CASH EQUIVALENTS

	Group		Fund	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash in hand	1,072	664	1,072	664
Bank balances	18,445	21,521	18,403	21,517
Deposits placed with licensed banks	254,509	236,197	223,475	206,000
Cash and bank balances	274,026	258,382	242,950	228,181
Less:-				
Deposits with maturity period of more than 3 months	(31,000)	-	-	-
Cash and cash equivalents	243,026	258,382	242,950	228,181

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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

9 CASH AND CASH EQUIVALENTS (continued)

As at 31 December 2022, included in the deposits placed with licensed banks of the Group was a pledged deposit of RM30.2 million, which was maintained in a Debt Service Reserve Account to cover a minimum of six (6) months interest for Medium Term Notes (Note 11). The amount had been presented as part of cash and cash equivalents in line with the IFRS Interpretations Committee ("IFRIC") agenda decision on demand deposits with restrictions on use arising from a contract with third party. As at 31 December 2023, the maturity period of pledged deposit was more than three (3) months, therefore the pledged deposit of RM31.0 million was being excluded from the cash and cash equivalents. The pledged deposit had an effective interest rate of 4.20% (2022: 2.90%) per annum as at reporting date.

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 3.39% per annum (2022: 2.76%) and 3.28% per annum (2022: 2.73% per annum) respectively.

Deposits placed with licensed banks of the Group and the Fund have a weighted average maturity of 57 days (2022: 38 days) and 31 days (2022: 31 days) respectively.

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

<u>Group</u>	<u>Non-current borrowings</u> RM'000	<u>Current borrowings</u> RM'000	<u>Distribution payable to unitholders</u> RM'000	<u>Total</u> RM'000
As at 1 January 2023	1,199,269	15,204	88,348	1,302,821
Cash flows:-				
Interest paid	-	(53,880)	-	(53,880)
Distribution paid to unitholders	-	-	(367,876)	(367,876)
	-	(53,880)	(367,876)	(421,756)
Non-cash changes:-				
Amortisation of transaction costs	154	-	-	154
Accrual for interest	-	53,880	-	53,880
Distribution to unitholders	-	-	376,772	376,772
	154	53,880	376,772	430,806
As at 31 December 2023	1,199,423	15,204	97,244	1,311,871
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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

9 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 RM'000	Current – amount due to subsidiary RM'000	Distribution payable to unitholders RM'000	Total RM'000
As at 1 January 2023	1,199,269	15,204	88,348	1,302,821
Cash flows:-				
Interest paid	-	(53,880)	-	(53,880)
Distribution paid to unitholders	-	-	(367,876)	(367,876)
	-	(53,880)	(367,876)	(421,756)
Non-cash changes:-				
Amortisation of transaction costs	154	-	-	154
Accrual for interest	-	53,880	-	53,880
Accrual for income distribution	-	-	376,772	376,772
	154	53,880	376,772	430,806
As at 31 December 2023	1,199,423	15,204	97,244	1,311,871
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

10 UNITHOLDERS' CAPITAL

	Group and Fund			
	2023		2022	
	Number of units '000	Value RM'000	Number of units '000	Value RM'000
Issued and fully paid up:				
As at 1 January	3,586,907	4,525,538	3,571,851	4,501,941
Issue of new Units *	14,732	24,935	15,056	23,597
As at 31 December	3,601,639	4,550,473	3,586,907	4,525,538

* 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

10 UNITHOLDERS' CAPITAL (continued)

The unitholdings of the substantial unitholders for related parties of the Manager, the Manager and the Directors of the Manager in the Fund are as follows:

	Group and Fund			
	2023		2022	
	Number of units '000	Market Value RM'000	Number of units '000	Market Value RM'000
Direct unitholding of related parties of Manager				
IGB Berhad	1,733,618	2,981,823	1,733,618	2,860,469
Dato' Seri Robert Tan Chung Meng	16,273	27,989	16,273	26,850
Tan Kim Yeow Sendirian Berhad	14,765	25,395	14,765	24,362
Tony Tan Choon Keat	1,000	1,720	1,000	1,650
Indirect unitholding of related parties of Manager				
IGB Berhad	202,185	347,757	187,453	309,297
Dato' Seri Robert Tan Chung Meng	1,950,892	3,355,535	1,936,161	3,194,665
Pauline Tan Suat Ming	1,950,892	3,355,535	1,936,161	3,194,665
Tony Tan Choon Keat	1,950,892	3,355,535	1,936,161	3,194,665
Tan Chin Nam Sendirian Berhad	1,947,124	3,349,054	1,932,392	3,188,447
Tan Kim Yeow Sendirian Berhad	1,936,128	3,330,140	1,921,396	3,170,303
Wah Seong (Malaya) Trading Co. Sdn Bhd	1,935,802	3,329,580	1,921,070	3,169,766
Direct unitholding of Manager				
IGB REIT Management Sdn Bhd	201,639	346,819	186,907	308,397
Direct unitholding of Manager's Directors				
Dato' Seri Robert Tan Chung Meng	16,273	27,989	16,273	26,850
Tan Lei Cheng	2,006	3,450	2,006	3,310
Elizabeth Tan Hui Ning	4,811	8,275	4,754	7,844
Indirect unitholding of Manager's Directors				
Dato' Seri Robert Tan Chung Meng	1,950,892	3,355,535	1,936,161	3,194,665

