



**IOI PROPERTIES**  
Trusted.



**Inspiring  
a Climate  
of Trust**



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## Cover Rationale

### Inspiring a Climate of Trust

Aspiring to be climate-resilient, we are conducting our business responsibly with sustainability at the core of our strategy. As a **Trusted.** brand, we create sustainable value for our stakeholders and lead the way as a responsible steward of the environment. This is in line with our commitment to building vibrant and thriving communities, bringing people closer to nature as well as conserving our earth for generations to come.

Today, we move forward with a focus on making positive impacts on the environment and society, with a clearly defined ESG pathway as we accelerate our TCFD journey. This reflects our commitment towards inspiring a climate of trust.



## About This Report

### Reporting Principles and Framework

IOI Properties Group Berhad's ("IOIPG") Integrated Annual Report is an evaluation of the Group's financial and non-financial performance for the Financial Year 2022 ("FY2022") and it provides an insight into how we create value for our stakeholders, leverage on opportunities and mitigate risks. This report also marks our fourth year of the Integrated Reporting journey. Driven by our commitment to transparency and good corporate governance practices, we have continued to improve the quality of disclosures to allow our stakeholders to perform a fair assessment of our performance. This report is guided by the Integrated Reporting Framework. This report is also prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). It is also aligned with the local reporting requirements, such as the Malaysian Code on Corporate Governance, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Financial Reporting Standards.

### Forward-Looking Statements

In this Report, we have used forward-looking statements to express the Group's objectives, strategies and performance. These statements should not be construed as a guarantee of future operating or financial results considering the potential risks and uncertainties that can arise from unforeseen events beyond the Group's control.

## Vision

# Trusted.

### Mission Statement

#### Trusted... to deliver

We perform our best, prioritise our customers, and demand quality excellence in everything we do.

#### Trusted... to build confidence

We consistently deliver products and services that exceed expectations.

#### Trusted... to innovate

We constantly strive to innovate our products and services, enriching lives and delivering emotional connections with our customers.

#### Trusted... to conduct our business with integrity

We are guided by strong values of ethics and integrity to safeguard the interests of all stakeholders at all times.

#### Trusted... to empower our people

Our success lies in our people, the champions of value creation, whom we nurture and support to achieve their aspirations, enabling collaboration and teamwork towards shared goals.

#### Trusted... to safeguard our environment

We consider the impact of our actions, endeavour to create sustainable value for our surroundings and to safeguard our environment; contribute to the preservation of our earth for generations to come.

#### Trusted... to build sustainable communities

We strive to create vibrant and thriving communities through positive impacts, responsible actions and sustainable management of our operations.

## Core Values

### INTEGRITY

without which nothing we do matters

### QUALITY

as the basis of our reputation

### INNOVATION AND CREATIVITY

to unlock value by breaking boundaries

### COMMITMENT AND PASSION

to excel in all that we do

### COST EFFECTIVENESS

to achieve the desired results without compromising on cost efficiency

### PEOPLE FIRST

to unleash potential of our People

### TEAMWORK

to drive our Vision forward together

# Our Group Operations

- ▶ The Group is committed to deliver sustainable long-term returns with our impressive portfolio of signature property developments and prime property assets. Aspiring to make a positive difference in people's lives, our property strategies are focused on achieving sustainable growth.

○ THE PEOPLE'S  
REPUBLIC OF CHINA

○ MALAYSIA

○ SINGAPORE

## Regional Presence

### MALAYSIA

Penang

Selangor

Negeri Sembilan

Malacca

Johor

### SINGAPORE

Seascape, Sentosa Cove

Cape Royale, Sentosa Cove

Cityscape @ Farrer Park

South Beach

The Triling

IOI Central Boulevard Towers

### THE PEOPLE'S REPUBLIC OF CHINA

IOI Park Bay, Jimei @ Xiamen

IOI Palm City, Jimei @ Xiamen

IOI Palm International  
Parkhouse, Xiang'an @ Xiamen



# Locations of Operations in Malaysia

## PENANG

- 1 Desaria, Sungai Ara

## SELANGOR

- 2 Bandar Puchong Jaya & Bandar Puteri Puchong
- 3 16 Sierra, Puchong South
- 4 IOI Resort City, Putrajaya
- 5 Bandar Puteri Bangi
- 6 Warisan Puteri Sepang

## NEGERI SEMBILAN

- 7 Bandar IOI, Bahau

## MALACCA

- 8 Ayer Keroh

## JOHOR

- 9 Bandar IOI Segamat
- 10 Taman Lagenda Putra
- 11 Bandar Putra Kulai
- 12 I-Synergy
- 13 Taman Kempas Utama
- 14 The Platino



Main Airport



North-South Expressway



East Coast Expressway



# Our Awards



IOIPG was named as one of the Top 10 Developers in the BCI Asia Awards 2020/2021.

This award recognises the top architectural firms and developers that had the greatest impact on the built environment in Southeast Asia.



IOIPG was honoured with the Company of the Year Award for the category of "Excellence in Community & COVID-19 Support" at the Sustainability & CSR Malaysia Awards 2021 by CSR Malaysia.

This award recognises outstanding corporations for sustainability and CSR achievements in boosting the socio-economic and environmental transformation of Malaysia.



At The Edge Property Excellence Awards 2021, IOIPG was conferred the Top 10 Property Developers Award. Winners are ranked based on quantitative and qualitative attributes.



IOIPG emerged as one of Malaysia's Most Preferred Graduate Employers in 2022 at the Graduates' Choice Award for the fourth consecutive year. The Graduates' Choice Award, which is 100% voted by university students, recognises excellence in the graduate recruitment landscape across industries.

IOIPG was ranked Top 3 in the Property Developer category while IOI City Mall ranked 5<sup>th</sup> in the Shopping Malls category.



This award recognises leading organisations worldwide for its commitment to engaging leadership. This recognition shows IOIPG's commitment to create value for our employees.





Le Méridien Putrajaya and Four Points by Sheraton Puchong were awarded the ASEAN Tourism Standards Award under the ASEAN MICE Venue Standards category. It is one of seven tourism standards under the auspices of ASEAN National Tourism Organisations.



South Beach (Singapore) received the Urban Renewal Award at the SGBC-BCA Leadership in Sustainability Awards 2022. This award was co-organised by the Singapore Green Building Council (SGBC) and the Building and Construction Authority (BCA). It celebrates exemplary green building projects that demonstrate a keen focus on sustainability and adaptive reuse of an existing building/space, recognising its heritage yet pursuing a form to best reflect its new purpose.



StarProperty Awards 2022 – Real Estate Developer recognises property developers who have contributed to the growth of the nation's real estate industry.

At the awards, IOIPG won the StarProperty All-Stars Award, The Family-Friendly Award (Landed) Beyond Greater KL and The Starter Home Award (Landed).



Le Méridien Putrajaya received the Certificate of Excellence 2022 by Tripadvisor. This recognition has been the mark of quality for hotels since 2010.



Putrajaya Marriott Hotel, Le Méridien Putrajaya and Four Points by Sheraton Puchong received recognition from Agoda for excellent customer reviews.

The Agoda Customer Review Awards is judged based on genuine customer reviews across five criteria comprising location, service, cleanliness, facilities and price.



# Chairman's Statement



The Group will stay agile in navigating these turbulent times with a readiness to capture any potential opportunities that may arise. Our prudent and professional approach is deeply rooted in our core values of being a **Trusted.** partner to all stakeholders.

**Datuk Tan Kim Leong**

Independent Non-Executive Chairman



Group Revenue

**RM2.59b**

Profit Before Tax

**RM1.10b**

## Dear Valued Stakeholders,

The past year has continued to be a challenging period even as the economies around the world gradually recover from the COVID-19 pandemic. The economic recovery was tempered by the conflict in Ukraine, intermittent coronavirus containment measures in the People's Republic of China ("PRC") and widespread inflationary pressures affecting many countries.

Amidst an uncertain operating environment, we stayed committed to driving the vision of IOI Properties Group ("IOIPG") forward and focusing on our long-term goal to build a strong and reliable brand. We continue to strive to deliver products and services that meet expectations and adapt to a dynamic market through continual innovation, while safeguarding interests of stakeholders.

## Conflict & Inflation Curtailing Global Economy

Post-pandemic global growth momentum continued to moderate in Q2 2022. The positive momentum was nevertheless dampened by the conflict in Ukraine and prolonged lockdowns in the PRC, which exacerbated the global supply chain disruptions resulting in escalating commodity prices and inflationary pressures on goods and services globally. The elevated inflation has weighed on household incomes and consumption, leading to slower economic growth in major economies from the United States to Europe as demand and sentiments weakened.

## Reopening of the Economy Bolstered Sentiments in Malaysia

Growth in the Malaysian economy continued in Q2 2022 as the government began to roll back COVID-19 containment measures and reopened international borders, bolstering domestic demand

as economic activities resumed. The stronger growth reflected a normalisation of economic activity as the country eased into the endemic phase. The construction sector registered a 2.4% growth in Q2 2022, while the real estate subsector continued to improve due to a recovery in property transactions.

## Property Market Recovers in Singapore While Restrictions Persist in PRC

The Singapore economy expanded by 4.4% in Q2 2022 from the previous year. Real estate sector grew 11.7% in Q2 2022 compared to a year ago, mainly due to improved performance of the private residential property segment. In Q2 2022, the number of sales transactions of private residential property increased by 27.5%, while prices of private residential property rose by 3.5% on a quarter-on-quarter basis respectively.

In the PRC, the economy grew by 0.4% in Q2 2022 compared to 4.8% in the preceding quarter. Growth was moderated due to the re-imposition of lockdowns during an outbreak of the pandemic in the early part of the quarter. Economic growth subsequently picked up in the later part of the quarter, with the reopening of the economy and policy support from the government. However, the PRC's intermittent implementation of lockdowns and a slowing property market is anticipated to weigh on economic growth.

## New Challenges in Post-Pandemic Era

The post-pandemic recovery brought with it a different set of challenges as the world transitions into the endemic phase of COVID-19. In Malaysia, the border's reopening since early April has resulted in pent-up demand and bolstered consumer sentiments and encouraged recovery in tourism-related industries.

Growth in the country's economy is expected to be driven by domestic demand, improving consumer sentiment and a rebound in tourism-related sectors. Nonetheless this growth momentum has been countered by a convergence of headwinds from the conflict in Ukraine, rising interest rates in Malaysia and globally, continued supply chain disruptions and the PRC's zero-COVID-19 policy.

While we anticipate a return to normalcy, the Group is ready to navigate this period of dynamic yet trying circumstances with the experience gained from the past two years. We will stay agile, innovative, and endeavour to invest in innovative technology to maximise operational efficiency and profitability. Despite of challenges faced, we are optimistic that demand will continue to be there particularly for properties in locations with good connectivity and accessibility that are supported by amenities and facilities.

## Strengthening Financial Earnings

The Group's revenue increased by 4.1% in FY2022 to RM2.59 billion. Profit before tax also increased to RM1.10 billion, compared to RM1.08 billion in FY2021. This was largely attributable to higher profit contribution from property investment segment as a result of market recovery and the gain disposal of a subsidiary. The Group's property development revenue of RM2.10 billion was driven by the dynamic sales and marketing campaigns of the Group launched in Malaysia.

Our property investment business segment contributed a revenue of RM364.25 million, which was 27.1% higher than FY2021. This was driven by the commencement of recurring leasing income from IOI Mall Xiamen and improvement in mall operations following the reopening of the economy and International borders into Malaysia.



# Chairman's Statement

The hospitality and leisure business segment was our hardest-hit sector during the pandemic, but marked an impressive turnaround in performance as the world transitioned into the endemic phase.

Total revenue increased by 35.3% to RM113.09 million due to higher occupancy rates from robust domestic demand pursuant to the relaxation of travel restrictions and reopening of international borders.

Overall, the Group registered total assets of RM39.50 billion, and cash and cash equivalents of RM2.35 billion. A net gearing ratio of 0.47 in FY2021 has increased to 0.71 in FY2022 due to acquisition of Marina View in Singapore. The Group has proposed a first and final dividend of 4.0 sen per ordinary share, which translates to 32% of our total earnings attributable to shareholders and a total payout of RM220.25 million.

## Upholding Governance by Building a Climate of Trust

In recent years, the global standards and public expectations related to the environmental and social aspects of sustainability have been rapidly evolving. The impact of climate change, environmental degradation and threatened social well-being has been on the increase. This has resulted in greater expectations by regulators and investors for businesses to continually improve on their Environmental, Social and Governance (ESG) performance, accelerating a shift towards a greener and more resilient economy. Thus, it has become crucial for us to take action and implement initiatives to embed ESG into the Group's businesses.

As the Board continues to enhance its corporate governance in response to the latest developments, we intend to meet the expectations and needs of stakeholders by assessing the impact

of these changes on the stakeholders and the Group. Hence, in FY2022, a materiality assessment was conducted and the revised material sustainability issues were reviewed and approved by the Board.

We achieved a significant milestone this year by embarking on our climate-reporting journey through the adoption of the Task Force for Climate Related Financial Disclosures ("TCFD") Recommendations. To kick-start our journey, we have developed a comprehensive climate action plan to operationalise our climate priorities. The Group will take this opportunity to identify, assess and manage the impact of climate change and its associated risks and opportunities on its business and strive to enhance current disclosure in accordance with the TCFD recommendations.

This reflects our commitment to be a **Trusted** organisation in safeguarding the environment and building sustainable communities.

Looking ahead, we aspire to be a beacon of inspiration and lead by example in strategically aligning our aspirations with global initiatives such as the New Urban Agenda and Paris Agreement which is in support of UN Sustainable Development Goals that aims to create positive impacts for the environment and society.

## Building a Strong Corporate Culture

We spend substantial time and resources in cultivating a strong corporate culture that reflects our identity and objectives as a business entity. Corporate culture is central to everything we do at IOIPG. It underscores the effort to attract and retain the right talent, while enabling them to grow their career in the Group. A strong corporate culture also motivates and engages our people to be their

best, which in turn drives positive organisational outcomes.

The initiatives to drive a strong culture within the organisation are always anchored to our Vision and Core Values. We endeavour to be a **Trusted** organisation to all our stakeholders including our people. We continuously measure our people's engagement through the Voice of Employees Survey to hear the pulse of the organisation and put in place appropriate action plans to improve their engagement and experience. We have put in place the necessary framework, tools and programmes in order to drive a high-performance culture. In unleashing our people's potential, a series of development programmes are implemented to enhance leadership and technical competencies. Implementing a sustainable succession planning and career planning is important to us and with that in mind, a new talent management framework has been introduced to build talent bench strength and develop a succession pipeline in a more structured, holistic and continuous manner.

## STEPPING UP TO SEIZE EMERGING OPPORTUNITIES

### Accelerating Digital Transformation

Over the years, embracing digitalisation is one way the Group has sought to optimise business processes and improve customer engagement. We are cognisant of the rise in digitalisation during the pandemic, since a key benefit of technology is enabling contactless movement for health and safety reasons. We will implement the IOI Offices mobile application at Puchong Financial Corporate Centre ("PFCC") followed by IOI City Towers among others. This mobile application will enhance communication between

tenants and the building management as well as enable contactless visitor check-in and pre-renovation application among other functions. Additional features will be made available in the future as we continue to enhance our tenant experience.

Furthermore, we have another digitalisation effort, namely IOIShopz, an online e-commerce mobile application in which customers can make purchases and redeem reward points and e-vouchers. It also provides logistics, after-sales and other follow-up services for products purchased on the mobile application.

### Optimising Assets Portfolio

With an established track record spanning four decades as well as a geographically diversified portfolio covering Malaysia, Singapore and the PRC, the Group is optimistic in forging a positive trajectory in business growth. The pandemic-related disruptions have spurred us to improvise on growth strategies while building resilience. This has equipped us with the agility to take advantage of shifting market and economic conditions and consumer preferences.

The Group will continue to leverage on its diversified portfolio to capitalise on its various sustainable income streams as it weathers cyclical headwinds. We will continue to review and optimise our portfolio of assets through operational efficiency, to drive long-term value creation. While we embark on this, we are also cognisant of the need to exercise discipline and pursue our growth ambitions with prudence to maintain a stable financial position.

As part of our plans to continue to have a diversified product launch pipeline, the Group recently expanded our overseas property development portfolio with the acquisition of Marina View land in Singapore. The land parcel located within Singapore's central business district is intended for the development

of residential and hotel components, which will not only enlarge the income stream from our property development, but also from the Group's hospitality and investment property segment.

### ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our gratitude to Tan Sri Dato' Sri Koh Kin Lip, a Senior Independent Non-Executive Director who resigned from the Board on 30 November 2021, for his service and invaluable contributions. I would also like to welcome the redesignation of Ms Lee Yoke Har as a Non-Independent Non-Executive Director on 1 July 2022. I am grateful to my fellow board members for their commitment, sound advice and guidance.

I would also like to take this opportunity to extend my appreciation to the management and staff for their dedication and hard work that enabled

us to continue to achieve resilience and tenacity throughout this past financial year. To all our valued shareholders, customers, business associates and financial institutions, we thank you for your continued unwavering support to the Group.

While the past financial year has been challenging, the lessons learned from tackling those challenges and other unprecedented circumstances allowed the Group to emerge in a better-prepared position. With a renewed focus in our pursuit to maintain IOIPG's competitive advantage as an integrated developer in diversified geographical locations, we are confident in facing economic challenges, continuing to deliver value and emerge stronger in the next financial year.

### Datuk Tan Kim Leong

Independent Non-Executive Chairman



IOI Central Boulevard Towers, Singapore



# Executive Vice Chairman's Statement



The operating environment and consumption behaviours have changed considerably since the pandemic. To navigate through these challenging times, we will continue to leverage our experience, strength and agility to quickly adapt to this new environment.

**Lee Yeow Seng**  
Executive Vice Chairman

## THE FINANCIAL YEAR UNDER REVIEW

FY2022 was a year when we faced the unpredictability and uncertainties of post-pandemic recovery, coupled with other marked operating environment challenges. The world economy continued to experience persistent supply-chain disruptions – initially from the global pandemic lockdowns and subsequently from the Russia-Ukraine conflict – in addition to labour market challenges, ongoing interest rate hikes and mounting inflationary pressures.

Against these challenges, I am pleased to inform that the Group has continued to deliver resilient financial results. Our strategy of leveraging on geographical diversification by operating in Singapore, the People's Republic of China ("PRC") and Malaysia, as well as operational diversification of having three core businesses of property development, investment property, and hospitality and leisure, have enabled us to spread our operating risk. This has allowed us the agility to tap and capitalise on opportunities from the differing segments.

## PROPERTY DEVELOPMENT

### Borrowing Costs on the Rise

In Malaysia, borrowing costs began to increase as Bank Negara Malaysia gradually raised its benchmark Overnight Policy Rate from a record low of 1.75% in March 2022 to 2.50% in September 2022. Globally, inflationary pressures have continued to climb, mainly contributed by elevated commodity prices, strong demand conditions and supply chain disruptions. This has led to monetary policy tightening by central banks, with some adjusting at a faster pace, to reduce inflationary pressures.

### Attractive Promotion to Stimulate Sales

To counter the challenges posed by a rising interest rates environment, the Group has leveraged on its digital marketing capabilities and aggressive promotion campaigns to drive sales of our mid-priced range of products to cater to market demand. We have also offered sales packages with attractive financing aid under selected projects to assist homeowners with their purchase. The projects that were marketed include Almyra Residence and Palmyra Residence (Bandar Puteri Bangi), Ayden and Alanis (Warisan Puteri Sepang), Clio 2 Residences and Conezi3n Residences (IOI Resort City). The promotional activities include providing free stamp duty on the memorandum of transfer, as well as a 12-month extension of warranty or defect liability period. For strata properties, buyers would also enjoy an exemption of up to two years on their maintenance fee payment.

To further drive sales, we also sought to tailor our product offerings to meet prevalent market sentiment, such as launching developments at attractive price points that feature quality products and supported by amenities and facilities. The Group will endeavour to keep abreast of current market trends and offer innovative solutions to alleviate the challenges faced by property buyers.

Recognising the importance of improving customer experience through better service quality and customer engagement, we launched a new IOI Sales Galleria and show village in the Group's flagship development in Bandar Putra Kulai, Johor. The sales gallery and show village was designed to promote show units featuring attractive products designs and new home concepts as well as highlight an array of amenities in our integrated developments, such as golfing, shopping, education, dining, entertainment and healthcare. The new sales gallery also has F&B outlets

and an outdoor amphitheatre to serve residents within the township and surrounding areas.

### Mitigating Rising Material Costs

During these challenging times, the Group recognises that rising material costs may further burden homebuyers. To strike a balance of maintaining quality whilst having a sustainable margin, the Group has implemented Industrialised Building System (a construction technique whereby components are prefabricated off-site ready for installation at the point of construction) and incorporated creative home designs in our property development projects. We will continue to focus on offering products that are competitively priced whilst keeping in line with market demand and trends.

### PROPERTY INVESTMENT

#### Pragmatic Tenant Retention Strategy

Due to the financial challenges faced by retail and office tenants during the periods of movement restrictions where business activities were disrupted rental relief assistance of approximately RM28.9 million for FY2022 was offered to assist our tenants in these trying times.

To retain occupancy and mitigate the negative impact arising from weakened footfall in our malls, rental assistance schemes such as deferred payment schedules, shorter renewal durations and waivers of late payment interest were extended to our tenants. Our malls also implemented safety measures such as temperature screening, ensuring adherence to wearing face masks at our premises and providing hand-sanitisers, in compliance with the government's safety protocols during periods of movement restriction.

In the PRC, economic activities have been disrupted by intermittent

lockdowns at major cities in the past year to control the spread of the disease. To encourage spending, e-vouchers offering promotions were distributed to shoppers through WeChat. In addition, advertisements and promotional videos were uploaded on TikTok and online delivery platforms to drive brand awareness for our tenants. To support our tenants when dine-in was not possible and to encourage online food delivery, the mall also provided designated spots to facilitate delivery pick-ups.

Furthermore, as part of our tenant retention strategy for the office segment, flexible and short-term tenancy options was offered. To attract new tenants, we made available partial or fully fitted office units as rental options. Renovation relief was also provided to enable tenants to move in efficiently and effortlessly.

### Integrated Shopping Experience

The opening of IOI City Mall Phase 2 with approximately 1.0 million sq ft of NLA has positioned IOI City Mall to be one of the largest malls in Malaysia. With the addition of more than 300 retail outlets, it has bolstered IOI City Mall as an attractive shopping and dining venue. Phase 2 also features a 3S Proton service centre, offering a comprehensive range of sales, services, and spare parts. Customers can enjoy a seamless experience by dropping off their vehicles for servicing and maintenance while enjoying the conveniences offered by the mall without having to travel elsewhere.

For our malls in Malaysia and Xiamen, PRC the use of License Plate Recognition ("LPR") technology at carparks provides a seamless entry and exit in addition to improving parking lot management. With this, mall tenants and customers can make payments easily as the system supports a variety of cashless payment options.



# Executive Vice Chairman's Statement

To promote online shopping, IOI Shopz was introduced. Through this platform, patrons can consolidate orders from multiple outlets with the flexibility of selecting drive through pick-up, store pick-up or delivery. Our cardless loyalty programme, Club IOI, rewards members with points and other special privileges from selected IOI entities and participating merchants. This programme also offers special rates for carpark, dining, hotel accommodation and golfing. Members also enjoy rebates on their next property purchase from IOI Properties Group.

## Technology, Customisation to Bolster Office Segment in Malaysia

The Group has equipped our office buildings with the latest technology to enhance tenants' experience. In terms of new applications and systems, we endeavour to move towards digitising our work processes to ensure better and timely service delivery to our tenants. For example, in our office buildings at the Puchong Financial Corporate Centre ("PFCC"), the visitor management system has been upgraded to utilise QR code for visitor entry in addition to a cashless car parking system.

We provide flexibility to our office tenants in terms of workplace designs by customising the office space according to the tenant's space requirement. For PFCC specifically, we are working on providing fully furnished small offices with sizes ranging between 1,500 to 2,500 square feet. This will enable potential tenants to move in with minimal hassle of going through the engagement of interior designers, contractors and even the lengthy process of fitting out the unit.

In view of growing awareness on ESG, the Group aims to position our office buildings towards achieving green building certifications. Our office towers in IOI Resort City, IOI City Tower 1 and 2 are Green Building Index certified, while IOI Central Boulevard Towers in

Singapore will achieve a Green Mark Platinum certification once the development is completed.

## HOSPITALITY AND LEISURE

The reopening of the economy presented opportunities for the tourism and hospitality sector to capitalise on the pent-up travel demand.

### Enhancing Hospitality Experiences through Digitalisation

For our hotels under Marriott International, hotel guests can check-in online via the Marriott Bonvoy application. Upon confirmation of check-in, mobile hotel keys, or digital keys, are delivered to the guests' mobile phones offering easy access to guest rooms and other facilities. Digital in-room dining menu is offered as part of our initiatives to encourage going paperless.

### Capturing Pent-Up Domestic Demand

During lockdown, our hotels have continued to engage with clients by making virtual sales calls to update our corporate clients on current offers and packages available. We also provided food delivery from hotel offsite catering services to clients who were attending virtual meetings from homes. This has enabled our hotels to better understand the working policies of our corporate clients, i.e., whether they were working-from-home, or on a hybrid working arrangement. When domestic travel restrictions were lifted, we were able to pivot and capture demand by offering relevant services and packages that catered to the needs of our clients.

Furthermore, we targeted our marketing efforts on essential services providers such as pharmaceutical and healthcare, IT, courier services, fast-moving consumer goods, financial services, and engineering industries. These industries were allowed to operate at full capacity and to travel during lockdown. Many of these corporate travellers were also required

by company policies to quarantine themselves before returning to the workplace, which gave rise to the need for longer hotel stays, which we were able to capture by extending our long stay rates.

For retail segment clients, the pent-up demand for domestic travel was addressed by offering competitive rates based on market demand. We offered flexible cancellation policies such as zero-fee cancellations to clients who cancel bookings with at least 24-hour notice.

We also capitalise on Marriott Bonvoy, Marriott International's loyalty programme, which has a strong database of corporate and leisure clients. Through this programme, members receive updates and offers via emails or through the mobile application. Members are encouraged to book directly through Marriott Bonvoy and enjoy attractive benefits such as exclusive discounted rates, free room upgrades and late checkout. Such digital marketing initiatives allowed us to stay connected with potential clients and contributed positively to our hotel business.

## LOOKING INTO THE FUTURE

Due to the rapidly changing economic environment, the Group will focus on ensuring its property development projects progress and complete in a timely manner, while we continue to offer competitively priced and quality products with creative designs and sustainability features, well suited to market demand.

Properties in well-connected locations and supported by amenities and facilities at attractive price points will continue to appeal to prospective buyers. Combined with the Group's efforts to create value in our integrated developments, the Group is well-positioned to continue to create shareholder value. With the Group's remaining landbank of approximately 9,000 acres, we have the depth and strength to continue thriving in an increasingly competitive



IOI Mall Xiamen

environment while phasing new product launches according to prevailing market demand.

For retail segment, we are optimistic on better performance due to increase in traffic footfall with the return of domestic and international tourists. Staying current and continuing to innovate in the post pandemic environment will be key to business success and continuity. The past two years have equipped us with the agility to capitalise on opportunities arising from changes in economic environment and consumer preferences

As the world begins to adopt an endemic stance and global vaccination rates continue to increase, easing of travel restrictions is expected to spur a steady recovery in the hospitality and leisure segment. We have begun exploring new markets such as the Middle East and India, which offer opportunities for our hospitality and leisure businesses. We anticipate the Meetings, Incentives, Conferences, Exhibitions (MICE) business to return to on-site meetings and physical events, with hybrid meeting facilities which provides an additional layer of flexibility,

will continue to be in demand. This is expected to contribute positively to our hotels' performance.

## ACKNOWLEDGEMENTS

Notwithstanding the uncertainties we encountered, I am proud that we have shown our mettle and produced a resilient performance in the financial year under review. I wish to express my heartfelt gratitude to the management team and our valued employees. Your steadfast commitment has been integral to our growth and success. I also want to express my appreciation to the Board for their continued guidance and counsel. The Board has been an anchor that steadied our course and guided us as we navigated the year. Lastly, I would like to thank all stakeholders, including customers, business associates, financial institutions, and shareholders. Thank you for placing your trust in us, and for your unwavering support through a year of ups and downs as we strived to deliver excellence and create value for stakeholders.

**Lee Yeow Seng**  
Executive Vice Chairman



# How We Create Value

- Our value creation centres around the vision of being **Trusted**. We seek to be a good steward of our capitals, managing them strategically to generate value for all stakeholders, as well as value for the future sustainability of the Group.

## Our capitals

### Financial Capital

Our long-established relationships with customers, business partners and other stakeholders allow us to effectively maximise on the financial resources available to generate stable and rewarding returns.

### Manufactured Capital

It represents our property developments, retail and office properties, as well as hospitality and leisure assets that enable us to carry out our operations seamlessly, while delivering excellent customer experiences.

### Human Capital

The competencies, capabilities and motivation of our employees help differentiate us from our competitors and allow us to build **Trusted**. relationships with all stakeholders. Hence, we are constantly investing in our employees to create a strong and dedicated work force.

### Intellectual Capital

We continue to invest in the Group's technical know-how, processes and systems that gives us a competitive advantage. We will build on this knowledge base to drive innovation and productivity.

### Natural Capital

We seek to use renewable and non-renewable resources in the most efficient and responsible way possible in order to safeguard natural capital for our future generations.

### Social & Relationship Capital

The **Trusted**. relationships we have with all of our stakeholders including our communities, business partners, regulators and employees are essential for our business sustainability.

## Transforming our capitals



We ensure that sustainability is deeply embedded in our corporate strategy across our business developments. This approach allows us to focus on our purpose to create the lasting impact we pursue.



Please refer to the Sustainability Report from pages 51 to 125.

### Property Development

Backed by solid legacy of over four decades, IOIPG has a strong track record of delivering well-planned signature integrated developments in Malaysia, Singapore and PRC.

### Property Investment

The Group's diversified asset portfolio comprises retails malls and office buildings located at strategic areas with high-growth potential, as well as excellent accessibility and connectivity.

### Hospitality & Leisure

We own and operate a collection of prestigious hotels and golf courses in Malaysia, offering world-class services and hospitality that continues to deliver excellence in products and services, reinforced by a strong IOIPG brand.



Please refer to the Group Business Review section from pages 33 to 43.

**Underpinned by: Robust Corporate Governance Framework**

## Value we create for stakeholders

# Trusted.

### Trusted by customers for product excellence

Delivering products and services excellence that exceeds expectations in order to achieve long-term business growth and the desired outcome of being a **Trusted.** brand.

Overall customer satisfaction score amongst homeowners:			
Malaysia	<b>75%</b>	Xiamen	<b>70%</b>
Cases of substantiated complaints recorded for breach of data privacy			<b>0</b>
QLASSIC score:			
Clio 2	<b>83%</b>	Aralia	<b>83%</b>
Sierra 3B	<b>81%</b>	Cello 1	<b>83%</b>

### Trusted by future generations to safeguard the environment

Deploying renewable and non-renewable resources in the most effective and efficient manner to minimise waste and to reduce carbon emissions.

Solar power generated	<b>4,662MWh/year</b>
Number of trees planted Group-wide which are in the IUCN Red List as Near Threatened, Vulnerable or Endangered	<b>685</b>

### Trusted by the nation to develop sustainable communities

Creating long-term positive impact through community investments, community development programmes and other community initiatives.

COVID-19 Rental Relief Assistance	<b>RM103.2 million<sup>^</sup></b>
Upgrading road infrastructure at Bandar Puteri Puchong to improve traffic flow and connectivity	<b>RM91.2 million<sup>^</sup></b>

### Trusted by employees to build a positive working environment

Providing a safe and collaborative work environment, while building an engaging and inclusive corporate culture that is conducive for high performance.

Number of health and safety training hours (employees & contractors)	<b>13,723 hours</b>
Gender diversity (% of female employees in the workplace)	<b>40%</b>
Number of fatalities	<b>0</b>

<sup>^</sup> As at 30 June 2022

## Value created in relation to our capitals

### Financial Capital

Net Assets <b>RM20.61 billion</b>	Cash Holdings <b>RM2.35 billion</b>
--------------------------------------	--

Profit Before Tax  
**RM1.10 billion**

### Manufactured Capital

NLA* Retail <b>3.28 million sq ft</b>	NLA* Office <b>3.21 million sq ft</b>
--	--

Total Hotel Rooms  
**1,241**

### Human Capital

**2,559**  
Employees<sup>#</sup>

### Intellectual Capital

5-Year Digital Transformation Plan

### Natural Capital

Remaining Landbank approximately  
**9,000 acres**

### Social & Relationship Capital

Universities, School Buildings and Facilities  
**RM99.66 million<sup>^</sup>**

\* Net Lettable Area

# As at 31 August 2022

<sup>^</sup> As at 30 June 2022

# Our Strategy

## People & Culture



### Strategic thrusts

Showcased through our people, IOIPG's culture of trust and mutual respect is central to our ability to create value. Our people are guided by our Core Values of integrity, quality, innovation and creativity, commitment and passion, cost effectiveness, people first and teamwork.

### Progress achieved in FY2022

- Implemented a new Performance Management e-system as an enabler to facilitate the revamped performance management process, which encourages two-way communications between the line manager and the subordinate.
- Instituted a comprehensive learning needs exercise by conducting Learning Needs Workshops to gauge learning needs of the business.
- Implemented a series of training programmes to improve the leadership and technical competencies of our people.
- Introduced a new Talent Management Framework for IOIPG to identify and develop high-potential talents in order to build succession pipeline in a structured manner.
- Increased IOIPG's brand visibility as an Employer of Choice through various initiatives including participation in awards, career talks at universities, initiatives to increase our social media presence among others.
- Introduced the corporate uniform to create a sense of belonging and to augment the Team IOI spirit.

### Our focus next year

- Elevate the employee experience in the workplace.
- Build talent bench strength and succession pipeline through structured review, identification and development interventions.
- Augment the Team IOI employer brand.
- Driving a learning-oriented organisation.

### Associated principal risks

Health, safety and security risks



## Integrated Developments



Our integrated commercial and residential enclaves create signature urban spaces that foster social integration and sustainable lifestyles. Through our well-designed amenities and superior connectivity, we bring people together and strengthen the social fabric where we operate.

- Upgrading works worth RM91.2 million at Lebuhraya Puteri, which included IOI Rio City Interchange to help improve accessibility and ease traffic flow.
- Launched IOI City Mall Phase 2 on 25 August 2022 with an addition of 1 million sq ft of net lettable area (NLA), making IOI City Mall the largest mall in Malaysia, enhancing the lifestyle offerings within IOI Resort City.
- Completed upgrading works within the Town Park at Bandar Puteri Puchong.
- Continue ongoing development of the first Moxy Hotel in Malaysia offering a new and different concept within the Group's signature integrated development of IOI Resort City.
- Develop Transit-Oriented Development (TOD) at 16 Sierra, Bandar Puchong Jaya and Bandar Puteri Puchong.
- Incorporate innovative technologies in IOI Rio commercial developments such as vehicle license plate recognition (VLPR), Bluetooth mobile credential for turnstile and lifts among others.
- Reduce carbon emission at IOI Rio in Bandar Puteri Puchong via a walkable development complete with dedicated cycling lanes, walking paths and links to the LRT station.
- In Malaysia, we will focus on affordably priced residential developments that integrates lifestyle and work.
- Expedite construction at IOI Central Boulevard Towers, Singapore, a Green Mark Platinum certified development.
- Develop affordable landed residential properties in Johor.
- Include a Central Park in the master planning of IOI Resort City.
- Continue the ongoing integrated development of IOI Rio in Bandar Puteri Puchong.



Read more about our efforts to enhance connectivity within our developments in Delivering Excellence section from pages 68 to 69.

Market risk  
Project management risk  
Financial risk  
Geopolitical risk

# Our Strategy

## Sustainable Design Principles & Practices



### Strategic thrusts

IOIPG integrates green design features into our building and township developments with surrounding ecosystems, conserving urban biodiversity and fostering harmonious co-existence between humans and nature.

### Progress achieved in FY2022

- Commenced work on a 10-acre Central Park at IOI Resort City which will offer a communal space that will enable the community to thrive with nature. Valuable species of trees (with reference to the IUCN Red List) will be conserved.
- Utilised system formwork which allows for multiple reuse and its material is recyclable.
- Installed solar panels at IOI Rio, Bandar Puteri Puchong and IOI Sales Galleria in Kulai, Johor.
- Installed energy saving features and water-efficient fittings at our managed properties.
- Utilised IBS (Industrialised Building System) whereby structural components are prefabricated in the factory and then transported to the site to be assembled, resulting in reduced sitework and material wastage.



Read more about our environment-friendly designs in *Caring for the Environment* section from pages 74 to 88.

### Our focus next year

- Continue to implement more initiatives to reduce water and energy consumption intensity, as well as emissions intensity in our developments.
- Continue to pursue green building certification for all future investment properties.
- Continue to implement IOIPG's climate action plan in support of TCFD recommendation.
- Continue to execute the concepts of sustainable living and smart cities using IOI Rio as a testbed.



Read more about our climate action plan in *Caring for the Environment* section from pages 71 to 74.

### Associated principal risks

Environmental risk



Read more about our environmental targets in *Caring for the Environment* section from pages 70 to 89.

## Technology



As digital convenience and options evolve with customer expectations, IOIPG continues to explore and implement leading-edge digitalisation and process improvements to enhance the experiences of our customers and deliver the highest standards of service excellence.

- Introduced electronic Vacant Possession (eVP), a digitalised process that provides customers with a unified platform to facilitate property handover. With eVP, customers are able to schedule the handover anytime, anywhere that is convenient to them.
- Continuous improvement of e-market platform.
- In FY2022, IOIPG also signed a memorandum of understanding ("MOU") with Huawei to explore cloud-based solutions as part of the digital transformation within the Group.
- Implementing IOI Offices mobile application with touchless visitor check-in using QR code. Pre-registration allows tenants to submit necessary application forms with supporting documents for verification prior to renovation works. More features will be added to allow tenants to publish promotion notifications and advertise via the mobile application.
- Enhancement of IOIShopz, an online ecommerce mobile application enabling customers to purchase products and redeem reward points. We will provide logistics, after-sales and other follow-up services for any products purchased or point redemption via this app.

Cybersecurity risk



# Market Landscape

## Market Scenarios

### Subdued Property Market in Malaysia

[Link to Strategy](#)



People & Culture



Integrated Developments



Technology

### Office Market in Singapore on a Positive Recovery Trajectory

[Link to Strategy](#)



People & Culture



Integrated Developments



Sustainable Design Principles & Practices



Technology

### Strict Lockdowns Negatively Impacting Retail Market in PRC

[Link to Strategy](#)



People & Culture



Integrated Developments



Technology

### Hospitality, Leisure and Retail Market in Malaysia Gradually Recovering

[Link to Strategy](#)



People & Culture



Integrated Developments



Technology

## Overview

Rising inflationary pressures, increase of interest rate and the end of the Home Ownership Campaign have led to potential homebuyers being affected by affordability issues and financial difficulties, thus resulting in a soft property market and persistent overhang problems. Meanwhile, the sharp increase in construction cost has resulted in pressure on profit margins and the acute shortage of foreign labour has affected the progress on ongoing projects.

Office demand has risen in 2022 resulting from post-pandemic economic recovery coupled with the easing of restrictions such as social distancing at the workplace among others.

Barring adverse external shocks such as a global recession or an energy crisis, the real estate market is expected to continue growing in 2022.

The People's Republic of China ("PRC") adoption of the zero-COVID policy has led to a decline in footfall in malls across PRC. This has been further exacerbated by a push towards online shopping during the lockdown.

The nation is transitioning into the endemic phase with the cessation of Movement Control Orders and further relaxation of travel restrictions, allowing the hospitality, leisure, and retail sectors to stage a recovery.

## Impact

### Risk

The majority of IOIPG's revenue is driven by the property development segment and profit margins are under pressure.

### Opportunity

Malaysia has achieved a very high vaccination rate (>80.0%), which augurs well for the nation's economic recovery. Moreover, potential homebuyers may look to property purchase as a hedge against inflation.

## Our Responses

We will shift the focus of our housing launches to target the owner occupier and mid-price affordable market segments. Meanwhile, we will continue to utilise technology to reduce cost of operations and construction which decreases reliance on foreign labour.

The Group will continue with geographical diversification by tapping into other markets beyond Malaysia. We will also leverage on our digital marketing capabilities and conduct more aggressive campaigns to drive sales of our range of products.

### Risk

The increase in popularity of hybrid working arrangements may lead to lower demand for office space as more people are working from home.

### Opportunity

At IOI Central Boulevard Towers, leasing activities have received strong response from reputable multinational companies in anticipation of its completion in 2023, as the demand grows for newer, and high-quality spaces.

The technology sector continues to drive office demand in Singapore. With the support of the Singapore Government through tax and funding incentives, these technology companies are shifting their regional headquarters to Singapore.

We will continue to focus on developing Grade A offices in the central business district to meet the demand for quality office spaces.

The Group will also look at redesigning workplaces to cater for new hybrid working requirements which will enable flexibility, mobility and collaboration at the workplace.

We will also focus on developing more green buildings and incorporating sustainability elements into our projects as more tenants are gearing towards their sustainability agenda.

### Risk

Strict operating procedures and movement controls implemented by the Chinese government will negatively impact our mall operations in Xiamen.

### Opportunity

By working closely with our tenants, we can combine the strengths of online commerce and in-store capabilities and technologies to offer a customer-first experience. This will allow us to mitigate the impact of the lockdowns on our mall operations in Xiamen.

The Group will continue to provide rental relief assistance to tenants, while adopting appropriate and relevant marketing strategies to drive footfall into the malls. We are also exploring the omnichannel approach with tenants to capture both the offline and online consumer demand. We will continue to improve the tenant mix in our malls to ensure a dynamic and varied retail mix for shoppers.

### Risk

Any potential tightening of restrictions due to rising COVID-19 cases will have a negative impact on overall hotel and mall occupancy as well as rental rates. Further risks to consumer demand and the economic outlook may arise from persistent inflation, central bank's monetary tightening and a potential global economic downturn.

### Opportunity

The hotel management will work closely with the business guests, as the corporate segment has contributed significantly to our hotel operations through long-stay room nights during the lockdowns. In addition, there is also a strong pent-up demand for leisure travel and coupled with robust domestic demand, this should lead to increased occupancy rates.

The retail sector is also recovering and the outlook for this sector is expected to improve in the near term, providing ample opportunities for us to capitalise on.

We will adopt active and pragmatic tenant retention strategies to maintain occupancy rates. Our aim is also to focus on digital marketing and innovative solutions to provide better value propositions for mall tenants and hotel guests.

We will practise right-pricing strategies, using insightful market intelligence and building business case for new and existing corporate accounts by their value production. The Group will also seek to maintain the consistency in experience for food and services at our hotels to sustain our hospitality reputation.

ICM, the largest mall in Malaysia being a destination mall offers a wide choice of F&B, retail and activities, making it different from the other shopping malls within the vicinity of Putrajaya and its surrounding areas.

# Market Landscape

## Market Scenarios

### Creating New Opportunities Through Digitalisation

[Link to Strategy](#)



People & Culture



Technology

## Overview

Digital transformation is here to stay, and with it comes a heightened need to digitalise and innovate processes in the real estate industry.

### Increasing Focus on Sustainability and ESG Considerations

[Link to Strategy](#)



People & Culture



Sustainable Design Principles & Practices

As awareness rose globally, tenants, hotel guests and consumers are increasingly demanding for property and businesses to embrace sustainability. There is also a rising demand from shareholders for sustainable business practices as businesses are more resilient if they manage ESG risks and opportunities well. As the shift towards a greener economy intensifies, the Malaysian government and regulatory bodies are requiring Malaysian corporates to implement climate-friendly and sustainable practices.

### Evolving Needs of Office Tenants

[Link to Strategy](#)



Sustainable Design Principles & Practices

As the nation began transitioning into the endemic phase in April 2022, employees are gradually returning to the workplace. Most companies have also firmed up their workplace policies with regard to flexible work arrangements. In line with a rising trend of hybrid work arrangement, there is a need for office spaces to evolve and adapt to changing tenancy needs.

### Transformation of the Retail Experience

[Link to Strategy](#)



Integrated Developments



Technology

The shifts in retail concepts and business models for tenants such as the adoption of online-to-offline (O2O) strategies have transformed the retail experience.



## Impact

### Risk

A higher level of digitalisation will increase the Group's exposure to cybersecurity risks.

### Opportunity

Digital solutions can enhance consumer experiences and improve the operational efficiency of our employees.

## Our Responses

We have introduced License Plate Recognition (LPR), a cashless and ticketless system, at IOI City Mall. The Group also rolled out IOI Shopz, an online e-commerce platform. Further enhancement of the IOI Support app is under way, with additional functions such as electronic vacant possession (e-VP), whereby customers are able to schedule the handover anytime, anywhere that is convenient to them.

As part of plans to mitigate the Group's cybersecurity risk exposure, we have migrated and implemented solutions on robust cloud computing platform and established extensive access controls.

### Risk

Integrating sustainability in business operations is a journey and the Group will need to strive to meet evolving regulatory requirements and increasing stakeholder demands.

### Opportunity

Sustainability-focused developments can create new business opportunities and boost long-term value of our properties as consumers are willing to pay a "green premium".

IOIPG will align our overall strategy and sustainability efforts to comply with evolving regulatory guidelines. We will prioritise the integration of green building design into our developments and continue to adopt the Low Carbon Cities Framework in our developments, while adopting the TCFD recommendations. We continue to educate our employees and business partners on the importance of sustainability and environmental responsibility.

All employees including senior management are accountable for Group ESG performance and this is reflected in the annual performance appraisal which is linked to their remuneration.



*Read more about our KPIs on sustainability in Our Sustainability Journey section on page 53.*

### Risk

A challenging market because there is a mismatch of office demand and supply, largely due to the incoming newly completed buildings, while increasingly more companies are embracing the hybrid work arrangement as part of organisational agility.

### Opportunity

Demand for green buildings will rise in tandem with greater importance placed on sustainability by all stakeholders. This will create an opportunity for our GBI certified office buildings.

We will incorporate technology to enhance the experience of our tenants. The Group also works on creating a good ecosystem within our developments where the office buildings are located, as the future workplace will focus on both the physical and mental well-being of employees, which is essential for increased productivity and improved performance.

### Risk

Lower occupancy rates and rental revenue when tenants do not renew leases or default on rents.

### Opportunity

We will be able to maintain occupancy rates and improve footfall in our malls by supporting tenants who are keen to ride on the relevant retail trends, such as omnichannel retailing that is redefining the role of brick-and-mortar stores.

We will focus on data and analytics to gain insights into customer sentiments and behaviour.

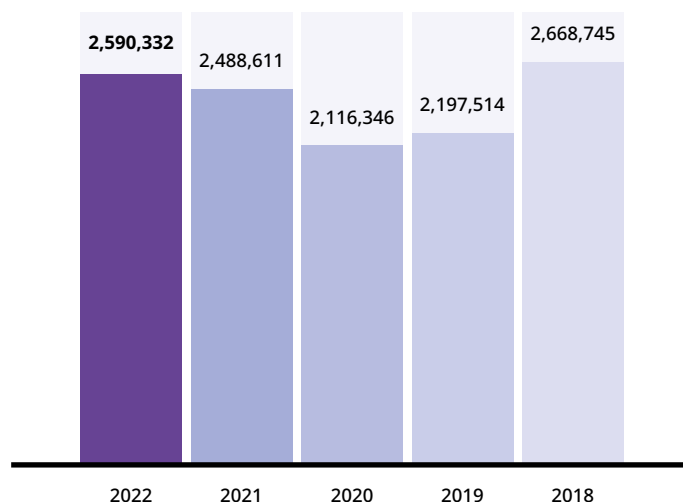
# Five-Year Financial Highlights

Financial Year Ended 30 June (RM'000)	2022*	2021*	2020*	2019	2018
<b>RESULTS</b>					
Revenue	2,590,332	2,488,611	2,116,346	2,197,514	2,668,745
<b>Segment operating profit</b>	<b>1,039,827</b>	894,101	932,060	850,351	803,659
Property development costs and inventories written down	(171,215)	(108,852)	(27,855)	–	–
Fair value gain/(loss) and impairment loss on investment properties	48,924	(71,061)	(138,575)	93,356	160,695
Share of result of an associate	2,124	34,973	19,622	2,005	3,193
Share of results of joint ventures	164,741	249,581	141,846	103,174	(33,875)
<b>Profit before interest and taxation</b>	<b>1,084,401</b>	998,742	927,098	1,048,886	933,672
Net interest income	8,360	34,429	49,995	68,936	52,440
Net foreign currency translation gain/(loss) on borrowings and deposits	10,012	44,829	(30,289)	(31,862)	29,495
<b>Profit before taxation</b>	<b>1,102,773</b>	1,078,000	946,804	1,085,960	1,015,607
Taxation	(414,704)	(414,687)	(438,165)	(425,530)	(237,493)
<b>Profit for the financial year</b>	<b>688,069</b>	663,313	508,639	660,430	778,114
Attributable to:					
Owners of the Company	686,735	660,209	504,695	661,290	753,636
Non-controlling interests	1,334	3,104	3,944	(860)	24,478
<b>ASSETS</b>					
Property, plant & equipment	3,054,120	1,530,672	1,421,979	1,265,538	1,167,505
Land held for property development	9,076,819	5,170,325	4,847,658	4,642,164	4,508,568
Investment properties	15,778,422	14,895,545	14,334,703	13,672,410	12,891,488
Interests in joint ventures	4,390,152	4,434,207	4,379,375	5,012,119	4,951,641
Property development costs	568,462	2,223,706	3,129,002	3,567,548	3,467,800
Inventories	3,051,666	2,412,152	2,133,507	2,047,991	2,106,832
Cash and cash equivalents	2,351,084	1,848,208	1,471,985	1,576,885	2,683,320
Other assets	1,230,644	918,091	965,628	934,547	941,884
<b>Total assets</b>	<b>39,501,369</b>	33,432,906	32,683,837	32,719,202	32,719,038
<b>EQUITY AND LIABILITIES</b>					
Total shareholders' equity	20,452,612	19,558,369	18,782,218	18,834,461	18,309,595
Non-controlling interests	157,958	160,339	155,401	159,122	166,603
<b>Total equity</b>	<b>20,610,570</b>	19,718,708	18,937,619	18,993,583	18,476,198
Borrowings	16,816,658	11,010,111	10,895,176	11,326,461	11,953,066
Other liabilities	2,074,141	2,704,087	2,851,042	2,399,158	2,289,774
<b>Total liabilities</b>	<b>18,890,799</b>	13,714,198	13,746,218	13,725,619	14,242,840
<b>Total equity and liabilities</b>	<b>39,501,369</b>	33,432,906	32,683,837	32,719,202	32,719,038
<b>FINANCIAL RATIOS</b>					
Basic earnings per share (sen)	12.47	11.99	9.17	12.01	13.69
Diluted earnings per share (sen)	12.47	11.99	9.17	12.01	13.69
Interest cover (times)	3.31	3.30	3.03	2.82	3.02
Net dividend per share (sen)	4.00*	2.00	1.50	3.00	5.00
Dividend payout ratio (%)	32.07	16.68	16.36	24.98	36.53
Net assets per share (RM)	3.71	3.55	3.41	3.42	3.33
Gross gearing ratio (%)	0.82	0.56	0.58	0.60	0.65
Net gearing ratio (%)	0.71	0.47	0.50	0.52	0.51
Return on average shareholders' equity (%)	3.43	3.44	2.68	3.56	4.12
Return on average capital employed (%)	1.96	2.04	1.51	1.95	2.33

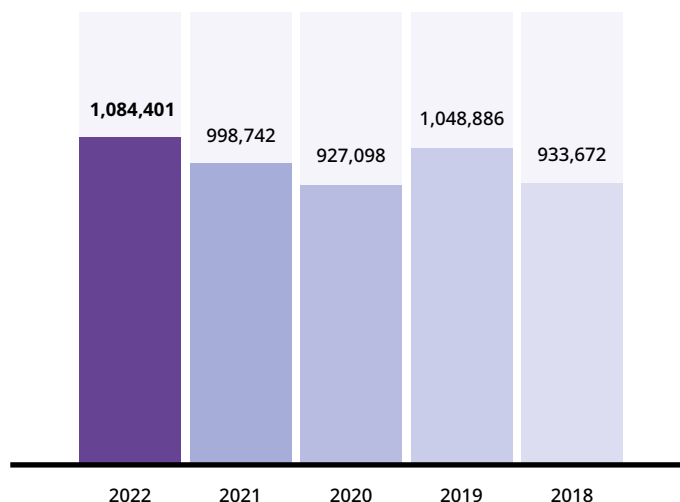
\* Adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" since 1 July 2019.