The market value of the units was computed based on the closing market price as at 31 December 2023 of RM1.72 (2022: RM1.65).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

11 BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Current (secured):		
Medium term notes	15,204	15,204
	15,204	15,204
Non-current (secured):		
Medium term notes	1,199,423	1,199,269
	1,199,423	1,199,269
Total	1,214,627	1,214,473

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.

On 20 September 2022, IGBRC issued the second tranche AAA-rated MTN ("Tranche 2, MTN") amounting to RM1.2 billion to fully redeem the Tranche 1, MTN. Tranche 2, MTN has a tenure of 7.5 years ("Legal Maturity") effective from 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 would constitute a trigger event that would result in the 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;
- (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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

11 BORROWINGS (continued)

The maturity profiles of the borrowings are as follows:-

	<1 year RM'000	1 to 2 years RM'000	2 to 3 years RM'000	>3 years RM'000	Total carrying amount RM'000
Group					
As at 31 December 2023					
Tranche 2, MTN	15,204	-	-	1,199,423	1,214,627
	<u>15,204</u>	<u>-</u>	<u>-</u>	<u>1,199,423</u>	<u>1,214,627</u>
As at 31 December 2022					
Tranche 2, MTN	15,204	-	-	1,199,269	1,214,473
	<u>15,204</u>	<u>-</u>	<u>-</u>	<u>1,199,269</u>	<u>1,214,473</u>

The weighted average effective interest rates as at the reporting date are as follows:-

	Group	
	2023	2022
	per annum	per annum
Tranche 2, MTN	<u>4.46%</u>	<u>4.46%</u>

12 TRADE AND OTHER PAYABLES

		Group		Fund	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Amount due to subsidiary	a	-	-	1,199,423	1,199,269
Current					
Trade payables	b	9,449	7,645	9,449	7,645
Tenants' deposits	c	100,907	94,189	100,907	94,189
		<u>110,356</u>	<u>101,834</u>	<u>110,356</u>	<u>101,834</u>
Other payables and accrued expenses		14,388	16,972	14,388	16,972
Indirect tax payable		346	361	346	361
Prepaid rental		12,838	7,279	12,838	7,279
Contract liabilities	e	4,314	4,165	4,314	4,165
Amount due to subsidiary	a	-	-	15,204	15,204
Amounts due to related companies	d	14,259	13,298	14,260	13,298
Distribution payable to unitholders		97,244	88,348	97,244	88,348
		<u>143,389</u>	<u>130,423</u>	<u>158,594</u>	<u>145,627</u>
Total current trade and other payables		<u>253,745</u>	<u>232,257</u>	<u>268,950</u>	<u>247,461</u>
Total trade and other payables		<u>253,745</u>	<u>232,257</u>	<u>1,468,373</u>	<u>1,446,730</u>

NOTES TO THE FINANCIAL STATEMENTS

(continued)

12 TRADE AND OTHER PAYABLES (continued)

- (a) The amount due to subsidiary represents advances from the issuance of Tranche 2, MTN, which are secured and carries fixed interest rate at 4.49% (2022: 4.49%) 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 (2022: 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 or termination 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 agreements.
- (d) Amounts due to related companies are unsecured, interest-free (2022: 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 as follows:-

	Group and Fund	
	2023 RM'000	2022 RM'000
As at 1 January	4,165	-
Revenue recognised that was included in the balance at the beginning of the financial year	(4,165)	-
Revenue recognised during the financial year	(83,794)	(78,315)
Less: Billings during the financial year	88,108	82,480
As at 31 December	4,314	4,165

13 TOTAL REVENUE

	Group and Fund	
	2023 RM'000	2022 RM'000
Lease revenue	446,041	415,902
<u>Revenue from contracts with customers</u>		
- Service charge	77,982	70,801
- Car park income	45,598	41,612
- Utilities recoveries	27,423	20,914
- Promotion partnership income and others	7,264	7,180
	158,267	140,507
Total revenue	604,308	556,409
Revenue from contracts with customers is recognised:-		
- Over time	158,267	140,507

Lease revenue included percentage rent related to sales generated from tenants which approximate to 21.4% (2022: 18.8%) 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 nil (2022: RM9.5 million), of which nil (2022: RM8.3 million) were recognised as a reduction to lease revenue and service charge in the financial year.

Conditional rental supports given in 2021 and 2022 resulting in lease modification were recognised over the unexpired lease term and the amount recognised during the financial year was RM1 million (2022: RM2.5 million).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

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 Agreements, as well as insurance premiums which is reimbursed to the property manager.

	Group and Fund	
	2023	2022
	RM'000	RM'000
Manpower costs	33,354	31,761
Marketing expenses	5,186	4,751
Administration expenses	5,462	4,990
Management expenses	4,586	4,569
Insurance premium	1,519	1,503
Reversal for impairment of trade receivables	(1,887)	(6,955)
	48,220	40,619

15 MANAGER'S MANAGEMENT FEES

	Group and Fund	
	2023	2022
	RM'000	RM'000
Base fee	16,459	15,949
Performance fee	22,394	21,213
	38,853	37,162

For the financial year ended 31 December 2023, 65% of the total Manager's management fees has been paid/payable in Units (2022: 65%) and the remaining 35% in cash (2022: 35%), amounting to approximately RM25,254,000 and RM13,599,000 (2022: RM24,155,000 and RM13,007,000) respectively.

16 FINANCE COSTS

	Group		Fund	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Medium Term Notes	54,034	53,338	-	-
- advances from subsidiary	-	-	54,034	53,338
	54,034	53,338	54,034	53,338

17 TAXATION

	Group and Fund	
	2023	2022
	RM'000	RM'000
Reconciliation of tax expense		
Profit before taxation	517,629	396,164
Income tax using Malaysian tax rate of 24% (2022: 24%)	124,231	95,079
Non-deductible expenses	5,182	8,677
Fair value gain on investment properties not subject to tax	(38,056)	(14,400)
Income exempted from tax	(91,357)	(89,356)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

(continued)

17 TAXATION (continued)

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 2023 is approximately 97.5% (2022: 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 profit after taxation or total comprehensive income attributable to unitholders divided by the weighted average number of Units.

	Note	Group and Fund	
		2023	2022
		RM'000	RM'000
Profit after taxation/total comprehensive income			
- Realised		359,064	336,164
- Unrealised		158,565	60,000
Total		517,629	396,164
Weighted average number of Units ('000)			
Weighted average number of Units in issue		3,594,885	3,579,799
Adjustment for Manager's management fees payable in Units	a	3,764	3,578
Weighted average number of Units for diluted EPU		3,598,649	3,583,377
Basic EPU (sen)			
- Realised		9.99	9.38
- Unrealised		4.41	1.67
Total		14.40	11.05
Diluted EPU (sen)			
- Realised		9.97	9.38
- Unrealised		4.41	1.67
Total		14.38	11.05

Note (a):-

	Group and Fund			
	2023		2022	
	Number of units '000	Value RM'000	Number of units '000	Value RM'000
Manager's management fees payable in Units				
- from 1 October 2023 to 31 December 2023 at RM1.72 per Unit listed on 7 February 2024	3,764	6,474	-	-
- from 1 October 2022 to 31 December 2022 at RM1.72 per Unit listed on 31 January 2023	-	-	3,578	6,154
	3,764	6,474	3,578	6,154

NOTES TO THE FINANCIAL STATEMENTS

(continued)

19 DISTRIBUTION TO UNITHOLDERS

	Note	Group and Fund	
		2023 RM'000	2022 RM'000
Total comprehensive income		517,629	396,164
Distribution adjustments	a	(131,865)	(34,219)
Distributable income		385,764	361,945
Distribution per unit (sen)			
- for the period from 1 January 2023 to 31 March 2023		2.80	-
- for the period from 1 April 2023 to 30 June 2023		2.37	-
- for the period from 1 July 2023 to 30 September 2023		2.60	-
- for the period from 1 October 2023 to 31 December 2023		2.70	-
- 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
		10.47	9.86
<u>Sources of distribution</u>			
Lease revenue		446,041	415,902
Revenue from contracts with customers		158,267	140,507
Changes in fair value on investment properties		158,565	60,000
Interest income		5,459	7,585
		768,332	623,994
Less: Expenses		(250,703)	(227,830)
Total comprehensive income		517,629	396,164
Distribution adjustments	a	(131,865)	(34,219)
Distributable income		385,764	361,945
Income distribution of 2.80 sen per unit (@ 2.77 sen taxable and 0.03 sen non-taxable) for the period from 1 January 2023 to 31 March 2023		(100,512)	-
Income distribution of 2.37 sen per unit (@ 2.33 sen taxable and 0.04 sen non-taxable) for the period from 1 April 2023 to 30 June 2023		(85,289)	-
Income distribution of 2.60 sen per unit (@ 2.55 sen taxable and 0.05 sen non-taxable) for the period from 1 July 2023 to 30 September 2023		(93,627)	-
Income distribution of 2.70 sen per unit (@ 2.65 sen taxable and 0.05 sen non-taxable) for the period from 1 October 2023 to 31 December 2023		(97,344)	-
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 distributed		(376,772)	(353,526)
Income retained		8,992	8,419