# Proposed first and final dividend to be approved by the shareholders at the forth coming Annual General Meeting.

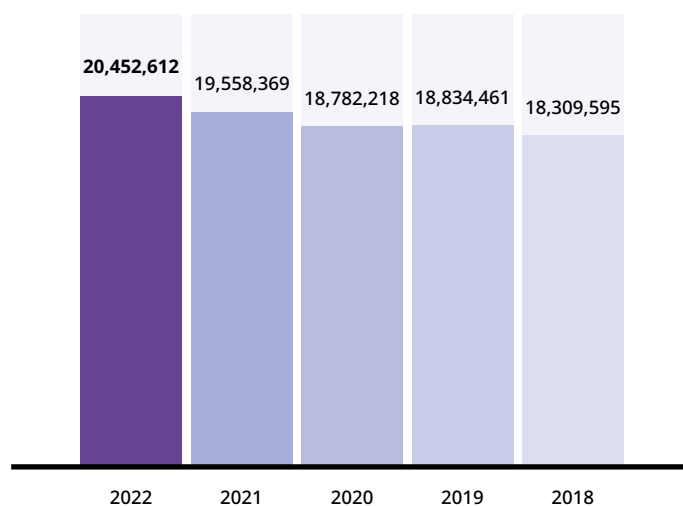
Revenue (RM'000)

**2,590,332**

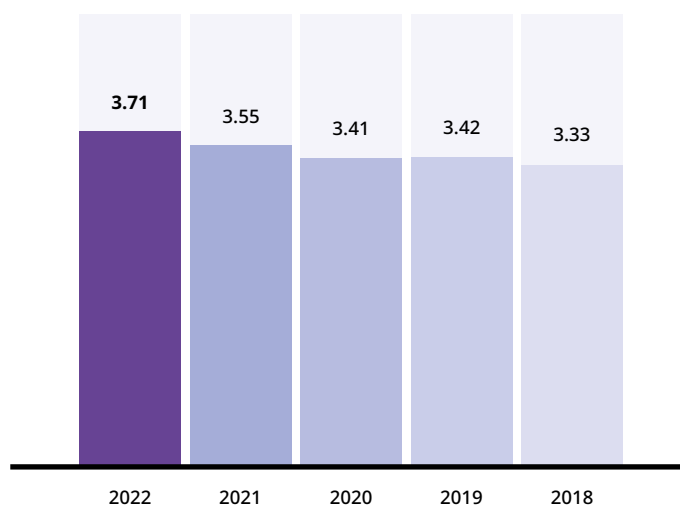
Profit Before Interest and Taxation (RM'000)

**1,084,401**

Shareholders' Equity (RM'000)

**20,452,612**

Net Assets Per Share (RM)

**3.71**



# Key Indicators



Profit Before Taxation

**RM1.10 billion**

RM1.08 billion (2021)



Earnings Per Share

**12.47 sen**

11.99 sen (2021)



Gross Dividend Per Share

**4.00 sen\***

2.00 sen (2021)



Net Assets Per Share

**RM3.71**

RM3.55 (2021)



Share Price

**RM1.00**

RM1.12 (2021)

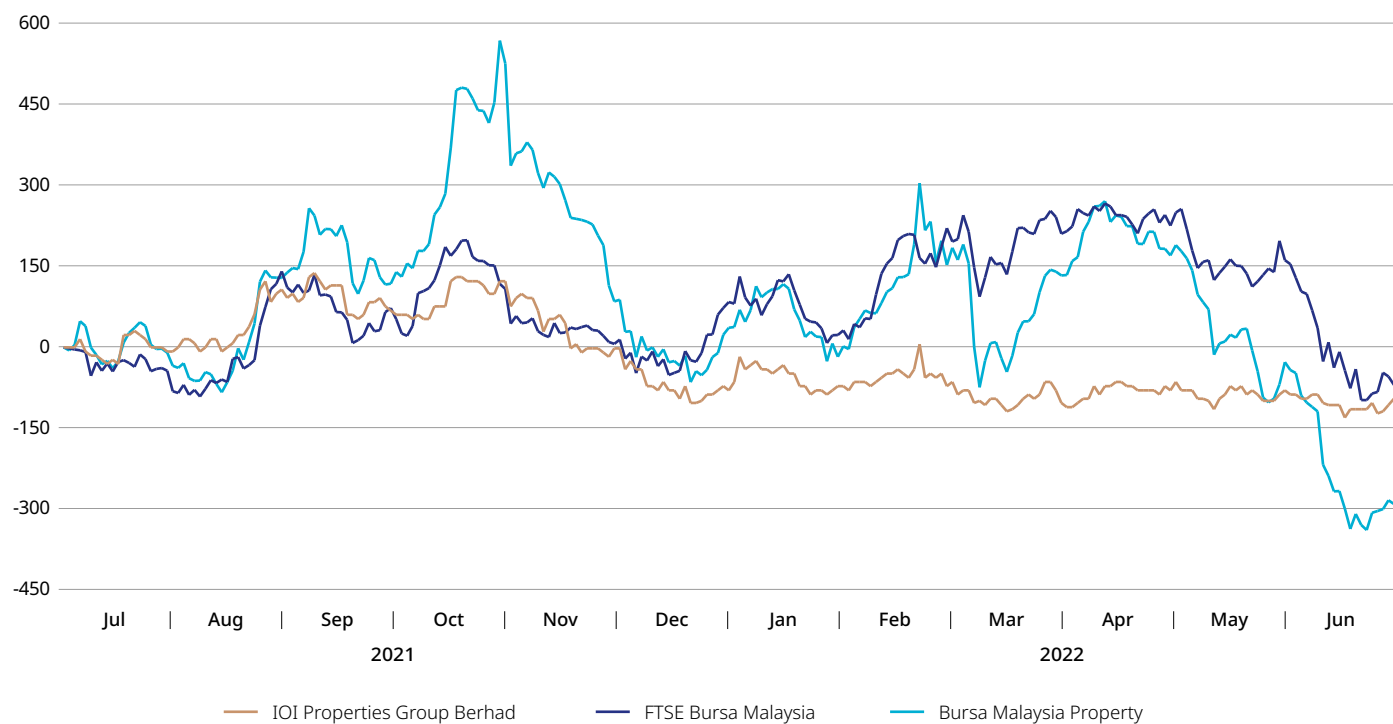


Market Capitalisation

**RM5.51 billion**

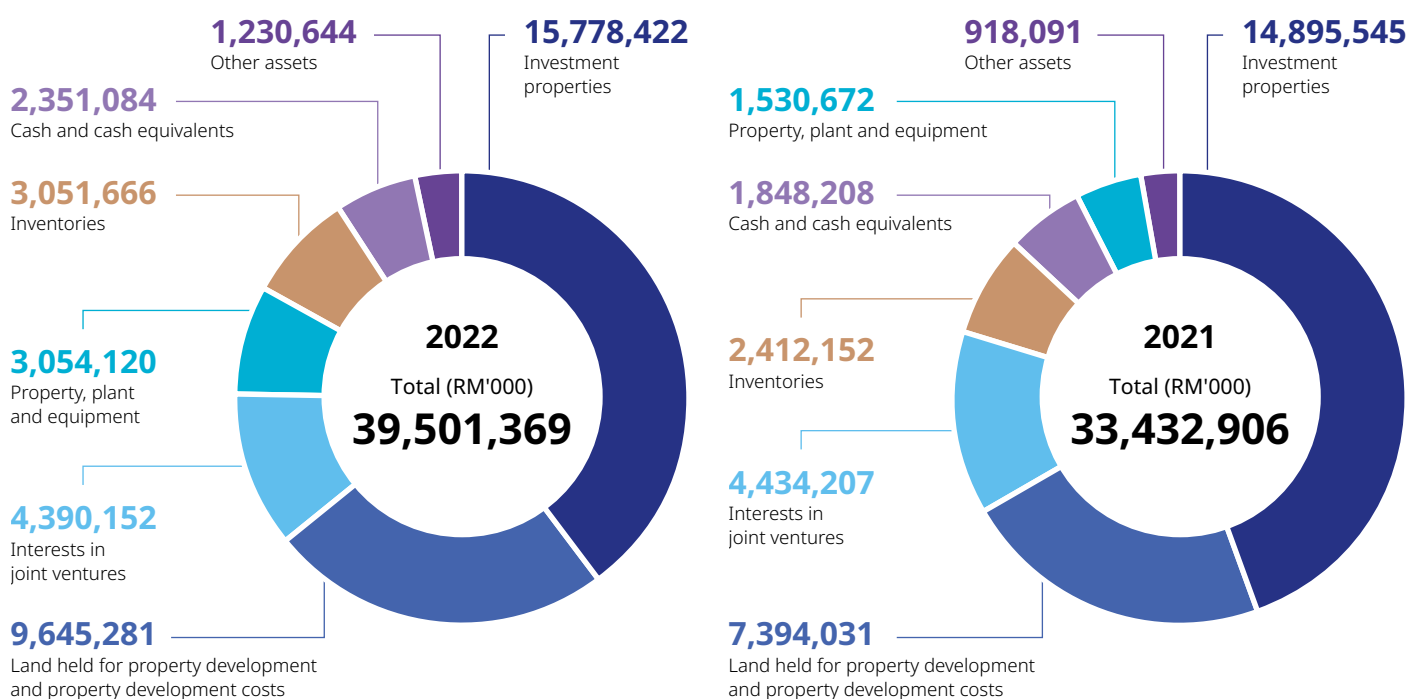
RM6.17 billion (2021)

\* Proposed first and final dividend to be approved by the shareholders at the forthcoming Annual General Meeting.

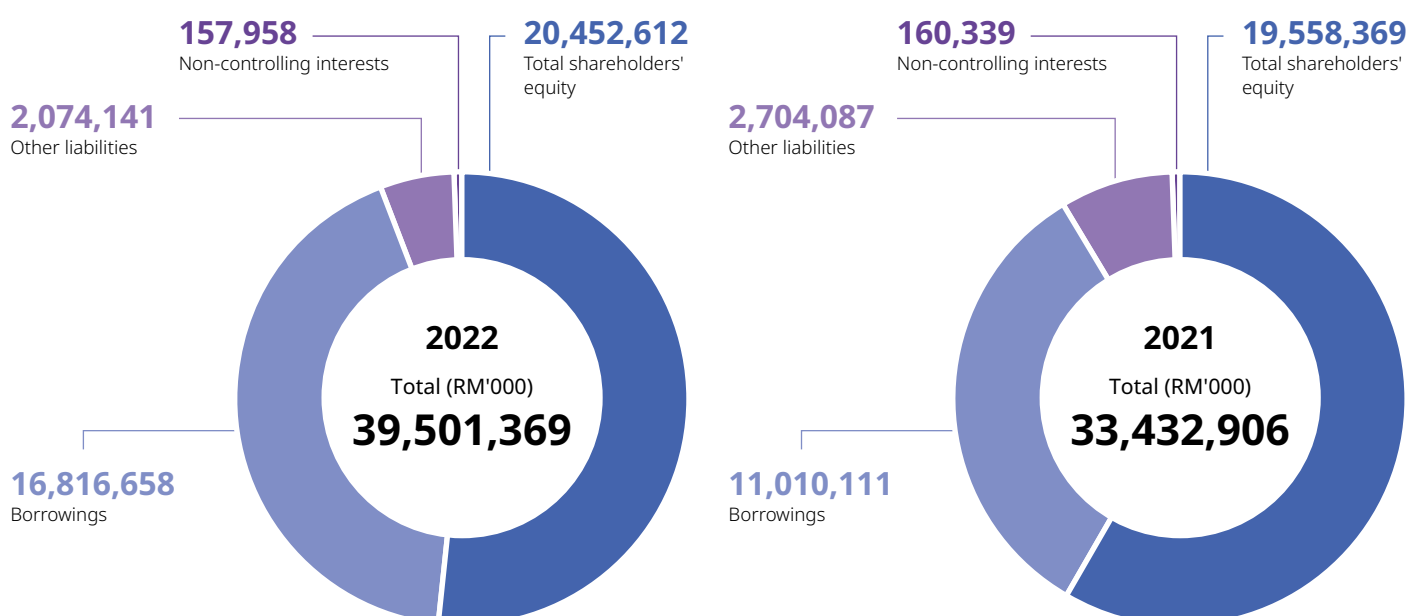


# Group Financial Position

## Assets



## Equity and Liabilities



# Group Financial & Segmental Performance Highlights

In RM'000 unless otherwise stated

	2022*	2021*	2020*	2019	2018
<b>FINANCIAL PERFORMANCE</b>					
Revenue	2,590,332	2,488,611	2,116,346	2,197,514	2,668,745
<b>Segment operating profit</b>	<b>1,039,827</b>	894,101	932,060	850,351	803,659
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Taxation	(414,704)	(414,687)	(438,165)	(425,530)	(237,493)
<b>Profit for the financial year</b>	<b>688,069</b>	663,313	508,639	660,430	778,114
<b>SEGMENT ANALYSIS</b>					
<b>Property Development</b>					
Sales (unit)	2,765	2,509	2,270	2,126	2,128
Sales value	1,930,368	2,300,132	1,839,328	1,930,052	1,876,769
Revenue	2,101,915	2,109,585	1,638,453	1,634,582	2,141,272
Segment operating profit	901,803	790,063	773,758	612,986	571,349
<b>Property Investment</b>					
Assets under management <sup>#</sup>	5,081,045	4,121,789	4,289,660	4,283,618	4,248,528
Net lettable area ('000 sq ft) <sup>^</sup>	7,127	6,536	6,495	6,481	6,696
Average occupancy rate (%)	66	62	63	60	59
Rental yield (%)	6	6	7	8	8
Revenue	364,247	286,690	320,796	354,960	326,214
Segment operating profit	160,929	129,512	165,671	207,877	195,060
<b>Hospitality &amp; Leisure</b>					
Number of hotels (unit) <sup>#</sup>	4	4	4	4	4
Number of rooms (key)	1,241	1,241	1,241	1,241	1,241
Occupancy rate (%)	16-53	26-64	51-78	65-81	61-92
Revenue	113,094	83,565	150,070	198,017	190,023
Segment operating (loss)/profit	(29,194)	(29,815)	(10,260)	22,624	28,533
<b>Other Operations</b>					
Revenue	11,076	8,771	7,027	9,955	11,236
Segment operating profit	6,289	4,341	2,891	6,864	8,717

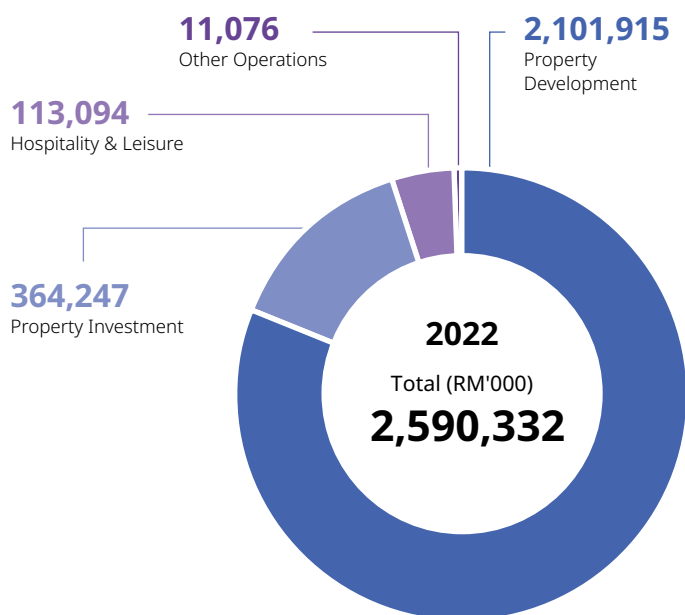
# Excluded assets that are currently under construction.

<sup>^</sup> Excluded vacant lands and car parks.

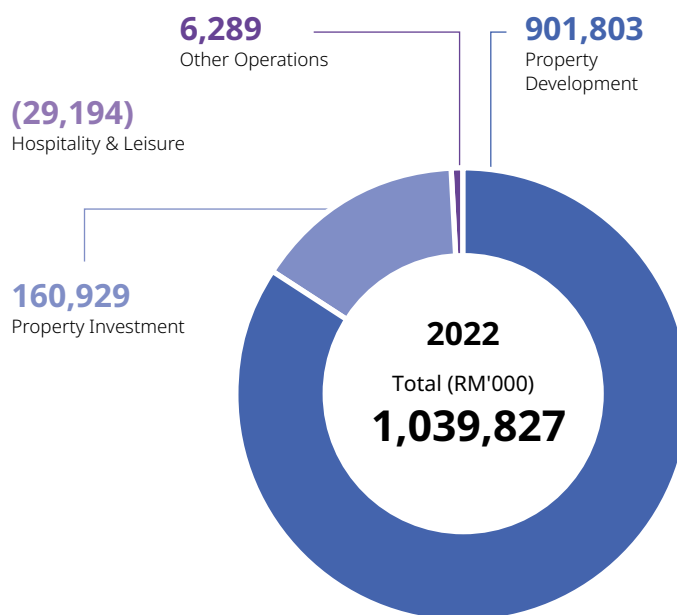
\* Adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" since 1 July 2019.

# Segmental Performance

## Revenue



## Segment Operating Profit/(Loss)



Property Development
Sales Unit
<b>2,765</b>
Sales Value (RM'000)
<b>1,930,368</b>
Revenue (RM'000)
<b>2,101,915</b>
Segment Operating Profit (RM'000)
<b>901,803</b>

Property Investment	
Revenue (RM'000)	Segment Operating Profit (RM'000)
<b>364,247</b>	<b>160,929</b>
Hospitality & Leisure	
Revenue (RM'000)	Segment Operating Loss (RM'000)
<b>113,094</b>	<b>(29,194)</b>
Other Operations	
Revenue (RM'000)	Segment Operating Profit (RM'000)
<b>11,076</b>	<b>6,289</b>



# Group Quarterly Results

In RM'000 unless otherwise stated	30 Sep 2021	%	31 Dec 2021	%	31 Mar 2022	%	30 Jun 2022	%
Revenue	431,773	16.7	704,826	27.2	737,791	28.5	715,942	27.6
Operating profit	212,889	20.5	255,220	24.5	306,279	29.5	265,439	25.5
Property development costs written down	-	-	-	-	(111,031)	64.8	(60,184)	35.2
Fair value (loss)/gain on investment properties	-	-	(98,412)	(201.2)	-	-	147,336	301.2
Share of result of an associate	605	28.5	378	17.8	569	26.8	572	26.9
Share of results of joint ventures	36,224	22.0	58,933	35.8	21,277	12.9	48,307	29.3
Profit before interest and taxation	249,718	23.0	216,119	20.0	217,094	20.0	401,470	37.0
Net interest income/(expense)	11,883	142.1	11,546	138.1	(3,441)	(41.2)	(11,628)	(139.0)
Net foreign currency translation (loss)/gain on borrowings and deposits	(882)	(8.8)	5,227	52.2	1,451	14.5	4,216	42.1
Profit before taxation	260,719	23.6	232,892	21.1	215,104	19.5	394,058	35.8
Taxation	(52,178)	12.6	(107,620)	26.0	(155,084)	37.4	(99,822)	24.0
Profit for the financial year	208,541	30.3	125,272	18.2	60,020	8.7	294,236	42.8
Attributable to:								
Owners of the Company	208,813	30.4	125,724	18.3	59,718	8.7	292,480	42.6
Non-controlling interests	(272)	(20.4)	(452)	(33.9)	302	22.7	1,756	131.6
	208,541	30.3	125,272	18.2	60,020	8.7	294,236	42.8
Earnings per share (sen)								
Basic	3.79		2.29		1.08		5.31	
Diluted	3.79		2.29		1.08		5.31	

## Segment Revenue and Segment Profit Before Interest and Taxation

In RM'000 unless otherwise stated	30 Sep 2021	%	31 Dec 2021	%	31 Mar 2022	%	30 Jun 2022	%
<b>SEGMENT REVENUE</b>								
Property development	363,235	17.3	571,628	27.2	605,905	28.8	561,147	26.7
Property investment	59,157	16.2	96,652	26.5	99,673	27.4	108,765	29.9
Hospitality and leisure	7,550	6.7	33,115	29.3	30,050	26.6	42,379	37.4
Others	1,831	16.5	3,431	31.0	2,163	19.5	3,651	33.0
	431,773	16.7	704,826	27.2	737,791	28.5	715,942	27.6
<b>SEGMENT PROFIT BEFORE INTEREST AND TAXATION</b>								
Property development	232,375	27.4	257,814	30.4	171,712	20.2	186,617	22.0
Property investment	38,640	13.7	(37,013)	(13.1)	61,276	21.7	219,177	77.7
Hospitality and leisure	(22,239)	42.4	(5,553)	10.6	(15,905)	30.3	(8,789)	16.7
Others	942	15.0	871	13.8	11	0.2	4,465	71.0
	249,718	23.0	216,119	20.0	217,094	20.0	401,470	37.0

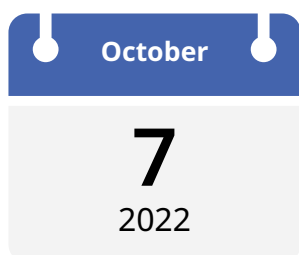
# Financial Calendar

## Financial Year End



## General Meeting

### Notice of AGM

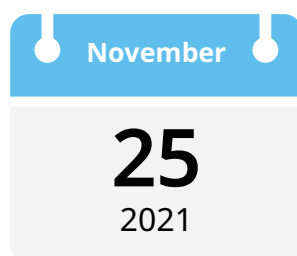


### AGM

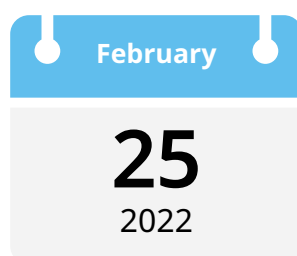


## Announcement of Results

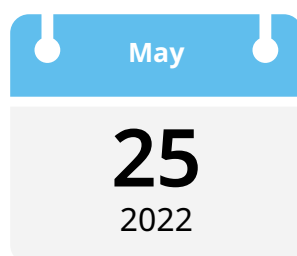
### 1<sup>st</sup> Quarter



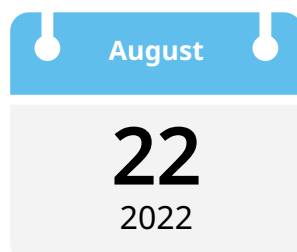
### 2<sup>nd</sup> Quarter



### 3<sup>rd</sup> Quarter



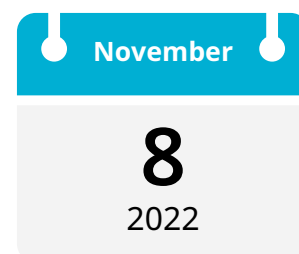
### 4<sup>th</sup> Quarter



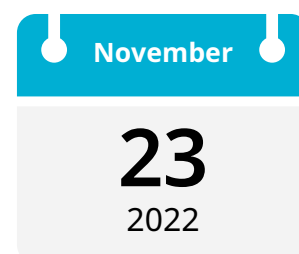
## Payment of First and Final Dividend

(Subject to shareholders' approval at the 10<sup>th</sup> AGM)

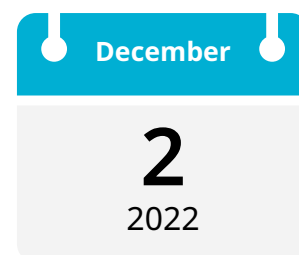
### Declaration



### Book Closure



### Payment



# Management Discussion and Analysis



We remain committed to maintaining strong financial performances and long-term sustainable growth through increased contributions from all business segments.

**Dato' Voon Tin Yow**  
Chief Executive Officer

## CEO'S INTRODUCTION

The nation's transition towards endemicity augurs well for all of our business segments as the resumption of all economic activities continues to revitalise market and economic conditions to pre-pandemic levels. We anticipate a continued recovery within the property industry backed by rising levels of consumer confidence and the reopening of domestic and international borders.

In light of these encouraging signs, we remain committed to maintaining strong financial performances and long-term sustainable growth through increased contributions from all business segments. The Group will continue to launch new products and complete ongoing projects as well as increase retail and office space net lettable area. This will further bolster IOIPG's earnings among these respective segments.

Beyond our borders, the Group has responded strongly to challenges arising from the strict operating procedures and movement controls implemented by the government of the People's Republic of China ("PRC"), which has affected our mall operations in Xiamen, PRC. In response, we have adopted an active and pragmatic tenant retention strategy to maintain occupancy rates.

We firmly believe in the importance and value of trust to maintain the confidence of our stakeholders. This is reflected in the Group's commitment to consistently deliver innovative, high-quality products and quality service. As a **Trusted.** brand, this commitment has been instrumental towards our success as one of the leading property developers in Malaysia.

Overall, this year has laid bare the importance of having a balanced and well-diversified business that also cares deeply for the environment. We remain steadfast in navigating through domestic and global challenges, positioning ourselves well to seize emerging opportunities across the property value chain. This is to ensure we continue to create value for all our stakeholders. At the same time, we remain resolute in minimising the impact of our business activities on the environment and contributing to the preservation of our earth for the benefit of future generations.

## GROUP BUSINESS REVIEW

### OUR BUSINESS

IOIPG is among the largest publicly listed developers in Malaysia with a history dating back more than four decades. The Group's three core businesses are in property development, property investment, and hospitality and leisure. Renowned for developing sustainable townships in sought-after locations in Malaysia, our signature developments include IOI Resort City, Bandar Puteri Puchong, Bandar Puchong Jaya, 16 Sierra, Bandar Puteri Bangi, Warisan Puteri Sepang and Bandar Putra Kulai. In the international front, the Group has carved out a presence in Singapore and the PRC. IOIPG has a total development landbank of approximately 9,000 acres.

Beyond property development, IOIPG also builds and manages a range of investment properties from retail malls, office buildings, hotels, to golf courses. Our investment properties have a total net lettable area (NLA) of 9.9 million sq ft, consisting of 7.2 million sq ft already in operation in Malaysia and PRC and 2.7 million sq ft currently under construction in Malaysia, Singapore and PRC. Our investment portfolio includes IOI City Mall, IOI Mall Puchong, IOI Mall Kulai, One and Two IOI Square, Puchong Financial Corporate Centre, IOI City Tower 1 and 2, Conezi3n and IOI Mall Xiamen, PRC.



Gems Residences, IOI Resort City

In Singapore, IOI Central Boulevard Towers, an iconic office and retail development in the Marina Bay financial and business district is currently under construction. IOIPG also has a 49.9% stake in South Beach, a fully integrated mixed-use development in Singapore. In PRC, the development of IOI Palm City in Xiamen, which includes a hotel, boutique offices and shop lots, is progressing well.

IOIPG's hospitality and leisure segment comprises four-star and five-star hotels (excluding Joint Venture projects) offering a total of 1,241 keys and two golf courses located in Klang Valley and Johor. Our collection of hotels and golf courses in Malaysia includes Putrajaya Marriott Hotel, Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel, Le Méridien Putrajaya and Palm Garden Golf Club in IOI Resort City; Four Points by Sheraton Puchong in Bandar Puteri Puchong and IOI Palm Villa Golf and Country Resort in Bandar Putra Kulai.

In Singapore, IOIPG holds a 49.9% stake in JW Marriott Hotel Singapore South Beach. The Group also has two hotels under construction namely Moxy Putrajaya in IOI Resort City and the Sheraton Grand Hotel in Xiamen, with the latter scheduled for completion in the fourth quarter of 2023.

IOIPG's diverse portfolio of properties across Malaysia, Singapore to PRC enables the Group to capture opportunities available in these markets, while mitigating the risks of operating in a single market.

Our unwavering emphasis on always putting customers first also allows us to focus on delivering product and service excellence which helps solidify the Group's reputation built over the decades. Furthermore, the Group is constantly adopting an innovative approach towards value enhancement on products and services that cater to evolving market conditions.



# Management Discussion and Analysis

## SEGMENT BUSINESS HIGHLIGHTS

### Property Development

#### Market Review

##### *Transitioning into an endemic phase in Malaysia*

In the beginning of FY2022, IOIPG had to operate in a challenging environment due to the COVID-19 pandemic. However, the Group remained steadfast in overcoming challenges as Malaysia began its transition into endemicity. Following a successful nationwide vaccination effort, accompanied by a full lifting of movement restrictions, economic activities have resumed across Malaysia. All states have transitioned into Phase 4 of the National Recovery Plan, with less restrictive measures governing business operations. Consumer sentiment has improved, resulting in a higher demand for property.

##### *Rising costs affecting profitability*

Our property development business has been affected by the rising costs of construction due to the spike in prices of commodities and labour shortage. A combination of factors such as rising interest rates, surging food and petrol prices, and increased cost of living, have eroded the purchasing power of consumers. This has contributed to the decline in the affordability of housing, which dampened property sales, resulting in a shift in demand towards more affordable housing. Hence, the need to strike a fine balance between raising property prices to mitigate rising cost and ensuring affordability.

##### *Property market slowdown in PRC*

In PRC, the property market was impacted by the debt crisis faced by Chinese property developers, PRC's Zero-COVID policy, as well as the prolonged Russian invasion of Ukraine, which continues to disrupt global supply

chain and dampen economic activities. As a result of these factors, our property sales in PRC were affected, including that of IOI International Parkhouse. As our target market comprises mainly first-time property buyers, they were easily affected by negative market sentiments.

#### Segment Overview

Throughout the year, we recorded continuous improvement in our performance in the Malaysian property segment, resulting from the reopening of all economic sectors within the country. This has enabled the positive contribution of revenue and operating profits within the business segment. Meanwhile, in response to the recovering demand in the property market, the Group has launched initiatives and organised activities to incentivise potential homeowners to purchase our properties.

We launched IOIXtend, a promotional campaign that ran from April to July 2022. This promotion allows for an extended 12-month warranty that covers leakages from embedded plumbing and cabling, providing buyers with much needed peace of mind when purchasing their dream homes.

In August 2022, we teamed up with Affin Bank Bhd to provide financing solutions to homebuyers through the Affin Home Step Fast/i loan on a wide range of properties located within our integrated developments in the Klang Valley. The loan allows prospective buyers to enjoy low monthly repayments for the first five years.

Recognising the importance of digitalisation, we introduced several digital initiatives to enhance the experience of our customers during the year.

We launched the electronic Vacant Possession (eVP) process, a digitalised process that provides customers with a unified platform to facilitate property handover. The handover process was smoothened significantly as customers were able to schedule the handover at their own convenience. We also launched a "Vendor Directory" through the IOI Support mobile application, which is available to all residents. The online directory contains a comprehensive list of contact details for contractors, suppliers, or renovators, as well as the different types of services offered. This offers a hassle-free experience for our residents in search of a particular vendor.

In order to lower construction costs and to solve the issue of labour shortage, we implemented the Industrialised Building System (IBS) in our ongoing developments. In IBS construction, building components can be prefabricated in a controlled environment. Apart from reducing construction time, this results in a more efficient use of raw materials and reduces reliance on manual labour.

Beyond our borders, the island republic of Singapore has begun its transition towards a COVID-19 resilient nation and with the gradual easing of safe management measures, the construction of IOI Central Boulevard Towers has resumed and is gathering momentum. However, the competitive labour market in the construction sector and supply chain disruptions have caused logistical hold-ups and extended lead times; and this continue to pose challenges to the project's progress. Nevertheless, the project team remains determined to ensure the timely completion of IOI Central Boulevard Towers in 2023. On the leasing front, about 30% of the

lettable space has been successfully leased out.

Meanwhile, the South Beach Consortium ("SBC") has clinched the Urban Renewal Award at the SGBC-BCA Leadership in Sustainability Awards co-organised by the Singapore Green Building Council (SGBC) and the Building Construction Authority (BCA). The award seeks to acknowledge building projects that have demonstrated a keen focus on sustainability and adaptive reuse of an existing building or space, recognising its heritage but still pursuing a form to best reflect its new purpose. An integral aspect of South Beach's development was the conservation and restoration of four heritage military buildings and interspersing them with conserved mature trees. Sustainable features such as photovoltaic cells were installed for the generation of solar power in order to achieve optimal building performance solutions.

South Beach Tower, the office component of the South Beach development, is currently running at 98% occupancy rate, despite the keen competition it is facing. To gain a competitive edge, South Beach has been proactively engaging its tenants earlier, to start the negotiation process on their lease renewal. This is in anticipation of tenants right-sizing their real estate footprint in response to the lifestyle pattern shift of employees working from home more frequently, as well as ongoing economic uncertainties.

In Xiamen, PRC, construction of the residential development in IOI Palm City has been completed in FY2021.

We expect our developments in the PRC to continue contributing positively to IOIPG's financial performance in the next financial year.



South Beach, Singapore



# Management Discussion and Analysis

## OUR PORTFOLIO

### Klang Valley

In the year under review, the Group completed a total of 350 units of Stellar Suites at Bandar Puteri Puchong in Selangor. Stellar Suites is a freehold transit-oriented development located only 50 metres away from the Bandar Puteri LRT Station. It offers SOVO office suites and retail shops at a prime area in a vibrant integrated development. The Group also completed construction for Clio 2, a serviced apartment located within the well-planned 788-acre freehold township of IOI Resort City in Putrajaya. The thoughtfully designed tri-towers are well connected to major cities in the southern part of Klang Valley, including Cyberjaya, Kajang, Bangi, and the KL City Centre, through an established network of highways. In addition, Avens 2, consisting of 159 units of double-storey terrace homes located within 16 Sierra at the Puchong South township was completed in FY2022. Well connected through major highways such as SKVE, MEX and LDP, the peaceful and serene living space offered by Avens 2 is very much sought-after by homebuyers, which is reflected in its 99% take-up rate.

Meanwhile, construction is progressing well for The Strata 2, a sold-out development located at Bandar Puteri Bangi. Construction is also ongoing at Alanis, an affordable service apartment; and Arena Xchange, a commercial development; both located at Warisan Puteri Sepang. Another project under construction is Gems Residences, an upmarket condominium, located at IOI Resort City in Putrajaya.

### Penang

IOIPG will continue to focus on unlocking the value of the Group's inventory in Penang through the sales of D'Zone Condominium and Cypress Villa semi-detached houses.

### Negeri Sembilan

In the coming financial year, we plan to launch 84 units of affordable homes in Bahau, Negeri Sembilan. We will also carry out more aggressive marketing efforts concurrently, such as the Rent-To-Own campaign, to sell existing stocks of shop offices and light industry units.

Other completed projects during the year include 70 units of affordable homes located at Bandar IOI Bahau that were fully sold.

### Johor

Demand for landed properties, in particular single-storey terrace houses, remained robust for the Group's new products launched from RM447,900. The sales for the new launch of two-storey cluster houses priced from RM799,000 was also encouraging.

In FY2022 at Bandar Putra Kulai, we have successfully delivered vacant possession for Cello 1, comprising 120 units of single-storey houses that are 99% sold and Aralia comprising 73 units of high-end double-storey houses. Within the same integrated development, we also completed the construction of 32 units of Semi-D Factories.

Another completed project is Victory, a freehold 3-storey shop office project comprising 9 units located in Kempas Utama, Johor Bahru. The Group also completed construction of 60 stratified shop-offices at Platino Avenue, a low-density new business hub in Skudai, Johor.

During the year, projects that are under construction in Kulai, Johor include Crystal, a double-storey cluster houses located in Taman Lagenda Putra. At Bandar Putra, construction is ongoing for various landed terrace houses such as Cello 2 and Marvela; Merpati Indah apartments and detached factories at I-Synergy industrial park.

Within Bandar IOI Segamat, construction is progressing well for various freehold single-storey terrace houses such as Ruby, Jati and Iberis, as well as one and a half storey terrace houses of Lavenda 2.

### Singapore

The construction of IOI Central Boulevard Towers is in progress and is expected to be completed in 2023. Meanwhile, our mixed residential cum hotel development site at the Marina View site is currently undergoing comprehensive site preparatory work which includes soil investigation, services detection, topographical surveys, and hoarding works to ensure the site is ready for development. Earlier in 2021, we were successfully awarded the Government Land Sales (GLS) tender with a closing bid of RM4.7 billion. We have also obtained Provisional Planning Permission from the Urban Redevelopment Authority (URA), a requirement for development and building works.

### PRC

The residential portion of the IOI Palm City was completed in FY2021. Of the 992 units that were launched, 936 units have been sold, amounting to an overall take up rate of 94% as demand for the project was strong given the scarcity of villas in Xiamen. There are also 1,712 car park bays for sale at IOI Palm City at a price tag of approximately RM200,000 per bay.

The construction of IOI Palm International Parkhouse has been completed in FY2022. IOI Palm International Parkhouse also has 419 car park bays which are open for sale.

## The Group's ongoing property development projects (excluding investment-based development)

Developments	Year of Development's Commencement	Original Development Land Size (Acres)	Remaining Development Land Size (Acres)	Estimated Gross Value 'billion	Remaining Estimated Gross Value 'billion
<b>Ongoing</b>					
Bandar Puchong Jaya, Selangor	1990	930	8	RM4.2	RM0.5
IOI Resort City, Putrajaya	1995 & 2016	358	293	RM17.7	RM14.9
Bandar Putra Kulai, Johor	1995	5,680	3,498	RM9.4	RM5.4
Bandar IOI Segamat, Johor	1995	607	87	RM1.8	RM0.5
Bandar Puteri Puchong, Selangor	2000	930	142	RM17.1	RM12.0
Taman Lagenda Putra, Kulai, Johor	2006	225	22	RM0.7	RM0.1
Taman Kempas Utama, Johor Bahru, Johor	2007	294	33	RM2.9	RM0.8
16 Sierra, Puchong South, Selangor	2008	548	183	RM8.3	RM5.6
Desaria, Sungai Ara, Penang	2013	27	5	RM0.4	RM0.2
IOI Palm City, Xiamen, PRC	2014	21	0.3	RMB7.1	RMB0.3
Bandar IOI, Bahau, Negeri Sembilan	2014	283	21	RM0.6	RM0.2
Bandar Puteri Bangi, Selangor	2014	345	206	RM7.0	RM5.4
Warisan Puteri @ Sepang	2014	336	186	RM4.3	RM3.4
i-Synergy, Senai, Kulai, Johor	2015	507	265	RM1.9	RM1.8
IOI Palm International Parkhouse, Xiamen, PRC	2018	6	1	RMB2.3	RMB1.1
BC Industrial Park	2021	325	325	RM2.1	RM2.1
Marina View	2022	1	1	SGD2.6	SGD2.6
<b>Completed joint venture projects</b>					
Seascape @ Sentosa Cove, Singapore	2008	4	–	SGD0.8	SGD0.3
Cape Royale @ Sentosa Cove, Singapore	2010	5	–	SGD1.4	SGD1.4

## Key Information – Property Development (excluding joint ventures projects)

	2022*	2021*	2020*	2019	2018
Units of property sold	2,765	2,509	2,270	2,126	2,128
Total sales (RM'000)	1,930,368	2,300,132	1,839,328	1,930,052	1,876,769
Revenue (RM'000)	2,101,915	2,109,585	1,638,453	1,634,582	2,141,272
Operating profit (RM'000)	901,803	790,063	773,758	612,986	571,349

\* Adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" since 1 July 2019.

## Property Sales Mix by Price Range

Price Range	2022 RM'000	%	2021 RM'000	%
Below RM250,000	31,984	2	16,736	1
Between RM250,000 and RM500,000	464,107	24	370,402	16
Between RM500,000 and RM750,000	439,655	23	312,023	13
Between RM750,000 and RM1,000,000	239,924	12	266,755	12
Between RM1,000,000 and RM1,500,000	117,120	6	284,479	12
Between RM1,500,000 and RM2,000,000	54,161	3	231,591	10
Above RM2,000,000	583,417	30	818,146	36
<b>Total</b>	<b>1,930,368</b>	<b>100</b>	<b>2,300,132</b>	<b>100</b>



# Management Discussion and Analysis

## Our Portfolio



### Mall

- IOI City Mall  
– Net Lettable Area: 2.5 million sq ft
- IOI Mall Puchong  
– Net Lettable Area: 902,000 sq ft
- IOI Mall Kulai  
– Net Lettable Area: 264,000 sq ft
- IOI Mall Xiamen, PRC  
– Net Lettable Area: 639,000 sq ft



### Office

- Puchong Financial Corporate Centre  
– Four 12-storey to 21-storey purpose-built office buildings  
– Net Lettable Area: 883,000 sq ft
- One IOI Square and Two IOI Square in IOI Resort City, Putrajaya  
– Two 12-Storey purpose-built office towers  
– Net Lettable Area: 434,000 sq ft
- IOI City Tower 1 and IOI City Tower 2 in IOI Resort City, Putrajaya  
– Two office towers  
– Net Lettable Area: 968,000 sq ft
- Conezi3n in IOI Resort City, Putrajaya  
– Net Lettable Area: 925,000 sq ft

## Property Investment

### Market Review

#### *Shifting consumption behaviour*

The pandemic has transformed consumption habits, with customers prioritising speed and convenience. Hence, the traditional brick-and-mortar retail businesses are now facing competition from online shopping and popular food delivery applications. In response, physical retailers have begun investing in omnichannel platforms to provide a seamless online-to-offline experience for customers. More retail stores are equipped with click-and-collect services and are also allowing customers to have the option of placing online orders directly at the physical stores.

#### *A flight-to-quality trend is underway in the Malaysian office market*

The Malaysian office market continues to be driven by tenants, who are taking advantage of a higher supply to negotiate for lower rentals. Flight-to-quality remains a dominant theme, as tenants are looking for properties that deliver the best value for their money and can meet their evolving requirements for a hybrid work set-up. There is still demand for physical office space due to concerns about the potential impact of remote working on productivity, employee engagement and corporate culture. Tenants are also growing more selective with preference for quality offices, which has been known to help attract and retain talent. We also observed significant movements by the local technology companies expanding their office footprint outside of the city centre. The technology industry has witnessed exponential growth during the pandemic, and this has accelerated a demand for high-quality office spaces.

#### *An increased focus on ESG compliance in the workplace*

As global investors increasingly push the ESG agenda, MNCs are under pressure to comply with tightening sustainability requirements, including the physical spaces they operate in. Companies are exercising more scrutiny and selecting offices and buildings with sustainability as well as health and wellness features. Energy efficiency is also a key consideration as it leaves behind a smaller carbon footprint. We see a rising demand for newer and more sustainable buildings in the years to come. Furthermore, going hybrid and going green are increasingly being viewed through a common lens. There is an opportunity to create a hybrid workplace rooted in sustainability that will appeal to sustainability-focused tenants.

## Segment Overview

### *Retail*

The Movement Control Order (MCO) 3.0 imposed by the Malaysian government greatly affected shopping mall operations at the beginning of FY2022. During the lockdown period, the Group provided rental relief to support our tenants. This is part of our pragmatic tenant retention strategy, and this has allowed us to optimise our occupancy rates throughout the lockdown. In September 2021, the restriction measures were subsequently relaxed, and led to an increase in consumption. Our malls have seen a brisk recovery in footfall due to strong pent-up demand, resulting in record quarters for the malls' footfall and revenue. The Phase 2 construction of IOI City Mall was also completed, with the official opening on 25 August 2022. This has added an

additional 1 million sq ft, bringing the total of NLA to 2.5 million sq ft, making IOI City Mall the largest mall in Malaysia.

In PRC, IOI Mall Xiamen was successfully opened to the public in October 2021 with an occupancy rate of 92.2%. There were initial concerns to launch against a backdrop of economic uncertainties and turbulence in the aftermath of the COVID-19 outbreak. However, we are pleased with the performance of the mall since its launch. During the initial opening phase, we received a total of 460,000 customers, with total sales amounting to RMB24.3 million and an average daily volume of 115,000 customers. The sales performance of the restaurants at IOI Mall Xiamen were particularly noteworthy, with the performance of 6 restaurant brands ranking 1<sup>st</sup> in PRC in their respective franchises, and 30 restaurant brands ranking 1<sup>st</sup> in the Fujian province. The resounding success of the mall was not left unnoticed and was recognised through the receipt of the “Annual Most Popular Commercial Real Estate Award” at the Xiamen Real Estate Oscar of Xiamen Evening Press 2021, and the “Annual Experiential Landmark Award” in Yingshang 2021 PRC Experiential Commercial Real Estate (Pioneer) Event.

On the digital front, we have embraced the use of digital initiatives in our retail business. The Group believes that online platforms and mobile applications complement our business and helps to enhance the experience of our retail customers. CLUB IOI, an online e-commerce mobile application that also functions as a cardless loyalty programme, has received numerous enhancements during the year to improve customer experiences.

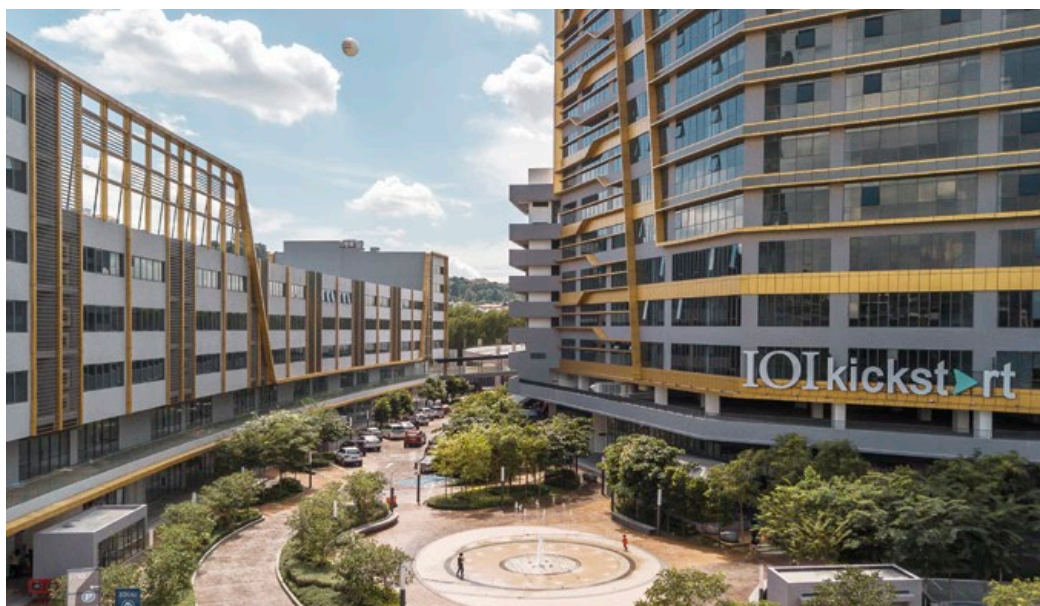
The coverage of CLUB IOI was also expanded to IOI Mall Puchong, increasing its access to a total of 3 shopping malls (including IOI City Mall and IOI Mall Kulai). We are also leveraging on online platforms to attract consumer attention and develop our own fanbase. We have created our own TikTok account to post interactive videos and hold live broadcasts to improve our malls' online exposure and convert our online viewers into walk-in customers.

IOI Mall Xiamen partnered with tenants to train them to build their own live broadcast platforms and online communities to help them improve customer loyalty and generate sales. We also supported our tenants by sharing the latest news on their promotions and branding campaigns on our IOI official fan page on WeChat, which has contributed to their sales performance.

### Office

The Malaysian office market continues to be affected by the prolonged pandemic. As part of the Group's efforts to support our office tenants, we have introduced several tenant support initiatives. We granted rental relief, staggered rental rates, short term tenancy and flexible terms to help our tenants during such challenging times. We also granted rebates to several office tenants.

To improve the experience of our office tenants, we adopted several initiatives such as the Carpark Cashless System, allowing them to pay with their credit cards/debit cards. We also upgraded the Visitor Management System, allowing our tenants to keep track of those who visit their business premises, providing both security and peace of mind.



IOI Rio at Bandar Puteri Puchong

# Management Discussion and Analysis

## Our Portfolio



### Hotels & Golf Courses

- Putrajaya Marriott Hotel  
– 488 guest rooms
- Four Points by Sheraton Puchong  
– 249 guest rooms
- Palm Garden Hotel, Putrajaya,  
a Tribute Portfolio Hotel  
– 151 guest rooms
- Le Méridien Putrajaya  
– 353 guest rooms
- JW Marriott Hotel Singapore  
South Beach  
– 634 guest rooms (49.9% stake)
- Palm Garden Golf Club  
– 18-hole golf course
- IOI Palm Villa Golf and  
Country Resort  
– 18-hole golf course



Putrajaya Marriott Hotel

## Hospitality and Leisure

### Market Review

#### *Emerging from the shadows of the pandemic*

Hospitality occupancy rates remained soft during the year under review as the rising COVID-19 infections led to the extension of the Government's Movement Control Order (MCO 3.0) under the National Recovery Plan in Malaysia. Many hotels continued to offer quarantine services to support the accommodation needs of medical frontliners, self-isolation guests and essential travellers. However, Malaysia's high vaccination rate among the population has enabled the government to progressively relax the movement restrictions imposed on economic and social activities, including inbound and international travels. The golf tourism sector is also primed for a post-pandemic boost, with golfer traffic expected to increase significantly as international golf travellers frequent the golf courses again.

#### *The rising popularity of staycations*

With international travel grinding to a halt during the pandemic, the domestic staycation trend emerged and boomed in popularity. The easing of movement restrictions by the Government encouraged domestic travel and further boosted demand for domestic tourism. Through a well-defined market segmentation process, our hotels were able to ride on the staycation trend and achieved healthy sales by targeting domestic travellers looking for a holiday experience closer to home. We were able to ensure our competitiveness in the market by maintaining a competitive flexible rate and cancellation policy to drive sales. In addition, we were able to stay connected with our guests to build confidence and drive domestic demand towards our hotels prior to the easing of movement restrictions. Our sales were further bolstered by the leisure and corporate business contributions from Marriott International Travel Program (Marriott Bonvoy), which offer member-exclusive rates and benefits.



### *The resurgence of business travel and events*

As Malaysia transitions towards an endemic phase, the easing of measures for international travellers and business events in Malaysia will help boost the Meetings, Incentives, Conferences and Exhibitions ("MICE") industry. The hotels hosted smaller scale events due to the strict healthcare protocols imposed on the MICE sector. Pre-packed coffee breaks and bento lunches became a norm during this period to ensure the safety and well-being of the guests. Our hotels also targeted corporate travellers from less impacted industries such as pharmaceutical and healthcare, IT, courier services, Fast-Moving Consumer Goods (FMCG), financial services, and engineering by providing special rates for longer stays to optimise occupancy rates and capture a larger pool of customers.

### **Segment Overview**

Rapid hotel closures, either temporary or permanently, in 2020 and 2021 underscored the impact of the COVID-19 pandemic on the hospitality segment. However, with the swift resumption of business and new hotel openings, we saw signs of improving sentiments within the sector. Therefore, the Group capitalised on the opportunity to add Palm Garden Hotel to the Group's international brand portfolio, and it became part of Marriott International's Tribute Portfolio following a strategic conversion. With this latest addition, Marriott International will manage six hotels for IOIPG – four existing hotels in Malaysia (Le Méridien Putrajaya, Putrajaya Marriott Hotel, Four Points by Sheraton Puchong and Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel) and two new hotels under construction (Sheraton Grand Hotel, IOI Palm City, Xiamen and Moxy Putrajaya).

When the country's border reopening was announced and travel lanes between countries opened, we identified countries with similar travel policies as our target markets, particularly neighbouring

countries such as Singapore, Thailand and Indonesia. We focused on corporate travelling as a key focus area for the hotel business due to high pent-up demand, following two years of movement and travel restrictions. Besides focusing on corporate travellers, our hotel management has explored the potential of new markets including the Middle East and India for leisure and group travels.

In Singapore, the island republic has opened its international borders in a safe and calibrated manner in April 2022. Since then, JW Marriott Hotel Singapore South Beach has experienced a surge in demand and has continued to perform well. The tourist arrivals in Singapore have also rebounded to 1.5 million in the first six months of 2022, compared with 119,000 arrivals during the same period in 2021. In 2021, JW Marriott Hotel Singapore South Beach served as a Stay-Home Notice (SHN) dedicated facility from July 2021 to 6 December 2021. After being released from its SHN obligations in December 2021, there

was an uplift in rates and revenue as the hotel was able to leverage on the Singapore Airshow week to capture sales in February 2022.

Meanwhile, in Xiamen, PRC the ongoing construction of Sheraton Grand Hotel is slated for completion in the fourth quarter of 2023.

The golf industry business was also not spared by the COVID-19 pandemic but there have been slow yet steady signs of recovery. As one of Malaysia's top public golf courses, Palm Garden Golf Club's golf rounds and banqueting revenue saw marginal gains from between October 2021 and January 2022. However, this performance was hampered by the advent of the high number of COVID-19 cases due to the reopening of state and international borders, and an extended spell of bad weather in the ensuing months which resulted in cancellations and postponement of golf rounds, tournaments as well as the use of our ballroom and meeting rooms.



Sheraton Grand Hotel, IOI Palm City, Xiamen



# Management Discussion and Analysis

## OUTLOOK AND PROSPECTS

### Property Development

Malaysia's economy has been on a strong recovery path since the opening of borders in April 2022. It is projected that the recovery will extend into the second half of 2022, though at a slower pace tempered by global headwinds. The Group remains vigilant of the ongoing macroeconomic and sectoral concerns caused by rising inflation, supply chain disruptions and interest rate hikes. However, we are optimistic that we are well-positioned to deliver positive results.

We will continue to drive sales of our mid-priced range of products by leveraging on the Group's digital marketing capabilities and aggressive promotional campaigns. With the resumption of construction activities that were previously disrupted by the lockdowns, we will be able to continue our progress for ongoing developments and expedite the delivery of vacant possession of our projects.

In the next financial year, we will focus on enhancing our value proposition to improve the profitability of our property development projects. To achieve this, the Group will be launching products with higher margins corresponding to the maturity of its landbank and infrastructure of its integrated developments.

Meanwhile in the PRC, we anticipate continued government supported measures to stabilise the property market. Signs of improvement in the housing market have emerged after the Chinese government unveiled measures including the reducing of mortgage rates, subsidising property purchases, and reducing down payments. The property market has also been bolstered by the easing of pandemic restrictions in PRC through the relaxation of controls on intercity travels, while the quarantine period for international arrivals was reduced by 50% to seven days. We foresee further relaxation of COVID-19 restrictions.

Furthermore, the Chinese government has introduced a series of stimulus measures and increased infrastructure spending to fuel economic growth and meet targeted Gross Domestic Product growth. We believe the demand for property in Xiamen, PRC will remain strong over the long-term. This is largely driven by continuous urbanisation into 2<sup>nd</sup> tier cities such as Xiamen, the Chinese traditions and customs for home ownership, and the influx of young talent looking to settle down in Xiamen after graduating from Xiamen University.

The property market slump in PRC has also provided an opportunity for the Group to demonstrate our financial ability in showcasing actual housing units and attracting potential buyers for IOI Palm City and IOI International Parkhouse. At a time when local developers are grappling with the debt crisis and struggling to resolve their stalled and delayed projects, we have the financial strength to ensure timely completion and delivery of our housing projects.



IOI City Mall, IOI Resort City

## Property Investment

### Retail

Across our retail malls, rising inflation is expected to have a negative impact on performance as customers become more price sensitive amidst decreased sentiments. As part of our plans to mitigate this impact, we will strive to further rationalise our cost structure to mitigate the impact, via more efficient and effective use of resources, such as deploying new technologies and accelerating digitalisation.

In PRC, we are optimistic that the retail market will regain its vibrancy when the PRC government opens its borders and further relaxes movement control restrictions. In anticipation of the resulting increase in consumption demand, we seek to capitalise on our major target group of family-oriented customers to drive sales as the market strengthens gradually. Once our other integrated development projects which includes hotels and offices, are completed, we will also be able to cater to a broader spectrum of customer profiles such as tourists and business executives.