NOTES TO THE FINANCIAL STATEMENTS

(continued)

19 DISTRIBUTION TO UNITHOLDERS (continued)

		Group and Fund	
		2023	2022
	Note	RM'000	RM'000
<u>Note (a):-</u>			
Distribution adjustments comprise:-			
Changes in fair value on investment properties	6	(158,565)	(60,000)
Manager's management fees paid/payable in Units	15	25,254	24,155
Amortisation of fit-out incentives		250	219
Amortisation of transaction costs		154	234
Depreciation of plant and equipment	5	1,042	1,173
		<u>(131,865)</u>	<u>(34,219)</u>

Withholding tax has been deducted for distributions as follows:-

	Withholding tax rate	
	2023	2022
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	
	2023	2022
Management expense ratio ("MER") (%)	<u>1.00</u>	<u>0.99</u>

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) as at year end.

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 which is primarily generating rental income from the shopping malls' tenants 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

22 FINANCIAL INSTRUMENTS BY CATEGORY

		Group		Fund	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at amortised cost</u>					
Assets as per statement of financial position:-					
- Trade and other receivables (excluding prepayments and deferred lease incentives)	8	29,682	26,816	60,759	57,017
- Cash and bank balances	9	274,026	258,382	242,950	228,181
Total financial assets		303,708	285,198	303,709	285,198
<u>Financial liabilities at amortised cost</u>					
Liabilities as per statement of financial position:-					
- Borrowings	11	1,214,627	1,214,473	-	-
- Trade and other payables (excluding indirect tax payable, prepaid rental and contract liabilities)	12	236,247	220,452	1,450,875	1,434,925
Total financial liabilities		1,450,874	1,434,925	1,450,875	1,434,925

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 on-going basis via compliance with credit control standard operating and reporting procedures.

Other than anchor tenants, namely Aeon BIG, Aeon, Metrojaya, GSC Mid Valley, Isetan and GSC Aurum Theatre, which contribute 8.3% (2022: 8.2%) 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

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 considers the risk of material loss in the event of non-performance 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

	Not due and 1-7 days	8-30 days	31-60 days	61-90 days	>90 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>As at 31 December 2023</u>						
Trade receivables	215	626	46	43	1,223	2,153
Accrued billings	17,563	-	-	-	-	17,563
Intercompany balances (trade)	1,349	545	36	-	-	1,930
Total (gross)	19,127	1,171	82	43	1,223	21,646
Loss allowance*	(152)	(304)	(31)	(42)	(681)	(1,210)
Total (net)	18,975	867	51	1	542	20,436
<u>As at 31 December 2022</u>						
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

* 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.

NOTES TO THE FINANCIAL STATEMENTS

(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	
	2023 RM'000	2022 RM'000
As at 1 January	10,874	28,265
Loss allowance	517	2,571
Reversal during the financial year	(2,404)	(9,526)
Bad debt written-off	(7,777)	(9,497)
Credit notes issued for rental support provided	-	(939)
As at 31 December	1,210	10,874

The decrease in the loss allowance is arising from receipt and recovery from tenants. Loss allowance net of reversal of approximately RM1,887,000 (2022: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 2023 of the Group and of the Fund of RM274 million (2022: RM258 million) and RM243 million (2022: RM228 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
<u>At 31 December 2023</u>					
Borrowings	54,028	53,880	53,880	1,253,880	1,415,668
Trade and other payables and accruals (excluding indirect tax payable, prepaid rental and contract liabilities)	236,247	-	-	-	236,247
<u>At 31 December 2022</u>					
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	-	-	-	220,452

NOTES TO THE FINANCIAL STATEMENTS

(continued)

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 2023					
Trade and other payables and accruals (excluding indirect tax payable, prepaid rental and contract liabilities)	305,480	53,880	53,880	1,239,833	1,653,073
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

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total borrowings	1,214,627	1,214,473	-	-
Total intercompany borrowings	-	-	1,214,627	1,214,473
Total assets	5,504,946	5,317,512	5,504,947	5,317,512
Borrowings to total assets ratio (%)	22.1	22.8	22.1	22.8

The total borrowings should not exceed 50% of the total assets at the time the borrowings are incurred in accordance with the REIT Guidelines. The Group and the Fund complied with the borrowing limit in the current financial year.