Although the consumer behaviour and spending habits in PRC are constantly evolving, we are confident that shopping malls remain irreplaceable. The mall is not only a place where people do their shopping, we will continue to differentiate ourselves as a welcoming space that delivers experiences. We seek to provide space for friends and family to celebrate special occasions and share experiences that online shops cannot replicate. We believe the brick-and-mortar stores will be especially appealing after a prolonged period of lockdown measures resulting from the COVID-19 pandemic.

Looking ahead, we are anticipating a subway station of Line 6 connecting our mall with Xiamen Island to be operational in 2024. Coupled with the opening of Sheraton Grand Hotel and IOI Palm City

Signature Offices in the fourth quarter of 2023, we expect an increase in footfall to our mall. This will be a boost to retain existing tenants and attract new tenants with stronger and more established brand presence.

### Office

In the office segment, we envisage that the growing adoption of hybrid working arrangements by companies will affect the demand for office space. On the other hand, demand for green buildings is projected to increase as companies are placing more focus on ESG compliance. Meanwhile, in the near term, rents will likely remain under pressure as office supply continues to outpace demand with the completion of some major projects in the year ahead.

Moving forward, we have major upgrading plans in the pipeline for older office buildings in our portfolio. We recognise the need to enhance the quality of our office spaces to stay relevant in this competitive market segment. In keeping with our digital transformation aspirations, we will also digitalise various building services to enhance the tenants' experience. We will also continue our efforts to offer fitted offices in anticipation of an increase in market demand for office spaces. This approach will allow us to increase occupancy at a faster rate. To further boost our competitiveness, the Group has also budgeted for the funding of fit-out costs to selected tenants, which will be amortised over the tenancy period.

### Hospitality and Leisure

The pandemic has left an indelible mark on us, changing our travel behaviour and habits. For instance, we observed that booking lead times have been shortened and travellers are more inclined to plan for last minute trips to take advantage of the lifting of travel restrictions. The preferences of consumers have also shifted towards

international hotel chains after the pandemic, taking comfort in the brand assurance on hygiene measures that are aligned with global standards. Furthermore, due to pent-up demand, consumers are more willing to spend extra for premium rooms for comfort and privacy, for both leisure and business trips. As such, our hotels will continue to upsell premium rooms and increase our average room rates. Our hotels also promote "Stay & Work" packages to those who seek a refreshing change of scenery and require high speed internet access.

For the MICE business, we noted that event organisers are planning for single occupancy rooms instead of booking twin sharing rooms for health and safety reasons. Events may also require more function spaces as a general session may cascade into different breakout sessions that involves more rooms. Hotels that have the capacity to provide sufficient guest rooms and appropriate function spaces will benefit from these requests. In the next two years, the MICE business will likely see more in-person attendance and the hybrid element will accommodate an increase in attendance, which will then contribute towards the hotels' incremental revenue.

Meanwhile, we are anticipating a rebound in the golf tourism sector, having previously struggled to perform during the pandemic. With international travel picking up momentum amidst the reopening of borders, international golf travellers are expected to return to the golf courses. In anticipation of this increased demand, we have secured several local travel agents to facilitate the bookings and reservations of these international golfers and have already received international bookings since May 2022. The post-pandemic continuation of professional golfing events and tournaments will further boost the performance of the golf tourism sector.

# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

The Group recorded a revenue of RM2.59 billion and profit before taxation ("PBT") of RM1.10 billion for the financial year ended 30 June 2022 ("FY2022"). The Property Development segment ("PD segment") remains the key driver of our operations and accounted for 81% (FY2021: 85%) of the Group's total revenue, whilst the revenue from Property Investment, Hospitality & Leisure and Other segments accounted for the remaining 14% (FY2021: 12%) and 5% (FY2021: 3%) respectively. Revenue from Malaysian operations accounted for 76% (FY2021: 64%) of the total revenue, with the remaining 24% (FY2021: 35%) contributed by PRC operations.

The Group's revenue in FY2022 was 4% higher than FY2021. This was mainly attributable to the Property Investment segment with the onset of recurring leasing income from IOI Mall, Xiamen following its business commencement on 28 October 2021. The increased revenue was also due to an improvement in mall and hotel traffic in Malaysian operations following the reopening of the economy and international borders into Malaysia.

After excluding net foreign currency translation gain on foreign denominated borrowings and deposits, fair value adjustment on investment properties, and property development costs written down in value, the Group registered a PBT of RM1.22 billion in FY2022, slightly higher than FY2021's RM1.21 billion. The higher PBT was mainly as a result of better financial performance from the Property Investment segment, although this was mitigated by a lower share of associate and joint ventures profits compared against the preceding financial year.

Property development cost written down in value of RM171.22 million in the current year was attributable to certain residential developments in IOI Palm International Parkhouse, Xiang'an. The Group also recognised a fair value gain on investment properties of RM48.92 million, driven by a strong recovery in the retail market in Malaysia.

The Group registered total assets of RM39.50 billion, shareholders' equity of RM20.45 billion, and total liabilities of RM18.89 billion in FY2022. Gross borrowing as of 30 June 2022 stood at RM16.82 billion, an increase of RM5.81 billion from FY2021. The additional borrowing was mainly utilised for the acquisition of a new site in Marina Bay. Correspondingly the Group's gross gearing ratio rose from 0.56 in FY2021 to 0.82. Whereas the Group's net gearing ratio was 0.71 in FY2022, compared with 0.47 in FY2021. The Group's net assets value of RM3.71 per share for FY2022 was slightly higher than RM3.55 per share recorded in FY2021.

The Group continues to maintain a healthy cash flow position. Cash and cash equivalents stood at RM2.35 billion as at 30 June 2022, up by RM502.88 million or 27% from FY2021. Cash generated from operations was RM1.59 billion for FY2022, which was 14% or RM192.40 million higher than FY2021. This was mainly attributable to higher proceeds received from the sales of completed units. However, net cash generated from operating activities was RM694.29 million in FY2022, which was RM324.46 million lower than FY2021. This was mainly due to the settlement of land appreciation tax and corporate income tax during the financial year pursuant to the completion of the last phase of residential development in IOI Palm City, Jimei.

The Group has total cash outflows of RM5.25 billion from investing activities in FY2022, mainly for the acquisition of a parcel of leasehold land at Singapore's Marina View for RM4.71 billion. The Group recorded net cash inflows of RM5.04 billion from financing activities in the current year, which was utilised for the said new land acquisition.

The Group's Net Interest Cover was 3.31 times for FY2022. The Group manages its capital structure and optimises debt and equity mix to create value for shareholders. We actively monitor our operating cash flows, debt maturing profile, and the availability of funding against our overall debt position to ensure all operating, investing, and financing requirements as well as the loan covenants imposed by the financial institutions are met.

The Group continues to maintain a record of annual dividend payment to our loyal shareholders. A proposed first and final single tier dividend of 4.0 sen per ordinary share amounting to RM220.25 million in respect of the financial year ended 30 June 2022 to be approved by the shareholders at the forth coming Annual General Meeting of the Company. This represents a dividend payout ratio of 32% of total earnings attributable to the owners of the Company.

## Operations Review

### Property Development

Property development continues to be the key driver of revenue and operating profit of the Group. The Group has recorded total property sales of RM1.93 billion (FY2021: RM2.30 billion) and revenue of RM2.10 billion for FY2022. Development projects in Malaysia contributed 72% (FY 2021: 58%) of the Group's revenue, followed by 28% (FY 2021: 41%) from our development projects in Xiamen, PRC.



The Group's Total Assets

**RM39.50b**

The Group's Shareholders' Equity

**RM20.45b**

Proposed Dividend

**4.0 sen**

per ordinary share



IOI Palm City, Xiamen

The revenue contribution from Malaysian operations of RM1.52 billion in FY2022 was RM297.57 million or 24% higher than FY2021. The revenue increase was mainly driven by higher sales of completed units in both Klang Valley and Johor, as a result of our dynamic sales and marketing campaign during the year. The Group's PRC operations registered revenue of RM586.14 million in FY2022, mainly contributed from IOI Palm City projects.

The segment recorded operating profit of RM901.80 million in FY2022, which was RM111.74 million or 14% higher than the previous financial year. The higher operating profit was largely contributed by a RM85.98 million gain on disposal of a subsidiary that owned 259.1 acres of plantation land. The improved operating profit was also bolstered by the Malaysian operations.

### Property Investment

The Group posted a total revenue of RM364.25 million and operating profit of RM160.93 million in FY2022, predominantly driven by the contribution of the retail sector which accounts for 83% of the Group's total Property Investment revenue.

As a whole, the current financial year's revenue and operating profit for Property Investment was recorded at RM77.56 million or 27%, and RM31.42 million or 24% higher than FY2021 respectively. The better financial performance in FY2022 was largely due to the business commencement of IOI Mall in Xiamen in October 2021, which contributed approximately 11% to the total Property Investment revenue. This was further bolstered by the improvement in mall traffic in Malaysian operations following the reopening of the economy and international borders into Malaysia.

The Group recorded a total fair value gain of RM48.92 million on investment properties in FY2022, mainly attributable to the retail sector following the strong recovery in our mall operations.

### Hospitality & Leisure

The Group registered a total revenue of RM113.09 million, up by RM29.53 million or 35% when compared with FY2021. Operating loss narrowed to RM29.19 million in FY2022, from RM29.82 million in FY2021.

The segment's improved financial performance in FY2022 was mainly driven by the increase in hotel occupancy rates, supported by robust domestic demand following the easing of travel restrictions and reopening of international borders. Nonetheless, the better showing was partly impacted by RM6.42 million on amortisation of a leasehold land on the newly acquired site at Marina Bay.

# Management Discussion and Analysis

## How We Manage Our Risk

Effective management of risks is crucial to the long-term and sustainable growth of the Group. We have identified and outlined below, the key risks that are critical across all business segments, with our mitigation measures, for the financial year under review. The risk movement symbol indicates the movement of the risk rating from FY2021 to FY2022, after taking the implemented risk mitigating measures into account.



Further elaboration on our Enterprise Risk Management Framework can be found in the Statement on Risk Management and Internal Control from pages 164 to 169 of this Annual Report.

Key Risks	How It Affects Us
<b>Health, Safety and Security Risk</b>	<p>The Group recognises the risk of being impacted by injuries, COVID-19, or fatality to workers related to working conditions and safety.</p> <p>This may lead to significant loss of productivity and performance as a result of potential accidents, injuries, casualties and stop work orders imposed by authorities.</p> <p>In the transition to the endemic phase, the Group remains vigilant in ensuring preventive measures and actions are continued.</p>
<b>Market Risk</b>	<p>The Group recognises the potential market risks triggered by COVID-19, and the increased global inflationary pressures causing changes in purchasing behaviour, which has weakened the demand in property market as consumers divert spending toward more essential purchases.</p> <p>With the re-opening of international borders in April 2022, the Group anticipates the Hospitality &amp; Leisure segment to recover to pre-pandemic levels.</p>
<b>Geopolitical Risk</b>	<p>The Group recognises the increasing significance of geopolitical risk as the world grows increasingly interconnected due to rapid advances in communications, accessibility and rise of globalisation.</p> <p>The Group acknowledges that impact may come from various possibilities such as economic volatility, uncertainties relating to foreign policies, political conflicts and trade wars.</p> <p>The Russia-Ukraine conflict continues to have an impact on global economic markets resulting in higher energy costs and supply chain bottlenecks around the world.</p>

### Risk Movement



Increase



Decrease







Maintain



Risk Movement	Mitigating Measures	Capitals Impacted
	<ul style="list-style-type: none"> <li>• The Group has developed extensive Health and Safety policies and procedures, as well as increased monitoring of workplace safety compliance.</li> <li>• In combating the COVID-19 pandemic, the Group is actively updating the SOPs to ensure that these are in line with the latest government policies. In addition, investments in technology and equipment to support and allow alternative working arrangements, as well as enhanced health precautionary measures have been put in place to ensure continuous work delivery and enhanced productivity.</li> <li>• Continuous monitoring on the stringent implementation of COVID-19 SOPs to ensure minimal business disruption.</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• Financial Capital</li> <li>• Manufactured Capital</li> </ul>
	<ul style="list-style-type: none"> <li>• The Group has introduced campaigns with innovative payment schemes to ease the financial burden of consumers.</li> <li>• New product development is subjected to rigorous market research and feasibility, a thorough review and approval process, as well as the development of a compelling business case before the launch of new products.</li> <li>• Continuous assessment and alignment of strategies to market conditions are carried out to ensure that current market needs and requirements are addressed.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Capital</li> <li>• Manufactured Capital</li> </ul>
	<ul style="list-style-type: none"> <li>• The Group closely monitors political changes and economic developments, for both local and global environment, and undertakes appropriate action plans to ensure operations remain uninterrupted.</li> <li>• Continuous assessment and alignment of strategies to market conditions are carried out, taking new foreign policies and regulations implemented by the government into account.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Capital</li> <li>• Manufactured Capital</li> </ul>

# Management Discussion and Analysis

Key Risks	How It Affects Us
<b>Operational Risk</b>	<p>Operational risks arising from day-to-day operations, are inevitable in any business activities to achieve the Group's strategic goals. Hence, effective risk management and internal control systems, coupled with the right human competencies, are critical in ensuring that these risks are managed accordingly.</p> <p>The Group acknowledges such needs and continuously seeks to implement enhancements and improvements in order to remain resilient.</p>
<b>Cybersecurity Risk</b>	<p>With the increased reliance placed on the use of Information &amp; Technology systems, the Group recognises the need to ensure that these systems are protected from any external threats such as system intrusions, breaches, cyber attacks, unauthorised access, malware or any other forms of threats to the Group.</p>
<b>Environmental &amp; Climate Change Risk</b>	<p>Global warming, climate change and extreme weather changes have led to significant adverse impact on the environment, and could continue to threaten the health and safety of our communities, flora and fauna.</p> <p>As part of climate-related risks, the Group is exposed to physical risks (storms, floods and other extreme weather events) and transition risk (inability to comply with regulatory requirements and/or meet market expectations relating to climate change).</p> <p>In view of the criticality of this risk, the Group's business operations are guided by our Sustainability Strategic Framework anchored on the Group's core purpose of Creating a Sustainable Future.</p>
<b>Financial Risk</b>	<p>The Group recognises the potential risk of cash flow liquidity, fluctuations in interest rates, foreign exchange risk due to international operations and credit risk exposure to external counterparties.</p>

Risk Movement	Mitigating Measures	Capitals Impacted
	<ul style="list-style-type: none"> <li>Standard operating policies and procedures are in place and continuously reviewed and updated to reflect changing risk or address operational deficiencies. Instances of non-compliances with such policies and procedures are reported by the Group Internal Audit.</li> <li>Senior management team hold regular management meetings to discuss and resolve operational issues.</li> <li>Harness greater operational efficiency across the value chain to increase productivity and reduce costs.</li> <li>Increased adoption of technology and digitalisation to improve operational efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> <li>Human Capital</li> <li>Intellectual Capital</li> </ul>
	<ul style="list-style-type: none"> <li>Suitable and qualified vendors are engaged for periodic maintenance and support services.</li> <li>The Group engages service providers for appropriate security solutions such as firewalls, anti-spam measures and periodic updates of security patches.</li> <li>Application Access Right SOP has been implemented to ensure authorised personnel is granted with the appropriate access rights.</li> <li>The Group has implemented comprehensive backup and recovery measures for critical applications.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Human Capital</li> <li>Intellectual Capital</li> </ul>
	<ul style="list-style-type: none"> <li>Sustainability is embedded in our business strategies as well as management and operational approach to risks and opportunities. This is outlined in the Group's Sustainability Policy and Framework.</li> <li>The Group has established a dedicated Sustainability Steering Committee which steers the Group's sustainability strategy, reviews policies and material sustainability matters, and monitors sustainability performance.</li> <li>Our Sustainability principles include organising business strategies for long-term sustainable business growth, ensuring value creation for stakeholders and preventing further erosion to the environment, in order to shape a future for the coming generations.</li> <li>The Group has engaged suitably qualified consultants to advise on the mounting global pressure on corporations to take urgent action to address climate change and specifically on how to adopt the Task Force on Climate-Related Financial Disclosures ("TCFD") framework.</li> </ul> <p>  More details on how we address climate change and take climate action can be found from pages 71 to 74.         </p>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Social and Relationship Capital</li> <li>Financial Capital</li> </ul>
	<ul style="list-style-type: none"> <li>The Group has put in place the financial risk management policies as disclosed in Note 39 to the Financial Statements from pages 262 to 277 to manage the respective financial risks.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> </ul>

# Corporate Information

## ► Board of Directors

### DATUK TAN KIM LEONG

Independent  
Non-Executive Chairman

### LEE YEOW SENG

Executive Vice Chairman

### LEE YOKE HAR

Non-Independent  
Non-Executive Director

### DATO' LEE YEOW CHOR

Non-Independent  
Non-Executive Director

### DATUK LEE SAY TSHIN

Independent  
Non-Executive Director

### DATUK DR TAN KIM HEUNG

Independent  
Non-Executive Director

### CHAN CHA LIN

Independent  
Non-Executive Director

### Audit Committee

#### DATUK LEE SAY TSHIN\*

Chairman

#### DATUK DR TAN KIM HEUNG\*

#### CHAN CHA LIN\*

### Governance, Nominating and Remuneration Committee

#### DATUK DR TAN KIM HEUNG\*

Chairman

#### DATUK LEE SAY TSHIN\*

#### CHAN CHA LIN\*

### Risk Management Committee

#### CHAN CHA LIN\*

Chairman

#### DATUK DR TAN KIM HEUNG\*

#### DATUK LEE SAY TSHIN\*

### Whistleblowing Committee

#### DATO' LEE YEOW CHOR

Chairman

#### DATUK DR TAN KIM HEUNG\*

#### CHAN CHA LIN\*

### Company Secretary

#### CHEE BAN TUCK

(SSM PC 202208000217)  
(MIA 24078)

### Registered Office and Principal Place of Business

Level 29, IOI City Tower 2  
Lebuh IRC, IOI Resort City  
62502 Putrajaya  
Wilayah Persekutuan (Putrajaya)  
Malaysia  
Tel +60 3 8947 8888  
Fax +60 3 8947 8909

### Auditors

#### PricewaterhouseCoopers PLT Chartered Accountants

Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
50706 Kuala Lumpur

Tel +60 3 2173 1188

Fax +60 3 2173 1288

### Registrar

#### Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

Tel +60 3 2783 9299

Fax +60 3 2783 9222

### Administration and Polling Agent

#### KPMG Management & Risk Consulting Sdn Bhd

Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan

Tel +60 3 7721 7118

Fax +60 3 7721 3399

### Legal Form and Domicile

Public Limited Liability Company

Incorporated and Domiciled in  
Malaysia

### Stock Exchange Listing

Main Market of Bursa Malaysia  
Securities Berhad

### Stock Code

5249

### Website

[www.ioiproperties.com.my](http://www.ioiproperties.com.my)

\* Independent Non-Executive Directors





# Sustaining Sustainability

At IOIPG, we design and build developments that are climate-resilient and resource-efficient, with the aim of creating shared values and positive impacts for our stakeholders.

*#ioisustain*

Sustainability Report 2022



# Our Sustainability Journey

- Sustainability is integral to the Group, and this is reflected in our corporate vision, mission and core values centring on building trust. We firmly believe that by fulfilling our sustainability commitments, we will reinforce the trust that we have established with all our stakeholders.

During the year under review, we refreshed our approach to sustainability in order to ensure our sustainability agenda stays relevant to our business and stakeholders. For instance, we conducted a materiality assessment to review the validity and priority of the Group's material matters. We also developed a climate action strategy as well as a roadmap aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

## SCOPE OF REPORTING

The IOIPG Sustainability Report 2022 covers our performance in relation to the economic, environmental and social ("EES") benchmarks from 1 July 2021 to 30 June 2022 with comparative historical data where available. The previous report was published in September 2021.

The scope of reporting covers all the Group's operations, namely property development, property investment, and hospitality & leisure business spanning all geographical locations from Malaysia, Singapore to Xiamen, the People's Republic of China ("PRC").

The report seeks to present an overview of IOIPG's sustainability journey to keep stakeholders posted on the progress we made in FY2022. This report has been prepared in accordance with Bursa Malaysia Main Market Listing Requirements and with reference to both Global Reporting Initiative ("GRI") Standards 2021 and TCFD Framework.



Please refer to the TCFD Content Index from pages 115 to 117 and the GRI Content Index from pages 118 to 125 for the full list of disclosures referenced in this report.

## FEEDBACK

IOIPG welcomes our stakeholders to share opinions and feedback with us.

Please contact us at:

### Group Corporate Sustainability Department

IOI Properties Group Berhad  
Level 29, IOI City Tower 2,  
Lebuh IRC, IOI Resort City,  
62502, Putrajaya, Malaysia.

**Tel:** +603-8947 8888

**Fax:** +603-8947 6634

**Email:** corpcomm@ioigroup.com

## OUR ESG PERFORMANCE

Our commitment towards sustainability is evident in our performance in global sustainability ratings. In 2022, IOIPG received a rating of A in the MSCI ESG Ratings\* assessment.



\* The use by IOIPG of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of IOIPG by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

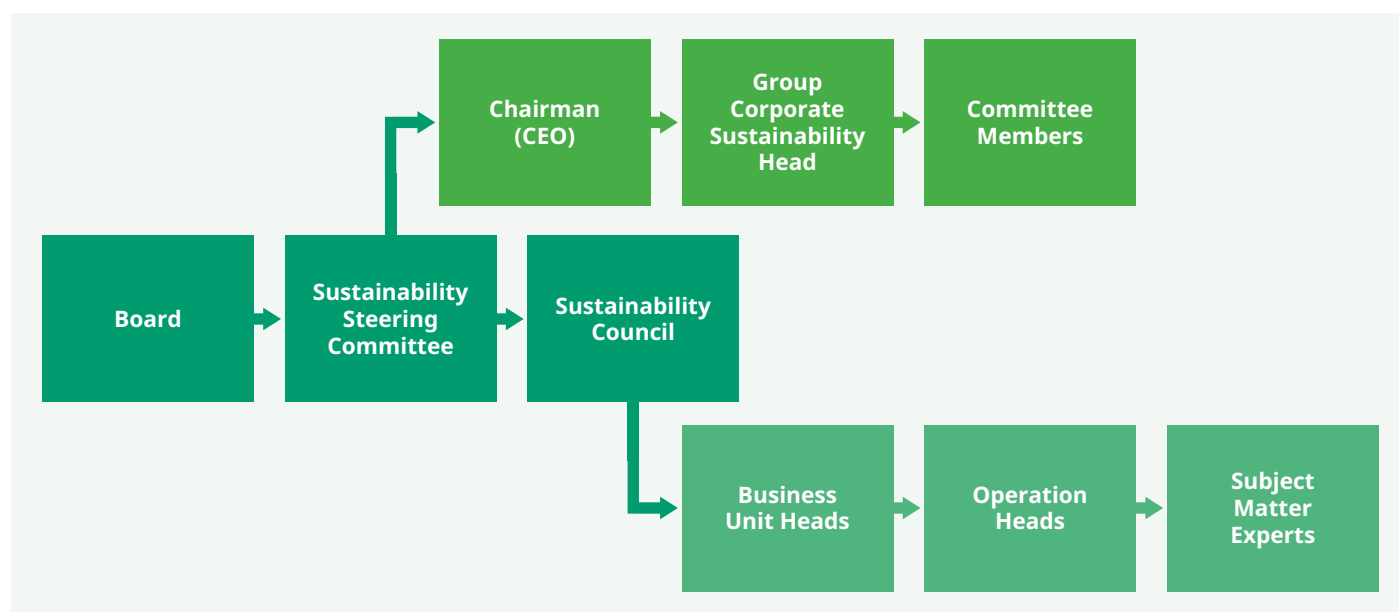
## SUSTAINABILITY GOVERNANCE

The Board of Directors oversees IOIPG's sustainability governance. The Sustainability Steering Committee ("SSC") is chaired by the Chief Executive Officer ("CEO"), with assistance from the Head of Group Corporate Sustainability.

The SSC, made up of the senior management team across our key business functions, has the oversight of climate-related risks and opportunities. The committee is tasked with reviewing policies and material matters, while monitoring the Group's sustainability performance.




The SSC is supported by the Sustainability Council, comprising business unit heads and cross-functional representatives who are heads of departments and subject matter experts. Collectively, the SSC and the council will make informed decisions and implement strategies that will contribute towards achieving the Group's sustainability objectives. Furthermore, all employees, including senior management, are responsible for the Group's ESG performance, which is reflected in the annual performance appraisal that is linked to remuneration.

## Sustainability Governance Structure



With the Board's leadership and guidance, the sustainability strategies are cascaded down and executed by the respective business units and departments. These strategies complement

the Group's general business principles, management systems and other standard operating procedures and best practices that are constantly reviewed and revised.

Focus Areas	Policies and Management System
 <b>Economic</b>	<ul style="list-style-type: none"> <li>• Code of Conduct and Business Ethics</li> <li>• IOIPG Supplier Code of Conduct</li> <li>• Whistleblowing Policy</li> <li>• Sustainability Policy</li> </ul>
 <b>Environment</b>	<ul style="list-style-type: none"> <li>• Energy Policy</li> <li>• Waste Management Policy</li> <li>• Group Health and Safety Policy</li> <li>• Safety &amp; Health Management System</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>• Quality Management System</li> <li>• Quality Policy</li> <li>• IOIPG Anti-Bribery and Anti-Corruption Policy</li> </ul>

# Our Sustainability Journey

## SUSTAINABILITY POLICY

Our Sustainability Policy outlines our commitment to practices and standards designed to promote environmentally and socially responsible operations, with an aim to enhance the well-being of everyone whose lives we touch, including our employees and local communities. This also reflects the Group's Vision, Mission and Core Values in building trust, while contributing towards economic growth and safeguarding the planet for our future generations.



## STAKEHOLDER ENGAGEMENT

We are constantly engaging our stakeholders to spur long-term growth in the Group's business while meeting operational needs. This process allows us to better understand the evolving needs of our customers, guests and business partners, and enable inclusive decision-making. This helps manage perceptions and address any shortcomings.

We are aware that executive decisions have an impact on the Group as a corporate entity as well as our stakeholders.

Feedback from different groups of stakeholders are generated through various channels and platforms, providing opportunities for the Group to improve and fine-tune our strategic decision-making process, and to achieve better decision outcomes.

We also constantly communicate to our internal stakeholders on sustainability matters in order to ensure that best practices are deeply embedded within the organisation.

## Stakeholder Engagement Methods

Stakeholders	Area Of Interest	Our Commitment	Method Of Engagement
<b>Investors</b>	<ul style="list-style-type: none"> <li>Group financial performance</li> <li>Business strategies and operational efficiency</li> <li>Governance stability and sustainability</li> <li>Risk management</li> </ul>	We aim for sustainable long-term growth and returns by providing the best of products and services to customers, rewarding shareholders with sustainable value, fulfilling a duty to the community while safeguarding the environment and contributing towards nation-building.	<ul style="list-style-type: none"> <li>Meetings</li> <li>Annual General Meeting ("AGM")</li> <li>Financial reports and announcements</li> <li>Press releases and advertisements</li> </ul>
<b>Customers/ Tenants</b>	<ul style="list-style-type: none"> <li>Product affordability and quality</li> <li>Support services</li> <li>Engagement opportunities and experience</li> <li>Safety and security of managed properties</li> </ul>	We seek to uphold our brand promise and strive for products and services excellence. We value all feedback from customers and tenants, seeking to continuously improve from them. The feedback is also a way for us to maintain the highest quality in security and safety practices across our managed properties and township developments.	<ul style="list-style-type: none"> <li>Public engagement events</li> <li>IOIPG social media platforms</li> <li>Loyalty programmes (Club IOI)</li> <li>Digital community engagement platforms</li> <li>Customer feedback channels and service hotline (IOI Support System, IOI Community)</li> <li>Customer/tenant satisfaction surveys</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Personal and professional capacity-building</li> <li>Career advancement</li> <li>Competitive remuneration benefits</li> <li>Employee health and safety</li> </ul>	We seek to retain talent by providing a rewarding career journey for our people, in both professional and personal development that will help them achieve their goals and realise their full potential. We pride ourselves in promoting a safe and healthy workplace culture that is open and inclusive.	<ul style="list-style-type: none"> <li>Meetings</li> <li>Workshops and training</li> <li>Employee appraisals</li> <li>IOIPG internal engagement platforms</li> <li>Employee engagement activities</li> <li>Town halls</li> </ul>
<b>Business Associates/ Vendors/ Consultants</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Cost reduction/savings</li> <li>Procurement practices</li> <li>Business ethics and compliances</li> </ul>	<p>We keep strong working relationships with all suppliers, business partners and service providers.</p> <p>We require all partners and suppliers to adhere to our business principles, such as the Code of Conduct and Business Ethics, IOIPG Anti-Bribery and Anti-Corruption Policy, and IOIPG Supplier Code of Conduct.</p>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Workshops and training</li> <li>Performance appraisals</li> </ul>
<b>Authorities / Regulators/ Government Agencies</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Environmental management and compliance</li> <li>Security and safety management</li> </ul>	As a responsible corporate citizen, we support government initiatives and comply with regulations governing our industry. The same compliance principle is extended to all suppliers and business partners.	<ul style="list-style-type: none"> <li>Meetings</li> <li>Emails and letters</li> <li>Inspections</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Market presence</li> <li>Reputation</li> <li>Corporate responsibility</li> </ul>	We maintain a healthy working relationship with the media as a channel of communication with the communities. We engage the media periodically, providing timely and accurate information to uphold our corporate responsibility.	<ul style="list-style-type: none"> <li>Press release/Media invites</li> <li>Meetings</li> <li>Public events</li> <li>Networking sessions</li> </ul>
<b>Residents' Associations/ JMBs</b>	<ul style="list-style-type: none"> <li>Security measures at development projects</li> <li>Facilities management</li> <li>Community investment</li> </ul>	We strive to deliver excellence in products and services to the communities in our developments. We utilise the customer feedback management system and grievance mechanism for continual improvement and to satisfy the needs of customers and our communities.	<ul style="list-style-type: none"> <li>Meetings</li> <li>Public engagement events</li> <li>IOIPG social media platforms</li> <li>Customer feedback channels and service hotline (IOI Support System, IOI Community)</li> <li>Loyalty programmes (Club IOI)</li> </ul>
<b>Local Communities/ Civil Society Organisations</b>	<ul style="list-style-type: none"> <li>Economic investments for local welfare</li> <li>Infrastructure enhancement</li> <li>Community programmes and events for social development</li> </ul>	IOIPG invests in infrastructure, education and welfare to improve community well-being as we continue to build sustainable developments.	<ul style="list-style-type: none"> <li>Surveys</li> <li>Public events</li> <li>IOIPG social media platforms</li> <li>Strategic partnerships</li> </ul>

# Our Sustainability Journey

## MATERIALITY ASSESSMENT

A materiality assessment was conducted in August 2021 to establish the material matters deemed most important to the Group and its stakeholders. This assessment was conducted through a materiality assessment workshop with internal stakeholders who are subject matter experts. They provided valuable insight on the priorities of external stakeholders, drawing on their extensive experience in analysing gaps, obtaining information and feedback through engagement activities such as focus group discussions, site visits and meetings.

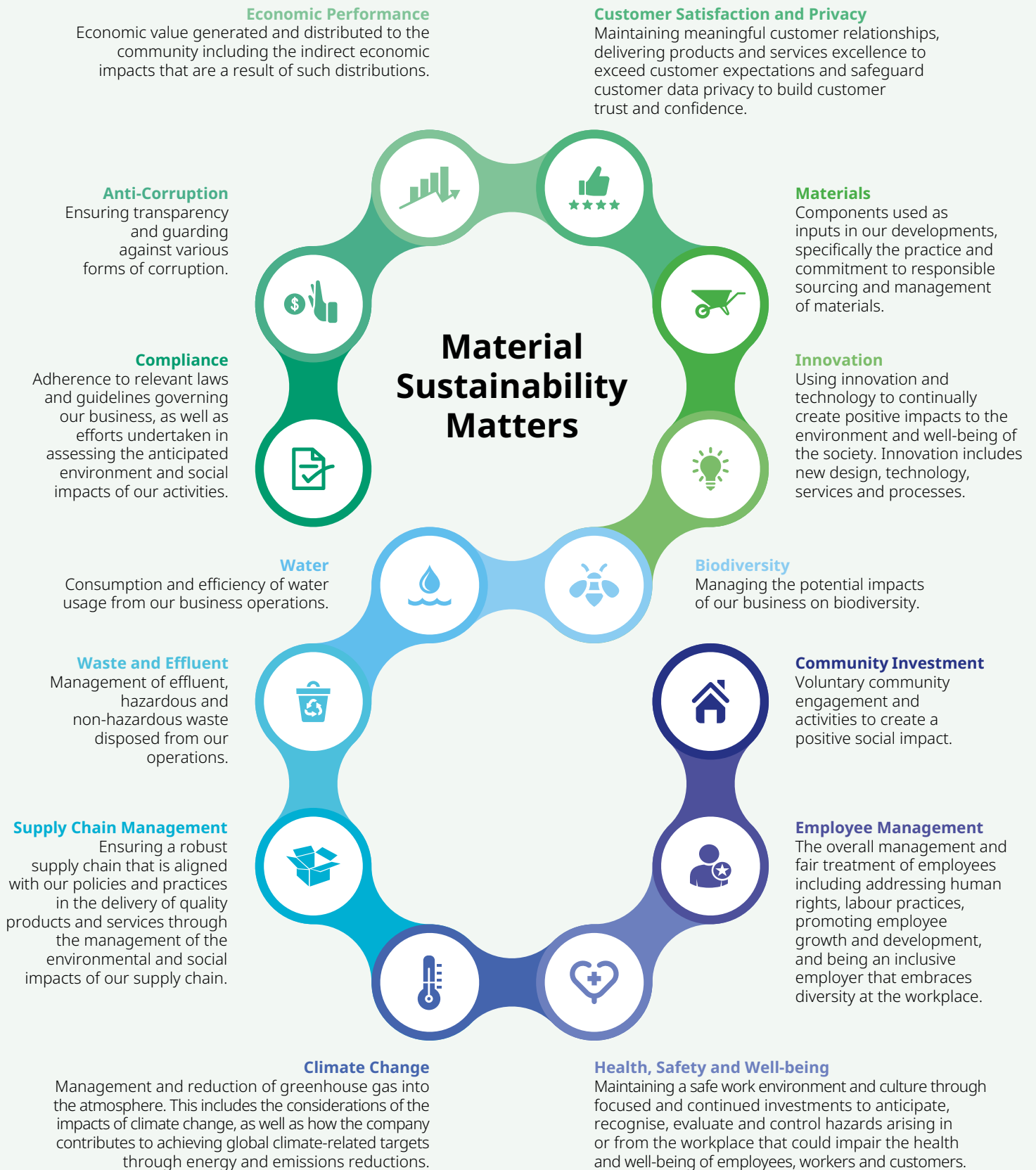
We have included stakeholder feedback in our materiality assessment process, enabling us to translate risks and opportunities into tangible and intangible values. The various views of stakeholders are then taken into consideration in the Group's decision-making especially regarding EES risks and opportunities that may emerge. We continue to monitor the prioritised matters, with reference to sustainability standards and peer practices in similar sectors.

The newly identified Materiality Matrix and the sustainability charter was validated by the SSC and the Board of Directors.

## IOIPG Materiality Matrix







# Our Sustainability Journey

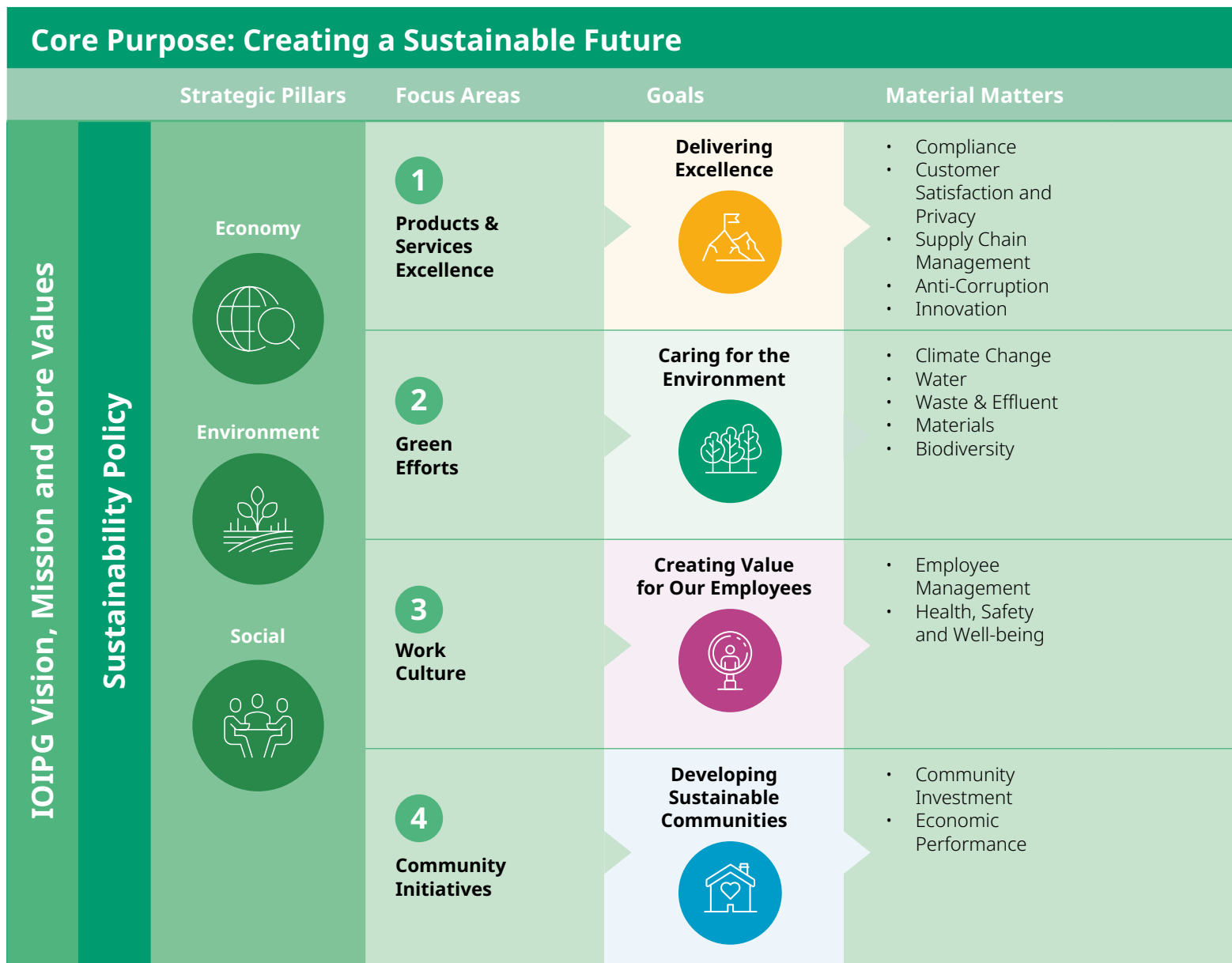
## SUSTAINABILITY FRAMEWORK & STRATEGY

We have outlined the Sustainability Strategic Framework based on the core objective of Creating a Sustainable Future, and are guided by IOIPG's Vision, Mission and Core Values. The framework is further interpreted within our Sustainability Policy which acts as our business operating guideline to help mitigate risks and enhance the positive impact of our business on the economy, environment, and society.

We have four sustainability goals namely Delivering Excellence in products and services, Caring for the Environment with green practices, Creating Value for Our Employees through

work culture, and Developing Sustainable Communities with initiatives beneficial to society. We will achieve these goals by addressing the material sustainability matters and designing initiatives that are aligned to our sustainability strategic themes.

The Sustainability Policy also outlines the actions for each Sustainability Goal to align the Group's business strategies to the objective of generating long-term sustainable growth for IOIPG and lasting impact for future generations. Our business strategy takes into account EES-related risks and opportunities through the Group's Enterprise Risk Management ("ERM").



Frequent and thorough engagement in the identification, monitoring and mitigation of EES-related risks and opportunities including climate change, human rights, labour practices, and health and safety were carried out during the financial year under review.

The Sustainability Strategic Framework is updated periodically, taking into consideration stakeholder expectations and the latest local and global issues. Sustainability initiatives with measurable indicators are implemented across all business units to effectively manage prioritised material sustainability matters, to bridge gaps and resolve any issues arising through meticulous strategic coordination.

### Strategic Themes

#### Mindset Change



#### Inspiring Women



#### Young Urbanites



#### Urban Green



## SUSTAINABILITY GOALS

The Sustainability Goals all point to a common aspiration to achieve the Sustainability Core Purpose of Creating a Sustainable Future.

### Delivering Excellence

Achieve prominence in Products and Services Excellence in order to deliver our desired outcome of being **Trusted**; and deeply embed reliability, quality and sustainable growth into all aspects of our business.



### Caring for the Environment

Uphold environmental ethics through Green Efforts e.g. energy management, water conservation, emissions and waste reduction; and urban biodiversity conservation as well as care for the environment towards sustainability for future generations.



### Creating Value for Our Employees

Maintain a healthy, safe and fair Work Culture with emphasis on employee engagement; and to encourage employee participation in the organisation's transformational journey of sustainability.



### Developing Sustainable Communities

Enhance social well-being via Community Initiatives i.e. social responsibility commitments, community investments, employee volunteerism and community development programmes for positive long-term impacts to society.



# Our Sustainability Journey

## SUSTAINABILITY STRATEGIC THEMES

We seek to align relevant programmes and initiatives with the four main themes to achieve the Sustainability Goals and Core Purpose:

### Mindset Change

Create internal awareness to promote integration of sustainability principles into business strategies by highlighting the socioeconomic and environmental connectivity to business; and encourage the community to take ownership of sustaining the environment for future generations.



### Inspiring Women

Support and empower women such as young students and single mothers amongst others through programmes that help to build capacity and chart career or entrepreneurial growth.



### Young Urbanites

Groom young talents, introduce the spirit of sustainability and expose them to best practices in socioeconomic and environmental ethics.



### Urban Green

Encourage a wide array of ecological friendly initiatives that advocate low carbon footprint principles, responsible consumption of resources and waste minimisation which generate positive impacts on the environment, society and economy.



## IOI Sustain

We use #ioisustain as a label across all communications channels to showcase the Group's sustainability efforts. This helps raise awareness of our sustainability agenda among all stakeholders including potential business partners by providing a point of reference for our sustainability initiatives. We also use this hashtag to influence a behavioural change towards making a positive impact on the economy, the environment, lifestyle and society. Through a diverse range of programmes and publicity materials under the #ioisustain, we aim to raise sustainability awareness, advocate for sustainable lifestyle choices and instil sustainability ownership among our stakeholders.



## IOI Connects to Earth

IOI Connects to Earth is an ongoing programme that aspires to create awareness and generate conversation on waste minimisation, biodiversity and climate change. This initiative which is in its fourth year in FY2022 seeks to incorporate sustainability into business strategies and operations. We also collaborate with external parties in community engagement to deliver long-term and short-term programmes aligned to our sustainability strategies. Some of the programmes and initiatives carried out during the year under review include:

IOIPG Earth Hour 2022

IOIPG Beach Clean Up at Pulau Mawar, Johor

IOI-Active Citizens: Waste to Treasure

IOIPG City Nature Challenge 2022



## CONTRIBUTING TOWARDS NATIONAL AND GLOBAL GOALS

IOIPG is committed to support Malaysia's implementation of the Twelfth Malaysia Plan ("12MP") and contribute as a responsible corporate citizen towards the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

IOIPG Sustainability Goals	Material Sustainability Matters	United Nations Sustainable Development Goals	Twelfth Malaysia Plan
<b>Delivering Excellence</b> 	<ul style="list-style-type: none"> <li>Compliance</li> <li>Customer Satisfaction and Privacy</li> <li>Supply Chain Management</li> <li>Anti-Corruption</li> <li>Innovation</li> </ul>	 	T1, PE2
<b>Caring for the Environment</b> 	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Water</li> <li>Waste and Effluent</li> <li>Materials</li> <li>Biodiversity</li> </ul>	       	T1, T3
<b>Creating Value for Our Employees</b> 	<ul style="list-style-type: none"> <li>Employee Management</li> <li>Health, Safety and Well-being</li> </ul>	     	T2, PE1
<b>Developing Sustainable Communities</b> 	<ul style="list-style-type: none"> <li>Community Investment</li> <li>Economic Performance</li> </ul>	          	T1, T2, T3, PE1, PE3

### UN SDGs

SDG 1: No Poverty  
 SDG 2: Zero Hunger  
 SDG 3: Good Health and Well-being  
 SDG 4: Quality Education  
 SDG 5: Gender Equality  
 SDG 6: Clean Water and Sanitation  
 SDG 7: Affordable and Clean Energy  
 SDG 8: Decent Work and Economic Growth  
 SDG 9: Industry, Innovation and Infrastructure

SDG 10: Reduced Inequalities  
 SDG 11: Sustainable Cities and Communities  
 SDG 12: Responsible Consumption and Production  
 SDG 13: Climate Action  
 SDG 14: Life Below Water  
 SDG 15: Life on Land  
 SDG 16: Peace, Justice and Strong Institution  
 SDG 17: Partnerships for the Goals

### 12MP

#### Theme

T1: Resetting the Economy  
 T2: Strengthening Security, Well-being and Inclusivity  
 T3: Advancing Sustainability

#### Policy Enabler

PE1: Developing Future Talent  
 PE2: Accelerating Technology Adoption and Innovation  
 PE3: Enhancing Connectivity and Transport Infrastructure  
 PE4: Strengthening the Public Service

# Delivering Excellence

Achieve prominence in Products & Services Excellence to deliver our desired outcome of being **Trusted.**; and deeply embed reliability, quality and sustainable growth into all aspects of our business.



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



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Exceeding Expectations | Developing Thriving Communities

# Delivering Excellence

## Exceeding Expectations

As a reputable developer, IOIPG always seeks to go above and beyond meeting expectations with the aim of pushing boundaries to establish new standards of excellence.

We aim to excel in all that we do in terms of products and services to build trust between us and our stakeholders.

This unwavering focus on excellence is reflected in IOIPG's skilful and thoughtful master planning, desirable designs that are friendly to the environment, and exemplary services that enable us to stay ahead of the curve. We build thriving communities, deliver vibrant living environments that allow both residents and the public to enjoy while pursuing the life goals they envisioned. For our employees, business associates and suppliers, we want to safeguard their well-being and address any emerging concerns in a responsive manner.

We have embedded this commitment to exceed expectations into the Group's corporate culture by aligning every employee's remuneration to the corporate goals. This is further complemented by the multiple communication channels and grievance mechanisms established to help translate stakeholder feedback into constructive actions.

The quest for excellence continued to help us win more accolades and awards in FY2022, reflecting the trust and endorsement from customers, stakeholders and industry associations.



More details on our awards can be found in Our Awards section from pages 4 to 5.

## Managing Products Quality

The Group upholds high standards of Product Quality Management adhering to the ISO 9001:2015 Quality Management System, which demonstrates our commitment to continual improvements in our Quality Management System. This includes an annual internal Quality Management System Audit conducted for the property development segment.

### Design – Quality Requirements

- Customer and community feedback is highly valued in our design process
- Designs must fulfil the needs and functions of customers and communities

1

### Pre-construction – Quality System

- Clear communication of project quality requirements to project management teams
- Strict pre-selection processes to assign the most suitable consultants and contractors

2

### Construction – Quality Control

- Quality inspections and audits at all stages of construction from received materials to finishing details
- Continuous technical training to enhance skills and workmanship

3

### Pre-handover – Quality Assessment

- Quality inspections and assessments by both internal and external assessors to ensure products meet the IOI Quality Standard and Malaysian Construction Industry Standards (CIS 7:2014)

4

### After Sale – Continual Quality Improvement

- Homebuyers' feedback, preferences and expectations are captured in customer satisfaction surveys
- Valuable inputs are evaluated and incorporated into future products

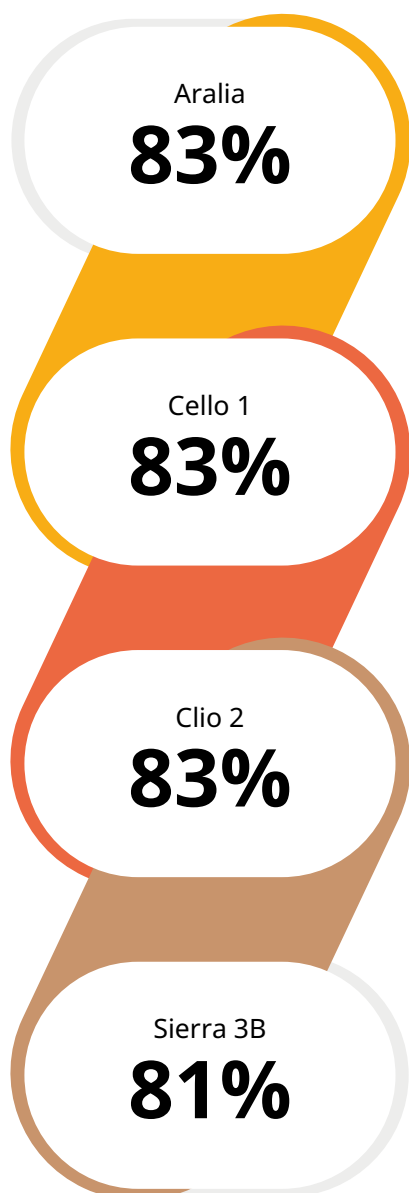
5

# Delivering Excellence

## QLASSIC

In Malaysia, our commitment in product quality is reflected in how we benchmark ourselves against the Quality Assessment System in Construction ("QLASSIC") certification by the Construction Industry Development Board ("CIDB").

### QLASSIC score highlights



## Managing Supply Chain

The Group acknowledges the pertinence of a robust supply chain to our business conducts and ethics.

We are committed to delivering products and services with thorough management of environmental and social impacts along the supply chain.

We have in place a structured assessment process to measure our suppliers' performance score against the Group's stringent criteria spanning from Quality, Health & Safety to Environmental Management. They are also expected to demonstrate the practices outlined in the IOIPG Supplier Code of Conduct, IOIPG Anti-Bribery and Anti-Corruption Policy, and Code of Conduct and Business Ethics; covering areas of ethics, human rights, employment and labour standards, safety and health, and environment.

IOIPG goes beyond abiding by local laws and regulations, with constant improvements to our supply chain management and adaptability to potential risks. In FY2022, there were no identified non-compliance with laws and regulations in the social and economic areas. We continuously fine-tune procedures to site requirements in order to ensure zero non-compliance with regulatory and statutory requirements. Awareness sessions were also conducted in FY2022 across the IOIPG supply chain, which cover the importance of managing environmental and social impacts, human rights and anti-corruption in our supply chain, and the Group's expectations of its business associates and partners to ensure their business and operational practices are aligned with the Group's aspirations.

As part of our contribution to the local economy, IOIPG is committed to providing opportunities and building capacity of local business partners and suppliers. In FY2022, 100% of newly awarded contractors Group-wide were locally-registered companies. IOIPG gives priority to locally sourced materials and resources to reduce our contribution to GHG emissions and to minimise the risk of disruptions to our supply chain. We conduct a fully open tender process with requests sent to all local contractors to source for local materials.

Our supply chain management has been affected by the movement restrictions since FY2020 with delays in tender exercises. In adapting to the new norm, we continue to digitalise procedures such as circulating soft copy to tenderers during the tender and award process as well as conduct virtual meetings.



To find more information about these policies and guidelines, please visit <https://www.ioiproperties.com.my/corporate-governance>



## Enhancing Stakeholder Relations and Managing Grievances

We value customer feedback in our quest for excellence and recognise the need to constantly engage all stakeholders in order to understand their evolving needs. We always seek to maintain meaningful customer relationships, while safeguarding customer data privacy to build customer trust and confidence. Feedback and grievances from customers and stakeholders play an important role in identifying existing and potential gaps as well as opportunities for improvements in the delivery of our services.

The IOI Service Standard ensures the delivery of excellent product quality and services through a well-established customer feedback management system and grievance mechanism, which also allows for human rights-related feedback at business units.

Feedback, enquiries, complaints and grievances are collected through multiple platforms tailoring to the diverse stakeholder groups. All feedback received from our stakeholders are duly verified and channelled to relevant departments for urgent action and prompt resolution. Non-defect related feedback from homebuyers will be attended to immediately for emergency complaints and we address verbal and written complaints within two days. We use the IOI Support app to track complaint resolution progress to ensure all feedback are addressed efficiently.

The Group's whistleblowing mechanism allows both internal and external stakeholders to raise any concerns anonymously, including those related to human rights, without fear of retaliation.



Further details on our Whistleblowing Policy can be found on our corporate website at <https://www.ioiproperties.com.my/corporate-governance>

In line with our target, there were zero cases of human rights violation and zero cases of substantiated complaints recorded regarding breach of data privacy in FY2022. The Group will continue to protect our customers' privacy and data security in compliance with the Personal Data Protection Act 2010 ("PDPA") in all our operational procedures. In support of this, IOIPG carries out regular review of our cybersecurity strategy through a periodic network security audit to enhance readiness and improve our security posture.

## Exceeding Customer Expectations and Satisfaction

IOIPG always takes pride in exceeding customer expectations by delivering products and services excellence. Regular internal and external customer satisfaction surveys are conducted to keep abreast of customer expectations, while keeping tabs on the sentiments of new property owners, tenants, hotel guests, as well as mall and golf club visitors. These surveys help us to evaluate consumer behaviour and customer satisfaction towards our products and services, enabling us to improve future business strategies, planning and development.

The Group continued to receive awards that reflect high levels of customer satisfaction. Le Méridien Putrajaya won the 2022 Travellers' Choice Award winner by Trip Advisor, while Putrajaya Marriott Hotel, Le Méridien Putrajaya and Four Points by Sheraton Puchong received the Agoda Customer Review Awards 2022 for high customer ratings.

## Promoting Innovation

We place high importance on innovation in our products and services. We seek to leverage on innovation and technology to continually create positive impacts to the environment and well-being of society. We seek to drive innovation through new design and technology, while improving services and processes.

Some initiatives that demonstrate these efforts include township-wide smart security features, paperless workflow, procurement and payment across all business units, and digitalisation measures.

# Delivering Excellence

## IOI eMarketplace

IOI eMarketplace is an online platform that allows homebuyers to track every stage of their property purchase process. The application was highly useful for our sales team to process and complete the property booking procedure virtually during the pandemic without having the purchasers physically present at IOIPG's offices. From the booking creation to adopting digital signatures for all sales and loan-related documentation, the online process provides greater convenience for our customers, who will receive updates on the purchase progress through email notifications. The platform also has the added participation of our appointed panel bankers and solicitors, making it a useful tool for all parties involved to track and follow up on the transaction within the ecosystem. This helps to simplify and expedite an otherwise complicated process.

## IOI Support System

After the property is handed over to the homebuyer, our customers' seamless experience will continue through the IOI Support System ("IOISS"), an online and mobile platform for customer feedback and defect submission. We have recently enhanced the system to include a Vendor Directory, which allows users to search for contractors, suppliers, and renovators from a database.

## Digitalisation to Enhance Customer Experience

### Building Maintenance App

IOIPG's malls adopt a mobile-enabled building management platform to streamline operations and maintenance management to improve tenant and customer satisfaction. This is also in line with the Group's overall strategy in embracing digitalisation to deliver excellence in products and services.

### CLUB IOI

CLUB IOI was formerly known as IOI LiVO, a cardless loyalty programme that rewards members with points accumulation and other privileges offered by participating merchants in shopping, dining, entertainment, and leisure. The membership platform also hosts IOI SHOPZ, an e-commerce platform for merchants to generate additional sales both in-store and online.

### IOI Community App

The IOI Community App is an online community engagement platform that facilitates the communication between homeowners and the property management team to enable prompt customer service. The platform allows homeowners to book facilities, pre-register visitors, sign up for events, receive building management announcements and keep track of billings and make payments through the payment gateway in the app. The platform also has a built-in security feature in the form of a panic button that is connected to the respective property's security team. The IOI Community App has been adopted at the Pavilion Service Apartment, Sky Condominium, Palmyra Residence, Conezi3n Residences, The Clio Residences, Avens, Zentro Residence, N'Dira, Sierra 6, Ayden, Par 3 Condo and Condo Villa, The Cruise Residence, Clio 2 and IOI Rio. We will continue to expand the coverage of this app to other new IOIPG stratified properties.

## Developing Thriving Communities

We are aware that the socio-economic and environmental impacts are an intrinsic part of sustainable integrated developments. Our objective has always been to build projects that allow communities to thrive through LIVE, WORK & PLAY, and achieve a lifelong balance of nature conservation and meeting business goals.

### Prioritising Community Well-being

Green communal areas are a key feature of IOIPG's developments. These multifunctional spaces foster community well-being by encouraging social interaction and recreational activities, while providing an eco-friendly habitat for urban biodiversity. Consisting of distinctive themed gardens and recreational areas, our communal green spaces are furnished with facilities and fixtures that encourage healthy lifestyles and integrated communities. Lush green town parks and pocket parks act as carbon sequestration sites while providing fresh air to the neighbourhood. These green parks include Central Park in 16 Sierra, themed parklands in Warisan Puteri Sepang, Oasis Park in Bandar Puteri Bangi and Bandar Puteri Town Park in Bandar Puteri Puchong.

### Greater Accessibility into Our Buildings

All of the Group's properties are built in compliance with relevant regulations and statutory requirements on the provision of accessibility and facilities for disabled persons, such as the Uniform Building By-Law 34A in Malaysia, Codes for Accessibility Design in Xiamen and Building and Construction Authority ("BCA") Universal Design Mark in Singapore. Besides ramps and walkways, parking bays and washrooms for the disabled are conveniently located around our malls to ease access for wheelchairs and strollers. In Singapore, IOI Central Boulevard Towers has garnered the BCA Universal Design Mark Gold Certification.

### Safety and Security as Top Priority

We always ensure that safety and security are embedded in the design and planning of IOIPG developments for the peace of mind of homebuyers. Our developments are equipped with security features from perimeter fencing, closed circuit television ("CCTV") surveillance, card access control, digital internal security features to the security screening at guarded entrances.

The Group's commitment towards safety and security is also notable in the contribution of police stations in our developments. For managed properties under the Group, a team of 334 security personnel led by the Auxiliary Police ("AP") team are entrusted to maintain a safe and secure environment for customers, tenants, and guests. Our managed properties are installed with facilities such as CCTV surveillance cameras, panic buttons and security escorts amongst others. Patrol cars are also used for surveillance at IOI Resort City and Puchong Financial Corporate Centre.

### Enhancing Connectivity within Our Development

In our residential and commercial development, we integrate connectivity to transportation hubs i.e. in 16 Sierra, Bandar Puchong Jaya and Bandar Puteri Puchong.

In efforts to advocate for low carbon lifestyle, we invested in infrastructures designed in accordance to Transit-Oriented Development for the convenience of residents and homebuyers.

For example, Bandar Puteri Puchong and Bandar Puchong Jaya are strategically located within public transit nodes and corridors such as IOI Puchong Jaya Light Rapid Transit ("LRT") Station (SP24), Bandar Puteri LRT Station (PH17) and Taman Perindustrian Puchong LRT Station (PH16), with multiple bus lines and pedestrian walkways connecting commuters to their end destination. The development of infrastructures such as bus stops are in line with advice from local councils to strengthen public transportation.

## Delivering Excellence

IOIPG has also provided pedestrian walkways and cycling pathways to enhance short-distance travel connectivity between neighbourhoods and lower dependency on motorised vehicles. This also helps to improve the local air quality and reduce carbon footprint.

In 16 Sierra, a Mass Rapid Transit ("MRT") station is scheduled to commence operation in January 2023. The MRT station is part of the under-construction Putrajaya Line which will span a length of 56.2km consisting of 42.7km of elevated tracks and 13.5km underground tunnels. The 16 Sierra MRT Station will be situated two stops away from the Cyberjaya City Centre Station and connected to 35 other operational stations in major townships across the Klang Valley.

Another of our iconic projects, IOI City Mall provides a comfortable bus terminal with an indoor air-conditioned waiting area. Key transit stations such as the Serdang Keretapi Tanah Melayu ("KTM") Komuter Station and Putrajaya Sentral bus and train terminal are connected to IOI Resort City by public bus services. In addition, the

Smart Selangor Coaster Bus service by Majlis Perbandaran Sepang improves the connectivity of IOI Resort City with a few strategic locations in Sepang. There is also an LRT station within IOI Mall Puchong's vicinity which brings in shoppers from different locations in Klang Valley.

In Johor, the 'Bas Muafakat Johor' service from Kulai Terminal to Bandar Putra Kulai provides connectivity from the residential areas to IOI Mall Kulai.

IOI Rio's Master Plan was conceived in collaboration with the local council, MBSJ. IOI Rio is envisioned to be a community-centric liveable development with improved connectivity to LRT stations in Bandar Puteri Puchong. Leveraging on the concept of Smart Mobility, IOI Rio optimises space usage and encourages walking and cycling. Designed to reduce reliance on cars and motorbikes, it provides seamless connectivity by integrating with the Taman Perindustrian Puchong LRT Station and bus and taxi services through cycling paths as well as walkways and link bridges between buildings. This seamless connectivity extends to the smart use of space



The boardwalk at Oasis Park in Bandar Puteri Bangi overlooking the wetlands allows the local community to enjoy moments of relaxation.





Multifunctional spaces foster community well-being by encouraging social interaction and recreational activities at Bandar Puteri Town Park, Bandar Puteri Puchong.

in the underground, street level and above ground. IOI Rio has two separate levels of connectivity for vehicles, where most vehicles are channelled underground directly into the basement, leaving less vehicles on street level. There are also two separate levels of connectivity for pedestrians, one at ground street level and one above-ground elevated walkway with link bridges. Bicycle stands and e-hailing stands are readily available, and in future, electric vehicle charging stations will be installed to promote shared and low carbon mobility. In addition, the Rio City Interchange was completed in FY2022 to improve traffic flow and connectivity within the Bandar Puteri Puchong development with a dedicated underpass for direct access into IOI Rio.

In Xiamen, IOI Palm City and IOI Palm International Parkhouse are well-connected with the public transportation system within the city. IOI Palm City is located within transit nodes of Xiamen Metro ("AMTR") Line 1 and Line 6, where Line 6 is expected to be completed by 2025, connecting it to Xiamen Island, Xiamen North Railway Station, and other districts in Xiamen such as Haicang District and Tong'an District. IOI Palm City is also accessible via Xiamen Bus Rapid Transit ("BRT") and 17 different bus lines. Meanwhile, IOI Palm International Parkhouse is near the new Xiamen Xiang'an International Airport which is expected to be completed by 2025 and it will be directly connected to the airport via AMTR Line 3 and Line 4.



# Caring for the Environment



Upholding environmental ethics through Green Efforts such as energy management, environmental and water conservation, and emissions and waste reduction to drive sustainability for future generations.



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Strengthening Climate Resilience | Optimising Use of Resources

Integrating Green Features into Our Townships | Appreciating Nature and Biodiversity

# Caring for the Environment

- At IOIPG, we recognise the urgency of conserving natural resources and ecosystems to support planetary health.

We aspire to take into consideration the impact of our actions, and endeavour to create sustainable value for our surroundings and conserve the environment for future generations.

## Strengthening Climate Resilience

Guided by one of our mission statements – **Trusted.** to safeguard our environment, the group initiated a Climate Action Plan in order to set the course for an integrated approach to streamline minimisation of Greenhouse Gas (“GHG”) emissions from our business operations and products & services, as well as assessing and addressing climate-related risks and opportunities.

In support of the global agenda of limiting the increase of global temperature, we seek to contribute towards nation building and to achieve the Nationally Determined Contributions (NDC) of the countries in which we operate.

We are proud to have achieved a key milestone this year with the adoption of the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework. While we have always considered climate-related risks, the adoption of a globally recognised framework such as the TCFD helps to formalise our approach towards managing climate risks and opportunities, and aligns us with industry best practices.

Our TCFD journey includes the identification, assessment, and management of IOIPG’s climate-related risks and underlying opportunities. Its coordination involves Group Sustainability, Group Risk Management and several other functions, in conjunction with each of our three business segments.



*Please refer to Statement on Risk Internal Control from pages 164 to 169 and How We Manage Our Risk from pages 46 to 49.*

Apart from a detailed horizon scanning of peers’ handling of climate-related issues and their approach to climate management, we have taken a consultative approach by engaging our key stakeholders to understand how our management of climate risks and opportunities impact their decision-making. Focus group sessions were conducted covering a diverse range of stakeholders from employees and customers, to financial institutions. The feedback received together with the key peer observations enables us to develop a comprehensive plan to accelerate climate action.

# Caring for the Environment

## Our Climate Action

In FY2022, IOIPG formulated a Climate Action Plan and adopted the TCFD recommendations to identify and assess climate-related risks and opportunities. In line with the TCFD recommendations, the action plan is designed to operationalise our climate-related priorities i.e. energy management, renewable energy use, emissions management, water use management, waste management, materials used amongst others. Subsequently, the identified TCFD-related metrics and targets include a strengthened set of indicators currently being monitored under the respective material sustainability matters.

## Governance

### The Group

- Implements the Group Sustainability Policy and Sustainability Strategic Framework
- Recognises climate change as a key material sustainability matter



Please refer to IOIPG's FY2022 Materiality Matrix from pages 56 to 57.

### The Board and Sustainability Steering Committee (SSC)

- Maintain strategic oversight on climate-related risks
- Oversee the execution of the Climate Action Plan, which steers IOIPG's journey in addressing associated climate-related risks and opportunities

## Strategy

Focus Group sessions were conducted to surface expectations and understanding of climate issues and TCFD. Customer survey reveals demand for green products and ESG compliance.

It is perceived that the Group is exposed to:

- Physical risks i.e. storms, floods and other extreme weather events
- Transition risks i.e. compliance with regulatory requirements, meeting market expectations and trends i.e. carbon pricing, energy regulation, construction standards, reporting requirements etc.

It is timely that the Group leverages on opportunities to advocate sustainable living:

- Improve connectivity and accessibility at residential, business and leisure spaces as well as transportation hub
- Continue efficient energy use and management in both developed and managed properties



## Metrics and Targets

The Group measures and monitors the performances of:

- Energy consumption (MWh)
- Water consumption (m<sup>3</sup>)
- Carbon emissions (tCO<sub>2</sub>) – Scope 1, 2 & 3
- Waste generation (kg)

## Risk Management

### The Group

Adopts an Enterprise Risk Management framework consistent with:

- Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers
- ISO 31000 Risk Management

Recognises the environmental and climate change risks and opportunities associated with our operating environment.



Please refer to Statement on Risk Internal Control from pages 164 to 169.

## Our Climate Journey

### 2024

#### Accelerating Action

- Reduce Scope 1, 2 and 3 emissions
- Consider impacts of climate scenarios on our businesses
- Determine the actual and potential impacts of climate related risks and opportunities



### 2030

#### Fulfilling Ambitions

- Implement initiatives for continuous reduction of carbon emissions
- Continue to advocate for Climate Action

### 2023

#### Establishing Baselines

- Commence pilot project to conduct baseline measurement of emissions
- Communicate with key stakeholders to introduce climate action and ambition
- Embed climate action into overall business strategy



### 2022

#### Building Foundation

- Strengthen internal policies and framework on climate change
- Incorporate climate-related risks into risk registers
- Strengthen climate-related targets and metrics, as well as data collection including Scope 3 emissions





# Caring for the Environment

The international trend in response to limiting global average temperature at 1.5°C has given rise to transitional opportunities towards low carbon market as well as policy and technological shift, all of which are expected to be even more in demand in the foreseeable future. In view of this, the Group has been adopting various low carbon initiatives, including the Low Carbon Cities Framework ("LCCF") in property development projects. Other initiatives include integrating green features in township and facilities development, prioritising green buildings, accelerating emissions reduction, strengthening resource use efficiency, improving waste management and seeking to ensure the continued vitality of urban biodiversity through conservation programmes aimed at championing the appreciation of flora and fauna.

Looking ahead, we have developed a timeline on managing the related impacts of climate change and our environment-related material matters. We have established the time horizons of short (1 year), medium (1-5 years) and long term (> 5 years) to achieve climate-related targets covering environmental indicators such as energy, water, waste and emissions.

We recognise that climate issues are long-term and multi-faceted by nature, and we are committed to reviewing and refining our approach as we progress in our journey. Hence, with our strengthened list of metrics to assess and monitor our climate performance, we look forward to continue enhancing our climate action plan.



IOI Central Boulevard Towers



IOI Palm International Parkhouse



IOI Mall Xiamen

## Realising Green Development

We have set a target to obtain green building certifications for all office buildings and high-rise developments; and since 2014, the Green Building Index ("GBI") certified buildings in our portfolio include IOI City Tower 1 & 2, Puchong Financial Corporate Centre Tower 4 & 5, and PJ Midtown.

In Singapore, IOI Central Boulevard Towers has obtained the Green Mark Platinum Certification, recognised for sustainable building design and use of environmental-friendly construction materials. Our projects in Xiamen, the People's Republic of China ("PRC") also achieved Green Building Certified 1-star e.g., IOI Mall Xiamen, Sheraton Grand Hotel, IOI Palm City Office, IOI Palm City D3, D4 & D5 residential properties and IOI Palm International Parkhouse.

The latest addition to our list of green buildings is the recently opened IOI Sales Galleria in Bandar Putra Kulai, Johor.

## Optimising Use of Resources

In view of the environmental and climate change risks and opportunities associated with the Group and our stakeholders, our developments are designed to optimise the use of energy and water – including the adoption of renewable resources and resource use efficiency, improved waste management and minimisation of carbon emissions. This section outlines our environmental efforts and performance achieved through various programmes as well as initiatives aimed at promoting awareness of environmental sustainability.



### Green Leasing

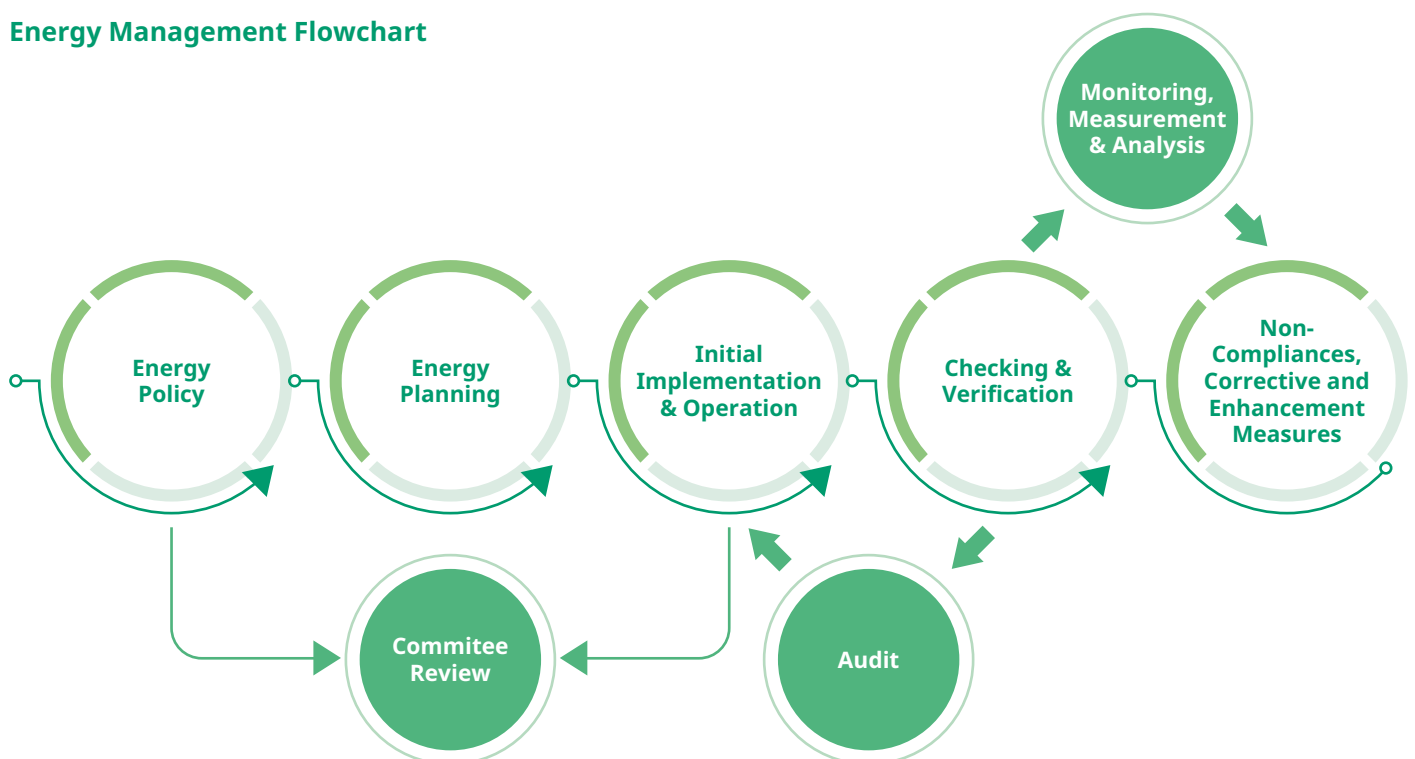
The Group offers green leases to tenants of IOI City Towers, of which the clauses with regard to energy and water efficiency as well as waste and material management are highlighted in our Tenant Handbook and Sustainable Fit Out Guides.

### Energy

In our efforts to mitigate climate change, energy management at IOIPG is guided by the Group's energy policy to optimise energy efficiency and to reduce power consumption in both our existing and new operations. After the initial implementation and commencement of operations, scheduled checking and verification are conducted through performance monitoring and analysis. We also perform periodic energy audits to ensure compliance with best practices. Any irregularities or non-compliances will be addressed through corrective and enhancement measures.

As we collect energy data from Group-wide operations, we constantly monitor our energy consumption and performance of our business units. Improved energy efficiency and choice of energy sources help reduce operational costs and minimise GHG emissions.

### Energy Management Flowchart



# Caring for the Environment

In FY2022, the Group consumed 116,881 MWh of energy collectively. Our main source of energy was purchased electricity from the grid which constitutes 87.3% of total energy used by our business operations.

Across the Group's property investment operations, we have set energy consumption intensity reduction targets:

- 8% from FY2021 to FY2025, with FY2020 as the base year
- 10% by FY2028, with FY2020 as the base year

Energy consumption intensity for property investment operations was substantially lowered by 3.6% to reach 0.0935 MWh/m<sup>2</sup> in FY2022, from 0.0970 MWh/m<sup>2</sup> in FY2021.

## Renewable Energy

We are committed to using renewable energy including solar power to reduce the Group's reliance on fossil fuel-generated electricity. We have solar panels installed at IOI City Mall and IOI Rio. The solar panels installed at IOI City Mall generated 4,662.25 MWh of solar power in FY2022, equivalent to a carbon emissions reduction of 2,727.42 tCO<sub>2</sub>/year.

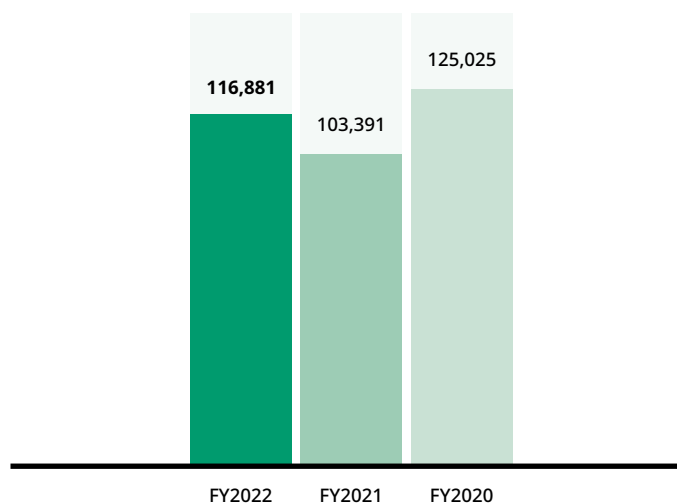


## Building Management System

The Group's managed buildings utilises the Building Management System ("BMS") to implement continuous monitoring of energy consumption. The system uses real-time feedback to expedite responses from the Facilities Management Team.

## Total Energy Consumption

(MWh/year)

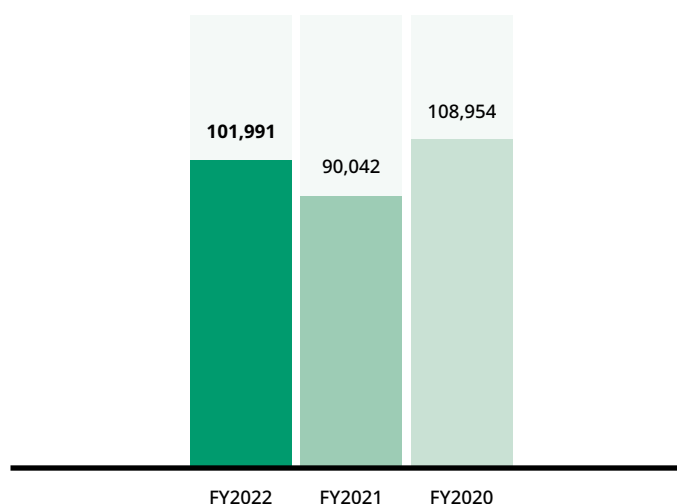


Notes:

1. FY2020 data includes business operations in Klang Valley and Johor.
2. FY2021 and FY2022 data include Group-wide operations (Malaysia, Singapore and Xiamen, PRC).
3. Data presented are energy consumption from grid electricity, solar power, stationary combustion of diesel, petrol, liquefied natural gas and liquefied petroleum gas.

## Total Grid Electricity Consumption

(MWh/year)



Notes:

1. FY2020 data includes business operations in Klang Valley and Johor.
2. FY2021 and FY2022 data include Group-wide operations (Malaysia, Singapore and Xiamen, PRC).
3. Data presented are exclusive of tenants' energy consumption.
4. Data presented are from the total amount of purchased electricity only and obtained from electricity bills or direct meter readings.

## Energy Saving Initiatives

### Energy Saving Practices

We constantly seek to save energy through various initiatives, including:

- Maintaining optimal energy efficiency of all equipment and machinery, especially chilled systems
- Maintaining optimal room temperatures in all offices and hotels
- Turning off lights and other unnecessary receptacle loads when not in use



### Centralised Cooling System

The Centralised Cooling System in our malls, hotels and office buildings is designed to adapt to demand fluctuations according to operation hours, enabling greater efficiency in managing the scale and operational requirements of cooling buildings and maintaining chiller plants.



### Data Centre Cooling Design

The Group's data centre is designed with a strong focus on energy efficiency. The cooling mechanism maintains a temperature of 22°C-23°C at any given time in order to ensure the data centre is operating at a lower Power Usage Efficiency ("PUE") ratio, an indicator of high cooling capacity with lower energy consumption.



### Chilled Water Temperature

The temperature of chilled water is constantly maintained at an optimal level to ensure energy efficiency without compromising the comfort of building occupants.



### Cooling Tower Infill Replacement

A cooling tower infill replacement was completed in IOI Mall Kulai in FY2021 with an estimated saving of about 131,507 kWh/year, equivalent to the reduction of 76.93 tonnes CO<sub>2</sub> per year.



### Minimising Mechanical Ventilation

We seek to maximise natural ventilation and daylighting as much as possible to reduce energy usage. In line with this principle, mechanical ventilation is minimised in above-ground car parks and bathrooms in high-rise buildings.

For ongoing developments in FY2022 that are constructed without mechanical ventilation in car parks, we have managed to reduce energy consumption and carbon emissions as per below:

- Estimated 716.23 MWh of annual energy saving
- Estimated 418.99 tCO<sub>2</sub> of annual carbon emissions reduction



# Caring for the Environment

## Emissions

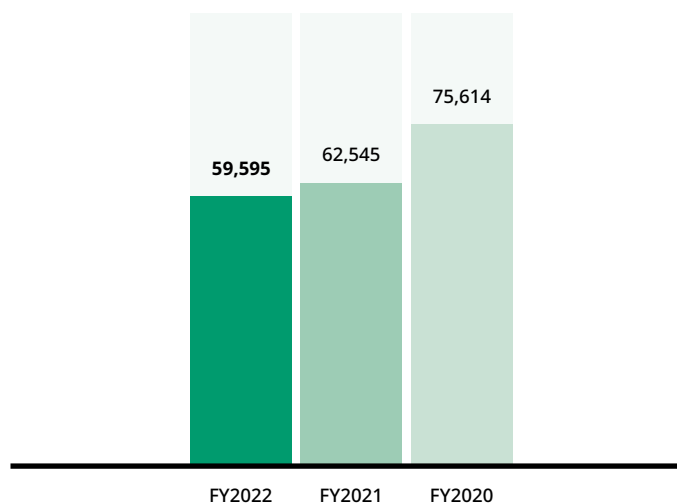
We are committed to lowering the Group's carbon emissions to mitigate the impact of our operations on climate change, which is a material risk to IOIPG's business. In view of the Paris Agreement emissions reduction target of countries we operate in, we target to reduce the Group's Scope 2 emissions across the property investment operations by 15% in 5 years, from FY2021 to FY2025, with FY2020 as the base year.

The long-term Scope 2 carbon emissions intensity reduction target is set at 18% between FY2021 and FY2028, with FY2020 as the base year across the property investment business. In FY2022, the Group's Scope 2 emissions intensity was reduced by 22% to 0.0501 tCO<sub>2</sub>/m<sup>2</sup> from 0.0642 tCO<sub>2</sub>/m<sup>2</sup> in FY2021.

The Scope 1, Scope 2 and Scope 3 carbon emissions are calculated following the Greenhouse Gas Protocol emission factors and the latest publicly available Grid Emissions Factors of Malaysia, Singapore, and PRC.

## Scope 2 Emissions

(tCO<sub>2</sub>/year)



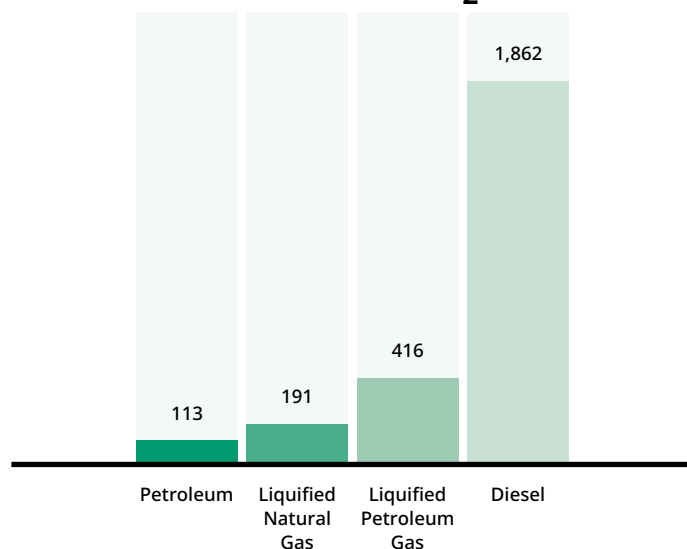
Notes:

1. FY2020 data includes business operations in Klang Valley and Johor.
2. FY2021 and FY2022 data include Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).
3. Carbon emissions data excludes emissions from tenants.

## Scope 1 Emissions, FY2022

(tCO<sub>2</sub>)

Total Scope 1 Emissions  
**2,581 tCO<sub>2</sub>**



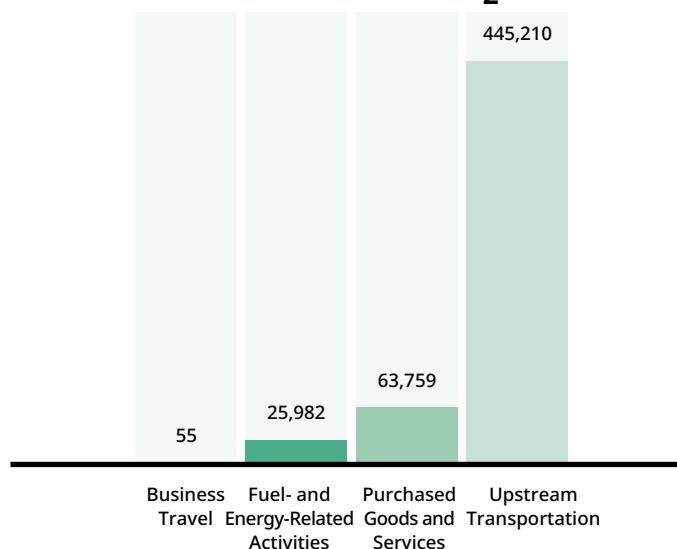
Notes:

1. Data includes Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).
2. Scope 1 includes direct carbon emissions from fuel combustion from company vehicles, kitchen usage and diesel generator.
3. Figures stated may not add up due to rounding of decimals.

## Scope 3 Emissions, FY2022

(tCO<sub>2</sub>)

Total Scope 3 Emissions  
**535,005 tCO<sub>2</sub>**



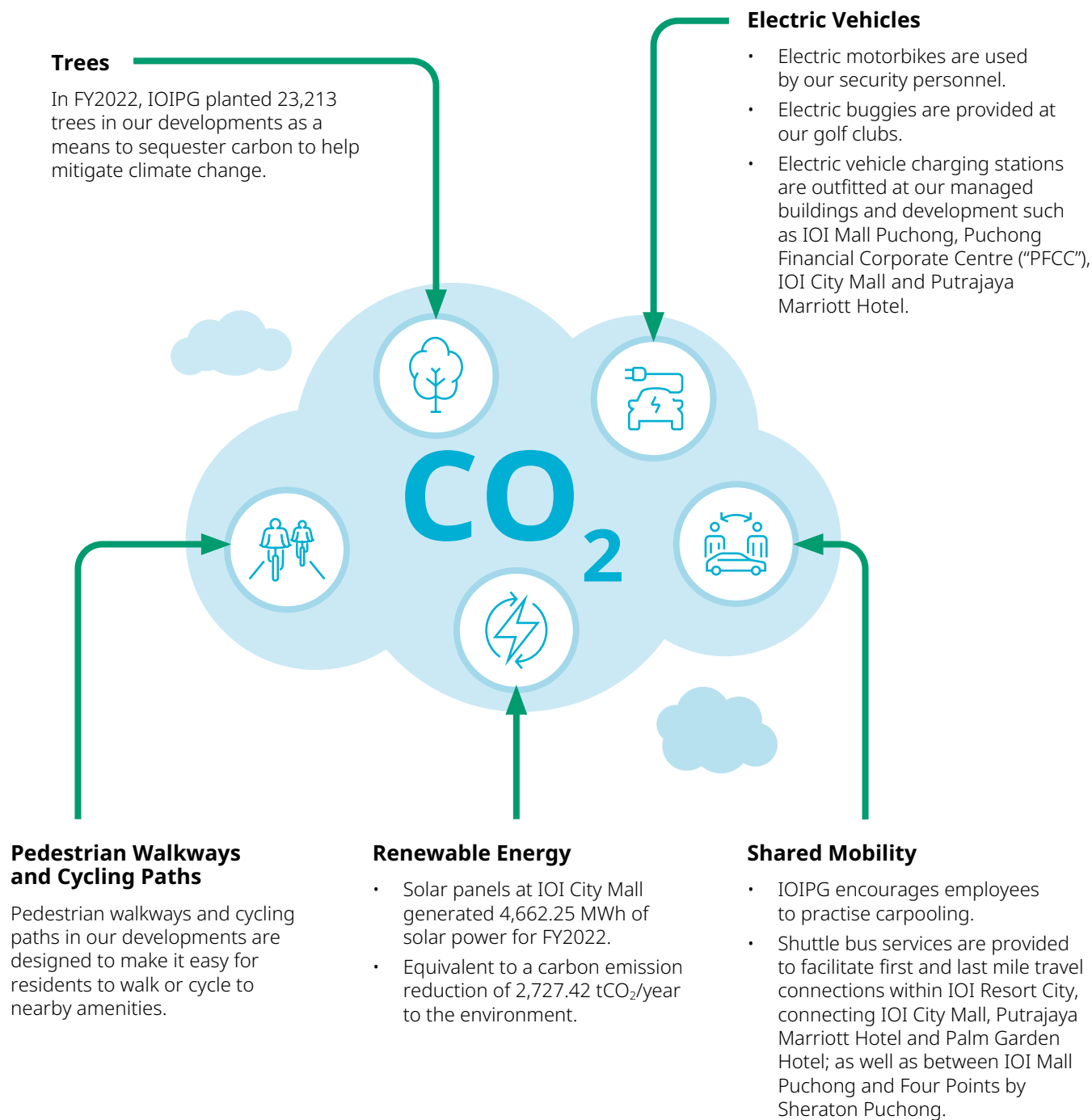
Notes:

1. Data includes Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).
2. Fuel- and energy-related include tenant electricity usage in Klang Valley, and liquefied natural gas and liquefied petroleum gas usage by tenants in Klang Valley and Johor.
3. Upstream Transportation and Purchased Goods and Services data are from the embodied carbon of construction materials including steel, concrete and tiles.
4. Figures stated may not add up due to rounding of decimals.



## GHG Emissions Reduction Initiatives

The Group continues to take active actions to reduce GHG emissions from our business operations.



# Caring for the Environment

## Water

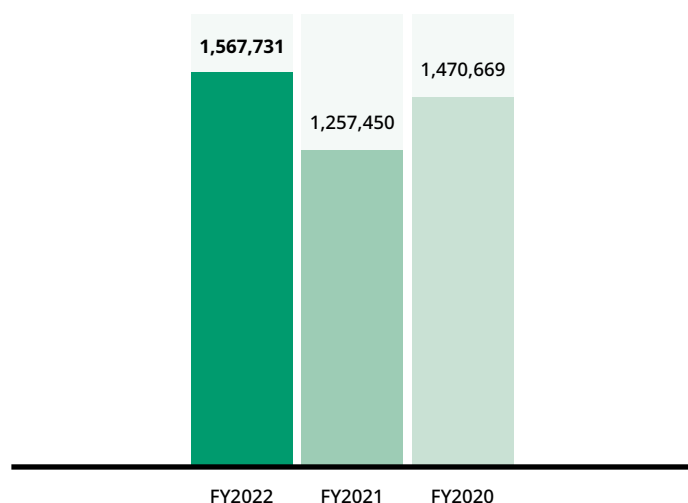
Water scarcity has become an alarming issue due to various factors such as anthropogenic pollution and climate change. As water cut and water scarcity are occurring more often, the Group recognises the associated risks related to water security, which is a great concern in water-stressed areas we operate in, including Malaysia, PRC and Singapore. We are committed to helping mitigate the risk of water shortages by reducing wastage and conserving water resources.

Our efforts include the introduction of water management initiatives spanning across the organisation and involving key stakeholders from employees, and tenants, to customers. We focus on monitoring water usage, identifying risks and opportunities, and implementing innovative water-saving initiatives in all properties under IOIPG. We will continue these plans to help achieve the set target of reducing water intensity.

We have set a 10% target to reduce water consumption intensity for the property investment operations from FY2021 to FY2025, using the intensity level of 1.519 m<sup>3</sup>/m<sup>2</sup> in FY2020 as the baseline. In FY2021, we achieved our target with a reduction of 15.0% in water consumption intensity for property investment activities to 1.291 m<sup>3</sup>/m<sup>2</sup>. The water consumption intensity of our property investment activities recorded a further year-on-year reduction of 4.0% to 1.240 m<sup>3</sup>/m<sup>2</sup> in FY2022.

In FY2022, we harvested 1,033 m<sup>3</sup> of rainwater from our Group-wide operations. The harvested water was used for irrigation and cleaning purposes.

## Water Consumption from Municipal Potable Water (m<sup>3</sup>/year)



Notes:

1. FY2020 data includes business operations in the Klang Valley and Johor.
2. FY2021 and FY2022 data include Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).

## Water Saving Initiatives

The Group has carried out the following water-saving initiatives to achieve our water reduction target.

### Water Saving Practices

Our employees are encouraged to practise water-saving habits. These include:

- Minimising wastage of water in pantries and washrooms.
- Turning off water taps when not in use.
- Avoiding repeated or unnecessary flushing.
- Minimising water wastage during irrigation and cleaning of common areas.
- Avoiding over-irrigation where possible.
- Avoiding repeated cleaning and water overflow.
- Speeding up repair work turnaround time for pipe leakages.



### Modified Water Taps

As part of plans to reduce wastage, we have installed modified basin taps with lower flow rates at the Group's managed buildings. Other designs that serve similar purposes include taps with aerators, water sensors and self-closing features.



### Rainwater Harvesting

Rainwater is an easily accessible renewable water source, especially for irrigation and cleaning. We have installed tanks at suitable locations across the Group to harvest rainwater for irrigation and cleaning of common areas. We have also installed eco-toilets that utilise rainwater at IOI City Mall which is estimated to save 14,103 m<sup>3</sup>/year of water.



### Stay Green at our Hotels

In addition to water saving, our hotel guests are provided with the option of not changing towels and bed linens daily to help contribute toward environmental conservation efforts. We also seek to raise awareness of the benefits of reducing water consumption and detergent usage at our properties.



## Waste and Effluent Management

We recognise that the Group's key activities in building construction and real estate management are both resource-intensive operations that may have significant climate impact. We seek to minimise the impact through responsible resource management throughout the lifecycle of the construction and management of our buildings. We also seek further transition into more effective resource management through the use of system formwork and digitalisation, in addition to the "reduce, reuse and recycle" philosophy in conservation efforts.

The primary source of waste is general waste, generated mainly from the property investments business. The amount of general waste has increased since FY2020 with the easing of movement restrictions for the COVID-19 pandemic. These wastes were mainly produced by tenants and guests from our retail and hospitality business operations.

The Group's Waste Management Policy also notes the importance of managing food waste. Le Méridien Putrajaya participated in the Food Bank Malaysia ("FBM") program under the Ministry of Domestic Trade and Consumer Affairs ("KPDNHEP") to reduce food waste. A special retort machine

was installed at the hotel to pack cooked foods that are still pristine. The foods that undergo the process have a guarantee of hygiene, longer shelf life and can last at least a year. To date, 79.8 kg of food was prevented from becoming waste.

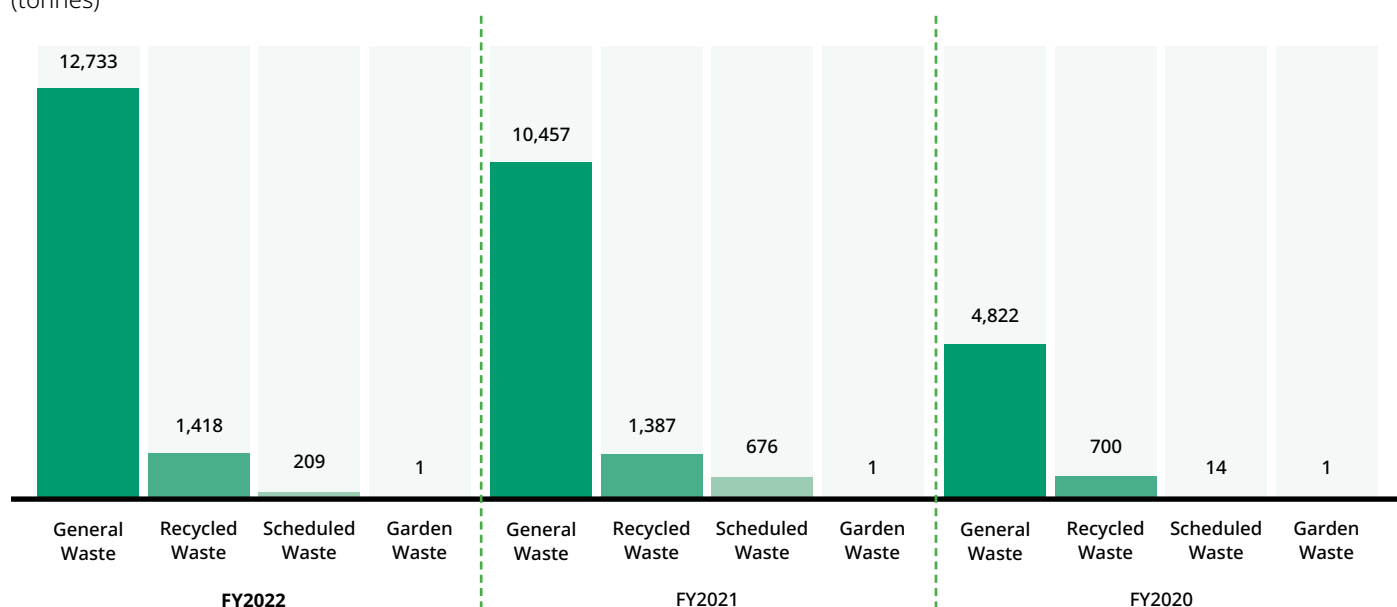
Puteri Mart regularly upcycles fruit peels into cleaning enzymes, which are natural and chemical-free cleaning agents. Puteri Mart has upcycled about 884 kg of fruit peels into some 2,480 litres of cleaning enzymes to date.

In FY2022, Palm Garden Golf Club also composted 960 kg of garden wastes, such as leaves and branches, to enhance soil composition for landscaping purposes. Besides, the landscape department uses a mulching machine to convert garden waste into soil additives.

Scheduled waste is hazardous and may pose adverse impacts on the environment and public health. We closely monitor scheduled waste generated at our sites, such as used engine oil, and manage them in accordance to the Environmental Quality (Scheduled Wastes) Regulations 2005. We ensure that all scheduled wastes are stored properly and collected by licensed contractors.

## Waste Generation

(tonnes)



Notes:

1. FY2020 data includes business operations in the Klang Valley and Johor.
2. FY2021 and FY2022 data include Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).

# Caring for the Environment

## Waste Minimisation at Source

We believe waste minimisation at the source is an effective way to reduce waste generation. In line with this, employees are encouraged to practise paper waste reduction habits. Initiatives that the Group has established include:

Advocating the use of paperless of documents.

1

Minimising the need for email printouts.

2

Encouraging double-sided printing and photocopying.

3

Where printing or photocopying is necessary, only the exact number of copies required should be made.

4

Providing a limited supply of paper at common printers or photocopyers.

5

Publishing company policies, administration documents and application forms on the Group's intranet.

6

We continue to leverage on digitalisation to minimise waste and conserve resources. The Group's digital transformation initiatives that contribute to reducing paper use include CLUB IOI, IOIPG-PQSH, IOI eMarketplace, Enterprise Content Management ("ECM") systems and automated payment processes. IOI eMarketplace alone has helped to save an estimated 56,000 copies of paper documents to date.

Furthermore, we have ceased the distribution of CD-ROMs of our annual report to shareholders since FY2020. This has resulted in production savings of approximately 57,000 CD-ROMs to date.

To promote waste reduction in the wider community, IOI Mall Puchong launched the KITACycle recycling centre with a weigh and pay system allowing the public to earn cash back with recyclables. This helps divert waste from landfills. Besides, we also encourage our employees, tenants and the public to segregate recyclable waste by providing recycle bins in common areas, these will then be collected by licensed recycling vendors. Such recycle bins are made available at our Sales Galleria, all our malls and our office towers at PFCC.

### Other initiatives include:

- Using e-backdrops and reusing physical backdrops
- Providing water dispensers in all meeting rooms instead of plastic bottled water
- Implementing stationery-sharing stations and providing stationery on an as-needs basis



KITACycle Recyclable Waste Center at IOI Mall Puchong.



Recycling Area at IOI City Mall.

## Materials

### Management of Construction Materials

The Group is cognisant of the environmental impact caused by the production of construction materials and its contribution to embodied emissions. We have tracked and monitored the use of major construction materials in our projects since FY2019. We have also started tracking the embodied carbon of construction materials used in the Group's property development and property investment activities to assess the wider carbon lifecycle impact of our projects.

Some of the major construction materials purchased by the Group are listed below:

Materials	FY2022	FY2021	FY2020
Steel (tonnes)	18,808	11,982	8,617
Concrete (m <sup>3</sup> )	87,387	72,219	95,404
Tiles (m <sup>2</sup> )	139,446	103,078	310,058

Notes:

1. FY2020 data includes business operations in the Klang Valley and Johor.
2. FY2021 and FY2022 data include Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).

### Promoting Building Material Efficiency

We adopt system formwork and prefabricated components in the construction of high-rise buildings. Prefabricated components promote material efficiency as these components are produced in controlled factory environments, which minimises material wastage. One of the examples is the utilisation of the Industrialised Building System (IBS) at the Gems Residences project at IOI Resort City.

System formwork in construction allows for multiple reuses, and the formwork material is recyclable. System formwork is commonly used at high-rise tower blocks exceeding 10 storeys excluding podiums, facility decks, basements, or standalone structures such as guard houses and refuse centres.

Percentage of system formwork utilisation for ongoing and completed projects in FY2022:

Projects	Utilisation of System Formwork
Gems Residences, IOI Resort City	100%
Alanis, Warisan Puteri Sepang	100%
IOI Central Boulevard Towers, Singapore	100%

### Minimising Environmental Footprint

We encourage the use of environment-friendly materials including those with high recycled content, low VOC content and materials that are green-certified in order to reduce the environmental footprint of goods and services over the life cycle of property development.

Our property investment segment is committed to minimising unnecessary draperies as well as reusing decorative materials. This is done without compromising on service quality and customer experience. For instance, Icescape, an ice-skating rink managed by the Group, uses 100% recycled rubber tiles produced from recycled tyres as the rink's flooring material. This is in line with IOIPG's Sustainability Policy and Waste Management Policy.

In our procurement practices, the Group seeks sustainably and environmentally endorsed materials, including the purchase of office papers and toilet papers that obtained the certification of the Programme for the Endorsement of Forest Certification ("PEFC") or the Forest Stewardship Council ("FSC").



# Caring for the Environment

## Integrating Green Features into Our Townships

We are committed to reducing the impact of urbanisation on the environment by incorporating designs and technologies that are friendly to the environment in order to create sustainable, lower emissions and climate-resilient homes and offices.

IOIPG has been collaborating with Majlis Bandaraya Subang Jaya ("MBSJ") to adopt LCCF criteria in township developments.

Furthermore, we have incorporated various active and passive designs into the Group's townships to reduce carbon footprint. Efforts include actively sourcing local construction materials and products to lower emissions, using energy and water-efficient appliances such as LED lights and dual-flush water cisterns, and harnessing natural light and ventilation by adopting north-south orientations and cross ventilation designs.

**The list includes some green and sustainable features integrated into our developments:**



### Commercial High-Rise Buildings

- Green building certifications such as GBI, Green Mark Certification
- North-South building orientation
- Energy management modules in BMS
- Low Volatile Organic Compound ("VOC") paint
- Photovoltaic cells on the rooftop
- Motion sensor lights at staircases
- Water-saving toilet cisterns
- Sensor taps in public toilets
- Natural light-harnessing features
- Reduction of mechanical ventilation in car parks



### Residential Buildings

- Cross-ventilation designs
- Natural ventilation features in bathrooms without the use of exhaust fans
- Natural lighting and ventilation features such as open concept designs and high ceilings
- North-South building orientation
- Vertical plantings
- Solar water-heating systems
- Rainwater harvesting for irrigation purposes
- Reduction of mechanical ventilations at car parks of high-rise residential projects
- LED Compound Lighting in place of Conventional High-Pressure Sodium ("HPS") Lights
- Low VOC paint
- Green-certified waterproofing materials to be used at bathrooms



### Environment-Friendly Operational Initiatives

- Chiller retrofitting
- Air Conditioning and Mechanical Ventilation to optimise room temperature control
- LED Compound Lighting in place of Conventional HPS Lights
- Alternative looping of lighting circuits at the car park and staircase areas, allowing a 50% reduction in lighting consumption during non-peak hours
- Waste management systems at the construction site
- Recyclable metal formwork at high-rise developments
- Upcycling used cooking oil
- Organic waste decomposition of garden waste
- Electric vehicle charging stations
- Electric buggies
- Solar-powered streetlights

## Solar Water Heating

The more popular electric heating methods consume a significant amount of energy compared to natural sources of heat. Solar water heaters help reduce power consumption, which also leads to a reduction in indirect carbon emissions.

### North-South Orientation

Positioning the main building facade in a North-South orientation reduces solar heat gain of the building. This will lighten the load on cooling systems and reduce power consumption.

## Daylighting and Natural Ventilation

Sufficient daylight and natural ventilation reduce the need for artificial lighting, cooling equipment and mechanical ventilation, thus lowering power consumption. This also results in additional benefits such as a reduction in air humidity and the prevention of mould growth due to dampness.

## Water-Efficient Fittings and Energy-Efficient Lighting

Water-efficient fittings such as dual-flush cisterns and energy-efficient lighting such as LED compound lightings significantly reduce the intensity of resource usage.

## Rainwater Harvesting

Rainwater harvesting for landscape irrigation reduces reliance on potable water, which goes through an energy-intensive process and transportation before reaching users.

## Cycling and Pedestrian Pathways

Cycling and pedestrian pathways reduce dependency on motorised vehicles among the residents and local communities. These pathways provide linkages between neighbourhoods, promoting greater community interactions, healthier lifestyles and zero-carbon mobility.

## Caring for the Environment

### IOI Rio

With the tagline “Smart City of Tomorrow, Here Today”, IOI Rio is an ongoing development designed with the principles of sustainable living embedded in every aspect of the project right from the start, from construction to resource management. The entire development has various green features built in to minimise energy and water consumption with low carbon commutes enabled to promote a green lifestyle.

Under the plan, most of the buildings in the development will be equipped with a Smart Homes & Smart Offices System to optimise energy usage, while lighting in the common areas such as staircases and corridors will be powered by rooftop solar panels. IOI Rio City Phase 1 has adopted energy-efficient LED streetlights and solar-powered CCTV. Utilising the latest innovations, the IOI Rio commercial developments are equipped with Vehicles License Plate Recognition (VLPR)

as well as Bluetooth mobile credentials for turnstiles and lifts. As part of the plans to reduce water consumption, a rainwater harvesting system was set up for landscape irrigation. Besides that, dual-flush cisterns and sensor-based taps were also installed in the washrooms.

The project is also master planned to channel vehicles to basement levels to enable a safer ground level for pedestrians with fewer vehicles moving around. In the future, electric vehicle charging stations will be installed to facilitate the use of such vehicles to cut carbon emissions, while delivering on our promise to provide residents with seamless connectivity that complements the public transport system. Furthermore, IOI Rio is connected to an LRT station and is accessible through e-hailing services and walkways. Other commuting options within the development include cycling paths, walkways, and link bridges to promote a healthy and sustainable lifestyle.

## Appreciating Nature and Biodiversity

Sustainable living is a key proposition of IOIPG's products, and the concept is deeply infused into our operations. We are committed to conserving urban biodiversity within our developments and adjacent areas through incorporation of urban parks and landscaping. These green features are able to connect our communities with nature, and encourage sustainable lifestyles.

### Conserving Urban Biodiversity

It is the Group's key priority to minimise the negative impacts of our new and existing operations on biodiversity. We conduct Environmental Impact Assessments (“EIA”) prior to the commencement of all projects which require them. This includes biodiversity and ecological studies, where applicable.

As part of the biodiversity conservation efforts, we seek to transplant 5% of trees of every valuable species under the International Union for Conservation of Nature (“IUCN”)–Red List and incorporate 5% of trees of valuable species in our landscape plan designs. For land development exceeding 300 acres, an area will be designated within the green space to provide for the conservation of biodiversity.

We have set a target to preserve 5% of trees of every valuable species in our developments prior to project commencement from FY2022 onwards. We are also committed to providing a conducive habitat within our projects to sustain biodiversity over time. In addition, we cultivate urban parks and landscaping as part of the commitment to retain the urban biodiversity of our developments and adjacent areas. These green spaces

support the habitat of flora and fauna with their ecological functions while providing ecosystem services and nature-based solutions such as temperature regulation, air quality improvement, oxygen production and carbon sequestration, reduce surface runoff, flood mitigation etc.