The financial covenants of the MTN Programme are as follows:-

- 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
- 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.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.2 Capital risk management (continued)

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; and
- (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 2023.

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 2023, the Group and the Fund distributed approximately 97.5% (2022: 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 and Fund	
	2023	2022
	RM'000	RM'000
Level 3		
Recurring fair value measurements:-		
Investment properties	5,186,000	5,020,000

Level 3 fair values of the investment properties have been derived from the income approach method based on valuations performed by One Asia (2022: Henry Butcher). The valuation techniques, significant parameters and movement in fair values are as disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

23.3 Fair value (continued)

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.

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			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Level 2				
Borrowings	1,214,627	1,236,096	1,214,473	1,214,424
	Fund			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Level 2				
Intercompany borrowings	1,214,627	1,236,096	1,214,473	1,214,424

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 2023 are as follows:-

	Group and Fund	
	2023	2022
	RM'000	RM'000
Rental income:		
Less than one (1) year	341,239	316,183
Between one (1) and two (2) years	273,454	216,540
Between two (2) and three (3) years	179,823	105,953
Between three (3) and four (4) years	84,835	32,846
Between four (4) and five (5) years	28,171	19,174
More than five (5) years	48,156	87,172
	955,678	777,868

NOTES TO THE FINANCIAL STATEMENTS

(continued)

25 REMAINING PERFORMANCE OBLIGATIONS

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 2023 are as follows:-

	Group and Fund	
	2023	2022
	RM'000	RM'000
Service charges:		
Less than one (1) year	86,346	69,874
Between one (1) and two (2) years	70,619	48,114
Between two (2) and three (3) years	42,267	25,631
Between three (3) and four (4) years	20,231	7,877
Between four (4) and five (5) years	7,502	5,681
More than five (5) years	13,392	23,467
	240,357	180,644

26 CAPITAL COMMITMENTS

The capital expenditure which has not been provided for in the financial statements is as follows:-

	Group and Fund	
	2023	2022
	RM'000	RM'000
Plant and equipment		
Authorised by Directors of the Manager but not contracted	514	1,260

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 of the Fund, 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
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
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
Wah Seong (M) Trading Co Sdn Bhd	Major unitholder of the Fund
Strass Media Sdn Bhd	A subsidiary of Wah Seong (Malaya) Trading Co. Sdn Bhd
CPI Spicy Gardens Sdn Bhd	A person connected to a director of the Manager

NOTES TO THE FINANCIAL STATEMENTS

(continued)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Group		Fund	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Significant related party transactions for the financial year:-				
<u>Receivables</u>				
1) Utilities charges				
- IGB Commercial REIT	7,495	5,386	7,495	5,386
- Mid Valley City Enterprise Sdn Bhd	718	168	718	168
- Mid Valley City Hotels Sdn Bhd	2,618	2,388	2,618	2,388
- Tanah Permata Sdn Bhd	1,158	743	1,158	743
- Mid Valley City Energy Sdn Bhd	1,004	711	1,004	711
- Mid Valley City Developments Sdn Bhd	100	52	100	52
- Strass Media Sdn Bhd	39	50	39	50
	13,132	9,498	13,132	9,498
2) Rental of premises				
- MVEC Exhibition and Event Services Sdn Bhd	6,061	5,865	6,061	5,865
- MVC CyberManager Sdn Bhd	60	60	60	60
- CPI Spicy Gardens Sdn Bhd	302	244	302	244
	6,423	6,169	6,423	6,169
3) Rental of light box				
- Strass Media Sdn Bhd	532	414	532	414
4) Rental of car park				
- IGB Berhad	200	223	200	223
5) Interest charges to				
- IGB REIT Capital Sdn Bhd	-	-	985	626
<u>Payables</u>				
1) Utilities charges				
- Mid Valley City Energy Sdn Bhd	51,107	37,776	51,107	37,776
2) Manager's management fee				
- IGB REIT Management Sdn Bhd	38,853	37,162	38,853	37,162
3) Repair and maintenance				
- Ensignia Construction Sdn Bhd	1,977	353	1,977	353
- Strass Media Sdn Bhd	21	82	21	82
- Wah Seong (M) Trading Co Sdn Bhd	100	11	100	11
	2,098	446	2,098	446
4) Support cost				
- IGB Digital Sdn Bhd	439	413	439	413
- IGB Berhad	167	162	167	162
	606	575	606	575
5) Hotel facilities and services				
- Mid Valley City Hotels Sdn Bhd	29	56	29	56
6) Interest charged by				
- IGB REIT Capital Sdn Bhd	-	-	54,034	53,338

NOTES TO THE FINANCIAL STATEMENTS

(continued)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Group		Fund	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Significant related party balances as at reporting date:-				
1) Deposits placed with				
- Mid Valley City Energy Sdn Bhd	7,422	7,421	7,422	7,421
2) Amount owing by				
- IGB REIT Capital Sdn Bhd	-	-	31,326	30,341
3) Amount owing to				
- IGB REIT Management Sdn Bhd	9,960	9,468	9,960	9,468
- IGB REIT Capital Sdn Bhd	-	-	1,214,627	1,214,473
- Mid Valley City Energy Sdn Bhd	4,209	3,660	4,209	3,660

UNITHOLDING STATISTICS

As at 16 February 2024

ISSUED UNITS

3,605,402,936 Units (voting right : 1 vote per Unit)

PUBLIC SPREAD

44.63%

ANALYSIS BY SIZE OF UNITHOLDINGS

Range of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
Less than 100	1,888	6.42	51,245	0.00
100 – 1,000	9,756	33.16	5,191,369	0.14
1,001 – 10,000	13,103	44.54	55,774,286	1.55
10,001 – 100,000	3,979	13.52	121,083,609	3.36
100,001 to less than 5% of Issued Units	687	2.34	1,139,940,738	31.62
5% and above of Issued Units	5	0.02	2,283,361,689	63.33
Total	29,418	100.00	3,605,402,936	100.00

SUBSTANTIAL UNITHOLDERS

Name	Direct		Deemed*	
	No. of Units	% of Units	No. of Units	% of Units
IGB Berhad	1,733,617,754	48.08	205,948,422	5.71
Dato' Seri Robert Tan Chung Meng	16,272,721	0.45	1,954,656,293	54.22
Pauline Tan Suat Ming	-	-	1,954,656,293	54.22
Tony Tan Choon Keat	1,000,000	0.03	1,954,656,293	54.22
Tan Chin Nam Sendirian Berhad	-	-	1,950,888,107	54.11
Tan Kim Yeow Sendirian Berhad	14,764,772	0.41	1,939,891,521	53.81
IGB REIT Management Sdn Bhd	205,402,936	5.70	-	-
Wah Seong (Malaya) Trading Co. Sdn. Bhd.	-	-	1,939,566,176	53.80
Employees Provident Fund Board	428,280,515	11.88	-	-
Kumpulan Wang Persaraan (Diperbadankan)	222,389,800	6.17	31,169,600	0.87

DIRECTORS UNITHOLDINGS

Name	Direct		Deemed*	
	No. of Units	% of Units	No. of Units	% of Units
Dato' Seri Robert Tan Chung Meng	16,272,721	0.45	1,954,656,293	54.22
Tan Lei Cheng	2,005,944	0.06	-	-
Elizabeth Tan Hui Ning	4,811,000	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 16 February 2024

(continued)

TOP 30 UNITHOLDERS

No.	Name	No. of Units	% of Units
1	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for IGB Berhad (KLC)	920,000,000	25.52
2	IGB Berhad	453,617,754	12.58
3	IGB Berhad	360,000,000	9.99
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	328,446,015	9.11
5	Kumpulan Wang Persaraan (Diperbadankan)	221,297,920	6.14
6	IGB REIT Management Sdn Bhd	150,402,936	4.17
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	1.27
9	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	35,712,200	0.99
10	Amanahraya Trustees Berhad Public Smallcap Fund	33,134,616	0.92
11	Pertubuhan Keselamatan Sosial	29,000,050	0.80
12	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (NOMURA)	27,376,400	0.76
13	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (NP-Other-REITs)	26,528,900	0.74
14	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	24,731,092	0.69
15	Amanahraya Trustees Berhad Public Dividend Select Fund	21,627,232	0.60
16	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AMUNDI)	20,685,700	0.57
17	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (LIFE PAR)	16,842,600	0.47
18	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	16,012,600	0.44
19	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (F Templeton)	15,528,200	0.43
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	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	12,147,900	0.34
23	Tan Kim Yeow Sendirian Berhad	11,953,968	0.33
24	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	11,321,931	0.31
25	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	11,017,000	0.31
26	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Non PAR 16)	11,000,000	0.31
27	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich General Insurance Malaysia Berhad (GI-REITs)	10,319,400	0.29
28	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Tee Teh Sdn Berhad (PB)	9,000,000	0.25
29	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	8,837,600	0.25
30	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (AHAM AM EQ)	8,667,400	0.24