The Bandar Puteri Town Park is among the initiatives demonstrating the Group's approach to urban biodiversity conservation. Located in Bandar Puteri Puchong, the park has a thriving ecosystem supporting both aquatic and terrestrial life forms and is an ideal venue for local communities and nature organisations to organise activities such as bird-sighting, insect-spotting and herping. Frequently referred to as a manicured wilderness, the rich biodiversity of Bandar Puteri Town Park continues to thrive while being preserved amidst human activities. An upgrade to the park was conducted to improve its infrastructure, adding an 80-metre boardwalk, canopied social spaces, hanging bridges, outdoor fitness stations, integrated playgrounds, a nature trail and a secret garden to foster greater community interaction and biodiversity appreciation.



IOIPG recorded **zero cases** of significant fines for environmental non-compliance with air, water, and land-related standards and regulations in FY2022.

In support of plant species conservation, several IUCN Red List of Threatened Species, namely Near Threatened ("NT"), Vulnerable ("VU") or Endangered ("EN") species, have been included in the landscaping of our developments and within our urban parks.

### List of Near Threatened, Vulnerable, Endangered Species in Our Landscaping

Species	Common Name	Status in IUCN Red List
<i>Lagerstroemia langkawensis</i> *	Bungor Langkawi	Endangered
<i>Shorea roxburghii</i> *	White Meranti	Vulnerable
<i>Hopea odorata</i> *	Merawan Siput Jantan	Vulnerable
<i>Dalbergia latifolia</i>	Indian Rosewood	Vulnerable
<i>Eucalyptus deglupta</i>	Rainbow Gum	Vulnerable
<i>Dypsis lutescens</i>	Areca palm	Near Threatened

\* Native to Malaysia



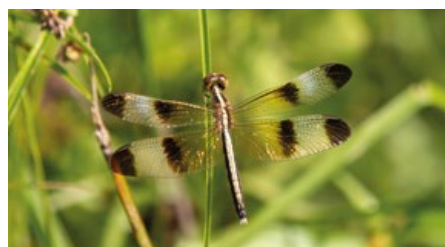
**143** trees were transplanted Group-wide in FY2022, bringing the total number to **4,180** trees to date.



In FY2022, **685** trees out of a total of **23,213** trees planted Group-wide are listed in the IUCN Red List as EN, VU or NT.



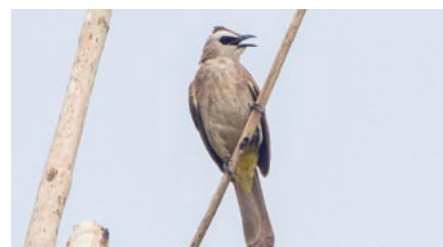
### Urban Biodiversity Highlights in Bandar Puteri Town Park



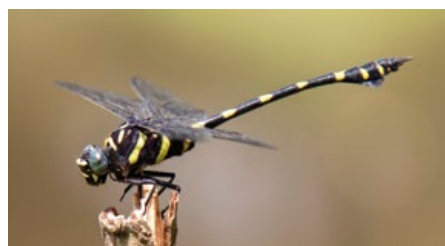
Pied Paddy Skimmer (*Neurothemis tullia*)



Peacock Pansy (*Junonia almana*)



Yellow-vented Bulbul (*Pycnonotus goiavier*)



Common Flangetail (*Ictinogomphus decoratus*)



Asian Water Monitor (*Varanus salvator*)
















Carinate Locust (*Trilophidia annulata*)



# Caring for the Environment

## Project Park Crawl

We started Project Park Crawl in FY2019 to monitor the condition and biodiversity of the Group's managed parks, including the Bandar Puteri Town Park in Bandar Puteri Puchong and Oasis Park in Bandar Puteri Bangi. We also regularly conduct additional measures such as biomonitoring and tree tagging. The documentation of these baseline biodiversity data is vital for our long-term conservation efforts and to improve the biodiversity management of our future parks.

	Bandar Puteri Town Park	Oasis Park
	<b>Flora</b>	
<b>89</b> Total Known Species	<b>Valuable Flora Species:</b> <i>Hopea odorata</i> (VU) <i>Khaya senegalensis</i> (VU) <i>Cavanillesia platanifolia</i> (NT) <i>Swietenia mahagoni</i> (NT)	<b>31</b> Total Known Species
<b>Valuable Flora Species:</b> <i>Lagerstroemia langkawiensis</i> (EN) <i>Hopea odorata</i> (VU) <i>Eucalyptus deglupta</i> (VU) <i>Khaya senegalensis</i> (VU)		
	<b>Fauna</b>	
<b>128</b> Total Known Species	<b>Valuable Fauna Species:</b> <i>Macaca fascicularis</i> (EN) <i>Lutrogale perspicillata</i> (VU)	<b>62</b> Total Known Species
		<b>Valuable Fauna Species:</b> –
 <b>36</b> Birds	 <b>4</b> Fishes	 <b>26</b> Birds
 <b>1</b> Amphibians	 <b>3</b> Reptiles	 <b>2</b> Reptiles
 <b>79</b> Insects	 <b>2</b> Mammals	 <b>33</b> Insects
 <b>2</b> Mollusks	 <b>1</b> Arachnids	 <b>1</b> Arachnids



## Biodiversity Assessment

In FY2022, we conducted tree species mapping as part of biodiversity assessment at the proposed site of the 10-acre IOI Central Park in IOI Resort City, whereby valuable tree species were identified and tagged for preservation purpose.



The Group engages government agencies and environmental societies such as the Malaysia Biodiversity Information System (MyBIS) and the Society of Wilderness Malaysia in support of the conservation and preservation of urban biodiversity at Bandar Puteri Town Park. This allows us to gain better insights into the future planning of the park and other green areas in our developments. We also worked with Sekitar Kita, Water Warriors Universiti Malaya and Iskandar Malaysia City Nature Challenge to promote awareness among the public about biodiversity conservation.

### Promoting Biodiversity

In line with our “Urban Green” Sustainability Strategic Theme, we organise awareness programmes on biodiversity among the communities in which we operate in order to emphasise the urgency of protecting the environment and urban ecosystem. We seek to do this in a fun way by transferring knowledge through games and engaging activities for families and individuals to interact with nature.



### Safeguarding Biodiversity

As part of efforts to conserve biodiversity and promote sustainable cities and communities, the Group teamed up with the Majlis Perbandaran Kulai to organise a Mudball Tossing activity at Hutan Bandar Putra in June 2022. During the one-day event, Team IOI in Johor, MPKu and the local community tossed about 12,000 mudballs to improve the water quality of the lake in Hutan Bandar Putra in creating a conducive habitat for flora and fauna to thrive. Students from Sekolah Menengah Bandar Putra 1 & 2 and residents of Bandar Putra Kulai also participated in the event.



### IOIPG City Nature Challenge 2022

The City Nature Challenge (“CNC”) is a global biodiversity initiative aimed at encouraging people to find, observe and document plants and wildlife in their cities through a bioblitz-style competition. In this competition, cities worldwide compete to make the most observations of urban plants and wildlife in the outdoors, using the iNaturalist app to connect people to nature and to generate scientifically valuable biodiversity from such observations.

Aimed at connecting citizen scientists, nature enthusiasts and local communities to conserve urban biodiversity, the Group collaborated with local organisers of this global initiative, namely Sekitar Kita, Water Warriors UM and Iskandar Malaysia CNC, to organise the IOIPG City Nature Challenge 2022 which covered our Group-wide developments in Klang Valley, Johor, Singapore and Xiamen, PRC. The challenge which ran from 29 April to 8 May 2022 attracted over 550 participants, including IOIPG employees. Together, we managed to record 2,794 nature observations and identified 910 species across Malaysia, Singapore and Xiamen, PRC.

# Creating Value for Our Employees



Maintain a healthy, safe, and fair Work Culture with emphasis on employee engagement; and to encourage employee participation in the organisation's transformational journey of sustainability.



Our People and Culture | Embracing Diversity at the Workplace | Nurturing Young Talents  
Engaging Employees | Caring for Employees | Talent Development and Capacity Building  
Strengthening Health, Safety & Security Practices

# Creating Value for Our Employees

## Our People and Culture

At IOIPG, we recognise that our people are the greatest asset underpinning our success and ability to generate long-term value for all stakeholders. Therefore, their safety and welfare are of paramount importance. It is our aim to create a work culture of integrity, transparency and collaboration. We seek to provide opportunities and guidance to all employees through talent development and professional training.

As a member of the Malaysian Employers Federation and an affiliate of the International Organisation of Employees, the Group strives to maintain the highest standards of ethical and legal labour practices, while sharing our successes and challenges.

We aim to provide sufficient notice for operational changes that might affect them. In FY2022, new initiatives included a new appraisal system, safety and health management guidelines, and a new Environmental Management System. Where necessary, engagement sessions were conducted to introduce the changes and to address enquiries.

### Addressing Human Rights and Labour Practices

As a signatory of the United Nations ("UN") Global Compact, we adopt the Ten Principles of the UN Global Compact with due diligence to human rights and anti-corruption. We respect the rights of all employees as stipulated under the Malaysia Employment Act, the Universal Declaration of Human Rights, the National Action Plan under the UN "Protect, Respect and Remedy" Framework, and comply with all statutory requirements. We do not condone child labour and forced labour across all business units and are compliant with local laws and regulations. The Group's commitment is communicated to our employees via the IOIPG's Code of Conduct and Business Ethics. This expectation is further extended to our supply chain through awareness sessions which were also attended by IOIPG's senior management including the Heads of Business Units.



For more information on Managing Supply Chain, refer to page 64.

### Promoting Employee Growth and Development

Our objective is to be a 'learning organisation' in maintaining a competitive edge by matching the competencies of our people to the demands of the Group's business. All employees are given the opportunity to develop their skills and knowledge, employee experience, and work performance. This is vital to the growth of the organisation.

### Providing Fair and Equal Employment

IOIPG provides fair and equal employment opportunities to all employees. This is reflected in our structured and unbiased recruitment process that serves to eliminate any form of discrimination. Employment opportunities are offered to the local community and our people come from diverse backgrounds and experiences, which contribute to long-term value creation at IOIPG.

## People and Culture Policies and Procedures

We have established policies and procedures outlining the management expectations of our employees' behaviour. Documents that express our external commitments to the stakeholders are available online and internal publications are available on the Group's intranet.



We publicise the Group's policies on people and culture to all employees and translate that to local languages whenever necessary. The IOIPG Anti-Bribery and Anti-Corruption Policy was introduced as a new policy in February 2022, with comprehensive training on the new policy across the Group. The training seek to raise awareness about the risks of corruption and ways to mitigate such risks, as well as to provide an overview of the standards and guidelines which have been drawn up to combat corruption at IOIPG. In FY2022, there were zero incidents of corruption across IOIPG's business operations.

# Creating Value for Our Employees

## Embracing Diversity at the Workplace

IOIPG offers employment opportunities to underprivileged groups. It constantly promotes awareness on the importance of fostering an inclusive work environment and improving accessibility features at the workplace for our differently-abled employees. In FY2022, we had 0.1% differently-abled employees in our workforce.

As a signatory of the Women Empowerment Principles, the Group strives to develop a comprehensive and integrated work environment that values diversity and inclusivity at every level of its business. As at 30 June 2022, we have 37% female employees in management roles within the Group.



### IOIPG International Women's Day 2022

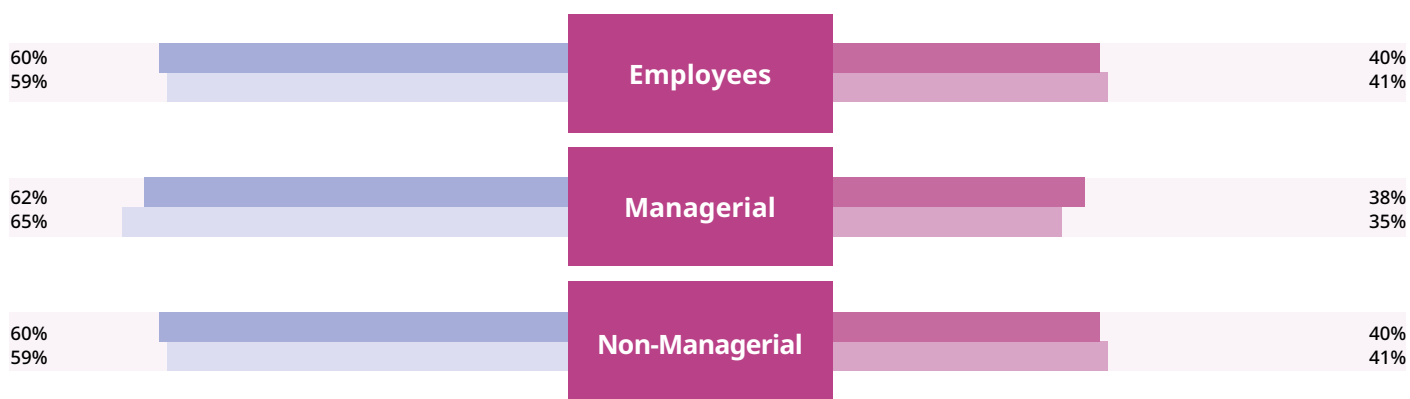


Under the International Women's Day's theme, #BreakTheBias, several activities were planned with the aim of inspiring women. This is aligned with the sustainability goal of creating value for all employees. It also supports the UN Sustainable Development Goal 5: Gender Equality, which advocates the participation of women at all levels of decision making in governance and economy. Female members of Team IOI in Malaysia, Singapore and Xiamen received a commemorative token to celebrate this day. Over 70 employees also participated in the Dangerous Women webinar series by Lead Women.

A social media competition titled "Who's Your Superwoman" was organised to celebrate exceptional women of today. IOIPG also organised a Women of IOIPG Photostory to celebrate inspiring women nominated by their colleagues.

Business segments within the Group offered special promotions and prepared gifts for female employees. They also provided special rates for female customers and organised fashion shows at our malls and sales galleries nationwide to acknowledge women's contributions. Meanwhile, at IOI Palm City in Xiamen, the People's Republic of China ("PRC"), an eventful day was organised with activities such as a Spring Summer fashion show and a handmade paper flower workshop, amongst others.

### Gender Profile at IOIPG

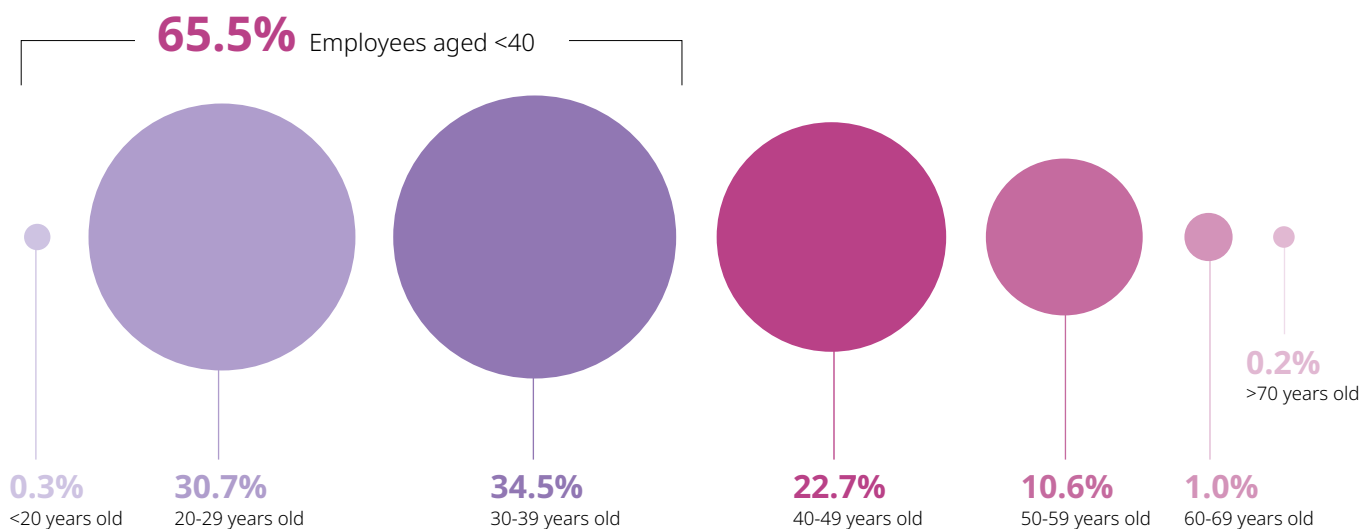


#### Legend

Male ■ 2022\* ■ 2021 Female ■ 2022\* ■ 2021

\* As at 31 August 2022

## Age Profile at IOIPG\*



\* As at 31 August 2022

### IOISilver

IOISilver is a senior hiring programme under the Group, designed to offer job opportunities to senior citizens who are still able to contribute meaningfully to the workforce with their insights and experience. Through the programme, we intend to promote the seniors' total well-being from the aspects of vocational, financial, to psycho-social health. It also aims to provide a platform for the seniors to rediscover the value of their experience and skills to the community and grant them renewed purpose in their golden years. At the same time, the Group will benefit tremendously through a multi-generational workforce such as fostering a culture of collaboration and innovation through the sharing of best practices and different perspectives.

## Nurturing Young Talents

We seek to nurture a healthy percentage of young workers as part of the Group's plans to maintain a sustainable talent pipeline. This commitment has earned the Group the Malaysia's Graduate Choice Award for the fourth consecutive year, which is 100% voted by university students. We are proud to be ranked among the Top 3 Most Attractive Graduate Employers to Work for in 2022 in the Property Developer category.

In FY2022, 267 interns and apprentices joined the various business functions of IOIPG for a three to six months internship, giving them valuable work experience.

### GCA Awards

The GCA Award recognises the Group's effort in nurturing the future generation, in line with our Sustainability Strategic Theme of Young Urbanites.





# Creating Value for Our Employees



► **Amira Syuhada Binti Amiruddin,  
International Islamic University Malaysia (IIUM)**

- Interned with Group People and Culture Department, IOI Malls
- 4<sup>th</sup> year English for International Communication student

The experience of working in the recruitment section offered valuable exposure to the employee induction process. It allowed me to understand the working world better and gave me the opportunity to apply theoretical knowledge from my studies. It was a great experience working with professionals in the industry. Overall, it was a challenging and exciting experience with a supportive work environment.



**Soo Xiang Han, Raffles University** ◀

- Interned with Sales & Marketing Department, Kulai
- 4<sup>th</sup> year Business Administration student

My job involved conducting market surveys and assisting with marketing events. I've gained more confidence through the friendly work environment. My colleagues are always ready to help me find solutions to challenges encountered at work.



► **Joey Norman Bin Idris, Netherland Maritime University College**

- Interned with Group Quality Management Department
- 2<sup>nd</sup> year Occupational Safety & Health student

I was happy to be given the opportunity to work in the field and experience the industry firsthand. My senior colleagues have also been very kind and generous with their knowledge. I feel more confident about my future with all the learnings I have acquired here.



**Kuhaneswaran Suresh, Universiti Tenaga Nasional** ◀

- Interned with Digital Transformation Department
- 2<sup>nd</sup> year Computer Science student

The role that I was assigned in the department as an RPA developer. In this role, I create bots that were required by the other departments of the company in order to ease their workload. The bots deployed are capable of multitasking and are able to relatively shorten the duration of work in comparison to manual labour.

My internship in digital transformation has given me ideas to try something relevant in my Final Year Project since it has boosted my interest in the field.

## Engaging Employees

We constantly conduct employee engagement as part of the Group's plans to create a dynamic and inclusive work culture that promotes two-way communication between managers and their staff. These are carried out through multiple channels throughout the year. During the movement restriction period amid the pandemic, many engagement activities were conducted online including virtual town halls and employee engagement surveys. Employees are encouraged to share their views and perspective with the senior management through these platforms. Constructive feedback is discussed at the management level and translated into concrete actions to improve business strategies and spur high performances.

The IOIPG Virtual Townhall 2021 was held, featuring a sharing of achievements and highlights by the Chief Executive Officer ("CEO"), Chief Operating Officers, Heads of Segments, and a few Business Unit Heads. The event was attended by 1,200 employees over two sessions.

Hari Raya celebrations were held throughout the month of May at various locations. Senior Management and the employees from various segments had the opportunity to mingle and meet in-person after two years of low-key festivities during the pandemic.



The festive mood of Team IOI captured at one of the Hari Raya celebrations.



### IOIPG Earth Hour 2022

IOIPG Earth Hour 2022 with the theme "Fight Climate Change with #Team IOI" is aimed to encourage employee participation in activities that are for good environmental causes. Activities included celebrations and promotions at our business units, and a social media campaign encouraging the public and employees to share photos with captions on how they are fighting climate change. We also encouraged the use of soap upcycled from used cooking oil produced by B40 communities in the IOIPG-UKM Partnership Gain Project and packaged by the Faculty of Pharmacy, UKM.

We hosted an Appreciating Urban Biodiversity webinar in March 2022, with the aim of encouraging co-existence with urban wildlife. The webinar was participated by over 200 Team IOI members. It featured a sharing session on understanding and recognising the importance of urban biodiversity and included an interactive session with quizzes to keep the attendees engaged.

We sponsored 62 employees to the WWF-Malaysia's Earth Hour Virtual Run for Nature event. Through this participation, we supported WWF-Malaysia's conservation efforts to protect the nature. It was also part of our effort to strengthen the Group's branding as a **Trusted.** partner to safeguard the environment.



# Creating Value for Our Employees



## IOIPG Beach Clean Ups

In conjunction with Earth Hour, 60 Team IOI members from the southern region organised a beach clean-up in Pulau Mawar, Mersing in March 2022. This was held in collaboration with Majlis Daerah Mersing. Then in May, the team from Le Méridien Putrajaya came together for another clean-up effort at Bagan Lalang in conjunction with the Associate Appreciation Week.



Team IOI Southern Region at the beach clean-up in Pulau Mawar, Mersing.

## Caring for Employees

We believe a conducive work environment contributes towards creating a high-performance culture, which is crucial in attracting and retaining top talents. We have 2,559\* employees Group-wide, of which 12%\* are contract or temporary staff. IOIPG believes in maintaining a healthy work-life balance for all employees. We go beyond complying with the national regulation for working hours by discouraging excessive work hours whenever possible.

IOIPG ensures to meet the minimum wage stipulated by local laws and commensurate with the employee's skills, experience and performance. We also provide accommodation for employees who work on shifts and are from outstation. In FY2022, an entry-level salary review was conducted and implementation will take place in FY2023 to remain competitive in the market.

\* As of 31 August 2022

We endeavour to foster a safe and inclusive environment at work. All forms of harassment and discrimination are considered disruptive. As such, we have a Whistleblowing Policy in place to deter such incidences and should the need arise, employees have access to the Group's grievance mechanism and managers are well-equipped with the skills and knowledge to manage grievances effectively. All incidents are strictly reported to a manager, Group People and Culture Department or a dedicated hotline.

### Employee Assistance Programme

The programme was introduced in March 2022, providing confidential in-person or video conferencing-based therapy and counselling sessions that are claimable. Employee Assistance Programme ("EAP") is aimed at providing mental well-being support to employees to realise their own potential, cope with the stresses of life, work productively and fruitfully, and contribute to the community. EAP is a benefit that offers the support and resources needed when an employee is experiencing a crisis that may affect their overall well-being and/or work performance. The programme provides confidential access to licensed professional counsellors and therapists with our EAP provider.

In FY2022, IOIPG met the target to achieve zero incidents of bullying or harassment.

To attract and retain top talents, the Group offers competitive remuneration packages that include standard entitlements such as leaves, medical and insurance coverage, as well as dental and optical benefits. Special discounts are also offered for dining, shopping and sport activities within the Group's business units.

## Talent Development and Capacity Building

Development assistance programmes are available to help our employees to upskill and upgrade their capabilities in tandem with their growing roles and responsibilities. We design the programme contents based on the Competency Assessment exercise, which is carried out annually. Recognition is also given to employees with outstanding performance at work and who demonstrate exemplary work ethics through the Best Employee Awards organised by the Group's business units. We provide adequate assistance to those transitioning into management roles to ensure that they are well-equipped to take on their new responsibilities.

The Group's Learning & Development Policy encourages the career development of employees through training programmes conducted internally and externally. All business units implement minimal hours of learning per employee, which are set according to the needs of the departments.

In FY2022, our employees clocked 108,276 learning hours to bolster self and career development. This exceeds the annual target of 40 hours per employee as it works out to an average of 43 hours or 5 days per employee across the Group, including training on anti-corruption and human rights policies and procedures.

Trainings are also provided to help employees understand labour standards. For instance, 100% of the Group's Auxiliary Police underwent formal training by the Royal Malaysia Police Training Centre covering human rights. This is to prepare them in carrying out their duties in compliance with national laws. We also ensure third-party security agencies engaged are trained in the laws of arrest and armed with proper search techniques.

# Creating Value for Our Employees

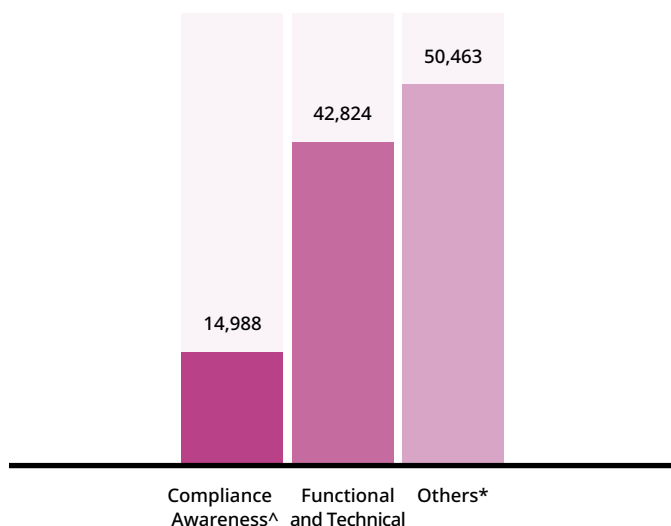
Team IOI participates in workshops related to common labour issues at the workplace. Apart from that, team members also attend the occupational safety and health conference that is organised annually by the National Institute of Occupational Safety & Health.

## Leadership Programme

IOIPG started a Leadership Programme aimed at building critical leadership competencies to drive a high-performing organisation. A total of 60 talents from the property development, property investment, and leisure and hospitality segments were selected for this programme, consists of a 12-month journey for Senior Leaders and a 6-month journey for Managers. The courses were conducted through non-conventional methods based on the principles of personalised learning, experiential learning and social learning.

## Learning Hours by Skills

(Total Hours)



<sup>^</sup> Includes Anti-Corruption, Human Rights.

<sup>\*</sup> Includes Health and Safety, and Programmes Targeted to Develop Women Leaders.

## Strengthening Health, Safety and Security Practices

We prioritise safety and health management in our business operations and workplaces. The group always take great care in ensuring a safe workplace to prevent illnesses and injuries among our employees, customers, tenants, contractors and suppliers within the scope of the Group Health and Safety Policy.

### Conducive Workspaces Drive Innovation

We seek to put facilities in place to provide a healthy workplace, which is essential to promote productivity and innovation. Major initiatives implemented to achieve this objective are as follows:

#### Breakout Areas

We have set up breakout areas in our headquarters designed for short meetings. These quiet spaces are conducive for virtual meetings and provide a restful respite for our employees to take short breaks from work.



#### Exercise Stations

We have installed exercise stations within the breakout corners to promote an active and healthy lifestyle, while allowing employees to destress through physical workouts. Shower facilities are also provided to allow employees to freshen up post-exercise.

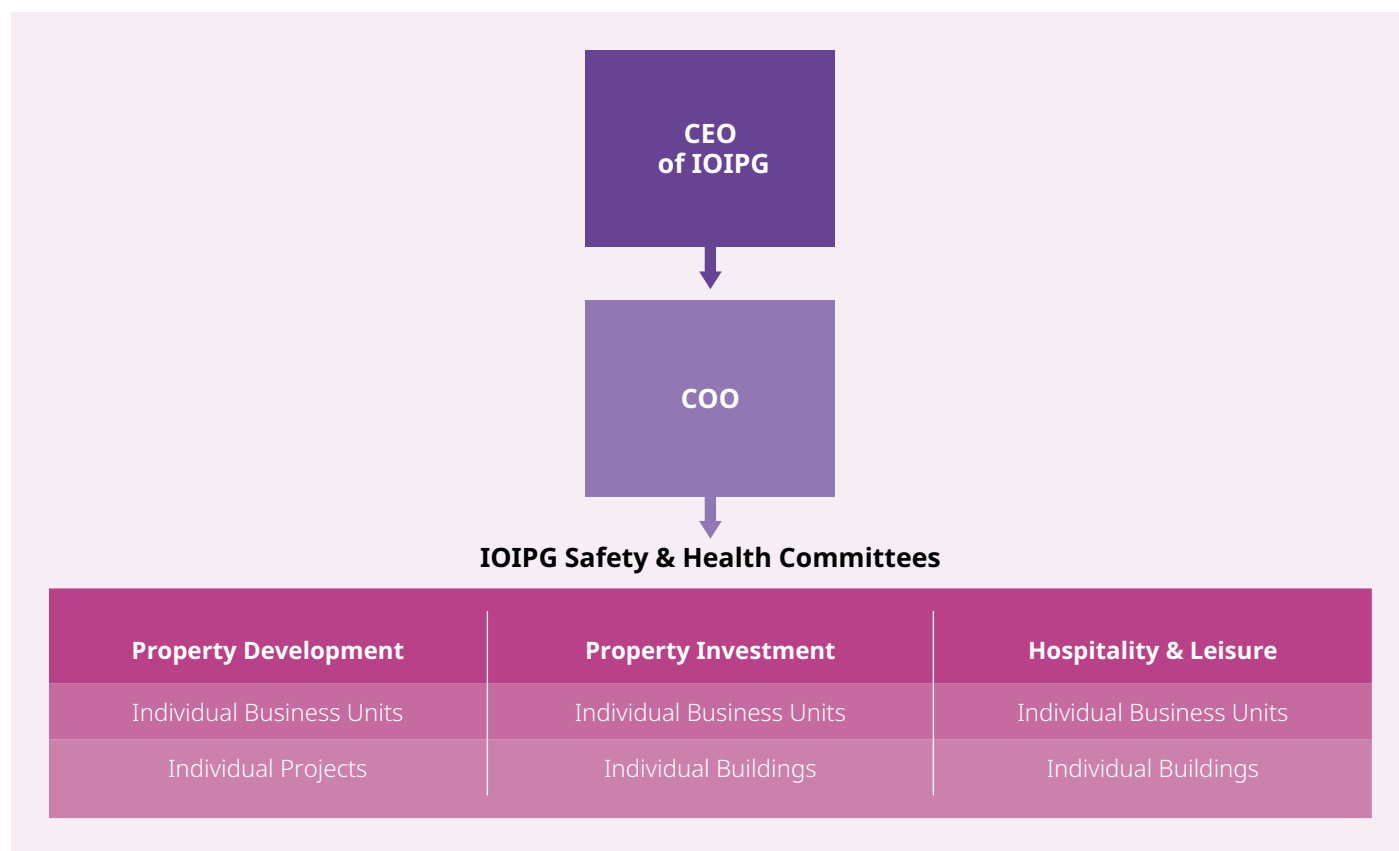


### Upholding Occupational Safety and Health

It is the Group's commitment to achieve a zero work-related fatality target every year among our employees and contractors. We are constantly improving our safety and health management systems to ensure we achieve the target. We follow industry best practices and designed our safety and health management systems according to the Occupational Safety and Health Management System ISO 45001 framework and guideline.



## IOIPG's Safety and Health Management Structure



The Safety and Health Committees at our business operations are overseen by the CEO. The committees are responsible for the Group's compliance with all safety and health protocols, which are aligned with the Occupational Safety and Health Act and its regulations.

Every project site has a Safety and Health Committee, which is chaired by an authorised Project Manager and comprises representatives of IOIPG, the main contractor and sub-contractors.

At our managed buildings, the Safety and Health Committee is chaired by the respective heads of the managed buildings and consists of both employer and employee representatives. This allows a two-way engagement platform to ensure compliance while encouraging employee feedback.

We will channel all discussion outcomes from the Safety and Health Committees to the top management for further consultation to ensure effective safety and health practices are implemented across the Group.

The Safety and Health Committees have the following responsibilities:

- Assist in the development of safety and health management at workplaces.
- Review the effectiveness of the safety and health initiatives.
- Report, investigate and implement mitigating measures to prevent any incidents, occupational disease or poisoning cases from happening at workplaces.

# Creating Value for Our Employees

## Improving Safety and Health Practices at Project Sites

We endeavour to keep improving safety and health management systems to minimise the risks of injury and fatality at our project sites. We take the following steps to achieve the said objective:



The IOIPG-Project Quality, Safety and Health Management System ("IOIPQSH"), a cloud-based management system, is deployed at all project sites to enable safety and health inspections to be carried out digitally. The system is developed based on CIDB's Safety and Health Assessment System in Construction ("SHASSIC") practice.

The digitalised process equipped with data analytics capability allows the assessor to carry out the process faster and more effectively with reduced chances of human errors.

## Ensuring Health, Safety and Security at Managed Buildings

The safety and health of all our employees and the occupants of our managed buildings are our responsibility. We implement the following programmes to ensure that commitment is met:

- We carry out regular safety and health committee meetings at our managed buildings.
- We regularly inspect facilities such as escalators, elevators, LPG and natural gas storage and piping and its systems to ensure compliance with the OSHA Regulations and energy commission requirements. Preventive maintenance is conducted to obtain the Certificate of Fitness from the Department of Occupational Safety and Health.
- We require our contractors to appoint Site Safety Supervisors to ensure renovation works at our managed buildings are carried out safely according to the OSHA Regulations.
- Automated fire detection and protection systems at our managed buildings are regularly reviewed and inspected by fire safety services contractors to meet the requirements of the Annual Fire Certificate issued by Bomba.
- We conduct regular internal safety and health inspections at workplaces and common areas such as the F&B kitchen, chemical storeroom, laundry, and housekeeping area.
- We organise regular safety and health awareness and emergency-related training to equip our people, including safety and health induction for new employees, basic fire extinguisher training and chemical safety briefings.
- We have put in place procedures that follow the safety standard of procedures required for COVID-19 prevention.

In order to ensure our employees abide strictly by our safety and health measures, we regularly plan training and awareness campaigns.

- Basic awareness programmes such as safety and health induction programmes for new employees, basic fire prevention training, kitchen safety training for F&B related personnel, safe chemical handling, and safe work procedure/toolbox briefing for contractors prior to commencing work.
- OSHA awareness campaigns at hotel operations to promote awareness for safety and health. Employees also attend OSHA-related talks conducted by various agencies.
- Fire extinguisher usage training, first aid and CPR training to equip people with emergency rescue knowledge.
- Safety and health committees received COVID-19 awareness and prevention briefings as part of the COVID-19 outbreak response.

We require the designated safety and health representatives at our managed buildings to prepare monthly reports covering the following details:

<b>Suggestions for improvement.</b>	<b>1</b>
<b>Key programmes organised to bolster safety and health awareness in compliance with legal requirements.</b>	<b>2</b>
<b>Occupational safety and health-related statistics.</b>	<b>3</b>
<b>Safety and health inspections or audits carried out by internal and external parties.</b>	<b>4</b>
<b>Status of crisis/emergency/general safety training programmes.</b>	<b>5</b>

### **Building Capacity on Health, Safety and Security Practices**

We strongly believe in the need to conduct regular training to keep our employees updated on information related to health, safety and security to keep the workplace safe.

In FY2022, a total of 491 employees attended the safety and health training organised by the Group, which translated to a total of 3,128 hours. Besides that, 369 employees attended other general training which includes safety and health topics, translating to a total of 2,362 hours.

The topic of trainings related to health and safety conducted were Occupational Safety and Health Act 1994, Basic Emergency Response Team course, Basic Occupational First Aid, CPR and AED training as well as Commanding Safety in Post Pandemic Era.

Our expectation for health and safety extends to our supply chain with our contractors attending a total of 8,233 hours of training in FY2022 regarding safety and health. The training content includes working at height, COVID-19 standard operating procedures, electrical safety etc.

On the other hand, other general training related to safety and health were conducted such as on-board training, M.E.N.T.R.A.S stress management programme, health talk on diabetes and the importance of air quality in malls were covered as well.

A total of 3,461 training hours were also clocked by the Group's security team during the year under review.

# Creating Value for Our Employees

## Monitoring Safety and Health Performance

### Fatality

In efforts to achieve the Group's zero work-related fatality target and major accidents, it is mandatory for all our employees, contractors and workers to attend safety and health induction training at all project sites. We have achieved Group-wide zero work-related fatalities among employees and contractors for three consecutive years from FY2020 to FY2022. This is an achievement considering that the National Fatality Rate was 2.00 per 100,000 workers in the year 2021, according to statistics by the Department of Occupational Safety and Health.

	FY2022		FY2021		FY2020	
	Total No. of Personnel	No. of Fatality Case	Total No. of Personnel	No. of Fatality Case	Total No. of Personnel	No. of Fatality Case
<b>Employee</b>	2,586	0	1,606	0	1,596	0
<b>Contractor</b>	7,699	0	5,388	0	3,880	0

### Lost-time Injury

We recorded a lost time injury frequency rate (LTIFR) of 0.55 in FY2022 among all of our employees and contractors, as compared to 0.31 (per one million man-hours) in FY2021.

	FY2022	FY2021	FY2020
<b>Employee</b>	1.10	1.13	3.28
<b>Contractor</b>	0.44	0.13	0
<b>Group total</b>	0.55	0.31	1.89

## Our Response to COVID-19

The Group remained steadfast in preventing and mitigating the risks of COVID-19 outbreak. Under the financial year reviewed, we have implemented the following steps at workplaces and project sites to prevent the spread of COVID-19.

Combatting COVID-19 at Our Workplaces	Combatting COVID-19 at Project Sites
Mandatory check-in through MySejahtera application and temperature screening were conducted for those who entered our managed buildings.	Only authorised personnel were allowed to enter the sites, including Centralised Labour Quarter during the period of movement restrictions.
Physical distancing was practised at workplaces.	Temperature screening and social distancing were practised at sites.
Protective face mask was always mandatory.	Protective face mask was always mandatory.
Hand sanitisers were placed throughout the offices.	Hand sanitisers or hand soaps for all our employees were provided.
Good hygiene practices were promoted among our employees.	Good hygiene practices were a constant reminder to our people.
Notices to remind people to keep a safe distance and wear protective face masks were put up at workplaces.	Awareness of COVID-19 was promoted as a constant reminder through signages.
High-touch surfaces, common spaces and workstations were regularly sanitised.	High-touch surfaces and common spaces in Centralised Labour Quarter and project sites were frequently sanitised.
COVID-19 safety standard of procedure were set up and constantly communicated to employees through emails.	COVID-19 Prevention Committee was created to offer prevention advice and clarification for workers.
Only individuals with low-risk profiles as shown on the MySejahtera app were allowed to enter the buildings.	Periodic screening for COVID-19 among our employees were conducted to ensure early detection and isolation of affected individuals.
Virtual meetings were conducted as part of our preferences during the pandemic while physical meetings were only allowed within limited capacity and duration under strict rules applied.	Disinfected vehicles were used to transport workers from Centralised Labour Quarter to project sites.
Employees were allowed to schedule work from home to cap the number of people in the office at any one time.	
A vaccination centre was set up in the mall for our retail sector employees.	
Effective air ventilation and air quality control were installed in air-conditioned areas.	



# Developing Sustainable Communities



Enhance social well-being via Community Initiatives i.e. social responsibility commitments, community investments, employee volunteerism and community development programmes for positive long-term impacts to society.



Investing in Infrastructure | Unearthing Young Talents

Yayasan Tan Sri Lee Shin Cheng – Investing in Our Future

Advocating a Circular Economy | Engaging Local Communities

# Developing Sustainable Communities

## ALIGNING STRATEGIC ACTIONS

IOIPG being one of the largest integrated property developers in Malaysia, we have a responsibility to ensure that our developments and the process to create them are embedded with sustainable principles and practices. Our aim is to stay true to our core values of being a **Trusted** partner to all stakeholders. We seek to improve the well-being of our communities, especially the underprivileged and underserved, through programmes and activities that are aligned with the Group's four Sustainability Strategic Themes of Mindset Change, Inspiring Women, Young Urbanites and Urban Green. We seek to influence more sustainable lifestyle choices to complement the Group's sustainability direction by anchoring these initiatives on these four themes.

In addition to our investments in infrastructure and facilities that enhance the surrounding environment for the communities, the Group also actively supports civil society organisation initiatives.

Total value of scholarships granted

**RM10.4m\***

RM0.4 million (FY2022)

Universities, school buildings  
and facilities

**RM99.7m\***

RM2.1 million (FY2022)

COVID-19  
rental relief assistance

**RM103.2m\***

RM28.9 million (FY2022)

Contributions in cash and  
kind to various charity activities  
including non-profit organisations

**RM28.3m\***

RM3.4 million (FY2022)

The four Sustainability Strategic Themes are designed to align activities aimed towards creating value for our communities.

### Mindset Change

We seek to foster a sustainability mindset, which will dictate the Group's approach to business management across all levels of operations. A change in mindset to one that is sustainability-oriented will bring about a more lasting impact to not only the long-term financial returns to the company but also to our people and the communities. We are committed to educate everyone to take ownership in conserving the environment for generations to come.



### Inspiring Women


We aim at inspiring an equal participation of women in the workforce, including in leadership roles, to build a more inclusive and sustainable community. IOIPG constantly implements initiatives and organises events that are aligned with this cause to encourage women to keep pushing the boundaries and achieve their aspirations.



### Urban Green

In line with the sustainable lifestyle that we promote, IOIPG is committed to support environment conservation through Urban Green programmes and related activities. Incorporating pocket gardens and green spaces within our township developments has brought great benefits to the local community and society overall and that is one of IOIPG's most impactful initiatives.



 To read more about the initiatives under Urban Green, please refer to page 89 in the Caring for the Environment section.

### Young Urbanites

The future belongs to the younger generation, and we seek to build a better tomorrow by nurturing them from young and instilling in them the culture of sustainable living. The Group believes in nurturing youths to act for positive impact in building sustainable communities.



\* As at 30 June 2022

# Developing Sustainable Communities

## Investing in Infrastructure

Enhancing the facilities, landscape, and connectivity within and surrounding our developments is a promise we keep to the community because infrastructure is an enabler of social interaction and economic progress. Our infrastructure investments are made with sustainability and inclusivity in mind, underscoring the Group's commitment in developing sustainable communities.

### Bandar Puteri Puchong Interchange and Traffic Enhancements

A RM91.2 million infrastructure upgrading works and expansion in Bandar Puteri Puchong is being funded by IOIPG to improve traffic flow and connectivity within the integrated development.

The first phase of the upgrading work was concluded in FY2020 and included the construction of a flyover from LDP to Lebuhraya Puteri Puchong, a 35-metre covered pedestrian

bridge, and a covered walkway to improve the accessibility for pedestrians travelling between the Puchong Financial Corporate Centre ("PFCC") and Taman Perindustrian Puchong LRT Station. This is estimated to have benefited a population of 30,000 households and business owners, four office tower blocks at PFCC, the smart city development of IOI Rio, and Four Points by Sheraton Puchong.

The second phase was completed in FY2022 and included the construction of a dedicated underpass for direct access into IOI Rio to alleviate the traffic congestion at Lebuhraya Puteri.

An additional underpass measuring 80 metres in length beneath the Rio City Interchange was also built to smoothen the flow of traffic within Bandar Puteri Puchong. Other infrastructure upgrading works included the construction of a pedestrian link bridge from the commercial area of The Cube to Rio City, a pedestrian crossing with signal lights, the upgrading of streetlights to LED lights and new walkways. The improvement work also included landscaping for the area.



The official opening of the Rio City Interchange in May 2022.



### Crafting Urban Green Pockets

We have invested RM1.4 million to date to refurbish the Bandar Puteri Town Park by adding recreational facilities such as playgrounds, fitness stations and benches, as well as upgrading the walkways and cycling tracks. Solar-powered lighting was also installed to help reduce our carbon footprint. This lush urban park within a busy township is equipped with amenities to allow residents and visitors from the surrounding areas to rest and relax, while enjoying the urban park's rich biodiversity, which helps promote health and well-being.



*Please refer to the section on Conserving Urban Biodiversity on pages 86 to 87 for more information.*

IOIPG is also financing a 10-acre central park worth RM10 million, which is anchored by a lake in IOI Resort City, Putrajaya. It will feature a pet park in which pet lovers and their pets can interact and enjoy the challenging pet obstacle course. Future plans include adding a skate and bike park; basketball, futsal and badminton courts; giant slides for families; a boardwalk with soothing view of the lake and waterfront activities; a jogging track; as well as many more outdoor exploratory facilities. The park will be accessible to residents, visitors, hotel guests, mall patrons, office workers and golfers of IOI Resort City.

### Community Facilities in Xiamen, PRC

IOIPG also contributed to the local community in Xiamen by partially financing a RMB7.3 million kindergarten. We also partnered with the rail group in Xiamen in a RMB19.0 million project for the establishment of a new entrance and exit to the subway on the northern side of IOI Palm City Mall, which is scheduled to commence in 2024. When completed, it will enhance the connectivity for university students and more than three large scale communities in the surrounding area with a combined population of about 45,000 residents.

Besides investing in public facilities that will benefit the community, IOIPG also develops housing that are within the affordability levels of the local community. One such project is in Taman Kempas Utama, Johor Bahru, which consists of 92 units of flats priced below RM50,000 (Pangsapuri Akasia) and 174 units of townhouses priced below RM200,000 (Cemara).



The hanging bridge in Bandar Puteri Town Park.

## Developing Sustainable Communities



IOI Kickstart winners with IOIPG senior management.

## Unearthing Young Talents

IOIPG is also committed to supporting the growth of our younger generations. Investment in youths is part of our key strategies in developing sustainable communities, and we seek to nurture them through capacity building and helping them realise their full potential. We work with several organisations to achieve this objective in youth development.

### IOI Kickstart

Six innovative start-ups won the bid to the three-year accelerator and collaboration programme, which offers a springboard for inspiring start-ups by young entrepreneurs in Malaysia. Each winner received a grant of RM50,000, mentoring by IOIPG's C-level personnel, a working space in our next-gen smart city IOI Rio, collaboration opportunities, and resources from IOIPG. This programme is targeted at early-stage start-ups in sectors that are related to the Group's core businesses, such as real estate, agri-tech, green solutions, and food-tech industries, to address major issues or pain points for significant target markets.

Among the winners, Arus Oil is a strong advocate for sustainability which collects used cooking oil to repurpose into biodiesel. The company has gained 300 users since and collected 2,113 kg of used cooking oil from the community. In March and April 2022, Arus Oil collaborated with IOIPG to conduct a series of free talks to educate residents in the Group's developments on how to better manage their used cooking oil. The talk included information on the environmental impacts of the indiscriminate disposal of used cooking oil, its prevention and the repurposing of such used cooking oil.



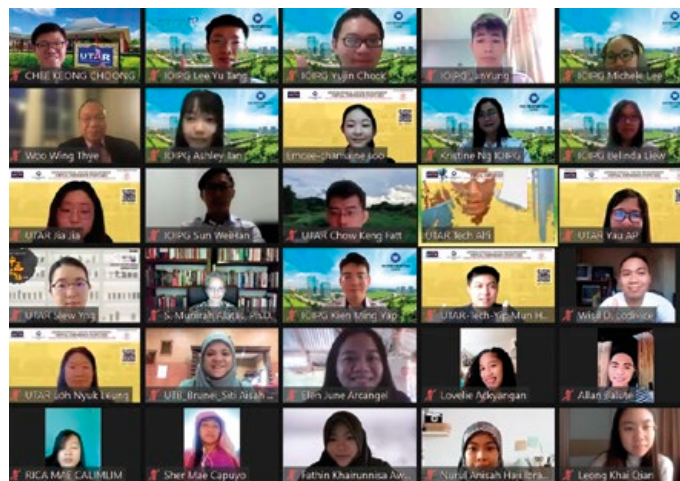
Community engagement by Arus Oil from the IOI Kickstart.



## International Youth Development Virtual Conference 2021

The two-day virtual conference co-organised by IOIPG and Universiti Tunku Abdul Rahman in collaboration with Taiwan's Tamkang University was held in November 2021. The event was attended by 200 staff and students from over 81 institutions in eight countries – Brunei, Cambodia, the People's Republic of China, Indonesia, Philippines, Taiwan, Thailand, Singapore and Malaysia. Speakers consisted of academics, civil society leaders, professional associations, and corporate representatives. The conference was developed in line with Sustainable Development Goal (SDG) 11: Sustainable Cities and Communities.

Activities during the event included workshops, forums, talks, and a competition to showcase participation and contribution towards building sustainable cities and communities. The conference covered topics on urban regeneration, town planning, retail business, river conservation, urban farming and citizen science.



IOIPG representatives at the IYDVC 2021 with the UTAR Committee and delegates from around the world.

## Yayasan Tan Sri Lee Shin Cheng – Investing in Our Future

Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC") is the charitable arm funded entirely by IOI Corporation, IOI Properties Group and the estate of the late Tan Sri Lee. To date, Yayasan TSLSC has contributed approximately RM54.5 million to various schools, hospitals, welfare homes and charitable bodies, and given scholarships to more than 2,900 students. In FY2022, Yayasan TSLSC contributed over RM3.3 million to these causes, including contributions to school building funds with the aim of creating a more comfortable study environment for students. In line with this, Yayasan TSLSC has contributed a total of RM4 million to date and has committed to another million by the end of 2022 to the Universiti Tunku Abdul Rahman Hospital Building Fund which will serve as a teaching hospital for the university.

### Student Adoption Programme

In FY2022, Yayasan TSLSC distributed RM106,800 to deserving students through the Student Adoption Programme ("SAP"). To date, the total sum distributed through SAP amounted to RM4.8 million, benefitting 1,056 students. The donations are aimed at promoting social inclusion by giving every child an equal access to education for a better future.

### Scholarship Awards

Yayasan TSLSC has consistently offered scholarships to deserving students because we believe in education and the importance of having a tertiary degree in today's jobs market. In FY2022, more than RM400,000 was contributed towards this cause, which forms part of a broader social agenda of raising the nation's economic capacity by equipping the younger generations with the necessary knowledge and skills to excel. To date, we have awarded more than RM10 million to over 316 academically outstanding students pursuing full-time undergraduate studies relating to the Group's nature of business.

### Young Achievers' Awards

Established since 1999, The Young Achievers Awards is aimed at motivating students to strive for excellence in studies. Cash awards, plaques and certificates of achievement are given out in an annual ceremony to reward outstanding academic results and active curricular participation of the student recipients. To date, over RM650,000 was distributed to 1,547 students.

# Developing Sustainable Communities

## Advocating a Circular Economy

Bargain Basement is a social enterprise launched under Yayasan TSLSC in 2016 with the motto "Give to Inspire Others to Give". This charitable store aims at positively impacting society by promoting clutter-free homes and offices, providing low-priced items for the community, encouraging the buying of pre-used items, and supporting local charities. The store concept was conceived to encourage the public to donate their pre-loved and unused items which will divert them from going to landfills. These items will in turn be sold at a minimal cost. Net proceeds from the sales will be channelled to charity organisations. Awareness about circular economy is further promoted by allowing shoppers to practise the concept from the comfort of their own homes via Bargain Basement's online platform.

The first outlet was opened in IOI City Mall and the second in IOI Mall Puchong. This was followed by a third outlet opened in UTAR Kampar in March 2022 and a fourth in UTAR Sg Long a few months later. Bargain Basement at UTAR will be managed by the students at the university under the guidance of the Department of Student Affairs, giving them the exposure to business skills. Their tasks include promoting the store, organising the stock and attending to customers, amongst others.

In December 2021, a total of 14 charity homes and organisations received RM260,000 from the store proceeds. Contribution to date amounted to over RM520,000 with more than 30 beneficiaries, including Pusat Jagaan & Rawatan Orang Tua Al-Ikhlas, Pertubuhan Kebajikan Kristian Aman Selangor, PAWS Animal Welfare Society, TiRatana Welfare Society Malaysia, Dignity for Children Foundation, Alzheimer's Disease Foundation Malaysia and Dual Blessing Bhd.



Visit the following websites to participate in the initiative:  
[https://www.carousell.com.my/u/bargainbasement\\_ioi](https://www.carousell.com.my/u/bargainbasement_ioi)  
 and <https://www.bargainbasement.com.my/store>



## Engaging Local Communities

### Community Consultations

We constantly engage the communities where we operate to discuss resolutions whenever our operations affect their lives.

In January 2022, a Social Impact Assessment ("SIA") by an independent consultant was conducted through focus group discussions with 383 residents from 16 housing estates and the local authorities for a proposed project in Bandar Baru Salak Tinggi, Sepang. The SIA report was submitted in June 2022, highlighting impacts of the project and their mitigation measures. The local community was also consulted on their concerns towards the impacts and the levels of concerns were measured through a rating system to determine the priority for actions to be taken. This comprehensive assessment will ensure IOIPG has an opportunity to proactively address the concerns of the community, while leveraging the positive impacts identified through the exercise.

In November 2021, IOIPG opened a hawker site at Bandar Putera 2 following requests made by hawkers in the area to have a permanent area to set up their stalls. This was a result of a stakeholder discussion which was held in January 2021 led by the IOIPG Klang business unit after which IOIPG took into consideration the needs of the local community and provided the space for the hawkers.

### Installing Rainwater Harvesting Systems for Local Communities

Rainwater harvesting is one of IOIPG's initiatives in promoting a sustainable lifestyle, which calls for water conservation and responsible use of natural resources. This is also aligned with the Group's Sustainability Strategic Theme of Urban Green, in which we encourage local communities to adopt ecologically friendly initiatives and reduce the dependency on potable water. The rainwater harvesting systems can be used for daily activities, fostering a habit of saving water and educating the community on the importance of conserving natural resources. Hence, we collaborated with business partners and contractors in various developments to build rainwater harvesting systems that serve as a sustainable source of water supply for the local communities.

Beneficiaries of this initiative include SJK(T) Sungai Ara in Penang, Rumah Shalom in Bandar Puchong Jaya and Surau Al Munawwarah in Bandar Putera 2, Klang. In November 2021, Team IOI from Johor installed rainwater harvesting





Team IOI at the handover ceremony of Kampung Kuala Masai.

systems in two Orang Asli villages – Kampung Kuala Masai in Pasir Gudang and Kampung Pasir Salam in Tebrau. The population in both villages totalled about 400.