NOTICE OF 2024 ANNUAL GENERAL MEETING

Notice convening the Twelfth Annual General Meeting of Unitholders ("UHs") of IGB REIT ("2024 AGM")
To be held on **Wednesday, 17 April 2024**, at **2.30 p.m.** in a **virtual** (online) format at <https://tiih.online>

ITEMS OF BUSINESS

1. Financial Statements and Reports

To receive IGB REIT's Financial Statements and Reports of the Trustee, the Manager and the Auditor for the year ended 31 December 2023.

2. Ordinary Resolution - Renewal of Recurrent Related Party Transactions Mandate ("RRPT Mandate")

That pursuant to paragraph 10.09 of the Bursa Malaysia Securities Berhad's Main market Listing Requirements, IGB REIT be authorised to enter into any of the transactions falling within the categories of RRPT described in the Circular to UHs dated 28 February 2024 ("Circular"), with the Transacting Parties mentioned therein, provided that such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of IGB REIT and its minority UHs ("RRPT Mandate") and, that the RRPT Mandate (unless revoked or varied by UHs in a general meeting) shall continue in force until IGB REIT's AGM in 2025, and that the Board of Directors ("Board") of the Manager be authorised to take such decisions and/or actions as may be necessary to give effect to the RRPT Mandate and/or this resolution.

By Order of the Board

Tina Chan
Head of Compliance/Company Secretary
MAICSA7001659/SSM PC No. 201908000014

Kuala Lumpur
28 February 2024

Explanatory Notes

- There is no requirement for UHs to approve IGB REIT's Financial Statements and Reports. However, a reasonable opportunity will be given to UHs to ask questions in relation to the content of Financial Statements and Reports
- The Ordinary Resolution, if passed will renew the RRPT Mandate for IGB REIT to enter into certain types of transactions with the Transacting Parties from the date of 2024 AGM until IGB REIT's AGM in 2025. More details relating to the RRPT Mandate are set out in the Circular. The Interested Directors set out in the Circular and their connected persons will not vote on the Ordinary Resolution.

Important Information

- The 2024 AGM will be broadcast through live audio-visual. UHs that want to vote or ask questions at the 2024 AGM should access the virtual meeting by logging on to <https://tiih.online>. Further information on how to register and join the 2024 AGM are set out in the Virtual Meeting Guide.
- Registered UHs as at 9 April 2024 will be entitled to participate and vote at the 2024 AGM.
- Registered UHs have rights to appoint up to 2 proxies to exercise all or any of their rights to participate and vote at the 2024 AGM, provided that the unitholding proportion to be represented by each proxy is specified. A proxy need not be a UH. A proxy form, which may be used to make such an appointment and give proxy instructions, accompanies this Notice of 2024 AGM.
- To be effective, proxy appointment (and any power of attorney or other authority under which it is signed), must be received no later than 2.30 p.m., Tuesday, 16 April 2024, either by mail/by hand to the Manager's registered office at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur or online <https://tiih.online>.
- If registered UHs intend to appoint the Chairman of the meeting as their proxies, UHs can direct the Chairman how to vote by marking the boxes for the relevant resolution. However, if UHs do not mark a box next to the resolution, UHs will be expressing authorising the Chairman to vote as he sees fit.
- UHs may contact IGB REIT's unit registry, Tricor Investor & Issuing House Services Sdn Bhd at helpline number 603-2783 9299 or email is.enquiry@my.tricorglobal.com if they have questions, require assistance on e-proxy submission and the process to pre-register, participate and vote at the 2024 AGM, or encounter any log-in difficulties.
- UHs may submit questions related to the resolution to be tabled for approval at the 2024 AGM, in advance by email to corporate-enquiry@igbreit.com before Tuesday, 9 April 2024. Answers will be grouped thematically, and provided during the 2024 AGM, and made available on IGB REIT's website at www.igbreit.com in the days following 2024 AGM.

View the 2023 Annual Report, Circular and this Notice of 2024 AGM on IGB REIT's website at www.igbreit.com or, alternatively, a copy may be obtained by sending an email to corporate-enquiry@igbreit.com.