In July, Rumah Victory Elderly Home also received a rainwater harvesting system from Team IOI of IOI Resort City, 16 Sierra, Warisan Puteri Sepang and Bandar Puteri Bangi while Team IOI in Bandar Putera Klang installed a system in Surau An Nur.

### Bringing Clean Water to Communities

Access to clean and safe drinking water plays an important role in the health and well-being of the community, while the quality and sustainability of water resources are critical to the survival of people and the planet. In line with SDG 3, 6 and 17 as well as the Group's Strategic Themes of Changing Mindsets and Urban Green, we organised the IOI Water for Life in July 2021 in partnership with Pertubuhan Komuniti Elite. The campaign was aimed at providing portable water filters to Orang Asli communities that did not have access to treated or clean water, whereby we managed to provide the water filters to a few Orang Asli Villages, including Kampung Orang Asli Gunung Arung in Endau, Johor; Kampung Orang Asli Pasir Salam in Ulu Tiram, Johor; and Kampung Chemomoi in Pahang.



Rumah Victory Elderly Home received a rainwater harvesting system.

# Developing Sustainable Communities

## Treasuring Community Relations

### Think We Not Me

Think We Not Me is a campaign launched in 2020 in support of the national efforts during the pandemic. It has since evolved from an online campaign to contribute to the communities in need during the pandemic, to an initiative that supported our tenants for business continuity with rental reliefs amounting to over RM100 million to date as well as providing basic necessities to communities in need.

The COVID-19 pandemic has resulted in an extremely challenging period for many families. In view of this, a month-long We Care Bin campaign was organised by IOI Mall Kulai from November to December 2021, with the objective of assisting the B40 communities in Bandar Putra Kulai. The event resulted in dry food and essential items being collected and distributed to many families.

Following the floods that affected several states across Peninsular Malaysia in December 2021, IOIPG distributed relief aid to affected families. In Kg Pasir Baru, Semenyih, 100 families received gas-fuelled cooking stoves and daily necessities while 90 families in Kampung Semarang, Dengkil received items including pillows, blankets and towels. This CSR effort was conducted in collaboration with our business partners of IOI Malls.



Dry food and essential items donated by the patrons of IOI Mall Kulai to help B40 families in the neighbourhood.

## Enabling Community Events

As a property developer and investor, IOIPG is well positioned to leverage on the malls and hotels under our management to contribute back to society while at the same time drive employee engagement. Throughout FY2022, the Group was an active venue sponsor for several community events and charitable causes. In total, we contributed RM83,000 worth of venue space for the utilisation of charitable organisations, cultural events and blood donation drives during the year under review.

### IOI-Active Citizens Programme

IOIPG advocates the 5Rs concept – Refuse, Reduce, Reuse, Repurpose, Recycle – to minimise waste from going to the landfills. In line with this objective, we collaborated with the British Council for this project, which forms part of a global effort to create a positive impact among the local communities.

The first campaign launched under this programme was in November 2018, known as Waste to Treasure, whereby community activities were hosted by the Customer Relations Unit (“CRU”) in the Klang Valley developments and customised recycling bins were installed in five different locations.

Many such community activities have been organised thus far. In April 2022, the CRU collaborated with Cenviro and anti-litter NGO Generasi Peduli Sampah (GPS) to organise the Waste to Treasure programme and collection drives of recyclables for the IOI communities and internal stakeholders. Webinar sessions were also conducted during which participants were educated on recycling practices to promote the adoption of a sustainable lifestyle in preservation of Planet Earth.

### Volunteering Towards Achieving a Higher Purpose

The Group relies on employee volunteerism to drive our corporate responsibility initiatives, which serves the double objectives of strengthening the bonds between co-workers while encouraging people to contribute back to the community. In FY2022, 405 employees contributed a total of 1,618 volunteer hours.

In April 2022, Team IOI visited Pusat Jagaan Al-Fikrah, an elderly home in Kajang, to clean the home and clear unused items to help the 70 elderly occupants prepare for the Hari Raya celebration. To spread the festive mood, the team distributed bubur lambuk and delicious meals prepared by





We collected 1,250 kg of recyclables through the Waste to Treasure programme.

the hotels and sponsored by our mall tenants, while IOIPG contributed electrical appliances and daily necessities to the home. The event was participated by representatives from the Group across all divisions and segments.

In Kulai, Team IOI set up a mini library in Kampung Kuala Masai to inculcate reading habits among the Orang Asli children. Our employees supported this activity by donating about 300 books, 50 educational CDs and stationary, laptops, projector, and furniture amongst others. Our employees participated in a three-month coaching programme with 25 children from the Kuala Masai community and coached them in the areas of reading, spelling, mathematics and dancing.



Team IOI coaching children from the Kuala Masai community.



# Developing Sustainable Communities

## Engaging the Community on Social Media

In our efforts to drive a mindset change and foster sustainable behaviours to achieve the mission of building sustainable communities, we found social media to be an effective tool to communicate our messages. The Group regularly publishes sustainability-related content on social media to engage the public towards our sustainability efforts across the three lines of business, using the hashtags #ioisustain and #IOIConnectsToEarth.

We have organised various social media competitions to promote sustainable lifestyles. These activities were

planned with clear objectives of encouraging the appreciation of biodiversity, lifestyle changes to mitigate climate change and waste minimisation at its source.

In FY2022, we actively engaged the online community through campaigns and events such as IOIPG's International Women's Day #BreakTheBias 2022, IOIPG Earth Hour 2022 and IOIPG City Nature Challenge 2022. We aim to continue these channels of engagement following the encouraging response and participation thus far.



Scan the QR code for more inspiring stories on embracing sustainability.

# TCFD Content Index

## TCFD Disclosure

This index was prepared in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD").

TCFD	Recommended Disclosure	Our Approach	Reference
Governance	Describe the board's oversight of climate-related risks and opportunities	The Board of Directors has ultimate oversight and responsibility over sustainability related matters and oversees the sustainability governance structure.	Sustainability Governance, page 53
		The Board is guided by the Sustainability Policy, which ensures we integrate corporate sustainability and responsibility into IOIPG's business strategies, and that sustainability-related risks and opportunities are considered by the Board.	Sustainability Policy, page 54
	Describe management's role in assessing and managing climate-related risks and opportunities	The management is involved in the Sustainability Steering Committee ("SSC"), which has oversight over climate-related risks and opportunities. The SSC is responsible for steering IOIPG's sustainability strategy, assessing and managing material sustainability matters and monitoring sustainability performance. In turn, the SSC is supported by the Sustainability Council, comprising business unit heads, operation heads and subject matter experts.	Sustainability Governance, page 53
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	In addition to our annual materiality assessment to determine our material sustainability matters, we have conducted focus groups specifically to cover climate issues with a diverse range of stakeholders. We also conducted a detailed horizon scanning of peer's management of climate-related issues and their corresponding climate strategy.	Our Climate Action, page 72
		As a result, we were able to identify some climate-related impacts. This included an increasing focus on sustainability and ESG considerations by our customers across the business, which has led to an increase in demand for more green buildings and sustainability elements in the workplace as more occupiers are shifting towards net-zero emissions.	Market Landscape, pages 22-23

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TCFD	Recommended Disclosure	Our Approach	Reference
Strategy	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	One of the key strategic thrusts of our overall strategy is "Sustainable Design Principles", which guides us in the integration of green building and township design into our developments. We have adopted the Low Carbon Cities Framework, a national framework and assessment system to guide and assess the development of cities and to support holistic sustainable development in Malaysia.	Our Strategy, pages 16-19
		We are also guided by the Sustainability Strategic Framework, which provides the structure through which we bring about positive change to the economy, environment and society. We have developed corresponding sustainability goals to guide our management of material matters related to the environment and climate change.	Sustainability Framework & Strategy, pages 58-59
		We are expediting the prepared climate action plan in phases.	Our Climate Journey, page 73
		The Group has adopted initiatives to mitigate the impact of climate-related risks. This includes the development and implementation of emissions-reducing initiatives, energy saving initiatives, water saving initiatives, and waste and waste minimising initiatives across the business.	Caring for the Environment, pages 70-89
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We plan to conduct scenario analysis in the future to assess the climate-related impacts on the organisation's business. Through this exercise, we will provide an extensive overview of our exposure to climate change risks and opportunities.	Our Climate Journey, page 73
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	We conduct a regular materiality assessment to review the validity and priority of our identified material matters. In FY2021, the materiality assessment was conducted with an independent consultant. As part of this assessment, internal subject matter experts were interviewed to provide insight on external stakeholders' priorities. These insights fed into the consideration in our decision-making process about the key economic, environmental, and social ("EES") issues that are important to both internal and external stakeholders. Climate change continues to be a key material issue, and this is reflected in its prioritisation within the materiality matrix.	Materiality Assessment, pages 56-57
		We are also guided by an Enterprise Risk Management ("ERM") framework, and environmental and climate change risk has been identified as a key business risk.	Statement on Risk Management and Internal Control, pages 164-169

TCFD	Recommended Disclosure	Our Approach	Reference
<b>Risk Management</b>	Describe the organisation's processes for managing climate-related risks	The Board is responsible for the oversight of the Group's risk management systems. Supporting the Board are the Audit Committee and Risk Management Committee, which collectively oversee climate-related risks and are critical to effective climate governance. An ERM framework, provides a structured and disciplined approach to evaluate and manage the risks faced by IOIPG, including climate-related risks.	Statement on Risk Management and Internal Control, pages 164-169
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Climate change risks are identified as environment risk under the ERM.	Statement on Risk Management and Internal Control, pages 164-169
<b>Metrics and Targets</b>	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Our sustainability reporting is prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2020. We are also proponents of integrated reporting, subscribing to the Value Reporting Foundation (VRF)'s Integrated Reporting Framework since FY2019. We have pledged our commitment to contribute to the UN Sustainable Development Goals, and this year, have adopted the recommendations in the TCFD framework.	Our Sustainability Journey, page 52
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	We have been disclosing Scope 1, Scope 2 and Scope 3 GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.	Optimising Use of Resources, page 78
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Our climate-related targets are related to GHG emissions, energy and water usage, waste generation, and the construction materials used.	Optimising Use of Resources, pages 75-83



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417-1	Requirements for product and service information and labelling	Delivering Excellence: Exceeding Expectations Caring for Environment: Appreciating Nature and Biodiversity Developing Sustainable Communities: Engaging Local Communities	63-66 86 110
Customer Privacy			
103-1	Explanation of the material topic and its Boundary	Our Sustainability Journey: Scope of Reporting, Materiality Assessment Delivering Excellence: Exceeding Expectations	52, 56-57 63-66
103-2	The management approach and its components	Our Sustainability Journey: Sustainability Governance, Sustainability Policy, Sustainability Framework & Strategy, Sustainability Goals, Sustainability Strategic Themes Delivering Excellence: Exceeding Expectations	52-60 63-66
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Delivering Excellence: Exceeding Expectations	65



# Board of Directors



## DATUK TAN KIM LEONG

Independent Non-Executive Chairman

- Age: 83
- Gender: Male
- Nationality: Malaysian
- Date of Appointment: 1 June 2013

### Qualification

- Fellow Member of the Institute of Chartered Accountants, Australia
- Member of the Malaysian Institute of Accountants
- Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators

### Skills and Experience

- Chartered Accountant with more than 50 years of experience in auditing, accounting and consulting
- Served as the Executive Chairman of BDO Binder, Malaysia from 1987 to 2009
- He was the Chairman of the Board of Gul Technologies Singapore Limited and MCIS Insurance Berhad
- He was a Director of RHB Capital Berhad and RHB Investment Bank Berhad
- He was a Director of Malaysia-China Business Council (MCBC)
- He was a Senior Independent Non-Executive Director of IGB Berhad from 2002 to 2018

### Membership of Board Committee(s) in IOIPG

- None

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuer

- None

#### Public Companies

- Chairman of Amoy Canning Corporation (Malaya) Berhad
- Director of KL Industrial Services Berhad

#### Non-Profit Public Companies

- Trustee of Yayasan Tan Sri Lee Shin Cheng
- Trustee of IOI Foundation

### Committee Membership Key

- Committee Chairman  
 A Audit Committee  
 G Governance, Nominating and Remuneration Committee  
R Risk Management Committee  
 W Whistleblowing Committee



## LEE YEOW SENG

Executive Vice Chairman

- Age: 44
- Gender: Male
- Nationality: Malaysian
- Date of Appointment: 25 February 2013

### Qualification

- LLB (Honours), King's College, London
- Barrister-at-law from Bar of England and Wales, Inner Temple

### Skills and Experience

- Involved in corporate affairs and general management within IOI Group prior to the demerger and listing of IOIPG
- Served at the London and Singapore offices of a leading international financial services group for approximately two (2) years

### Membership of Board Committee(s) in IOIPG

- None

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuer

- Non-Independent Non-Executive Director of IOI Corporation Berhad

#### Public Company

- IOI Properties Berhad

#### Non-Profit Public Company

- Trustee of IOI Foundation

# Board of Directors



## LEE YOKE HAR

Non-Independent Non-Executive Director

- Age: 51
- Gender: Female
- Nationality: Malaysian
- Date of Appointment: 1 July 2017

### Qualification

- LLB (Honours), King's College, London
- Diploma in Finance and Accounting

### Skills and Experience

- Joined IOI Group as a Legal Executive in 1996 and was subsequently transferred to the property division to take charge of implementing the International Organisation for Standardisation (ISO) quality management systems
- Held various positions in IOI Properties Group and was promoted to Senior General Manager, Marketing and Business Development in 2010
- Appointed as an Executive Director of IOI Properties Group on 1 July 2017 and primarily responsible for supporting, managing and implementing the Group's sales and marketing strategies and overseeing the product design development, sustainability, corporate communication, information technology digitalisation transformation and risk management functions
- Following her retirement from Executive Management, she was re-designated from Executive Director to Non-Independent Non-Executive Director

### Membership of Board Committee(s) in IOIPG

- None

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuer

- None

#### Public Company

- None

#### Non-Profit Public Company

- None



## DATO' LEE YEOW CHOR

Non-Independent Non-Executive Director

W

- Age: 56
- Gender: Male
- Nationality: Malaysian
- Date of Appointment: 25 February 2013

### Qualification

- LLB (Honours), King's College, London
- Bar Finals, Gray's Inn, London
- Postgraduate Diploma in Finance and Accounting, London School of Economics

### Skills and Experience

- Chairman of the Malaysian Palm Oil Association since 2020
- Chairman of the Malaysian Palm Oil Council from 2009 to 2020
- Served in the Malaysia Attorney General's Chambers and the Malaysia Judiciary Service for four (4) years from 1990 to 1994, last posting was as a Magistrate
- Board member of Central Bank of Malaysia from 2015 to 2018
- Board member of Malaysian Green Technology Corporation from 2011 to 2013
- Served on the National Council of the Real Estate and Housing Developers' Association Malaysia as its Secretary General from 2002 to 2006

### Membership of Board Committee(s) in IOIPG

- Chairman of the Whistleblowing Committee

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuers

- Group Managing Director and Chief Executive of IOI Corporation Berhad
- Non-Independent Non-Executive Director of Bumitama Agri Ltd

#### Public Companies

- Director of IOI Oleochemical Industries Berhad
- Director of Unico-Desa Plantations Berhad
- Director of Dynamic Plantations Berhad

#### Non-Profit Public Companies

- Trustee of Yayasan Tan Sri Lee Shin Cheng
- Trustee of IOI Foundation

# Board of Directors



## DATUK LEE SAY TSHIN

Independent Non-Executive Director

**A R G**

- Age: 69
- Gender: Male
- Nationality: Malaysian
- Date of Appointment: 22 August 2013

### Qualification

- Bachelor of Economics (Honours), University of Malaya

### Skills and Experience

- Senior Adviser and Vice Chairman, Strategic Initiatives for HSBC Bank Malaysia Berhad
- An accomplished banker since 1975. His last position held in HSBC Bank Malaysia Berhad was as the Managing Director of Strategic Business Development prior to his retirement in 2013

### Membership of Board Committee(s) in IOIPG

- Chairman of the Audit Committee
- Member of the Risk Management Committee
- Member of the Governance, Nominating and Remuneration Committee

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuer

- Independent Non-Executive Chairman of CJ Century Logistics Holdings Berhad

#### Public Company

- Council member of Malaysia-China Business Council

#### Non-Profit Public Company

- None





## DATUK DR TAN KIM HEUNG

Independent Non-Executive Director

**G A R W**

- Age: 60
- Gender: Male
- Nationality: Malaysian
- Date of Appointment: 1 June 2013

### Qualification

- Doctorate of Medicine/ Cardiology (London)
- Bachelor of Medicine and Surgery (London) (Honours), Middlesex and University College Hospital Medical School, London
- Member of the Royal College of Physicians (United Kingdom)
- Member of the Academy of Medicine Malaysia
- Fellowship of the Royal College of Physicians (London)
- Fellow of the American College of Cardiology

### Skills and Experience

- Cardiologist at Cardiac Vascular Sentral (Kuala Lumpur), Malaysia
- Cardiologist at Sunway Medical Centre, Malaysia
- Professor of Medicine and Head of Cardiology at University Malaya Medical Centre in Kuala Lumpur, Malaysia
- Cardiologist at Guy's Hospital, London, United Kingdom

### Membership of Board Committee(s) in IOIPG

- Chairman of the Governance, Nominating and Remuneration Committee
- Member of the Audit Committee
- Member of the Risk Management Committee
- Member of the Whistleblowing Committee

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuer

- None

#### Public Company

- None

#### Non-Profit Public Company

- None

# Board of Directors



## CHAN CHA LIN

Independent Non-Executive Director

**R A G W**

- Age: 61
- Gender: Male
- Nationality: Malaysian
- Date of Appointment: 1 June 2021

### Qualification

- Bachelor of Science in Business Administration (majoring in Finance and Real Estate), University of South Carolina, United States

### Skills and Experience

- Executive Director of Annhow Holdings Sdn Bhd
- Research analyst in the research department of a property valuation firm in 1985
- Held various managerial positions in local established project management companies and a family-owned investment holding company from 1991 to 2011
- Started his own property development project in 2015
- Director of Yayasan Chan Fong Ann, a philanthropic fund named after his father, which aims to provide aid to less fortunate communities in Johor

### Membership of Board Committee(s) in IOIPG

- Chairman of the Risk Management Committee
- Member of the Audit Committee
- Member of the Governance, Nominating and Remuneration Committee
- Member of the Whistleblowing Committee

### No. of Board Meeting Attended for FY2022

- 7/7 (100%)

### Directorship of other Listed Issuers/Public Companies

#### Listed Issuer

- None

#### Public Company

- None

#### Non-Profit Public Company

- Director of Yayasan Chan Fong Ann

#### Additional Information of the Directors:

1. Dato' Lee Yeow Chor, Lee Yeow Seng and Lee Yoke Har are members of the immediate family. They are deemed in conflict of interest with IOI Properties Group by virtue of their interests in certain privately-owned companies which are involved in similar business of property investment, property development and hospitality. Except for certain recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of IOI Properties Group and for which the above Directors are deemed to be interested is disclosed under the notes to audited financial statements, there are no other business arrangements with the Company in which they have personal interests.
2. Save as disclosed in item (1) above in this Integrated Annual Report, none of the Directors has:
  - i) Any family relationship with any directors/major shareholders of the Company; and
  - ii) Any conflict of interest with the Company.
3. None of the Directors has any conviction for offences within the past five years other than traffic offences.
4. None of the Directors has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2022.

# Senior Management Team

## Chief Executive Officer

**DATO' VOON TIN YOW**

## Chief Financial Officer

**MELISSA TAN SWEE PENG**

## Chief Operating Officers

**TEH CHIN GUAN**

**LIM BENG YEANG**

### ▶ Property Development

#### Senior General Managers

**TAN KENG SENG**

**HO KWOK WING**

**CHUNG NYUK KIONG**

Senior General Manager  
Xiamen, People's Republic of China

**STEVE WONG WAI LEONG**

#### General Manager

**WONG PEEN FOOK**

#### General Manager, Singapore

**LEE YEAN PIN (LI YANPING)**

#### Head of Group Sales & Marketing

**NICOLE LEE CHEE YIING**

### ▶ Property Investment

#### Head of Retail

**CHRIS CHONG VOON FOOI**

Cluster General Manager,  
Four Points by Sheraton Puchong,  
Le Méridien Putrajaya,  
Putrajaya Marriott Hotel and  
Palm Garden Hotel, Putrajaya,  
a Tribute Portfolio Hotel

**RASHEED KUMAR RENOO\***

General Manager,  
Facilities Management

**TOH BOON CHIEW**

#### Head of Leasing (Offices)

**JOANNE ANG CUI XIA**

### ▶ Corporate

#### Group Financial Controller

**MICHELLE SHEN YAN CHAO**

General Manager,  
Group Corporate Communication  
& Sustainability

**KRISTINE NG MEE YOKE**

General Manager,  
Group Quality Management

**STEVEN SU CHAN LOONG**

Company Secretary  
and General Manager,  
Corporate Finance

**CHEE BAN TUCK**

#### Head of Group People & Culture

**BHUVANESWARY KISNASAMY**

#### Head of Group Internal Audit

**JIMMY YEE YOKE SENG**

\* Employment under Marriott International.

# Profile of Senior Management Team

The management team is headed by the Executive Vice Chairman, Lee Yeow Seng. He is assisted by the following senior management:

## DATO' VOON TIN YOW

Chief Executive Officer

Age 65

Male

Malaysian

### Date of Appointment:

15 April 2020

### Qualification:

- Master of Science in Engineering from The University of Texas at Austin, United States
- Bachelor of Science in Civil Engineering from The University of Texas at Austin, United States

### Skills and Experience:

Dato' Voon Tin Yow has 38 years of working experience in the construction and property development industry, which includes 3 years in construction site management and 35 years in management of property development. He began his career in 1984 in Kimali Construction Sdn Bhd as a site engineer and went on to become the development engineer in Juru Bena Tenaga Sdn Bhd in 1986. In 1990, he joined Syarikat Kemajuan Jerai Sdn Bhd as Project Manager and was subsequently appointed as the General Manager in 1994.

Dato' Voon Tin Yow was previously an Executive Director at S P Setia Berhad ("S P Setia") and held the post of Chief Operating Officer from 1996 to 2014, during which he also acted as the Acting President and Chief Executive Officer from 1 May 2014 until 31 December 2014. During his tenure in S P Setia, he oversaw the development of the entire eco-system to establish the company's policies and procedures. He played a key role in leading the Malaysian consortium comprising S P Setia and Rimbunan Hijau Group to jointly develop the China-Malaysia Qinzhou Industrial Park in the People's Republic of China ("PRC") with a Chinese consortium.

Dato' Voon Tin Yow joined Eco World Development Group Berhad in 2015 as an Executive Director. He was also a Non-Independent Non-Executive Director of EcoWorld International Berhad since 2017. He resigned from the board of both companies in February 2020.

## MELISSA TAN SWEE PENG

Chief Financial Officer

Age 49

Female

Malaysian

### Date of Appointment:

1 June 2022

### Qualification:

- Bachelor Degree of Arts in Accounting from The University of Bedfordshire, United Kingdom

### Skills and Experience:

Ms Melissa Tan Swee Peng has more than 24 years of experience in the financial, property and banking industries. Upon graduation in 1997, she started her career with the Internal Audit Department of Sunway Holdings Berhad (now known as Sunway Berhad).

She then joined the Corporate Finance Department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) in 2001, and was involved in various corporate transactions specialising in mergers and acquisitions, take-overs and equity fund raising activities.

In 2007, she joined S P Setia Berhad ("S P Setia") as a Senior Manager within the Corporate Finance Department and was subsequently promoted to be the Head of Corporate Finance. Under her stewardship, S P Setia successfully completed the issuance of a Sukuk Musharakah Programme which clinched 2 Islamic finance awards, namely the Perpetual Deal of the Year and Musharakah Deal of the Year in 2014.

In April 2014, she joined Eco World Development Group Berhad as the Head of Corporate Finance. During her service period, she led the Initial Public Offering exercise of Eco World International Berhad on Bursa Malaysia Securities Berhad and spearheaded the implementation of several major corporate transactions involving acquisitions, joint-venture arrangements and equity fund raising.

She was promoted as Chief Financial Officer of Eco World International Berhad, on 1 September 2016 and was responsible for overseeing all financial and corporate matters of Eco World International Berhad including financial reporting, corporate finance, treasury, investor relations and risk management. She was also responsible for overall coordination of sustainability and governance reporting for Eco World International Berhad. She left Eco World International Berhad and joined IOI Properties Group Berhad in June 2022.

**TEH CHIN GUAN**

Chief Operating Officer,  
Property Development (Central Region)

Age 56

Male

Malaysian

**Date of Appointment:**

28 August 2006

**Qualification:**

- Member of the Harvard Club of Malaysia
- Bachelor of Engineering (Honours) degree from Universiti Teknologi Malaysia

**Skills and Experience:**

Before joining IOI Properties Group's property division in year 2006, Mr Teh Chin Guan had held various senior positions in Berjaya Land Bhd and he brings with him many years of experience from the property and construction industry. He joined the organisation in August 2006 as an Assistant General Manager in the property division and was promoted to General Manager in July 2009.

He was subsequently promoted to Property Director on 2 July 2012 and redesignated to his current position as Chief Operating Officer of IOI Properties Group in 2014 after the de-merger of the property division. He has since played a major role in contributing towards the Group's property development in the growth corridor of the Klang Valley.

**LIM BENG YEANG**

Chief Operating Officer,  
Property Development (Southern Region)

Age 60

Male

Malaysian

**Date of Appointment:**

3 April 1995

**Qualification:**

- Bachelor of Science (Honours) in Housing Building & Planning from Universiti Sains Malaysia

**Skills and Experience:**

Mr Lim Beng Yeang is presently responsible for the Group's property development business in Johor.

He has over 36 years of experience in areas such as township planning, design development, contracts administration, project management and construction, property management and sales marketing.

Prior to joining IOI Properties Group, he was a Senior Construction Manager and he has also worked in Indonesia during his tenure with MBf Property Services Sdn Bhd.



# Profile of Senior Management Team

## TAN KENG SENG

Senior General Manager

Age 67

Male

Malaysian

### Date of Appointment:

30 April 2011

### Qualification:

- Master of Business Administration from Sloan School of Management, Massachusetts Institute of Technology (MIT) of Cambridge, United States
- Bachelor Degree in Civil Engineering from McGill University, Canada

### Skills and Experience:

Mr Tan Keng Seng is responsible for the Group's development projects at Ayer Keroh (Melaka) and Bahau (Negeri Sembilan).

He has worked in the banking, manufacturing and property development sectors. He joined IOI Properties Group, property division in 2011.

## HO KWOK WING

Senior General Manager

Age 57

Male

Malaysian

### Date of Appointment:

16 July 2012

### Qualification:

- Master of Science in Civil Engineering from Oklahoma State University, United States
- Bachelor Degree of Science in Civil Engineering from Oklahoma State University, United States

### Skills and Experience:

Mr Ho Kwok Wing is the Business Head for the Property Development in IOI Resort City. Under his portfolio, he has successfully completed the IOI City Mall (Phases 1 & 2), IOI City Towers, Le Méridien Hotel, Coneziön Mixed development, The Clio Residences, Par3 Residence, and township infrastructures. The projects under construction now are Moxy Hotel and the Gems Residences.

Upon graduation, he worked as a consulting structural engineer in California, United States from 1991 to 1992. He subsequently joined Bina Goodyear Berhad as a Project Engineer in 1992. He left as a Senior General Manager and joined IOI Properties Group, property division in 2012 as a General Manager.

## CHUNG NYUK KIONG

Senior General Manager

Age 59

Male

Malaysian

### Date of Appointment:

18 August 2014

### Qualification:

- Member of Royal Institution of Chartered Surveyors
- Master of Science in Construction Project Management from Heriot-Watt University
- Master of Business Administration from University of Newcastle, Australia

### Skills and Experience:

Mr Chung Nyuk Kiong is responsible for the overall property development projects in Puchong Jaya and Bandar Puteri Puchong.

Prior to joining IOI Properties Group in 2014 as a General Manager, he had worked with public listed property developers and construction companies locally and abroad which entail mixed development, office, commercial and residential buildings. He was promoted to Senior General Manager in July 2017.

**STEVE WONG WAI LEONG**

Senior General Manager,  
Xiamen, People's Republic of China

Age 48

Male

Malaysian

**Date of Appointment:**

1 April 2021

**Qualification:**

- Bachelor of Science in Construction Management from University of Greenwich, Australia
- Postgraduate Diploma in Business Administration from Heriot-Watt University, United Kingdom

**Skills and Experience:**

Mr Steve Wong Wai Leong is presently responsible for the entire business operation of the Company in Xiamen of PRC.

He has over 24 years of experience in property and construction industry spanning Malaysia and PRC. He has been based in PRC for 14 years with extensive experience in the full cycle of integrated mixed development and commercial properties operation.

He was previously the Director cum General Manager of Jade Riviera (Wuxi) Property Company Limited (a member of Hong Leong Group Singapore), where he was responsible for the business operation for an integrated mixed-use development in Wuxi City of PRC since December 2013. He had completed the Wuxi project from end to end and instrumental in spearheading the operation team for the opening of shopping mall, luxury boutique hotel and serviced residence.

Prior to joining Hong Leong Group, he had held various senior positions with Berjaya Land China in Beijing and Keppel Land China for landmark project namely Sino-Singapore Tianjin Eco-city for 3 years respectively.

During his tenure in Malaysia, he worked with several public listed companies involving large-scale projects such as I-City Development, Metropolitan Square and KLIA Formula One Racing Circuit.

**WONG PEEN FOOK**

General Manager

Age 55

Male

Malaysian

**Date of Appointment:**

1 April 2013

**Qualification:**

- Certificate in Civil Engineering from Politeknik Ungku Omar, Ipoh, Perak

**Skills and Experience:**

Mr Wong Peen Fook is responsible for planning, executing, controlling and coordinating property development projects in Bangi and Sepang.

He started his career with Bandar Sunway Sdn Bhd as a Site Supervisor and joined IOI Properties Group in 1990 as a clerk of work for 4 years before being promoted to various positions. He was promoted to Senior Project Manager in 2013, subsequently promoted to Assistant General Manager, then to General Manager.

**LEE YEAN PIN (LI YANPING)**

General Manager,  
Singapore

Age 49

Female

Singaporean

**Date of Appointment:**

1 March 2012

**Qualification:**

- Master of Science (Real Estate Development) from Massachusetts Institute of Technology (MIT) of Cambridge, United States
- Bachelor of Science (Estate Management) from National University of Singapore

**Skills and Experience:**

Ms Lee Yean Pin is responsible for the overall planning, execution and coordination of the property development projects in Singapore under her charge.

She has more than 21 years of experience in urban planning, real estate development and place management in Singapore and has held various appointments in Singapore's national land use planning and conservation authority before joining IOI Properties Group, property division in March 2012.

# Profile of Senior Management Team

## NICOLE LEE CHEE YIING

Head of Group Sales & Marketing

Age 41

Female

Malaysian

### Date of Appointment:

1 June 2022

### Qualification:

- Master of Science in System Engineering and Management from Malaysia University of Science & Technology
- Bachelor of Engineering in Chemical Engineering and majoring in Bioprocess from University Technology Malaysia

### Skills and Experience:

Ms Nicole Lee Chee Yiing is a sales and marketing specialist with 16 years of experience in the real estate industry. She started her career as a Management Trainee with Sunway Group in 2006 and had held various positions in the Property Division under Sales & Marketing, Product Development and International Business Development.

She was appointed to the International Division of Sunway Group in 2009 to assist in the land banking efforts across Asia Pacific, and was in charge of the launching of the maiden project for Sunway Group in PRC, among other responsibilities. She was appointed to the corporate office as a senior manager in Group Corporate Strategy in 2012, where she assisted in the formulation and implementation of strategic initiatives for the Property and Construction divisions post-merger. Prior to her leaving Sunway Group, she was in charge of setting up the Strategic Marketing Department for the property division.

In 2014, she joined OSK Property as the Head of Sales & Marketing for the Property Development Division. Apart from her Sales & Marketing responsibility, she also sat in the Land Bank Committee and led the Branding and Public Relations function, as well as the Knowledge Management initiative in OSK Property. She left OSK Property and relocate to Switzerland in 2018 to fulfil her family responsibility. She has since relocated back to Malaysia and joined IOI Properties Group in 2022.

## CHRIS CHONG VOON FOOI

Head of Retail

Age 43

Male

Malaysian

### Date of Appointment:

11 July 2011

### Qualification:

- Bachelor of Arts (Honours) in International Business Administration from Northumbria University of Newcastle

### Skills and Experience:

Mr Chris Chong Voon Fooi is responsible for the overall operations of Retail Malls.

He has more than 23 years of experience in shopping mall development and management. Prior to joining IOI Properties Group, property division, he had worked for a leading shopping mall operator in Kuala Lumpur holding various roles in development, leasing, marketing, operations and procurement over the span of 11 years. He joined IOI Properties Group, property division in 2011 as Head of Marketing and Leasing for IOI City Mall and promoted to General Manager in 2014. He was subsequently promoted to Senior General Manager in 2020.

## RASHEED KUMAR RENOO

Cluster General Manager,  
Four Points by Sheraton Puchong,  
Le Méridien Putrajaya, Putrajaya  
Marriott Hotel and Palm Garden Hotel,  
Putrajaya, a Tribute Portfolio Hotel

Age 55

Male

Malaysian

### Date of Appointment:

18 August 2014

### Qualification:

- Diploma in Business Management from Universiti Teknologi Malaysia

### Skills and Experience:

Mr Rasheed Kumar Renoo has continuously his core skills with specialist training programmes at the Starwood/ Marriott Group of hotels in a range of disciplines including Food and Beverage Yield Management, Leadership and Strategic Planning.

He is presently responsible for the general operations of Four Points by Sheraton Puchong, Le Méridien Putrajaya, Putrajaya Marriott Hotel and Palm Garden Hotel, Putrajaya, a Tribute Portfolio hotel.

Prior to managing the successful opening of Le Méridien Putrajaya, he spearheaded the opening of Four Points by Sheraton Puchong as the General Manager. In his previous role, he had held the challenging position as dual General Manager for Sheraton Langkawi Beach Resort and Four Points by Sheraton Langkawi Resort concurrently.

During his career, he served in a number of departmental management roles, beginning as Director of Food & Beverage at the former Sheraton Subang Hotel & Towers.

**TOH BOON CHIEW**

General Manager,  
Facilities Management

Age 55

Male

Malaysian

**Date of Appointment:**

19 August 2019

**Qualification:**

- Bachelor Degree in Mechanical Engineering (Honours) from University of Newcastle, Australia

**Skills and Experience:**

Mr Toh Boon Chiew is responsible for the facilities management of property investment.

He has more than 31 years of experience in mechanical, and electrical design, project and facilities management for various property developments and investments. Prior to joining IOI Properties Group, he had held a variety of key management roles in several public-listed companies.

**JOANNE ANG CUI XIA**

Head of Leasing (Offices)

Age 44

Female

Malaysian

**Date of Appointment:**

1 September 2020

**Qualification:**

- Bachelor of Business from The University of South Australia

**Skills and Experience:**

Ms Joanne Ang Cui Xia is responsible for the overall operation and leasing of all office buildings in Klang Valley.

She is a registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers. She brings with her more than 16 years in corporate leasing. Prior to joining IOI Properties Group, she was attached with several public listed property developers, holding key roles in marketing, leasing and management of prime purpose-built office buildings within Klang Valley.

**MICHELLE SHEN YAN CHAO**

Group Financial Controller

Age 40

Female

Malaysian

**Date of Appointment:**

11 September 2017

**Qualification:**

- Member of CPA Australia
- Member of Malaysian Institute of Accountants
- Bachelor of Business, majoring in Accounting from Charles Sturt University, Australia

**Skills and Experience:**

Ms Michelle Shen Yan Chao is responsible for the full spectrum of financial management functions including financial reporting, tax compliance, financial control, and treasury of IOI Properties Group.

She has more than 18 years of experience in auditing and finance in Property Development, Property Investment and Leisure & Hospitality industries. Prior to joining IOI Properties Group in 2011 as Finance Manager, she had worked in one of the mid-tier audit firms for several years with last position held as Audit Manager.

# Profile of Senior Management Team

## KRISTINE NG MEE YOKE

General Manager,  
Group Corporate Communication &  
Sustainability

Age 55

Female

Malaysian

### Date of Appointment:

25 May 2016

### Qualification:

- Bachelor of Arts (Honours) Degree from University of Malaya

### Skills and Experience:

Ms Kristine Ng Mee Yoke currently oversees the Group's Corporate Communication functions; and is responsible for the strategic management of sustainability across the various business segments of the Group.

She has more than 27 years of experience in the property industry, holding various senior and general management positions with expertise in the areas of corporate communication, strategic brand management, customer experience, stakeholder engagement, sustainability management, township management; and training & development. She is experienced in strategic leadership, building cross organisational relationships for strategic partnerships aligned with business strategies.

## STEVEN SU CHAN LOONG

General Manager,  
Group Quality Management

Age 46

Male

Malaysian

### Date of Appointment:

1 October 2020

### Qualification:

- Masters of Engineering Science from University of Malaya
- Bachelor of Civil Engineering (First Class Honours) Degree from University of Malaya

### Skills and Experience:

Mr Steven Su Chan Loong has more than 23 years of experience in the construction and property industry, with expertise in the areas of quality & environmental management system, product quality, health & safety, risk management, service quality and green & sustainability.

Upon graduation in 1999, he started his career as a Project Engineer with IJM Construction where he was involved in the construction of KL Monorail and a highway infrastructure project in Putrajaya. After about 4 years, he then joined a management consulting firm, providing a range of advisory services, training and support to guide companies achieve successful outcomes in quality initiatives related to compliance and certification with quality standards and management systems.

In July 2006, He joined SP Setia Berhad as the Quality Management System Manager. He then took up the role as the Regional Quality Manager (Asia) at SKM Consulting (now known as Jacobs Engineering Group Malaysia) in April 2009 and was responsible to assess quality compliance for projects in Malaysia, Singapore, Thailand, Indonesia and India.

In May 2010, He re-joined SP Setia Berhad as the General Manager of Group Quality Management. During this tenure, he was responsible for improvement of quality management system, service quality, product quality and health & safety matters. He then joined EcoWorld Development Group Berhad in May 2014 as the General Manager of Group Quality Management. Besides overseeing the improvement of quality management system, service quality, product quality and health & safety matters, his portfolio also includes risk management and green & sustainability related matters.

## CHEE BAN TUCK

Company Secretary and  
General Manager, Corporate Finance

Age 56

Male

Malaysian

### Date of Appointment:

22 September 2008

### Qualification:

- Member of the Malaysian Institute of Accountants and the Chartered Institute of Management Accountants

### Skills and Experience:

Mr Chee Ban Tuck is currently responsible for the treasury and corporate finance functions as well as investors relations in IOI Properties Group.

He has over 24 years of experience in financial management, corporate planning, corporate finance and treasury. He was appointed as the joint Company Secretary of IOI Properties Group Berhad in April 2018. Prior to joining IOI Properties Group, he was attached with other public listed companies listed on Bursa Malaysia.



**BHUVANESWARY KISNASAMY**

Head of Group People and Culture

Age 47

Female

Malaysian

**Date of Appointment:**

6 January 2021

**Qualification:**

- Master of Business Administration from University of Putra Malaysia
- Bachelor of Science in Chemistry from University of Malaya
- Foundation of Business Programme with dual certification from Lancaster University and Sunway University
- Premier Business Management Programme with Harvard Club of Malaysia

**Skills and Experience:**

Ms Bhuvanesh's career spans over 20 years with experience in various industries such as oleochemicals, environmental, biotechnology, property, and hospitality.

Ms Bhuvanesh was trained as a Chemist. She spent the first 6 years of her career as a Chemist in organisations such as Kewalram Oils, Natural Oleochemicals, and ALS Technichem. She then took on the role of managing the Quality & Environment Management System and Knowledge Management function in Sunway City Berhad in 2005.

Her first foray into human resources was in 2007. In her early career as a human resource professional, she led different portfolios including people strategies, business partnering, as well as management of the full spectrum of human resource functions such as talent attraction & acquisition, learning & organisational development, and human resource services delivery. Subsequently, she assumed senior leadership roles in 2014.

Before joining IOI Properties Group, Ms Bhuvanesh served as Group Director of Human Resources of Sunway Hotels and Resorts where she was responsible for all aspects of people strategy and transformative human capital initiatives for Sunway's diverse collection of 11 hotels and resorts in Malaysia, Cambodia and Vietnam. Prior to that, she held the positions of Head of Human Resource in Sunway Property managing several clusters including Sunway Integrated Properties & Sunway REIT and as a Regional People & Organisation Partner in Novozymes, a biotechnology company.

**JIMMY YEE YOKE SENG**

Head of Group Internal Audit

Age 46

Male

Malaysian

**Date of Appointment:**

1 July 2015

**Qualification:**

- Member of the Institute of Internal Auditors Malaysia
- Bachelor of Accounting Degree from University of Malaya

**Skills and Experience:**

Mr Jimmy Yee Yoke Seng oversees the internal audit function covering various activities within the Group, including the review of enterprise risk management, governance and whistleblowing activities.

He has more than 21 years of external and internal auditing experience. Prior to joining IOI Properties Group in 2015, he was attached to few public listed companies in various industries, where he was responsible for the internal audit and enterprise risk management functions.

**Notes:**

Save as disclosed above, none of the above senior management members has:

- any directorship in public companies and listed issuers;
- any family relationship with any directors and/or major shareholders of the Company;
- any conflict of interest with the Company;
- any conviction for offences (other than traffic offences) within the past five (5) years; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# Corporate Governance Overview Statement

- We would like to take this opportunity to provide some insights into the corporate governance (“CG”) practices of IOIPG under the leadership of the Group’s Board of Directors (the “Board”) during the financial year ended 30 June 2022 (“FY2022”). This Corporate Governance Overview Statement (the “Statement”) sets out the principles and features of the Group’s CG framework and highlights key areas of focus and priorities for the Board during 2022/2023.

IOIPG practises a governance framework that goes beyond an interest in governance for its own sake or the need to simply comply with regulatory requirements. In the same spirit, we do not see governance as just a matter of consideration for the Board. Good governance is also the responsibility of senior management. To ensure an integrated Group-wide approach towards upholding high governance standards, efforts have been made to strengthen the governance structures and processes of IOIPG’s subsidiaries.

The cornerstone principles of corporate governance at IOIPG are guided by “Vision IOIPG” whereby responsible and balanced commercial success are to be achieved by addressing the interests of all stakeholders. Our Core Values guide all employees in the conduct and management of the business and affairs of the Group. We believe that good corporate governance results in quantifiable and sustainable long-term success, as well as value for shareholders and other stakeholders. This is reflected in IOIPG’s performance and track record over the years.

We will continue evaluating the Group’s governance practices in response to evolving best practices and the changing needs of the Group. The Board is pleased to present this Statement to explain how IOIPG has applied the following three (3) principles as set out in the Malaysian Code on Corporate Governance (the “CG Code”):

- (a) Board leadership and effectiveness;  
.....
- (b) Effective audit and risk management; and  
.....
- (c) Integrity in corporate reporting and meaningful relationship with stakeholders.

## How Our Governance Supports the Delivery of Our Strategy

The Board is responsible for setting and reviewing the Group’s strategy and policies, overseeing risk and corporate governance, and monitoring progress towards meeting the Group’s objectives and annual plans. It is accountable to the Group’s shareholders for the proper conduct of the business and its long-term success, and represents the interests of all stakeholders. The Board conducts a review of the Group’s overall strategy. The Board spends considerable time in assessing whether any proposed action aligns with the strategy and future direction of the business.

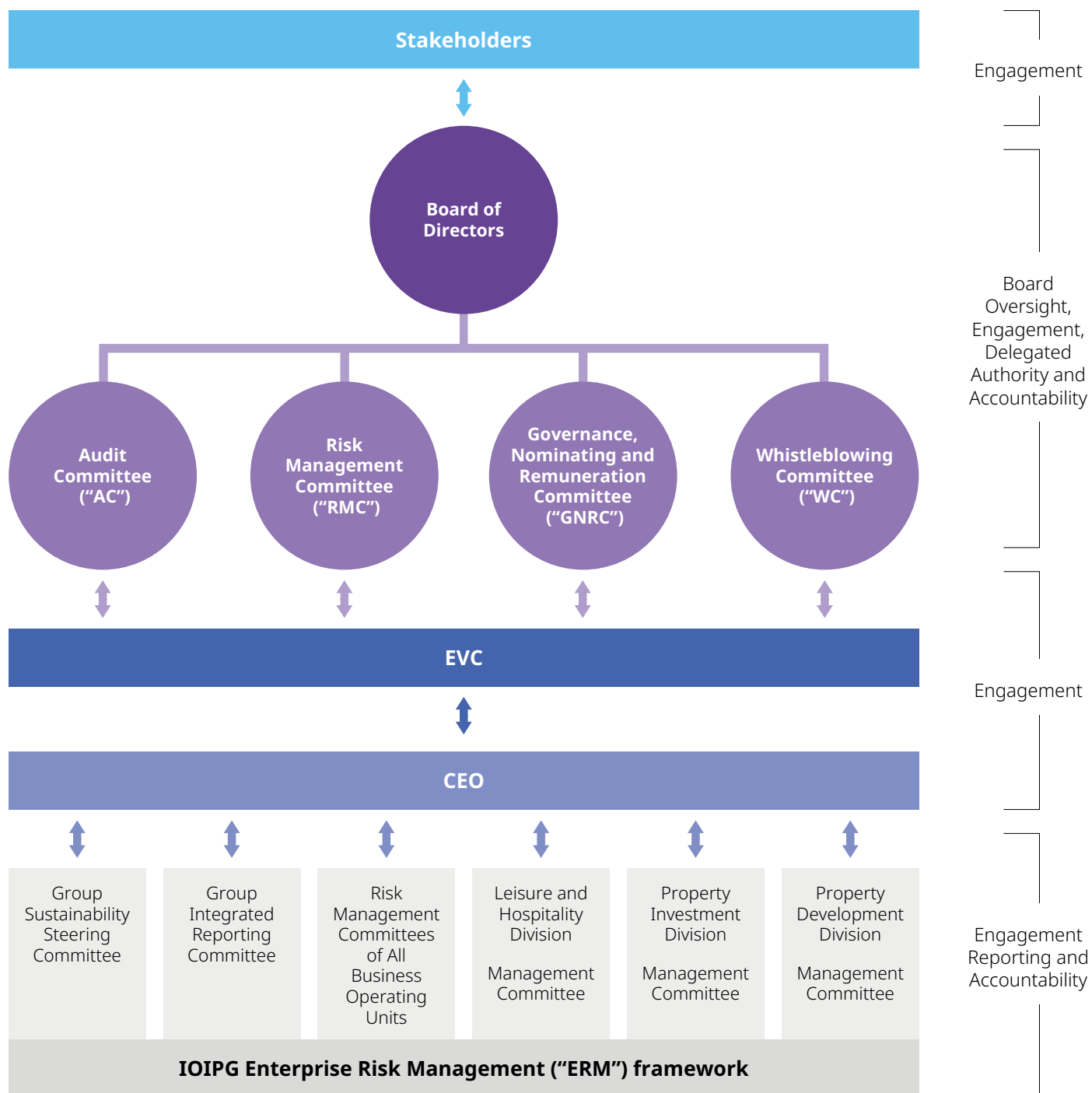
Sustainability is inherent in the Board’s strategic planning and decision-making. The Executive Vice Chairman (“EVC”), Chief Executive Officer (“CEO”), Chief Operating Officers and Chief Financial Officer (“CFO”) take the lead in developing the Group’s strategy, which is then reviewed, constructively challenged and approved by the Board.

The role of the Board is to create long-term sustainable value for the benefit of the Group’s shareholders and stakeholders. We believe that good governance provides the framework that keeps us focused on delivering our strategy for our stakeholders and communities. Our corporate governance framework is a value-based governance framework that takes into consideration:

- CG Code, Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
- The way we apply our corporate culture and values to guide our people to behave ethically and legally
- Our continuous improvement approach, including our commitment to strengthen all relevant aspects of our governance
- Our governance policies and practices, including the Group’s enterprise risk management framework
- The way we report to our stakeholders

## GOVERNANCE FRAMEWORK

### Vision IOIPG and IOIPG's Corporate Culture and Values



# Corporate Governance Overview Statement

## ADOPTION OF CG CODE

During FY2022, the Group was in full compliance with all applicable principles and practices of the CG Code, save that:

- Practice 5.9 (The Board comprises at least 30% women Directors)
- Practice 8.2 (The Board discloses on a named basis the top five (5) senior management's remuneration in bands of RM50,000)



*Details of how we applied the CG Code principles and complied with its practices are set out in the CG Report which is available on the Group's website at <https://www.ioiproperties.com.my/publication/annual-report>*

The explanation for departure is further disclosed in the CG Report.

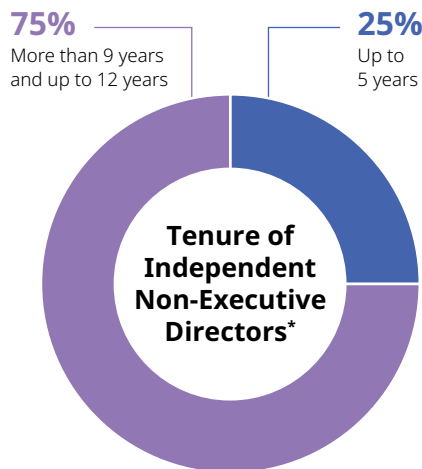
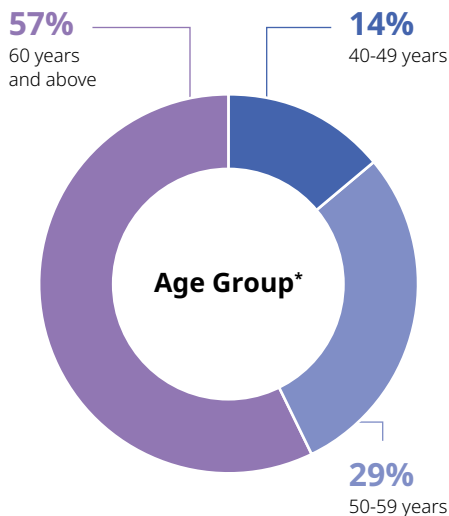
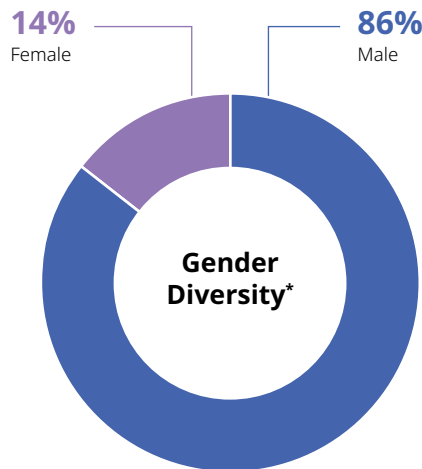
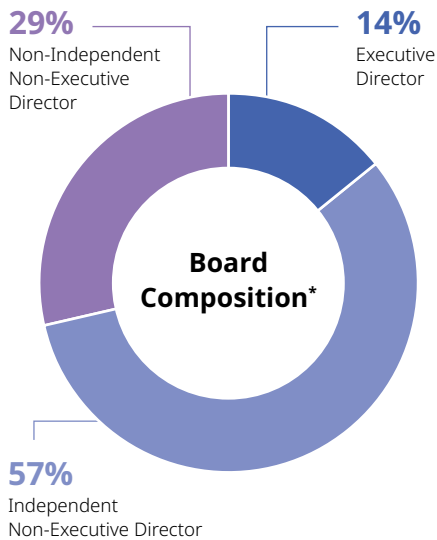
## BOARD LEADERSHIP AND EFFECTIVENESS

### Board Leadership, Roles and Responsibilities

The Board is responsible for the overall leadership of IOIPG, including establishing the Group's purpose, values and strategy, and satisfying itself as to the alignment of IOIPG's culture to the Group's purpose, values and strategy. An effective Board is key to the establishment and delivery of a company's strategy and IOIPG continually seeks to improve the effectiveness of the Board.

The Group is led by an effective and committed Board, with a culture of openness and transparency at Board meetings. As at the date of this report, the Board comprises 7 Directors, of which majority of them are independent, with a wide range of knowledge and experience from a variety of sectors which enables them to provide effective oversight, strategic guidance and constructive challenge, examine proposals on strategy and empower the CEO to implement the strategy approved by the Board.

The balance of Directors on the Board ensures that no individual or small group of Directors can dominate the decision-making process and that the interests of shareholders are protected. The Board considers each of the Group's current Independent Non-Executive Directors ("INEDs") to be independent in character and judgement that could provide unbiased and independent views to the Board. In reaching this determination of independence, the Board has concluded that each of them provides objective challenge to management, is willing to stand up and defend his own beliefs and viewpoints in order to support the ultimate good of the Group and there are no business or other relationships likely to affect, or which could appear to affect the judgement of the INEDs.



\* As at 30 August 2022

Effective operation of the Board relies on clarity of the various roles and responsibilities of the individual Board members. The Board has a clear division of responsibilities between the running of the Board and running the business of the Group. The roles of the Chairman, EVC, CEO and INEDs are set out in the Board Charter. Our Chairman of the Board is responsible for leading and managing the work of the Board. The EVC provides strategic oversight over the strategic, business, and marketing plans that include operational and financial goals, strategies and performance measures for all aspects of the Group's operations, while responsibility for the day-to-day management of IOIPG is delegated to the CEO. The CEO is supported in this role by the senior management team and has executive responsibility for running the business. The diligence with which the Chairmen of the Board Committees and their members carry out their committees duties enables the Board to discharge its responsibilities efficiently and effectively.

The Board discharges its responsibilities through a programme of meetings that includes regular reviews of financial performance and critical business issues, annual budget and strategic plan taking into account environmental, social and governance ("ESG") considerations.

The Board has a schedule of matters specifically reserved to it for its decision and has approved the written Terms of Reference of the various Committees to which it has delegated specific responsibilities to four (4) key Board Committees. These are each chaired by a Non-Executive Director, focusing on specific areas of the Board's responsibilities. The Terms of Reference of each of the Board's Committees are also available on the Group's website.

During FY2022, INEDs of the Group led by the Independent Non-Executive Chairman met in private sessions numerous times without the presence of Executive Directors. These discussions were focused on the performance of management, dynamics of the Board-

management relationship, and objective assessments of management's ideas and proposals. Most of these matters had, in fact, been brought to the EVC's attention subsequently.

### Company Secretary

The Company Secretary, through the Chairman, is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed, applicable rules and regulations are complied with, and due account is taken of relevant codes of best practices. The Company Secretary is responsible for ensuring effective communication flows between the Board and its Committees, and between senior management and Non-Executive Directors ("NEDs").

The Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and senior management. In ensuring the uniformity of Board conduct and effective boardroom practices throughout IOIPG Group, the Company Secretary has oversight on overall corporate secretarial functions of the Group, both in Malaysia and other regions where IOIPG operates. The appointment and removal of the Company Secretary is determined by the Board.

### Appointment to the Board and Succession Planning

The GNRC and Board review the composition of IOIPG's Board and the status of succession for both senior management and Board-level positions.

All new appointments to the Board are based on merit and objective criteria, in the context of the strategy of the Group and the diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, as well as skills, knowledge and experience required for the Board to be effective.

In assessing potential candidates and undertaking reviews of the size and composition of the Board, the GNRC takes into account the guiding principle

that the Board's composition should reflect an appropriate mix having regard to matters such as:

- Skills and experience across the key areas identified in the Group's Board skills matrix
- Tenure
- Diversity

The GNRC also takes into account factors including:

- Relevant guidelines/legislative requirements in relation to Board composition
- Board membership requirements as articulated in the Terms of Reference
- Other considerations including the Group's strategic goals

Appointments are made following a formal and transparent Board selection process, the flow chart of which is accessible through the Group's website at <https://www.ioiproperties.com.my/corporate-governance>.

Directors are nominated by the GNRC and are subsequently approved by the Board for election or re-election annually by shareholders at our Annual General Meeting ("AGM").

Additionally, the Group has an internal guidance to be taken into account when considering changes to a Director's commitments, or when appointing a new Director, as well as formalising the Board approval process for such matters. All potential new Directors are required to give an indication of the time spent on these commitments. The GNRC will take this into account when considering a proposed appointment on the basis that all Directors are expected to allocate sufficient time to their role on the Board in order to discharge their responsibilities effectively. The Board is of the view that the current external directorships held by the Directors do not give rise to any conflicts of interest nor impair their ability to discharge their duties effectively, and that each of them had allocated sufficient time to his or her role in order to discharge their responsibilities effectively during FY2022.



# Corporate Governance Overview Statement

The activities of each subsidiary in the Group are overseen by each subsidiary's own board of directors. The Board's confidence in the activities of its controlled entities stems from the quality of the directors on those subsidiary boards and their commitment to the Group's objectives.

Every new Director is required to attend an induction programme to receive information about all aspects of the Group's operations, including briefings with key members of senior management. The CEO and Company Secretary are responsible for delivering the programme covering the Company's core purpose and values, strategy, key areas of the business and corporate governance.

The GNRC discussed succession plans to ensure that plans are in place for orderly succession to the Board and a few new INEDs have been identified by the GNRC for deliberation. As part of the Group's effort to uphold good governance practices and to align with the Practice 5.3 of the CG Code, Datuk Tan Kim Leong, Datuk Dr Tan Kim Heung and Datuk Lee Say Tshin (collectively, "Affected INEDs"), who served the Board as INEDs for a cumulative term of more than 9 years have indicated that they will not seek for retention as an INED of the Company at the forthcoming AGM to be held on 8 November 2022 ("2022 AGM"). Pursuant to the Ordinary Resolutions 7 to 9 passed at the Ninth AGM held on 28 October 2021, the tenure of the Affected INEDs will be expiring at the conclusion of the 2022 AGM.

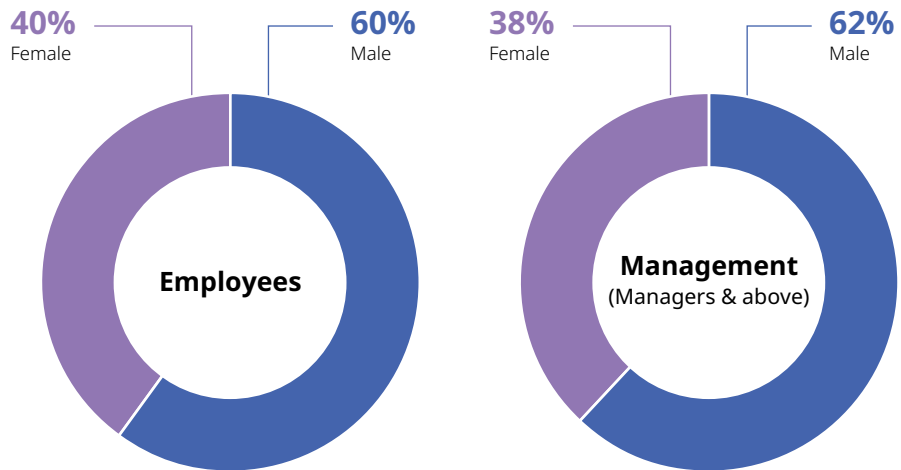
The GNRC is focused on ensuring our executive talent pipeline is further developed. The GNRC reviewed senior management succession planning and the talent management pipeline.

## Diversity

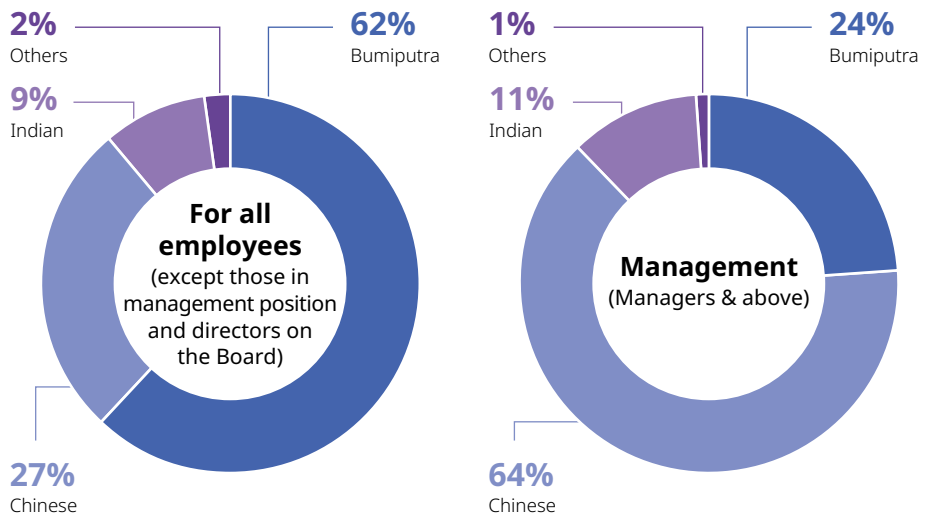
The Company has established a Board Diversity Policy, which supports the GNRC in its approach to succession planning. An overriding principle is that all appointments to the Board will be based upon merit and suitability of the candidate to the particular role being filled. Subject to this overriding principle, the Board will always regard the need to consider candidates from

different backgrounds, keeping gender diversity in mind. IOIPG does not specify a target for gender diversity in the Board composition. Currently, women make up 14% of the full Board composition. Notwithstanding the shortfall of women representation on the Board by 16% at this point in time, the Board is committed to appoint additional two women INEDs in FY2023.

## Employees' Gender Diversity Disclosure



## Employees Ethnicity



The Board will, through the GNRC, continue to review its size and composition as well as its effectiveness from time to time. Sourcing for suitable women candidates will continue to be one of the priorities of the Board's and GNRC's corporate governance agenda, subject to the availability of suitable candidates and the requirements of the Board from a skills perspective.



*The said Policy can be found on the Group's website at <https://www.ioiproperties.com.my/corporate-governance>*

IOIPG recognises that the Board sets the tone for inclusion and diversity across the Group and believes in the importance of having a diverse leadership team to support good decision-making. Diversity is integrated across the Group's Code of Conduct and Business Ethics and associated workforce policies. The Group promotes a culture of diversity, respect, and equal opportunity, where individual success depends on personal ability and contribution. We strive to treat our employees with fairness, integrity, honesty, courtesy, consideration, respect, and dignity, regardless of gender, race, nationality, age, or other forms of diversity. IOIPG is focused on creating an inclusive culture in line with our Core Values, which we believe will lead to greater diversity both on the Board and throughout the Group.

Currently, the Group does not have any specific measurable objectives for achieving gender diversity in the senior management. Nevertheless, the Group is committed to promoting a culture of diversity in the workplace by:

- recruiting and managing on the basis of an individual's competence and performance
- respecting the unique attributes that each individual brings to the workplace
- fostering an inclusive and supportive culture to enable people to develop their full potential
- provide the opportunity for employees to develop skills and experience through training and mentoring programme

Further information on IOIPG's diversity outcomes is included in the Sustainability Report which is also available on the Group's website.

### **Board Skills Matrix and Experience**

Each year, we undertake an assessment of the skills and experience of each Director and the combined capabilities of the Board ("Board Skills Matrix Assessment"). In FY2022, the annual assessment on effectiveness of the Board, Board Committees and the individual Directors of the Company (the "2022 BEE"), as well as the Board Skills Matrix Assessment was facilitated by an independent external consultant, KPMG Management & Risk Consulting Sdn Bhd ("KPMG").

The insights from the Board Skills Matrix Assessment are documented in a skills matrix that is:

- Considered in the context of IOIPG Group's business and its strategic needs.
- Incorporated into Board succession planning and the selection of new Directors.
- An important factor in our commitment to diversity.

The Board Skills Matrix Assessment was conducted through questionnaire and interview approach. The Board Skills Matrix Assessment Form was developed to gain an understanding of the extent to which the Board comprises Directors with the appropriate "Fit and Proper" criteria, skills, knowledge, competence and experience necessary to meet the needs of IOIPG.

The Board believes the current mix of skills, experience and expertise of Directors provides a diverse range of views and perspectives for the effective governance, oversight and strategic leadership of the Group. The Board will continue to focus on ongoing renewal to achieve an orderly transition of Directors over the short- to medium-term and an appropriate balance of experience, expertise, diversity and fresh thinking.

# Corporate Governance Overview Statement

## Directors' Core Areas of Expertise

Following the Board Skills Matrix Assessment as part of the 2022 BEE, the chart on the right on the current skills possessed by the Board illustrates that information technology or digital strategy, sustainability and international business exposure rank lowest in terms of pecking order. However, it was not a concern of the Board as the technology aspect of the Group had been well taken care off in view that the Group had employed experts from technology background to integrate innovative technologies in order to improve productivity of the Group. The Group could solicit advice from the experts employed as and when required. Therefore, it was not necessary for the Board to have a Board member with technology background.

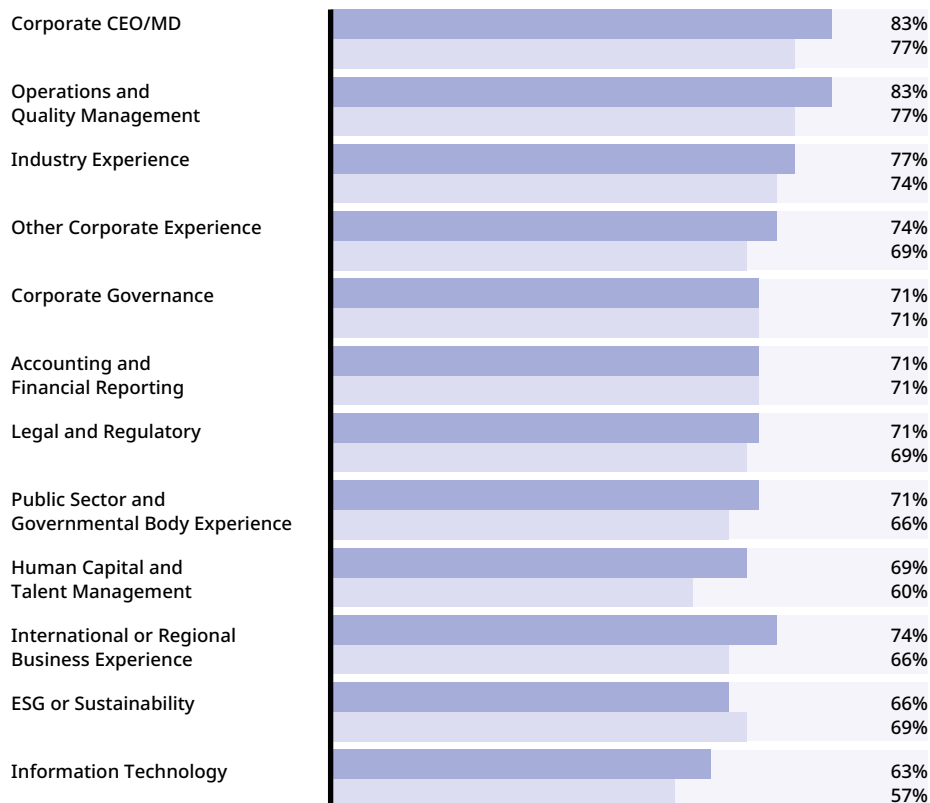
## Board Evaluation

The Board through the GNRC, conducts the annual assessment on BEE of the Company. The annual assessment on 2022 BEE was conducted by KPMG. This was the second time that the Company has engaged an independent external consultant to conduct the annual assessment on BEE since its first time in FY2018. KPMG nor its staff in-charge has any other connection to the Group or any of its Directors. Previous BEEs were conducted internally mainly through questionnaire-approach.

In line with CG Code's best practice of ensuring a periodic externally-facilitated Board evaluation by a professional independent consultant, the Board will continue with its three (3)-year external Board effectiveness review cycle, which will due in 2024.

The 2022 BEE deployed a two-pronged approach which included questionnaires and interview sessions with all the Directors and selected senior

## Board Skills Matrix



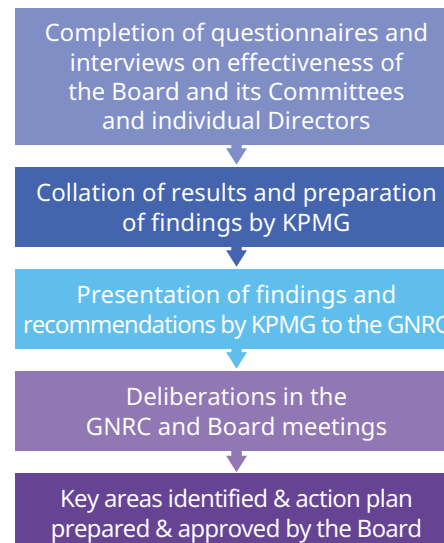
### Legend

■ Board-Rating    ■ Self-Rating

management. The 2022 BEE had covered areas on, amongst others:

- Performance of the Board and its Board Committees
- Processes which underpin the Board's effectiveness (including consideration of the balance of skills, experience, independence and knowledge of the Board members)
- Individual performance (giving consideration to whether each Director continues to contribute effectively and show commitment)

## 2022 BEE Evaluation Process



Based on the results of 2022 BEE, it was noted that the Company's overall score of 83% was below the market average score of 87% comparing to forty (40) entities and almost all of these entities have a market capitalisation or net assets worth more than RM2 billion in Malaysia. Within the property sector, the 2022 BEE score of the Company was below the average score of 88%. The results of the 2022 BEE reflected a generally satisfactory performance by the Board and Board Committees with all Directors responded that they are fit and proper. The findings of the 2022 BEE were presented by KPMG to the GNRC for recommendation to the Board. Based on the results and comments gathered from the 2022 BEE forms and interview sessions, there were four (4) key strengths of the Board, Board

Committee and individual Directors identified, amongst others:

- Leadership of the Chairman, EVC and CEO
- Boardroom commitment and proactivity
- Boardroom collegiality
- Working relationship with Management

The key findings were also discussed with the Board with emphasis on focus areas that could further enhance the performance of the Board and Board Committees. The Board had then agreed on the appropriate action plans to address the key findings of the 2022 BEE in order to further enhance the Board's effectiveness. The key findings and progress are as follows:

- To recalibrate its approach in recruiting female candidates for

directorships and gradually achieve at least 30% female representation in the boardroom.

- To prioritise the considerations concerning the succession planning of individuals helping key positions in the boardroom and senior management. Ongoing various deliberations on succession planning matters have been on the agenda of the GNRC.
- To hold a catalytic strategic immersion session for generative discussions with the senior management. A special Board meeting will be called in FY2023.
- To develop a dynamic Board Agenda that will allow Directors to explore strategic propositions in an in-depth manner. The proposed Agenda for FY2023 has been reviewed and will be revised or updated as and when necessary.

## Meeting Attendance in FY2022

Directors are expected to attend all Board and Committee meetings, save for exceptional circumstances such as pre-existing business or personal commitments that may prevent them from attending the meetings. IOIPG's Board and Board Committees members have discharged their roles and responsibilities in FY2022, through their attendance at the meetings as set out in the table below:

Number of meetings held in year	Board	AC	RMC	GNRC
<b>Executive Directors</b>				
Lee Yeow Seng	7/7 (100%)	–	–	–
Lee Yoke Har	7/7 (100%)	–	–	–
<b>NEDs</b>				
Datuk Tan Kim Leong*#	7/7 (100%)	3/3 (100%)	–	1/1 (100%)
Tan Sri Dato' Sri Koh Kin Lip ( <i>resigned on 30 November 2021</i> )	4/4 (100%)	–	1/1 (100%)	1/1 (100%)
Datuk Lee Say Tshin*	7/7 (100%)	5/5 (100%)	3/3 (100%)	2/2 (100%)
Datuk Dr Tan Kim Heung*	7/7 (100%)	5/5 (100%)	3/3 (100%)	3/3 (100%)
Chan Cha Lin*	7/7 (100%)	2/2 (100%)	3/3 (100%)	2/2 (100%)
Dato' Lee Yeow Chor	7/7 (100%)	–	–	–

\* Chairman or Committee Chairman

# Reflects the attendance and the number of meetings held during the period prior to cessation as the member of the AC and GNRC respectively on 1 December 2021 in compliance with Practice 1.4 of the CG Code.

All Directors have more than adequately complied with the minimum requirements on attendance at Board meetings as stipulated under the Listing Requirements. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Board and/or Board Committee members.

# Corporate Governance Overview Statement

## Board Activities in FY2022

The Board has an agenda that ensures strategic, budget, sustainability, risk management and internal control, operational, financial performance and CG matters are discussed at the appropriate time at Board meetings. The Board debated and provided input to management on the execution of the overall strategy of the Group, and reflected on that strategy with longer-term views on what could be done to build our strengths as an integrated property company, enhance financial resilience and deliver consistent and stronger returns through business cycles.

The Board agenda has strong links to the strategic objectives for the business. Key highlights of the Board's FY2022 activities and priorities are summarised as follows:

Principal matters considered by the Board in FY2022		
Strategic Matters	Governance, Assurance & Risk Management	Financial & Management Performance
<ul style="list-style-type: none"> <li>Sustainability strategy including Task Force on Climate-related Financial Disclosures ("TCFD") recommendations</li> <li>CEO operational and financial updates</li> <li>Group overall business strategy and Group performance</li> <li>Dividend decision</li> <li>Business action plan in managing the effect of COVID-19 pandemic</li> <li>Sustainability material matters</li> <li>Unsold inventories strategy</li> <li>Business outlook and market trends</li> <li>Marina View land tender</li> <li>IOI City Mall, Phase 2 project</li> </ul>	<ul style="list-style-type: none"> <li>Year-end governance report, sustainability report, AC report, RMC report, Statement on Risk Management and Internal Control, and Share Buy-Back Statement</li> <li>Annual Board, Board Committees, Individual Directors and key executive's evaluation and effectiveness and INED's independence</li> <li>Risk management and internal control</li> <li>Bonus payment of the EVC, Executive Director and CEO</li> <li>Directors' fees and benefits payable</li> <li>Recommendation of Directors standing for re-election at the AGM</li> <li>Proposed retention of INEDs</li> <li>Recommendation for re-appointment of external auditors</li> <li>Establishment of WC</li> <li>Revised Whistleblowing Policy, Terms of Reference of WC and Code of Conduct and Business Ethics</li> <li>Anti-Bribery and Anti-Corruption Framework and Board Charter</li> <li>2022 BEE findings and recommendation</li> <li>Appointment of CFO</li> <li>Changes to the composition of Board and Board Committees</li> <li>Changes to Independent Non-Executive Chairman's fee</li> <li>Board agenda for financial year 2022/2023</li> <li>Approval of Fit and Proper Policy</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly results announcements</li> <li>Audited Financial Statements</li> <li>The Group's annual budget, forecasts and key performance targets &amp; indicators</li> <li>Summary findings and results of audit for financial statements of the Group from external auditors</li> <li>Recurrent related party transactions</li> <li>Group's internal audit report</li> <li>Fair value impairment of IOI Palm City Mall, Xiamen</li> <li>Appointment of PricewaterhouseCoopers PLT to perform limited review on the Group's quarterly reporting</li> <li>Information Technology audit proposals</li> </ul>
<div> <b>LOOKING AHEAD TO FY2023</b>            During FY2023, the Board will focus on:         </div> <ul style="list-style-type: none"> <li>Refining our strategic propositions at our special Board meeting(s)</li> <li>Continue to focus on Board and senior management succession planning</li> <li>Continue to focus on TCFD recommendations phased implementation and development of tax corporate governance framework for the Group</li> <li>Continue to shape the agenda and Board focus on the most significant risks and opportunities</li> <li>Continue to evaluate business diversification, mergers &amp; acquisitions and exploring new business opportunities</li> </ul>		



## GNRC Activities in FY2022

The GNRC discussed succession plans to ensure that plans are in place for orderly succession to the Board.

The GNRC's Terms of Reference, which are published on the Group's website, include all matters required by the CG Code. No changes were made to the Terms of Reference during FY2022. The GNRC believes that our Board continues to have the appropriate skills, knowledge and experience to oversee the effective delivery of our strategy.

Throughout 2022, a key area of focus for the GNRC was the continued consideration of the revised CG Code, which came into effect in April 2021, in particular, to ensure that the agreed revisions to the Group's governance framework were working effectively following implementation. As part of this, the GNRC considered the appropriateness and maturity of various new updated practices of the CG Code.

During FY2022, the GNRC focused on the size and composition of the Board. This has led to the commencement of a succession board planning discussion for NEDs, which will strengthen the existing capability and good dynamics of the Board. The GNRC believes that the Board continues to have the appropriate skills, knowledge and experience to oversee the effective delivery of the Group's strategy.

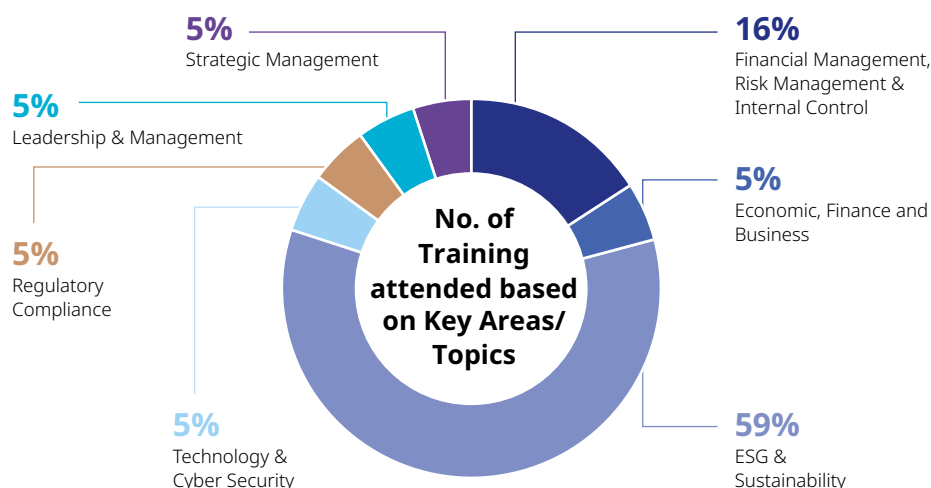
Key highlights of the GNRC's FY2022 activities and priorities are summarised as follows:

GNRC Activities & Focus in FY2022			
Strategic	Governance	Remuneration	Nomination
<ul style="list-style-type: none"> <li>Oversight of Board and senior management succession</li> </ul>	<ul style="list-style-type: none"> <li>Annual Board, Board Committees, Individual Directors and key executive's evaluation and effectiveness</li> <li>Review of INED's independence</li> <li>Review the findings and recommendations on 2022 BEE</li> <li>Review of revised Code of Conduct and Business Ethics</li> <li>Review of the Fit and Proper Policy</li> <li>Review of CG Overview Statement and CG report</li> </ul>	<ul style="list-style-type: none"> <li>Review of Directors' fees and benefits payable</li> <li>Review of bonus payment for the Executive Vice Chairman, Executive Director and CEO</li> <li>Review of the Independent Non-Executive Chairman's fee</li> </ul>	<ul style="list-style-type: none"> <li>Review and recommendation of Directors standing for re-election at the AGM</li> <li>Review and recommendation of retention of INEDs</li> <li>Review of Board Composition</li> </ul>
<div> <div> <b>LOOKING AHEAD TO FY2023</b>            During FY2023, the GNRC will continue to focus on:         </div> <div> <ul style="list-style-type: none"> <li>Succession planning for Board and senior management critical roles in the Group</li> <li>Reviewing Board size, composition and gender diversity</li> <li>Reviewing governance trends and updating the terms of reference</li> </ul> </div> </div>			

# Corporate Governance Overview Statement

## Board Development

To enable them to continue contributing effectively to the Board and Board Committee meetings, Directors are regularly provided opportunities to participate in ongoing training and development and they can also request specific training that they may consider necessary or useful. The diagram on the right shows the key learning areas/topics attended by the Group's Directors. The details of training attended by Directors in FY2022 can be found in the Group's website at <https://www.ioiproperties.com.my/corporate-governance>.



## Directors Remuneration

The Group has established a remuneration framework for Directors and senior management which sets out the criteria applied in recommending their remuneration packages. We believe that our remuneration framework provides a mechanism for encouraging and enforcing good governance.

The Board has delegated responsibility for the consideration and approval of the remuneration for the Directors and CEO to the GNRC. The Board as a whole considers the fees paid to NEDs.

Each of the Directors (except EVC) receives a base fixed Director's fee and meeting allowance for each Board, Board Committee and general meeting that they attend. The structure of the fees payable to Directors of the Company is as follows:

Appointment	Per Annum (RM)
<b>Board of Directors</b>	
Base fee	125,000
Board Chairman's fee	110,000
<b>Audit Committee (AC)</b>	
AC Chairman's fee	45,000
AC Member's fee	35,000
<b>Risk Management Committee (RMC)</b>	
RMC Chairman's fee	35,000
RMC Member's fee	20,000
<b>Governance, Nominating and Remuneration Committee (GNRC)</b>	
GNRC Chairman's fee	35,000
GNRC Member's fee	15,000
<b>Whistleblowing Committee (WC)</b>	
WC Chairman's fee	7,500
WC Member's fee	5,000

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Group and its subsidiary companies during FY2022 are disclosed in our CG Report 2022 under Practice 8.1 of the CG Code.

## Effective Audit, Risk Management and Internal Control

For the Board to determine that the Group's financial statements and disclosures are complete and accurate, the Board relies on information provided by management. Independent and objective assurance is provided on the audited financial statements by the Group's external auditor, PricewaterhouseCoopers PLT. The integrity of the Group's periodic corporate reports is underpinned by structures and processes within the Group functions that support analytical review of financial reporting and non-financial metrics, validation of information and the maintenance of proper records for all information.

The members of the AC possess the necessary financial knowledge and commercial experience to meet the needs of the Board and the Group's business. The AC assists the Board in overseeing, monitoring and assessing the reliability and quality of the Group's financial statements, management of financial risk processes, financial reporting practices and system of internal controls. This ensures that the Board dispenses its fiduciary responsibility to present to shareholders, investors and stakeholders a clear, balanced and meaningful evaluation of the Group's financial position, performance and prospects.

The Board acknowledges its overall responsibility in maintaining a sound system of internal controls and risk management that provide reasonable assurance of effective and efficient

operations and compliance with laws and regulations, as well as internal procedures and guidelines. The Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and the Group's objectives are attained. The RMC supports the Board by overseeing the Group's ERM framework and assessing the framework to ascertain its adequacy and effectiveness.

During FY2022, the Directors continued to review the effectiveness of the Group's system of controls, risk management procedures and high-level internal control processes. These reviews included an assessment of internal controls and, in particular, financial, operational and compliance controls, and risk management procedures and their effectiveness. This was supported by management assurance of the maintenance of controls, reports from the Head of Group Internal Audit, Risk Management Senior Manager, as well as the external auditors on matters identified in the course of their statutory audit work. The Board is of the view that the system of internal controls and risk management in place are sound and sufficient to safeguard the Group's assets as well as shareholders' investments and the interests of stakeholders.

Both the external and internal auditors have full and unrestricted access to all colleagues, records and systems as necessary to undertake their activities.

Further information on the above activities and their efficacy is set out in the AC Report, RMC Report and Statement on Risk Management and Internal Control.

## Tax Governance

We are committed to engage in good tax governance with the objective to build trust, transparency and accountability which are necessary for fostering long-term business sustainability, financial stability and business integrity. The Group seeks and maintains an open and collaborative professional relationship with tax authorities and regulators across all countries that we operate in.

## Anti-Bribery and Corruption

We have a zero-tolerance approach to misconduct of any kind and will take disciplinary action in the event of a breach. The Group's revised Anti-Bribery and Anti-Corruption Policy (the "Policy") was adopted in February 2022. It clearly outlines our commitment to zero-tolerance of bribery or corruption in any form. The Policy is managed by Integrity Committee with oversight from the WC on the progress of implementation and compliance with the Policy. Breaches of the Policy constitute a breach of IOIPG's Code of Conduct and Business Ethics. Material breaches of the Policy are reported to the Board by the WC.

# Corporate Governance Overview Statement

## Whistleblowing

The Company has established a Whistleblowing Policy and it provides an avenue for all employees of the Group and all agents, vendors, contractors, suppliers, consultants and customers of the Group and members of public to raise concerns about any improper conduct within the Group without fear of retaliation and to offer protection for such persons (including the employees of the Group) who report such allegations.

The Group encourages its employees to raise genuine concerns about suspected or possible violations of the Group's Code of Conduct & Business Ethics, improprieties in matters of financial reporting, non-compliances with laws and regulations, non-compliances with the Group's Policies and Procedures and to disclose any improper conduct or other malpractices within the Group (i.e. whistleblowing) in an appropriate way.

## Directors' Responsibility for Preparing the Annual Audited Financial Statements

IOIPG's Directors are required by the Companies Act 2016 (the "Act") to prepare financial statements for each financial year which give a true and fair view of the Group's and Company's state of affairs, results and cash flows. The Directors are of the opinion that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and that the financial

statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Act and the Listing Requirements of Bursa Malaysia.

The Directors are satisfied that the Group and Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and Company, and enable proper financial statements to be prepared. As systems, by their nature can only provide reasonable and not absolute assurance against material misstatements, loss and fraud; the Directors have also taken the necessary steps to ensure that appropriate systems are in place to safeguard the assets of IOIPG, and to detect and prevent fraud as well as other irregularities.

## Stakeholder Engagement

Stakeholder relations are critical for the sustainable growth of IOIPG's business. The Group seeks to maintain an open, permanent, and transparent dialogue with these parties. Particular importance is accorded to groups consisting primarily of shareholders and investors, communities, employees, regulators, suppliers, contractors and customers. This is due to their influence on the business and impact on IOIPG's operations and organisational strategy. The Group conducts a variety of engagement initiatives including direct meetings and community dialogues, to learn about the welfare needs of these groups.

Whilst direct engagement with stakeholders has been challenging for the Board to undertake during a period of travel restrictions, the views of stakeholders have been a key consideration in papers presented to the Board and its Committees and during boardroom discussions, thus influencing strategic planning and decision-making. This ensured that, whilst physical engagement was not possible for certain periods of the year, the Board made sure that stakeholders still had a voice within the boardroom. Board members are of the opinion that, despite the difficulties presented by the COVID-19 pandemic, they were able to virtually engage with the Company's stakeholders.



*For a more detailed look into how the Company has been able to engage, please refer to the Group's Sustainability Report at pages 51 to 125.*

As part of our ongoing better governance practices, we are guided by the continuous disclosure principle under the Listing Requirements of Bursa Malaysia, which provides the Company with a clear, succinct and streamlined continuous disclosure process. All financial results and media releases that we announced to the market via the Bursa Link announcements platform are posted to our website.

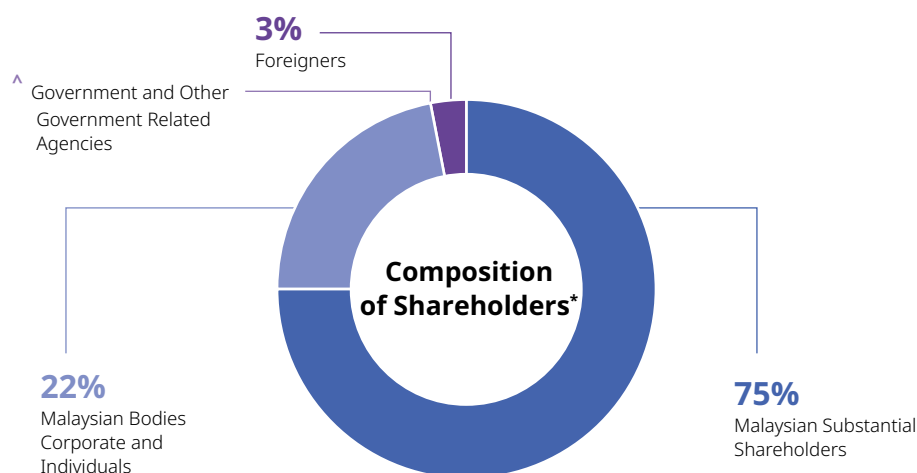
We encourage shareholders to participate in the AGM. Shareholders are provided with an opportunity to ask questions or make comments ahead of, or during, the AGM. Whilst the Board will not be able to connect with shareholders in the usual way at a physical venue in 2022, we are confident that we will be able to hold a meaningful virtual AGM as per previous years.

Our quarterly, half-yearly and annual financial reports to shareholders and other interested parties, aim to present a balanced and understandable assessment of the Group's strategy, financial position and prospects. We make information about the Group available to shareholders through a range of media, including the Group's corporate website, <http://www.ioiproperties.com.my>, which contains a wide range of data of interest to institutional and private investors. The Group considers our website to be an important means of communication with our shareholders.

The Group has been authorised by shareholders to place shareholder communications (such as the Notice of AGM and the Annual Report) on the corporate website in lieu of sending paper copies to shareholders (unless specially requested). While the Group recognises and respects that some shareholders may have different preferences about how they receive information from IOIPG, we will continue to promote the benefits of electronic communication given its advantages over traditional paper-based communications, both in terms of configurability and accessibility of information provided and the consequent cost savings and reduction in environmental impact.

We communicate formally with all our shareholders at least 6 times a year at:

- Our quarterly results announcement and any accompanying dividend payment
- Our full year results announcement and any accompanying dividend payment
- Through our AGM



Notes:

\* As at 30 August 2022

^ Negligible

The IOIPG Investor Relations team acts as the main point of contact for investors throughout the year. Through the team, the Group has frequent discussions with current and potential shareholders on a range of issues, including in response to individual ad hoc requests from shareholders and analysts. The Group participated in various forums and sector meetings, and held various events during the year, with an eye towards establishing closer proximity to our stakeholders and promoting a conscious and interactive dialogue between parties. Further details on the Group's stakeholder engagement are available in the Group's Sustainability Report.

This CG Overview Statement was approved in accordance with the resolution of the Board dated 23 September 2022.



# Audit Committee Report

## ► The Board of IOIPG is pleased to present the its report on the Audit Committee ("AC") for FY2022.

The Audit and Risk Management Committee was established on 29 May 2013 in line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

To ensure an effective risk management and internal control framework, the Board had on 15 September 2017 delegated the oversight role of risk management of IOIPG Group to a separate Board Committee, namely the Risk Management Committee. As a result, the Audit and Risk Management Committee was decoupled into two separate Board Committees, i.e. Audit Committee and Risk Management Committee.

### A MEMBERS

The AC consists of three (3) members, all of whom are Independent Directors who satisfy the "independence" requirements contained in the Listing Requirements of Bursa Malaysia. The biography of each of the following members of the AC is set out in the Board of Directors section:

**Datuk Lee Say Tshin**

Chairman

*Independent Non-Executive Director*

**Datuk Dr Tan Kim Heung**

Member

*Independent Non-Executive Director*

**Chan Cha Lin**

**(Appointed on 1 December 2021)**

Member

*Independent Non-Executive Director*

Chan Cha Lin obtained his Bachelor of Science in Business Administration (majoring in Finance and Real Estate) and has more than 7 years' experience having the function of being primarily responsible for the management of the financial affairs of his family company. This complies with paragraph 15.09(1)(c)(iii) of the Listing Requirements of Bursa Malaysia. No alternate Directors were appointed as members of the AC.

The Executive Vice Chairman, Chief Executive Officer, Chief Financial Officer, Group Financial Controller and the Company's internal auditors are normally invited to attend the AC meetings to provide their input, advice and clarification on relevant items in the agenda. The Company's external auditors were also invited to the AC meetings to present their annual audit plan and annual audited financial statements, as well as other matters deemed relevant. There is a standing agenda item facilitating the opportunity for the Company's external auditors to meet the AC without management presence. The Company Secretary acts as secretary to the AC.

All deliberations during the AC meetings, including issues tabled and rationale adopted for decisions are properly recorded. Minutes of the AC meetings are tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation.

### B SUMMARY OF KEY SCOPE OF RESPONSIBILITIES

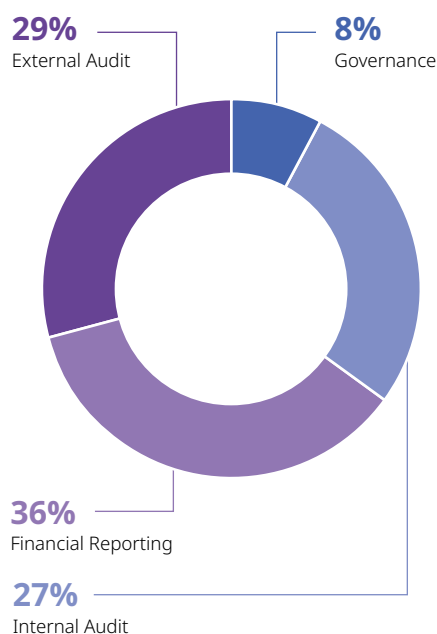
The AC operates under a written Terms of Reference containing provisions that address requirements imposed by Bursa Malaysia. The full Terms of Reference of the AC is posted on the Corporate Governance section of the Company's website at <https://www.ioiproperties.com.my/corporate-governance>. It can also be obtained from the Company Secretary.

The Terms of Reference prescribe the AC's oversight of financial compliance matters in addition to a number of other responsibilities that the AC performs. These key responsibilities include, among others:

- Overseeing the financial reporting process and integrity of the Group's financial statements
- Evaluating the independence of external auditors
- Reviewing and evaluating the operation and effectiveness of the Company's Internal Audit function and external auditors
- Overseeing the Group's system of disclosure controls and system of internal controls that management and the Board have established
- Reviewing conflict-of-interest situations and related-party transactions of the Group
- Reviewing the appropriateness of accounting policies and significant financial reporting issues or significant judgments made by management, as well as significant and unusual events or transactions, and how these matters are addressed

## C HOW OUR AC SPENT ITS TIME DURING FY2022

The diagram below provides an overview of how the AC spent its time in FY2022:



## D SUMMARY OF WORK OF OUR AC

The AC Report provides an overview of the work carried out during FY2022, including the significant issues considered in relation to the financial statements and how the AC assessed the effectiveness of the external auditors.

The AC has a responsibility to oversee the Group's internal control systems. The AC continues to monitor and review the effectiveness of the Group's internal control systems with the support of the Group Internal Audit function.

The AC has an annual work plan, developed from its Terms of Reference, with standing items that the AC considers at each meeting, in addition to any matters that arise during the year. The summary of work and the main matters that the AC considered during FY2022 were described below:

### 1 Financial reporting

During the year in review, the AC focused on monitoring the integrity of the Group's financial reporting and ensuring suitable accounting policies were adopted and applied consistently. The AC was particularly focused on the impact of the COVID-19 pandemic on the business, in terms of financial performance.

The AC monitored the financial reporting processes for the Group, which included reviewing reports from, and discussing these with, management and the external auditors, PricewaterhouseCoopers PLT ("PwC"). The unaudited quarterly financial results and audited financial statements of the Group were reviewed by the AC prior to recommendation for Board approval.

The AC also assessed whether appropriate accounting policies had been adopted throughout the accounting period and whether management had made appropriate estimates and judgements over the recognition, measurement and presentation of the financial results.

In addition, the AC received and considered regular updates from management on the status and implications for the Group on financial reporting developments, including updates on discussions by the Malaysian Accounting

Standards Board on the development of the Malaysian Financial Reporting Standards ("MFRS"). The accounting policies and methods of computation adopted for the financial statements were consistent with those adopted for the annual audited financial statements, except for the adoption of the new MFRSs, Amendments to MFRS and IC Interpretations that are effective for the Group, details of which are disclosed in Note 4 to the audited financial statements.

During FY2022, the AC was briefed on the International Standards on Auditing (ISA) 315 (Revised 2019) : identifying and assessing the risk of material misstatement, which is the enhanced standard for risk assessment (i.e. information processing activities for significant classes of transactions, account balances and disclosures, Information Technology ("IT") environment, and identification of the risks arising from the use of IT and the IT General Controls), and the ISA 315 will be applied to our audit of the Group for the financial year ending 30 June 2023.

The AC's role is to assess whether the judgements or estimations made by management in preparing the financial statements are reasonable and appropriate. Meetings on audit status, as well as findings on areas of significant external auditors' attention were held during FY2022. During FY2022, PwC identified three (3) Key Audit Matters (KAM) of the Group. These were (i) revenue recognition from property development activities, (ii) Fair value of completed investment properties and (iii) Assessment

# Audit Committee Report

of funding requirements and ability to meet the short term obligations, which were of key significance in PwC's audit of the financial statements of the Group as:

- (a) significant judgements by management were involved in developing and monitoring the total budgeted property development costs, for which inherent uncertainties may arise.
- (b) the determination of the fair value of the investment properties involved significant judgements in estimating the underlying assumptions to be applied in the valuation methodologies used by the valuers.
- (c) significant judgements and assumptions are made by management in arriving at the cash flow forecast for the next 12 months from the date of approval of the financial statements.

Revenue and cost are recognised by reference to the stage of completion of development activities at the end of each reporting period. This is measured based on the proportion of property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the property development.

In addressing the significant judgements and assumptions underpinning revenue recognition and valuations, PwC performed various procedures and did not identify any material exceptions.

The AC reviewed and challenged the reasonableness of evidence to support judgements and estimates regarding revenue recognition through regular discussions with management. The external auditors also challenged management on the key drivers of revenue recognition on the property development and reported their findings to the AC.

Other areas of discussion by PwC at the AC meeting include accounting and auditing considerations in relation to the net current liabilities position of the Group, net assets of IOIPG exceed its market capitalisation, Group tax matters, borrowings of the Group, development projects in People's Republic of China, carrying amounts of developments in Singapore, completed unsold inventories and impairment assessment of hotel properties. For all the mentioned areas, the AC received input from management and considered PwC's comments prior to reaching its conclusion.

Having considered PwC's comments, the AC was satisfied that the accounting treatments applied under the financial reporting standards, the significant judgement and key assumptions used in the preparation of the financial statements and conclusions reached are appropriate.

As part of the year-end reporting process, the AC reviewed external auditors' reports on accounting and financial reporting matters. There were no significant and unusual events or transactions highlighted by the management as well as external auditors during FY2022.

## 2 Going concern assessment

The AC reviewed management's analysis supporting the going concern basis of preparation. This included consideration of capital expenditure, principal risks and uncertainties, the Group's financial resources, forecast cash flows and availability of committed debt facilities. The AC also received an update from the external auditor on the results of the testing undertaken on management's analysis. As a result of the assessment undertaken, the AC satisfied itself that the going concern basis of preparation remained appropriate.

## 3 Internal audit

The Internal Audit function provides independent and objective assurance and advisory services designed to add value and improve the operations of the Group. Its scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in relation to the Group's defined goals and objectives. The AC approved the Internal Audit function's charter, which sets out its role, scope, accountability and authority.

The Head of Group Internal Audit, who is a member of the Institute of Internal Auditors (IIA) Malaysia, reports functionally to the AC, and the AC reviewed and approved the annual Internal Audit plan and budget for activities undertaken during 2022/2023. The AC considers factors such as the results of previous audits, both external and internal, the self-assessment questionnaire, system changes and the views of management. The AC also reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit function during the year.

The Group's Internal Audit Department performs routine audits and reviews all operating units within the Group, with emphasis on principal risk areas. Internal Audit Department adopts a risk-based approach towards the planning and conduct of audits, which is partly guided by the Group's Enterprise Risk Management framework. In determining the risk level, the impact of "Vision IOIPG" in contributing to the achievement of the Group's objectives and enhancing shareholders' value is taken into consideration as part of a holistic approach.

A total of fifty-five (55) audit assignments [including five (5) special audit assignments and twenty-seven (27) follow-up audit assignments] were completed during the financial year on various operating units of the Group covering the property development, property investment, and hospitality and leisure segments. Audit reports were issued to the AC and Board every quarter. Overall, no significant control issues were identified although several process and control improvements were proposed, with follow up audits scheduled where necessary.

An established system has been put in place to ensure that all remedial actions have been taken on the agreed audit issues and recommendations highlighted in the audit reports. Certain significant issues and operational matters unsatisfactorily resolved by management were highlighted to the AC and it was agreed that management would expedite the resolution of these outstanding audit issues.

At each meeting, the AC considered the results of the audits undertaken and the adequacy of management's response to matters raised, including time taken to resolve such matters. In these instances, the AC challenged management

as to what actions it was taking to minimise the chances of lapses and ensure that material findings are adequately addressed.

The tasks, responsibilities, and goals of the AC and internal auditors are closely intertwined in many ways. As such, the significance of the internal auditing and AC relationships is directly related to the magnitude of corporate accountability. The AC had met twice in their private sessions (without management presence) with the Head of Group Internal Audit during FY2022 in assuring that the mechanisms for corporate accountability were well-established and functioning as expected. The Chairman of the AC also met privately with the Head of Group Internal Audit prior to the AC meetings to allow the Chairman of the AC to gain insights into issues that would need to be highlighted or brought to the attention of the AC at its meetings.

Total costs incurred for the Internal Audit function of the Group for FY2022 was RM1,120,934 (FY2021: RM1,120,641). The marginal increase in the Internal Audit function's cost was mainly attributable to staff-related costs arising from the change of personnel during FY2022.

#### **4 Assessing the effectiveness of external audit process**

The AC places great importance on ensuring high standards of quality and effectiveness in the external audit carried out by PwC. Audit quality is reviewed by the AC throughout the year which includes reviewing and approving the annual audit plan to ensure consistency with the scope of the audit engagement.

The AC met with PwC at various stages during the audit process, including without management presence, to discuss their remit and any issues arising from the audit

to ensure they are able to operate effectively and to satisfy itself that management is responsive to their findings and recommendations. During FY2022, the AC met privately two (2) times with PwC without management presence. The AC continues to be satisfied that neither (i.e. internal auditor and external auditor) is being unduly influenced by management.

PwC's audit partners were present at the AC meetings to ensure full communication of audit related affairs and they remain fully apprised of all matters considered by the AC.

In reviewing the audit plan, the AC discussed the significant and elevated risk areas identified by PwC most likely to give rise to a material financial reporting error or those perceived to be of higher risk and requiring additional audit emphasis. The AC also considered the audit scope and materiality threshold.

The AC concluded that the effectiveness of the external audit process remains strong.

#### **5 Auditors' re-appointment review**

During FY2022, the AC assessed the effectiveness of PwC as the external auditors. As part of the assessment, the AC considered:

- Quality of planning, delivery and execution of the audit
- Quality and knowledge of the audit team
- Effectiveness of communications between management and the audit team
- Robustness of the audit, including the audit team's ability to challenge management as well as demonstrate professional scepticism and independence
- Performance evaluation and review by management

# Audit Committee Report

## (i) Auditor's effectiveness

The AC considered the quality of reports from PwC and additional insights provided by the audit team, particularly at the partner level. The AC also considered how well the external auditors assessed key accounting and audit judgements and the way they applied constructive challenge and professional scepticism in dealing with management.

The AC remains satisfied with the effectiveness of PwC based on improvements implemented following the previous year's statutory audit review, the quality of the presentations received, management commentary on the robustness of the challenge provided, their technical insights and their demonstration of a clear understanding of the Group's business and key risks.

## (ii) Independence and objectivity

The AC reviews the work undertaken by PwC and each year assesses its independence, objectivity and performance. In doing so, it takes into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services. The AC also monitors PwC's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners, as well as assessing annually its qualifications, expertise, resources and the effectiveness of the audit process, including presentations from the external auditors on their own internal quality procedures.

Under the revised By-Laws adopted by the Malaysian Institute of Accountants ("MIA") and PwC firm policy, an audit engagement partner is required to be rotated every seven (7) years

with a cooling-off period of three (3) years. Subsequently, effective from 15 December 2023, the cooling-off period will be extended to five (5) years. Moving forward, under the revised By-Laws adopted by the MIA, the audit engagement partner is required to be rotated every seven (7) years with a cooling-off period of five (5) years.

As part of the independence review process, PwC formally confirmed their independence to the AC. PwC reported to the AC that it had considered its independence in relation to the audit, and confirmed to the AC that it complies with professional requirements and that its objectivity is not compromised. The AC concluded that it continues to be satisfied with the performance of PwC and that PwC continues to be objective and independent in relation to the audit.

## (iii) Non-audit work carried out by the external auditors during the period

IOIPG's Suitability and Independence External Auditors Policy includes a clearly defined pre-approval process for non-audit services, to help protect external auditors' objectivity and independence. The provision of non-audit services which are not prohibited and approved in line with our Policy, is also reviewed to ensure that the total fees for non-audit services will not exceed the defined thresholds.

Fees paid to PwC for audit-related and non-audit services during FY2022 are set out in Note 8 to the audited financial statements.

PwC also provided in its engagement letter, the specific safeguards put in place for each piece of non-audit work confirming that it was satisfied that neither

the extent of the non-audit services provided nor the size of the fees charged had any impact on its independence as statutory auditors. The AC was satisfied with the quantum of the non-audit fees in relation to the audit fees (being approximately 43% of the total audit fees on a group basis payable to PwC Malaysia). The AC therefore concluded that the auditors' independence from the Group was not compromised. The AC was satisfied that the advisory services rendered by PwC were in circumstances where they were best qualified and suitable to provide, given their comprehensive knowledge of the Group's operations system and process.

## (iv) Audit fees

The AC was satisfied that the level of audit fees (on a group basis) payable in respect of the audit services provided by PwC Malaysia, being RM1,022,000 for FY2022 (FY2021: RM922,000) was appropriate and that an effective audit could be conducted for such a fee. The existing authority for the AC to determine the current remuneration of PwC Malaysia is derived from the shareholders' approval granted at the Company's Annual General Meeting in 2021.

## Recommendation to re-appointment

The AC concluded that the quality of the external auditor's work, and the level of challenge, knowledge and competence of the audit team, had been maintained at an appropriate standard during the year. The AC therefore recommended to the Board that a resolution to re-appoint PwC as external auditor of the Company be put to shareholders at the 2022 AGM.



## 6 Other matters considered by the AC

The AC also:

- (i) Reviewed whistleblowing activities to monitor the actions taken by the Group in respect of whistleblowing reports received.
- (ii) Reviewed the Group's compliance with the relevant provisions set out under the Malaysian Code on Corporate Governance ("CG Code") for the purpose of preparing the Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Malaysia.
- (iii) Reviewed the internal audit report relating to existing related-party transactions annually.
- (iv) Reviewed new related-party transaction.
- (v) Received the outstanding litigation cases of the Group.
- (vi) Analysed the reports and reviewed the valuation outcomes, challenging assumptions made where appropriate. In particular, the AC challenged the methodology used to incorporate the fair value adjustments into valuation of IOI Palm City Mall, Xiamen.
- (vii) Reviewed the revisions of the Whistleblowing Policy of the Group and new Terms of Reference of Whistleblowing Committee.
- (viii) Received the Transparency Report issued by PwC Malaysia.
- (ix) Reviewed tax audit update of the Group and the appropriateness of taxation provisions made in FY2022.
- (x) Reviewed the Information Technology Audit proposals.
- (xi) Discussed dynamic AC agenda for FY2022/2023.

## E ATTENDANCE

### Number of Meetings and Details of Attendance

Five (5) meetings were held during FY2022. The attendance record of each member was as follows:

Members	Total Number of Meetings	Number of Meetings Attended
Datuk Lee Say Tshin	5	5
Datuk Tan Kim Leong ( <i>Resigned on 1 December 2021</i> )	3	3
Datuk Dr Tan Kim Heung	5	5
Chan Cha Lin ( <i>Appointed on 1 December 2021</i> )	2	2

Two (2) meetings were held subsequent to the financial year end to the date of the Directors' Report and were attended by the following members:

Members	Total Number of Meetings	Number of Meetings Attended
Datuk Lee Say Tshin	2	2
Datuk Dr Tan Kim Heung	2	2
Chan Cha Lin	2	2

## F ANNUAL REVIEW AND PERFORMANCE EVALUATION

As required by its Terms of Reference, the AC conducted an annual performance evaluation in an effort to continuously improve its processes.

The Board, via the GNRC, annually reviews the terms of office and performance of the AC and its members through an effectiveness evaluation exercise. In FY2022, the evaluation of the performance of our AC was facilitated by an independent party, namely KPMG Risk Management & Risk Consulting Sdn Bhd, in line with the recommendation of the CG Code. Pursuant to the evaluation, the Board was satisfied that the AC and its members have effectively discharged their functions, duties and responsibilities in accordance to the AC's Terms of Reference.