VIRTUAL MEETING GUIDE

(1) Remote Participation and Voting ("RPV")

As the holding of the 2024 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 IGB REIT 2024 AGM		
(a)	Sign up as a user of TIH Online (for first time registration only)	<ul style="list-style-type: none"> 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 2024 AGM	<ul style="list-style-type: none"> Registration is open from 2.30 pm on Tuesday, 28 February 2024 until the day of 2024 AGM on Wednesday, 17 April 2024. Login with your user ID and password and select the corporate event: "(REGISTRATION) IGB REAL ESTATE INVESTMENT TRUST 2024 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 9 April 2024, the system will send you an e-mail, approving or rejecting your registration for remote participation.
IGB REIT 2024 AGM DAY		
(c)	Login to TIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 2024 AGM from 2.10 p.m. i.e., 20 minutes before the commencement of 2024 AGM at 2.30 p.m. on Wednesday, 17 April 2024.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAMING MEETING) IGB REAL ESTATE INVESTMENT TRUST 2024 AGM" to engage in the 2024 AGM proceedings remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions (related to the business of the 2024 AGM) submitted by remote participants during the 2024 AGM, as timing and circumstances permit. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(e)	Online Remote Voting	<ul style="list-style-type: none"> Select the corporate event: "(REMOTE VOTING) IGB REAL ESTATE INVESTMENT TRUST 2024 AGM". Read and agree to the Terms and Conditions and confirm the Declaration. Voting session commences from 2.30 p.m. on Wednesday, 17 April 2024 until a time when the Chairman announces the completion of the voting session of the 2024 AGM. Select the CDS account that represents your unitholdings. Indicate your votes for the resolutions that are tabled for voting.
(f)	End of RPV	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of 2024 AGM, the Live Streaming will end.

Note:

Please call Tricor's Help Lines at 011-40805616/ 011-40803168/ 011-40803169/ 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance if you encounter problems with the RPV.

(2) Electronic Submission of Proxy Form (e-Proxy)

The procedures for submission of e-Proxy are summarised below:

	Procedure	Action
1. Individual Unitholders		
(a)	Sign up as User with TIH Online	<ul style="list-style-type: none"> 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 TIH Online, you are not required to register.
(b)	Proceed with submission of e-Proxy	<ul style="list-style-type: none"> Login with your user name (i.e., email address) and password. Select the corporate event: "IGB REAL ESTATE INVESTMENT TRUST 2024 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.

VIRTUAL MEETING GUIDE

(continued)

(2) Electronic Submission of Proxy Form (e-Proxy) (continued)

The procedures for submission of e-Proxy are summarised below:

	Procedure	Action
2.	Corporation or Institutional Unitholders	
(a)	Sign up as User with TIIH Online	<ul style="list-style-type: none"> 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. <p><i>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.</i></p>
(b)	Proceed with submission of e-Proxy	<ul style="list-style-type: none"> Login with your user name (i.e., email address) and password. Select the corporate exercise name: "IGB REAL ESTATE INVESTMENT TRUST 2024 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.

(3) Enquiry

Should you need assistance to access the RPV facility and e-Proxy submission, please contact the following persons at TIIH:

- (a) Encik Hayman Daniel : +603 2783 9145 (Hayman.Daniel@my.tricorglobal.com)
 (b) Syafiqul Hafidz : +603 2783 9024 (Syafiqul.Hafidz@my.tricorglobal.com)

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PROXY FORM

CDS Account No.	
No. 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 hereby appoint:

Name, NRIC No. and email of proxy

No. of Units to be represented by proxy

1. _____
2. _____

or, failing the person named, or if no person is named, the Chairman of the 2024 AGM as my/our proxy to act as my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the 2024 AGM of IGB REIT to be held at 2.30 p.m. on Wednesday, 17 April 2024.

Ordinary Resolution	First Proxy		Second Proxy	
	For	Against	For	Against
RRPT Mandate				

Dated this _____ day of _____ 2024

Signature/Common Seal of Unitholder

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Fold this flap for sealing

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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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2023 ANNUAL REPORT REQUEST FORM

Please select the document(s) you would like to receive by ticking (✓) within the box provided:

☐

2023 Annual Report

☐

Circular to Unitholders

For further information, you may contact Ms. Foo Swee Lee at 2289 8824 or Ms. Yvonne Fong at 2289 8825.

Name of Unitholder : _____

NRIC/Company No. : _____

Mailing Address : _____

Email Address : _____

Contact Number : _____

Signature : _____

Date : _____



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2023 ANNUAL REPORT 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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THE EDGE Billion Ringgit Club 2023

IGB REIT

Highest Return on Equity
Over Three Years

IGB REIT

Highest Returns to Shareholders
Over Three Years



www.igbreit.com

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

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