The AC considers that it has adopted a balanced work approach during the year in terms of focus, objectives and means utilised to obtain the necessary assurance. The AC also believes that it has retained appropriate

standing within the Company and has maintained appropriate relations with management, and external auditors, while remaining independent at all times. In FY2022, the AC received the expected full support from the management, internal and external auditors of the Company, enabling it to discharge its responsibilities effectively.

### LOOKING AHEAD TO 2023

In addition to its routine business, the AC has two (2) focus areas for FY2023:

- Continuing to monitor key risk areas for the business, particularly those scheduled for review by Internal Audit including, but not limited to, operational and IT and digital transformation controls and sustainability.
- Monitoring the management of unsold inventories.

This AC Report was approved in accordance with the resolution of the Board dated 23 September 2022.

# Risk Management Committee Report

## ► The Board of IOIPG is pleased to present its report on the Risk Management Committee (“RMC”) for FY2022.

As part of establishing an effective risk management and internal control framework, the RMC was set up on 15 September 2017 to assume the role of overseeing risk management in IOIPG pursuant to step-up practice 10.3 of CG Code.

### A MEMBERS

The RMC's membership comprises three (3) members and the biography of each member of the RMC is set out in the Profile of Directors section:

#### Chan Cha Lin

**(Appointed on 1 July 2021 and redesignated on 1 December 2021)**

Chairman

*Independent Non-Executive Director*

#### Datuk Dr Tan Kim Heung

**(Redesignated on 1 December 2021)**

Member

*Independent Non-Executive Director*

#### Datuk Lee Say Tshin

Member

*Independent Non-Executive Director*

The Executive Vice Chairman, Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Chief Operating Officers and Risk Management Senior Manager are normally invited to attend the RMC meetings. There is a standing agenda item facilitating the opportunity for the Company's Risk Management Senior Manager to meet the RMC without management presence. The Company Secretary acts as secretary to the RMC.

### B SUMMARY OF KEY SCOPE OF RESPONSIBILITIES

The RMC operates under a written Terms of Reference containing provisions that address the

requirements imposed by Bursa Malaysia Securities Berhad. The full Terms of Reference of the RMC is posted on the Corporate Governance section of the Company's website at [www.ioiproperties.com.my/corporate-governance](http://www.ioiproperties.com.my/corporate-governance). It can also be obtained from the Company Secretary.

The Terms of Reference prescribe the RMC's oversight of risk management matters and its key responsibilities which include, among others, assessing the Group's approach on managing risks, processes and effectiveness of internal controls put in place to mitigate the risks effect and to achieve the desired results.

### C SUMMARY OF WORK OF THE RMC

The RMC has the responsibility of overseeing the Group's internal control and risk management methodologies. It monitors and reviews the effectiveness of the “Three-Tier of Defence” approach with the support of the Risk Management Department.

The Group's Risk Management Charter defines the role of the Risk Management Senior Manager's functional reporting relationship with the Board and RMC. It also defines the relevant scope of all risk management initiatives and documents the Risk Management Senior Manager's right of full authorised access to records, personnel and physical properties relevant to the performance of engagements.

The Group acknowledges the function of the “Three-Tier of Defence” model as a way of defining the relationship between functions and the responsibilities and accountabilities of each functional department/ Business Unit.

### Three-Tier of Defence

The model is defined as follows:

- **The 1<sup>st</sup> line of defence** functions that own and manage risk
- **The 2<sup>nd</sup> line of defence** functions that oversee or specialise in risk management and compliance
- **The 3<sup>rd</sup> line of defence** functions that provide independent assurance by Group Internal Audit

Our Risk Management Enterprise process is embedded across the Group to support the delivery of our strategic objectives and our annual risk assessment is an integral part of this process. This risk assessment incorporates a groupwide top down and bottom up evaluation to determine the likelihood of occurrence and potential impact of risks on the Group at a residual level.

The Group maintains and archives a compilation of risk registers, which contains key risks faced by the Group, including their respective likelihood, impact and the controls and procedures in place to mitigate these risks. On a periodic basis, the RMC receives the Group's key risk summary reports prepared by the Risk Management team, highlighting risk exposures and threats. This enables the RMC to assess the

appropriateness of management's action plans and ensure the Board's risk appetite threshold is not breached under any circumstances.

The RMC formally reviews its principal Group and business and supporting units risks every six (6) months (half yearly).

Our enterprise risk the RMC's annual work plan was developed from its Terms of Reference and the summary of scope of work, and the arising matters considered during FY2022 are described below.

In FY2022, subsequent to the revision of the Group's Enterprise Risk Management ("ERM") Framework and Policy in FY2021, the new risk registers had been completed and the risks review report detailing the risk summary of the respective business and supporting units, as well as the Group's top risks were tabled at the RMC Meeting held on 25 January 2022. The assessment was reviewed based on risk reports consolidated from business and supporting units to produce an overall profile of key risks for the Group. These risk reports, listing imminent and emerging risks (including climate change risk), were reviewed, amended and finalised with the RMC along with appropriate mitigation strategies to ensure the Group's operations remain resilient to any materialisation of risk(s).

While there has been no significant change in the principal risks in the last year, the Group operates in a dynamic environment where risks continue to evolve and the Group continues to develop mitigation measures to address them.

## ATTENDANCE

### Number of Meetings and Details of Attendance

Three (3) meetings were held during FY2022. The attendance record of each member was as follows:

Members	Total Number of Meetings	Number of Meetings Attended
Chan Cha Lin	3	3
Datuk Dr Tan Kim Heung	3	3
Datuk Lee Say Tshin	3	3
Tan Sri Dato' Sri Koh Kin Lip ( <i>Resigned on 30 November 2021</i> )	1	1

One (1) meeting was held subsequent to the financial year end until the date of the Directors' Report and was attended by the following members:

Members	Total Number of Meetings	Number of Meetings Attended
Chan Cha Lin	1	1
Datuk Dr Tan Kim Heung	1	1
Datuk Lee Say Tshin	1	1

In addition, the RMC also:

- deliberated the Business Continuity Management ("BCM") Framework of the Group. The revision of BCM Framework was held in abeyance as the priority focus had been given to the work on risk register which would take at least 6 months for the revision to complete;
- deliberated the proposed new risks and changes to residual risk rating; and
- conducted site visit to IOI Mall Puchong to assess the effectiveness of risk treatment plan which was affected badly by flash flood in December 2021.

The RMC works closely with business and supporting units to proactively and effectively manage significant risks that may affect the Group's operations,

reputation and financial earnings. Risk management activities are practised throughout the Group to support the RMC in its corporate governance responsibilities.



*Details relating to risk management are reported separately under the Statement on Risk Management and Internal Control on pages 164 to 169.*

## LOOKING AHEAD TO FY2023

- Reviewing the Terms of Reference of the RMC.
- Reviewing the Group's Business Continuity Management Framework.
- Continuing to embed climate considerations into our overall strategic planning and investment appraisal processes.

This RMC Report was approved in accordance with the resolution of the Board dated 23 September 2022.

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control, pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance, with the guidance from Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITIES & ACKNOWLEDGEMENT

The Board of Directors ("Board") of the Group in discharging its responsibilities, is fully committed to implementing an effective risk management and internal control system. The Board is responsible for determining the Group's risk appetite and identifying, assessing and monitoring key business risks, including climate-related risks and opportunities, in order to safeguard shareholders' investments and the Group's assets.

The risk management and internal control systems are specifically designed to manage risks that may impede the achievement of the Group's overall business objectives and strategies. However, due to inherent limitations in the risk management and internal control systems, the Board recognises that these systems are designed to manage and minimise, rather than to eliminate all the risks and hence, can only provide reasonable but not absolute assurance against fraud, material misstatement or loss.

In achieving the above, the Board has delegated these responsibilities to the Risk Management Committee ("RMC") and Audit Committee ("AC"), to ensure oversight of risk management and internal control respectively.

Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility towards the Group's risk management and internal control systems.

### 1 Risk Management Committee (RMC)

The RMC assists the Board to, among others:

- Oversee the establishment and implementation of a risk management framework and the effectiveness of risk reporting structure;
- Review the effectiveness of the risk management framework in identifying, assessing and managing risks, including climate-related risks and opportunities;
- Review and recommend risk management strategies and policies for the Board's approval.



*Please refer to the RMC Report from pages 162 to 163 of this Annual Report for more details.*

### 2 Audit Committee (AC)

The AC assists the Board to, among others:

- Fulfil its fiduciary responsibilities, particularly in the areas relating to the accounting and management controls, financial reporting and business ethics policies of the Group and its subsidiaries;
- Review the adequacy and effectiveness of enterprise risk management functions.



*Please refer to the AC Report from pages 156 to 161 of this Annual Report for more details.*

## RISK MANAGEMENT CULTURE

Both Executive Vice Chairman ("EVC") and Chief Executive Officer ("CEO") have the ultimate responsibility and accountability for ensuring that risks are managed across the Group. The EVC, CEO and the Senior Management Leadership Team provide governance leadership, agree on the strategic direction and risk appetite whilst promoting the culture of 'tone from the top', to ensure the best outcome for the Group, staff and stakeholders. They actively consider risks during strategic and tactical decision-making, alongside all levels of management, as well as determine the level of residual risks the Group is willing to accept. The Group uses a risk-based approach to manage its internal, external, operational and strategic risks, i.e. risks are managed and monitored according to the likelihood and severity of impact for each risk involved.

## RISK MANAGEMENT FRAMEWORK

The Group adopts an Enterprise Risk Management ("ERM") framework which is consistent with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers and is in line with ISO 31000 Risk Management – Principles and Guidelines, a standard relating to the implementation of risk management codified by the International Organization for Standardization.

As part of continuous improvement efforts, the Group's ERM Framework was revised in June 2021. The enhanced Framework delivers a clearer, simpler and more concise guide for effective and efficient risk management.



*Please refer to Diagram 1 on page 165 for the Risk Management Process used by the Group.*

The ERM Framework is a structured and disciplined approach aligning strategy, process, people, technology and knowledge with the purpose of evaluating and managing the risks the Group faces as it seeks to create value. In essence,

every employee is an integral part of the Group's risk management framework cutting across every single individual, ranging from executive staff to senior management and related stakeholders.

The Group is committed to promoting an organisational culture where risk management is embedded in all activities and business processes, and undertakes proactive risk management. A good understanding of the strategic and operational risks as well as opportunities, also allows the management to make informed decisions in order to achieve organisational and strategic goals.

### ERM FRAMEWORK METHODOLOGY & OBJECTIVES

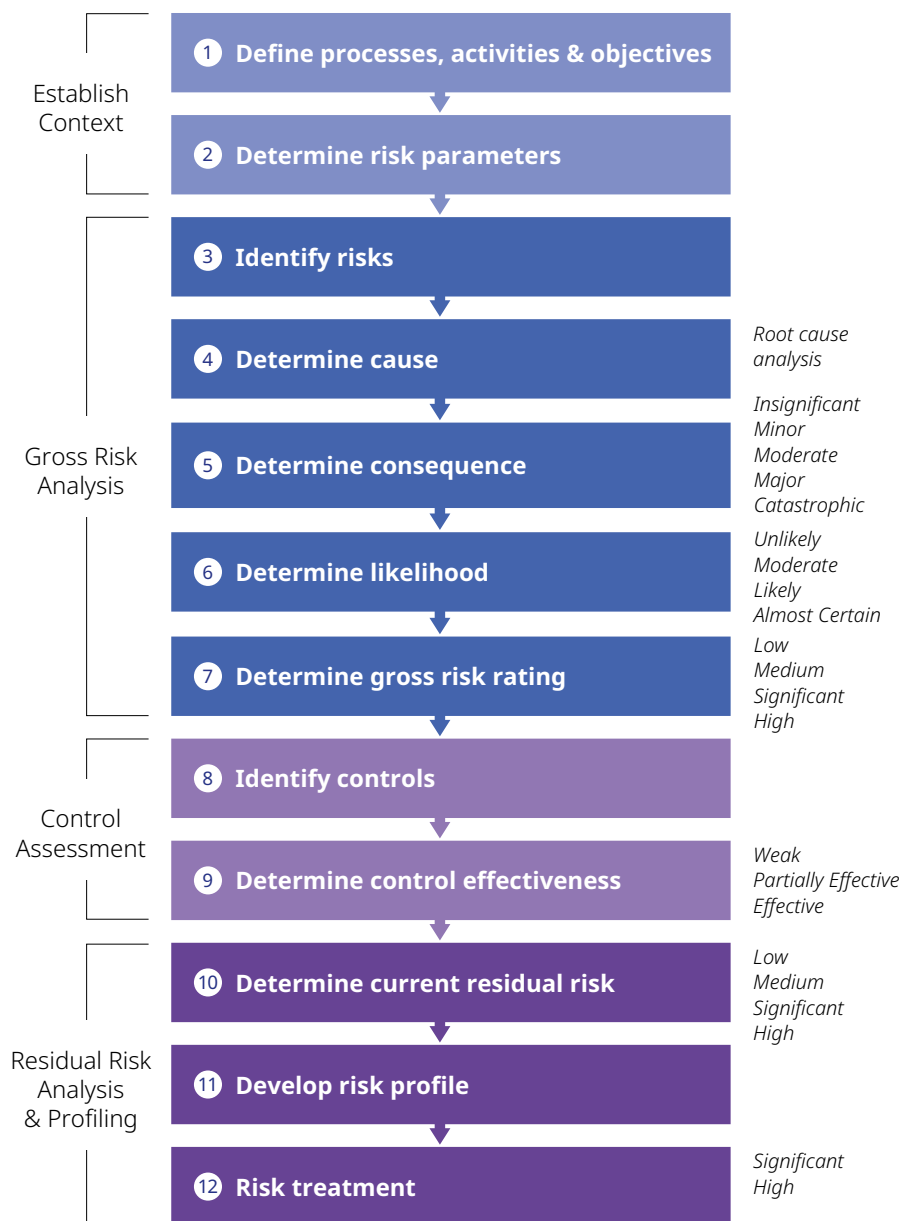
The primary objective of the ERM framework is to support the achievement of the Group's strategic objectives, safeguard the Group's resources, people, finances, property, knowledge and reputation. In realising this primary objective, the ERM framework is designed to:

- Provide a structured and consistent approach in risk identification, assessment, mitigation, monitoring and reporting;
- Assist decision makers in making sound management decisions, taking risk exposures into account, as well as leveraging opportunities;
- Generate risk profiles and reports that will be used to support and substantiate strategic decisions.



Please refer to Diagram 2 on the Risk Rating Matrix used by the Group.

**Diagram 1: Risk Management Process**



**Diagram 2: Risk Rating Matrix**

		IMPACT				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Medium	Significant	High	High	High
	Likely	Medium	Significant	Significant	High	High
	Moderate	Low	Medium	Medium	Significant	High
	Unlikely	Low	Low	Low	Medium	Significant



# Statement on Risk Management and Internal Control

- Create an environment where staff understand and assume responsibility for managing the risks they are responsible for as well as the controls to mitigate them;
- Provide relevant and timely information across clear reporting structures; and
- Provide feedback to management that sufficient internal controls are in place and are effective through the conduct of independent audit activities.

The Board conducts bi-annual reviews on the adequacy and effectiveness of the Group's ERM framework and policies, particularly in relation to the approach for risk identification, assessment, mitigation, monitoring and reporting.

Inherently, the Group's business activities expose the Group to a variety of risks, including operational and financial risks. The Group's overall risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse impact on its performance and position. The Group operates within an established ERM framework with clearly defined policies and guidelines that are approved by the Board.

## THREE-TIER DEFENSE MODEL

Under the Group's Three-Tier Defense model, the Group protects itself from threats with relevant guidelines on risk reporting and disclosure which include the following principal risks:

### 1 Health & Safety Risk

The outbreak of the COVID-19 pandemic has severely impacted national health security and employees' health and safety.

In response to this, the Group has taken swift actions to ensure that the latest Government guidelines and standard operating procedures are implemented in all business premises, and strictly followed by staff as well as external parties.

In the transition to the endemic phase, the Group remains vigilant in ensuring preventive measures and actions are continued.

### 2 Financial Risk

The Group is exposed to various financial risks such as credit risk, liquidity risk, adverse movement of interest rates risk, and foreign currency exchange fluctuations. The Group's risk management objectives and policies coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in the Group's Financial Statements.

### 3 Environmental & Climate Change Risk

Global warming, climate change and extreme weather changes have led to significant adverse impact on the environment, and could continue to threaten the health and safety of communities, flora and fauna. As the Group's operating environments are closely interlinked with the physical environment, environmental and climate change events can also pose risks and opportunities to the Group's business. As part of climate-related risks, the Group is exposed to physical risks (storms, floods and other extreme weather events) and transition risks (inability to comply with regulatory requirements and/or meet market expectations relating to climate change).

The Group's business operations are guided by its Sustainability Strategic Framework anchored on the Group's core purpose of Creating a Sustainable Future.

The Group's Sustainability Principles also include organising business strategies for long-term sustainable business growth, which take into account the opportunities arising from climate change, ensuring value creation for stakeholders and preventing further erosions to the environment in order to shape a future for the coming generations.

### 4 Operational Risk

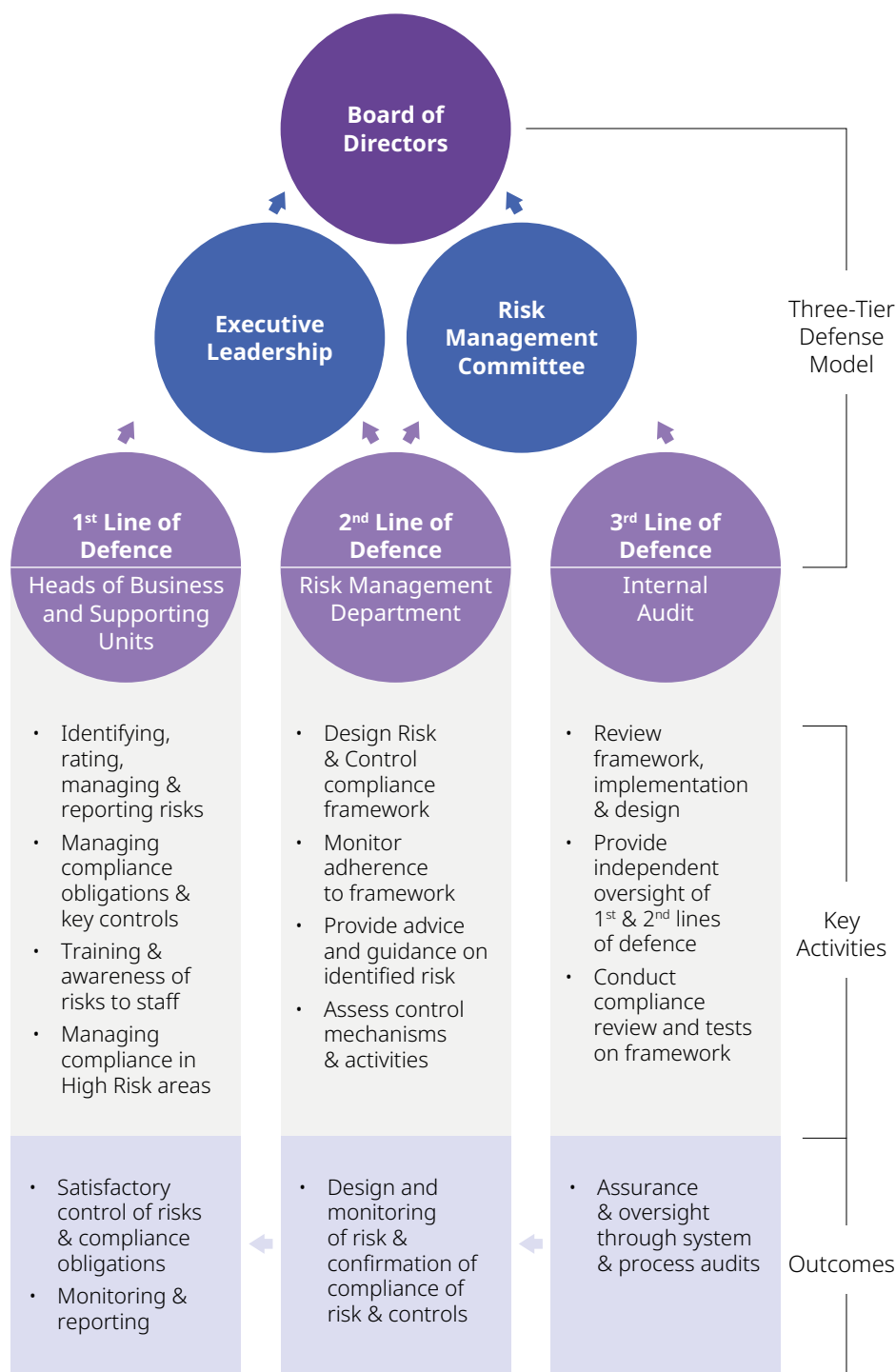
Operational risks arising from day-to-day operations, are inevitable in any business activities to achieve the Group's strategic goals. Hence, effective risk management and internal control systems, coupled with the right human capital competencies, are critical in ensuring that these risks are managed accordingly. The Group acknowledges such needs and continuously seeks to implement enhancements and improvements in order to remain resilient.

### 5 Cybersecurity Risk

With the increased reliance placed on the use of Information & Technology systems, the Group recognises the need to ensure that these systems are protected from any external threats such as system intrusions, breaches, cyber attacks, unauthorised access, malware or any other forms of threats to the Group. The Group has implemented various mitigating and recovery measures to address these cybersecurity threats.

The day-to-day operations of the Group, which include both centralised and decentralised operating models, are guided by approved policies and standard operating procedures, as well as embedded controls within the systems.

**Diagram 3:**  
**Three-Tier Defense Model**



### 1<sup>st</sup> Line of Defense – Heads of Business and Supporting Units

Each Head of Business and Supporting Unit is responsible for the ownership and management of their respective risks. They are responsible for managing the risks and maintaining effective internal controls on a day-to-day basis. Each Business and Supporting Unit naturally serves as the 1<sup>st</sup> Line of Defense because controls are specifically incorporated into their processes and systems to manage risk exposures. In addition, adequate managerial and supervisory controls are put in place to ensure compliance and highlight any deficiencies.

### 2<sup>nd</sup> Line of Defense – Risk Management Department

The Risk Management Department ("RMD") is responsible for establishing the ERM Framework, a structured and consistent risk management process and approach to be applied systematically across the Group, and to ensure that the ERM framework is operational and embedded throughout the Group. As part of monitoring and reporting processes, the RMD helps to ensure that risks are being effectively managed by the 1<sup>st</sup> Line of Defense and adequate risk-related information is reported throughout the Group.

### 3<sup>rd</sup> Line of Defense – Internal Audit

Internal Audit ("IA") provides independent assurance to the Board and senior management on the effectiveness of governance, risk management and internal controls, including the manner in which the 1<sup>st</sup> and 2<sup>nd</sup> Lines of Defense achieve the Group's objectives.

# Statement on Risk Management and Internal Control

## CONTROL ENVIRONMENT

The Group's corporate culture is embedded in its Core Values which include the following; Integrity, Quality, Innovation and Creativity, Commitment and Passion, Cost Effectiveness, People First and Teamwork.

The Group has an organisational structure that is aligned with its business and operational requirements, with clearly defined lines of responsibility and authority levels.

The Code of Conduct and Business Ethics, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy reinforces the Group's core value of Integrity by providing guidance on ethical behaviour expected of all staff in complying with laws, policies, standards and procedures. The Integrity Committee further reinforces the ethical culture within the Group.

Board committees such as the AC, RMC, Governance, Nominating and Remuneration Committee and Whistleblowing Committee are established by the Board, and empowered by the respective Terms of Reference.

The Board and Management have established standard processes for identifying, assessing and managing the key risks faced by the Group. These include periodic testing of the effectiveness and efficiency of internal control procedures as well as updating the system of internal controls when there are changes to the business environment or regulatory guidelines. These processes have been in place for the financial year ended 30 June 2022 and up to the date of approval of this Statement on Risk Management and Internal Control.

## CONTROL ACTIVITIES

Policies and procedures have been established for both Business and Supporting Units. The Group ensures that there are adequate financial and operational policies and procedures to govern the operations of the Group.

Annual business plans and operating budgets are prepared by Business and Supporting Units, which are approved by the Board. Actual performance and significant variances against budget are monitored on an ongoing basis.

The Group adopts several approaches to its control activities to ensure that a holistic coverage of threats and mitigation strategies are carried out accordingly:

- **Directive Controls** are designed to establish desired outcomes.
- **Preventive Controls** are designed to discourage errors or irregularities from occurring.
- **Detective Controls** are designed to find errors or irregularities after they have occurred.
- **Corrective Controls** are intended to limit the extent of any damage caused by an incident.
- **Transfer the risk** is intended to enable transferring of identified risks to a third party in order to reduce the impact.
- **Eliminate the risk** is applied when a risk is deemed to be reducible to an acceptable level if the activity is terminated.
- **Accept the risk** is applied when the residual risk is low.

To understand the extent to which the likelihood and impact of a risk occurring is being mitigated, the full set of controls currently in place is documented and assessed for effectiveness of design and operation.

Where controls are operated by an external third party, discussions and assessments are performed to ensure that appropriate reviews are conducted.

## INFORMATION AND COMMUNICATION PROCESSES

Communication and consultation with internal as well as external stakeholders are important elements of the risk management process. Effective communication is essential to ensure

that all stakeholders are well-informed on any decisions or actions taken, including the justifications for such actions.

The Management and the Board receive timely, relevant and reliable reports which are reviewed on a regular basis:

- The Group has put in place an Information System that captures, compiles, analyses and reports relevant data, which enables management to make sound business decisions in a timely manner.
- A Whistleblowing Policy is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner. It outlines the Group's commitment to encourage its staff and stakeholders to raise genuine concerns about possible improprieties relating to financial reporting, compliance or suspected violations of the Group's Code of Conduct and Business Ethics, and to disclose any improper conduct or other malpractices within the Group in an appropriate way.
- The Group practices a zero-tolerance approach against all forms of bribery and corruption. In line with this, an Anti-Bribery and Anti-Corruption Policy ("ABC Policy") has been established which comprises a set of key policies, procedures, standards and guidelines to address the bribery and corruption risks. The ABC Policy is designed to help recognise potential bribery and corruption issues and to guide on acceptable and unacceptable behaviours regarding bribery and corruption.



The Whistleblowing Policy, Code of Conduct and Business Ethics and Anti-Bribery and Anti-Corruption Policy can be found on the Group's website listed below: <https://www.ioiproperties.com.my/corporate-governance>

## MONITORING AND REPORTING

The Group's Policies and Procedures are reviewed and revised periodically to meet changing business environment needs while complying with regulatory requirements at the same time.

Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. In addition, regular management and operation meetings are conducted by senior management, comprising the EVC, CEO and Heads of Business and Supporting Units.

The Group's RMD reports to the CEO and the RMC, and ensures that the ERM Framework is implemented in all the Business and Supporting Units throughout the Group.

The Group's Internal Audit ("IA") function reports to the AC and is guided by an Internal Audit Charter that is approved by the Board. The IA function is responsible for monitoring compliance with the Group's Policies and Procedures, operational needs and regulatory requirements, which provides independent assurance on the effectiveness of risk management and internal control systems through regular audits and continuous assessments.

Significant audit findings and recommendations for improvements are highlighted to senior management and the AC, with periodic follow-up reviews of the implementation of corrective action plans.

## RISK REVIEW FOR FINANCIAL YEAR AND SCOPE

A review on the adequacy and effectiveness of the risk management and internal control systems has been undertaken for the financial year under review. Each business and supporting

unit, cutting across all geographic locations, comprising all personnel at various levels have been guided by the ERM framework to identify, assess, mitigate, monitor and report the risks of their respective functions.

Risk identification, assessment, mitigation and monitoring processes are carried out continuously to ensure that new risks are identified and managed accordingly. New risk exposures could be due to, but not limited to, the following:

- Changes to the strategic objectives;
- Changes in the operating landscape;
- Introduction of new laws or legislations;
- Introduction of new accounting standards, guidelines or directives;
- Changes in internal policies and procedures.

The summary of the Risk Management Process includes the following:

- Regular discussions between Business or Supporting Units and RMD on risk identification and assessment.
- These risks will be further deliberated with the Heads of Business or Supporting Units, COOs and CFO to assess risk ratings and formulate action plans to mitigate the risk exposures.
- These risks are monitored and reviewed by the respective Heads of Departments/Managers and Risk Owners on an ongoing basis and subsequently, reported to the RMC.
- In addition, identification of strategic risks is built into the business planning process to ensure that these have been taken into account during the setting of the Group's objectives.

## REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention to cause them to believe the Statement on Risk Management and Internal Control set out above is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines for Directors of Listed Issuers, nor was it factually inaccurate.

## CONCLUSION

The Board was satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board had received assurance from the CEO, COOs and CFO that the Group's risk management and internal control systems, in all material aspects, were operating adequately and effectively. For the financial year under review, despite the impact of the COVID-19 outbreak which resulted in volatile economic fluctuations across the world including Malaysia, there were no material failures or adverse compliance events that have directly resulted in any material loss to the Group as a whole. This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 23 September 2022.

# Statement of Directors' Interests

In the Company and its Related Corporations as at 30 August 2022

(Based on the Register of Directors' Shareholdings)

Name	No. of Ordinary Shares			
	Direct	%	Indirect	%
<b>The Company</b>				
Datuk Tan Kim Leong	13,125	*	80,937 <sup>1</sup>	*
Lee Yeow Seng	69,298,100	1.26	3,616,063,741 <sup>2</sup>	65.67
Dato' Lee Yeow Chor	6,837,500	0.12	3,616,455,116 <sup>3</sup>	65.68
Datuk Lee Say Tshin	–	–	125,000 <sup>4</sup>	*
Datuk Dr Tan Kim Heung	26,606,000	0.48	10,000,000 <sup>5</sup>	0.18
Lee Yoke Har	6,973,318	0.13	107,500 <sup>6</sup>	*
Chan Cha Lin	20,321,600	0.37	121,730,700 <sup>7</sup>	2.21
<b>Ultimate Holding Company</b>				
<b>Vertical Capacity Sdn Bhd</b>				
Lee Yeow Seng	662,076,993	77.5	–	–
Dato' Lee Yeow Chor	192,215,901	22.5	–	–

By virtue of Lee Yeow Seng and Dato' Lee Yeow Chor's interests in the ordinary shares of the Company and its holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and its holding company to the extent that the Company and its holding company have an interest.

Notes:

1. Deemed interested by virtue of his interest in Tan Kang Hai Holdings Sdn Berhad under Section 8 of Companies Act 2016 (the "Act") as well as shares held by his son, Tan Enk Purn under Section 59(11)(c) of the Act.
2. Deemed interested by virtue of his interest in Vertical Capacity Sdn Bhd ("VC") under Section 8 of the Act.
3. Deemed interested by virtue of his interest in VC under Section 8 of the Act and also interest in share of his spouse, Datin Joanne Wong Su-Ching under Section 59(11)(c) of the Act.
4. Deemed interested by virtue of the interest in shares of his spouse, Datin Tan Sok Ing under Section 59(11)(c) of the Act.
5. Deemed interest by virtue of the interest in shares of his family member under Section 8 of the Act.
6. Deemed interested by virtue of the interest in shares of her spouse, Lor Ching San under Section 59(11)(c) of the Act.
7. Deemed interested by virtue of his interest in Annhow Holdings Sdn Bhd under Section 8 of the Act and also interest in share of his spouse, Cheah Yoke Sim under Section 59(11)(c) of the Act.

\* Negligible



# Shareholdings of Senior Management Team

Based on the Record of Depositors as at 30 August 2022, the details of shareholdings of our senior management team are as follows:

Name	No. of Ordinary Shares			
	Direct	%	Indirect	%
1. Dato' Voon Tin Yow	–	–	–	–
2. Teh Chin Guan	–	–	–	–
3. Lim Beng Yeang	–	–	–	–
4. Melissa Tan Swee Peng	–	–	–	–
5. Tan Keng Seng	13,800	*	–	–
6. Ho Kwok Wing	–	–	–	–
7. Chung Nyuk Kiong	–	–	–	–
8. Steve Wong Wai Leong	–	–	–	–
9. Wong Peen Fook	4,800	*	–	–
10. Lee Yean Pin (Li Yanping)	29,625	*	–	–
11. Nicole Lee Chee Yiing	–	–	–	–
12. Chris Chong Voon Fooi	–	–	–	–
13. Rasheed Kumar Renoo	–	–	–	–
14. Toh Boon Chiew	–	–	–	–
15. Joanne Ang Cui Xia	1,000	*	–	–
16. Bhuvaneswary Kisnasamy	–	–	–	–
17. Kristine Ng Mee Yoke	17,500	*	–	–
18. Steven Su Chan Loong	–	–	–	–
19. Michelle Shen Yan Chao	–	–	–	–
20. Chee Ban Tuck	–	–	–	–
21. Jimmy Yee Yoke Seng	–	–	–	–

Note:

\* Negligible

# Other Information

## Material Contracts Involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 30 June 2022 or entered into since the end of the previous financial year.

## Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered by the external auditors, PricewaterhouseCoopers PLT and their affiliated companies or firms, to the Company and the Group for the financial year ended 30 June 2022 are as follows:

<b>Fees</b>	<b>Company (RM)</b>	<b>Group (RM)</b>
Audit Fees	201,000	1,235,000
Non-Audit Fees	5,000	440,000
<b>Total</b>	<b>206,000</b>	<b>1,675,000</b>

# Financial Reports

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# Directors' Report

The Directors of IOI Properties Group Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 43 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

## FINANCIAL RESULTS

The audited financial results of the Group and of the Company for the financial year ended 30 June 2022 are as follows:

	Group RM'000	Company RM'000
Profit for the financial year	688,069	396,168
Attributable to:		
Owners of the Company	686,735	396,168
Non-controlling interests	1,334	–
	688,069	396,168

## DIVIDENDS

Dividend declared and paid since the end of the previous financial year was as follows:

	Company RM'000
In respect of the financial year ended 30 June 2021:	
Interim single tier dividend of 2.0 sen per ordinary share, paid on 24 September 2021	110,123

On 23 September 2022, the Board of Directors proposed a first and final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2022 to be approved by the shareholders at the forthcoming Annual General Meeting of the Company. Based on the issued and paid-up ordinary shares of the Company as at 30 June 2022 of 5,506,145,375, the proposed first and final dividend amounts to RM220,245,815.

## ISSUE OF SHARES AND DEBENTURES

There was no issue of new shares or debentures by the Company during the financial year.

## RESERVES AND PROVISION

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the notes to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## DIRECTORS

The Directors who have held office during the financial year until the date of this report are as follows:

Datuk Tan Kim Leong  
 Lee Yeow Seng  
 Dato' Lee Yeow Chor  
 Lee Yoke Har  
 Datuk Dr Tan Kim Heung  
 Datuk Lee Say Tshin  
 Chan Cha Lin  
 Tan Sri Dato' Sri Koh Kin Lip (Resigned on 30 November 2021)

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

	As at 1 July 2021	Acquired	Disposed	As at 30 June 2022
<b>The Company</b>				
<b>Direct Interest</b>				
<i>No. of ordinary shares</i>				
Datuk Tan Kim Leong	13,125	–	–	<b>13,125</b>
Lee Yeow Seng	69,298,100	–	–	<b>69,298,100</b>
Dato' Lee Yeow Chor	6,837,500	–	–	<b>6,837,500</b>
Datuk Dr Tan Kim Heung	36,606,000	–	10,000,000	<b>26,606,000</b>
Chan Cha Lin	20,321,600	–	–	<b>20,321,600</b>
Lee Yoke Har	4,091,318	2,882,000	–	<b>6,973,318</b>
<b>Indirect Interest</b>				
<i>No. of ordinary shares</i>				
Datuk Tan Kim Leong	80,937	–	–	<b>80,937</b>
Lee Yeow Seng	3,616,063,741	–	–	<b>3,616,063,741</b>
Dato' Lee Yeow Chor	3,616,455,116	–	–	<b>3,616,455,116</b>
Datuk Lee Say Tshin	125,000	–	–	<b>125,000</b>
Chan Cha Lin	121,730,700	–	–	<b>121,730,700</b>
Lee Yoke Har	103,000	4,500	–	<b>107,500</b>
Datuk Dr Tan Kim Heung	–	10,000,000	–	<b>10,000,000</b>
<b>Ultimate Holding Company</b>				
<b>Vertical Capacity Sdn. Bhd. ("VCSB")</b>				
<b>Direct Interest</b>				
<i>No. of ordinary shares</i>				
Lee Yeow Seng	662,076,993	–	–	<b>662,076,993</b>
Dato' Lee Yeow Chor	192,215,901	–	–	<b>192,215,901</b>

By virtue of Lee Yeow Seng's and Dato' Lee Yeow Chor's interests in the ordinary shares of the Company and its ultimate holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and its ultimate holding company to the extent that the Company and its ultimate holding company have an interest.



# Directors' Report

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefits as disclosed in Note 37 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 37 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

Details of Directors' remuneration are as follows:

	Group RM'000	Company RM'000
Fees	1,280	1,280
Salaries and bonuses	13,505	116
Defined contribution plan	1,449	–
Estimated monetary value of benefits-in-kind	241	–
	16,475	1,396

## INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The total amount of indemnity coverage and insurance premium paid by the Company for the financial year ended 30 June 2022 amounted to RM50,000,000 and RM75,000 respectively.

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

As at the date of this report, the Directors are not aware of any circumstances:

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

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

As at the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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 Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

## OTHER STATUTORY INFORMATION

As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

## DIFFERENT FINANCIAL YEAR END OF SUBSIDIARIES

Due to local requirements of the following seven (7) indirect subsidiaries ("Foreign Subsidiaries") of the Company, the Foreign Subsidiaries are adopting 31 December as their statutory financial year end, which do not coincide with that of its holding company of the Foreign Subsidiaries.

- (a) Subsidiaries of IOI Properties Berhad, which in turn, is a 99.9% owned subsidiary of the Company:
  1. IOI (Xiamen) Business Management Co. Ltd.;
  2. IOI (Xiamen) Properties Co. Ltd.;
  3. Xiamen Double Prosperous Real Estate Development Co. Ltd.;
  4. Xiamen Palm City Management Services Co. Ltd.;
  5. Xiamen Palm Kaiyue Real Estate Development Co. Ltd.; and
  6. Xiamen Palm City Sports Technology Co. Ltd.
- (b) Subsidiary of Premier Landmark Limited, which in turn, is a wholly-owned subsidiary of the Company:
  1. Shenzhen IOI Property Development Co. Ltd.

The Directors of IOI Properties Berhad and the Company have been granted approvals under Section 247(3) of the Companies Act 2016 by the Companies Commission of Malaysia for the Foreign Subsidiaries to have different financial year end from that of IOI Properties Berhad and the Company for the financial year ended 30 June 2022.

# Directors' Report

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 41 to the financial statements.

## AUDIT COMMITTEE

The Directors who serve as members of the Audit Committee are as follows:

Datuk Lee Say Tshin (Chairman)  
Datuk Dr Tan Kim Heung  
Chan Cha Lin (Appointed on 1 December 2021)  
Datuk Tan Kim Leong (Resigned on 1 December 2021)

## RISK MANAGEMENT COMMITTEE

The Directors who serve as members of the Risk Management Committee are as follows:

Chan Cha Lin (Chairman) (Redesignated on 1 December 2021)  
Datuk Dr Tan Kim Heung (Redesignated on 1 December 2021)  
Datuk Lee Say Tshin  
Tan Sri Dato' Sri Koh Kin Lip (Resigned on 30 November 2021)

## GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE

The Directors who serve as members of the Governance, Nominating and Remuneration Committee are as follows:

Datuk Dr Tan Kim Heung (Chairman) (Redesignated on 1 December 2021)  
Datuk Lee Say Tshin (Appointed on 1 December 2021)  
Chan Cha Lin (Appointed on 1 December 2021)  
Datuk Tan Kim Leong (Resigned on 1 December 2021)  
Tan Sri Dato' Sri Koh Kin Lip (Resigned on 30 November 2021)

## WHISTLEBLOWING COMMITTEE

Whistleblowing Committee was established on 25 February 2022. The Directors who serve as members of the Whistleblowing Committee are as follows:

Dato' Lee Yeow Chor (Chairman)  
Datuk Dr Tan Kim Heung  
Chan Cha Lin

## ULTIMATE HOLDING COMPANY

The ultimate holding company is Vertical Capacity Sdn. Bhd., a company incorporated in Malaysia.

## LIST OF DIRECTORS OF SUBSIDIARIES

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

Chia Yi Li	Lim Beng Yeang
Chong Voon Fooi	Lim Cheok Leng
Chung Nyuk Kiong	Masaya Ohta
Dato' Lee Yeow Chor	Por Seng Guan^
Dato' Voon Tin Yow	Shen Yan Chao
Ho Kwok Wing	Tan Keng Seng
Hsieh Yu-Ting	Tan Kun Sin
Lee Beng Hong	Tan Swee Peng*
Lee Cheng Leang	Teah Chin Guan @ Teh Chin Guan
Lee Yean Ping (Li YanPing)	Wong Peen Fook
Lee Yeow Seng	Wong Wai Leong
Lee Yoke Har^	Yuki Hikasa
Lee Yoke Hui	Zheng Wen Liang

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

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

## SUBSIDIARIES

Details of subsidiaries are set out in Note 43 to the financial statements.

## AUDITORS' REMUNERATION

Details of auditors' remuneration are as follows:

	Group RM'000	Company RM'000
PricewaterhouseCoopers PLT	1,022	201
Member firms of PricewaterhouseCoopers International Limited	213	–
Firms other than member firms of PricewaterhouseCoopers International Limited	140	–

## AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

### LEE YEOW SENG

Director

23 September 2022

### LEE YOKE HAR

Director

# Statements of Profit or Loss

For the Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Revenue</b>	7	<b>2,590,332</b>	2,488,611	<b>368,878</b>	140,297
Cost of sales		<b>(1,517,084)</b>	(1,412,179)	-	-
<b>Gross profit</b>		<b>1,073,248</b>	1,076,432	<b>368,878</b>	140,297
Other operating income		<b>222,292</b>	64,711	<b>37,373</b>	6,377
Marketing and selling expenses		<b>(60,745)</b>	(46,960)	<b>(19)</b>	(23)
Administration expenses		<b>(179,122)</b>	(155,961)	<b>(3,803)</b>	(3,793)
Other operating expenses		<b>(138,137)</b>	(224,034)	<b>(874)</b>	(5,536)
<b>Operating profit</b>	8	<b>917,536</b>	714,188	<b>401,555</b>	137,322
Share of result of an associate		<b>2,124</b>	34,973	-	-
Share of results of joint ventures		<b>164,741</b>	249,581	-	-
<b>Profit before interest and taxation</b>		<b>1,084,401</b>	998,742	<b>401,555</b>	137,322
Interest income	10	<b>42,962</b>	34,729	<b>5,670</b>	10,028
Interest expense	11	<b>(34,602)</b>	(300)	<b>(15,456)</b>	(21,265)
Net foreign currency translation gain/(loss) on:					
– borrowings		<b>4,273</b>	46,122	-	-
– deposits		<b>5,739</b>	(1,293)	<b>4,709</b>	(1,418)
<b>Profit before taxation</b>		<b>1,102,773</b>	1,078,000	<b>396,478</b>	124,667
Taxation	12	<b>(414,704)</b>	(414,687)	<b>(310)</b>	(1,119)
<b>Profit for the financial year</b>		<b>688,069</b>	663,313	<b>396,168</b>	123,548
<b>Profit attributable to:</b>					
Owners of the Company		<b>686,735</b>	660,209	<b>396,168</b>	123,548
Non-controlling interests		<b>1,334</b>	3,104	-	-
		<b>688,069</b>	663,313	<b>396,168</b>	123,548
<b>Earnings per ordinary share attributable to owners of the Company</b>					
Basic earnings per share (sen)	13	<b>12.47</b>	11.99		
Diluted earnings per share (sen)	13	<b>12.47</b>	11.99		

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



# Statements of Comprehensive Income

For the Financial Year Ended 30 June 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Profit for the financial year</b>	<b>688,069</b>	663,313	<b>396,168</b>	123,548
Other comprehensive income that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	<b>186,662</b>	106,908	-	-
Net change in cash flow hedge reserve	<b>131,154</b>	91,662	-	1,075
<b>Other comprehensive income for the financial year</b>	<b>317,816</b>	198,570	-	1,075
<b>Total comprehensive income for the financial year</b>	<b>1,005,885</b>	861,883	<b>396,168</b>	124,623
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<b>1,004,366</b>	858,743	<b>396,168</b>	124,623
Non-controlling interests	<b>1,519</b>	3,140	-	-
	<b>1,005,885</b>	861,883	<b>396,168</b>	124,623

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

# Statements of Financial Position

As at 30 June 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	15	<b>3,054,120</b>	1,530,672	-	-
Land held for property development	16	<b>9,076,819</b>	5,170,325	-	-
Investment properties	17	<b>15,778,422</b>	14,895,545	-	-
Goodwill on consolidation	18	<b>11,472</b>	11,472	-	-
Investment in subsidiaries	19	-	-	<b>19,089,783</b>	18,884,673
Interest in an associate	20	<b>53,673</b>	51,549	-	-
Interests in joint ventures	21	<b>4,390,152</b>	4,434,207	-	-
Deferred tax assets	22	<b>197,614</b>	209,016	-	-
		<b>32,562,272</b>	26,302,786	<b>19,089,783</b>	18,884,673
<b>Current Assets</b>					
Property development costs	23	<b>568,462</b>	2,223,706	-	-
Inventories	24	<b>3,051,666</b>	2,412,152	-	-
Derivative financial assets	34	<b>7,785</b>	-	-	-
Trade and other receivables	25	<b>723,214</b>	412,495	<b>318</b>	15,640
Contract assets	26	<b>177,756</b>	162,723	-	-
Amounts due from subsidiaries	19	-	-	<b>544</b>	5
Amount due from a joint venture	21	-	23,369	-	-
Current tax assets		<b>59,130</b>	47,467	<b>23,225</b>	23,416
Short term funds	27	<b>735,444</b>	263,698	-	263,698
Deposits with financial institutions	28	<b>510,576</b>	277,082	<b>186,732</b>	100,695
Cash and bank balances	29	<b>1,105,064</b>	1,307,428	<b>341,806</b>	91,861
		<b>6,939,097</b>	7,130,120	<b>552,625</b>	495,315
<b>TOTAL ASSETS</b>		<b>39,501,369</b>	33,432,906	<b>19,642,408</b>	19,379,988

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

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	30	<b>18,514,233</b>	18,514,233	<b>18,514,233</b>	18,514,233
Reserves	31	<b>145,885</b>	(171,746)	–	–
Retained earnings		<b>10,232,646</b>	9,656,034	<b>747,977</b>	461,932
Reorganisation debit balance		<b>(8,440,152)</b>	(8,440,152)	–	–
Equity attributable to owners of the Company		<b>20,452,612</b>	19,558,369	<b>19,262,210</b>	18,976,165
Non-controlling interests	19	<b>157,958</b>	160,339	–	–
<b>TOTAL EQUITY</b>		<b>20,610,570</b>	19,718,708	<b>19,262,210</b>	18,976,165
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Borrowings	32	<b>3,330,735</b>	10,676,108	–	–
Lease liabilities	33	<b>1,882</b>	740	–	–
Derivative financial liabilities	34	–	45,426	–	–
Trade and other payables	35	<b>55,936</b>	38,903	–	–
Deferred tax liabilities	22	<b>668,428</b>	662,264	–	–
Amount due to a subsidiary	19	–	–	<b>12,582</b>	99,742
		<b>4,056,981</b>	11,423,441	<b>12,582</b>	99,742
<b>Current Liabilities</b>					
Borrowings	32	<b>13,485,923</b>	334,003	–	–
Lease liabilities	33	<b>1,257</b>	1,629	–	–
Derivative financial liabilities	34	–	81,534	–	–
Trade and other payables	35	<b>1,116,533</b>	1,080,865	<b>964</b>	925
Contract liabilities	26	<b>101,999</b>	186,682	–	–
Amounts due to subsidiaries	19	–	–	<b>366,652</b>	303,156
Current tax liabilities		<b>128,106</b>	606,044	–	–
		<b>14,833,818</b>	2,290,757	<b>367,616</b>	304,081
<b>TOTAL LIABILITIES</b>		<b>18,890,799</b>	13,714,198	<b>380,198</b>	403,823
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,501,369</b>	33,432,906	<b>19,642,408</b>	19,379,988

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

# Statements of Changes in Equity

For the Financial Year Ended 30 June 2022

Group	Attributable to owners of the Company							Total equity RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Cash flow hedge reserve RM'000	Reorganisation debit balance RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
As at 1 July 2021	18,514,233	(51,088)	(120,658)	(8,440,152)	9,656,034	19,558,369	160,339	19,718,708
Profit for the financial year	-	-	-	-	686,735	686,735	1,334	688,069
Exchange differences on translation of foreign operation	-	186,479	-	-	-	186,479	183	186,662
Net change in cash flow hedge (Note 31.2)	-	-	131,152	-	-	131,152	2	131,154
Total comprehensive income	-	186,479	131,152	-	686,735	1,004,366	1,519	1,005,885
Changes in equity interests in subsidiaries	-	-	-	-	-	-	(411)	(411)
Dividend paid (Note 14)	-	-	-	-	(110,123)	(110,123)	(3,489)	(113,612)
Total transactions with owners	-	-	-	-	(110,123)	(110,123)	(3,900)	(114,023)
<b>As at 30 June 2022</b>	<b>18,514,233</b>	<b>135,391</b>	<b>10,494</b>	<b>(8,440,152)</b>	<b>10,232,646</b>	<b>20,452,612</b>	<b>157,958</b>	<b>20,610,570</b>
As at 1 July 2020	18,514,233	(157,968)	(212,312)	(8,440,152)	9,078,417	18,782,218	155,401	18,937,619
Profit for the financial year	-	-	-	-	660,209	660,209	3,104	663,313
Exchange differences on translation of foreign operation	-	106,880	-	-	-	106,880	28	106,908
Net change in cash flow hedge (Note 31.2)	-	-	91,654	-	-	91,654	8	91,662
Total comprehensive income	-	106,880	91,654	-	660,209	858,743	3,140	861,883
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	17,485	17,485
Changes in equity interests in a subsidiary	-	-	-	-	-	-	(10,091)	(10,091)
Dividend paid (Note 14)	-	-	-	-	(82,592)	(82,592)	(5,596)	(88,188)
Total transactions with owners	-	-	-	-	(82,592)	(82,592)	1,798	(80,794)
<b>As at 30 June 2021</b>	<b>18,514,233</b>	<b>(51,088)</b>	<b>(120,658)</b>	<b>(8,440,152)</b>	<b>9,656,034</b>	<b>19,558,369</b>	<b>160,339</b>	<b>19,718,708</b>

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

Company	Attributable to owners of the Company			
	Share capital RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 July 2021	<b>18,514,233</b>	-	<b>461,932</b>	<b>18,976,165</b>
Profit for the financial year/Total comprehensive income	-	-	<b>396,168</b>	<b>396,168</b>
Dividend paid (Note 14)	-	-	<b>(110,123)</b>	<b>(110,123)</b>
Total transactions with owners	-	-	<b>(110,123)</b>	<b>(110,123)</b>
<b>As at 30 June 2022</b>	<b>18,514,233</b>	-	<b>747,977</b>	<b>19,262,210</b>
As at 1 July 2020	18,514,233	(1,075)	420,976	18,934,134
Profit for the financial year	-	-	123,548	123,548
Net change in cash flow hedge (Note 31.2)	-	1,075	-	1,075
Total comprehensive income	-	1,075	123,548	124,623
Dividend paid (Note 14)	-	-	(82,592)	(82,592)
Total transactions with owners	-	-	(82,592)	(82,592)
<b>As at 30 June 2021</b>	<b>18,514,233</b>	-	<b>461,932</b>	<b>18,976,165</b>

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



# Statements of Cash Flows

For the Financial Year Ended 30 June 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before taxation		<b>1,102,773</b>	1,078,000	<b>396,478</b>	124,667
Adjustments for:					
Bad debts written off		<b>63</b>	635	-	-
Depreciation of property, plant and equipment	15	<b>49,742</b>	42,464	-	-
Dividend income	7	-	-	<b>(368,878)</b>	(140,297)
Fair value (gain)/loss on investment properties	17	<b>(48,924)</b>	71,061	-	-
(Gain)/Loss on:					
- disposal of a subsidiary		<b>(85,982)</b>	-	-	-
- disposal of property, plant and equipment		<b>(68)</b>	(140)	-	-
- disposal of investment properties		-	88	-	-
- redemption of redeemable preference shares in subsidiaries		-	-	<b>(27,425)</b>	(2,978)
- subscription of redeemable preference shares in subsidiaries		-	-	<b>(4,546)</b>	(2,590)
Impairment losses on:					
- receivables		<b>3,585</b>	3,935	-	-
- interests in subsidiaries		-	-	-	5,333
Interest expense	11	<b>34,602</b>	300	<b>15,456</b>	21,265
Interest income	10	<b>(42,962)</b>	(34,729)	<b>(5,670)</b>	(10,028)
Property development costs written down	23	<b>171,215</b>	108,852	-	-
Property, plant and equipment written off	15	<b>94</b>	16	-	-
Reversal of impairment losses on receivables		<b>(2,297)</b>	(776)	-	-
Share of result of an associate		<b>(2,124)</b>	(34,973)	-	-
Share of results of joint ventures		<b>(164,741)</b>	(249,581)	-	-
Net foreign currency translations (gain)/loss		<b>(5,170)</b>	(45,128)	<b>866</b>	18
Operating profit/(loss) before working capital changes		<b>1,009,806</b>	940,024	<b>6,281</b>	(4,610)

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

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>					
Operating profit/(loss) before working capital changes (continued)		<b>1,009,806</b>	940,024	<b>6,281</b>	(4,610)
Changes in working capital:					
– Property development costs		<b>(15,312)</b>	170,857	–	–
– Inventories		<b>942,184</b>	422,891	–	–
– Contract assets		<b>(15,033)</b>	57,536	–	–
– Trade and other receivables		<b>(301,766)</b>	(12,895)	<b>15,577</b>	(15,566)
– Contract liabilities		<b>(84,683)</b>	(161,414)	–	–
– Trade and other payables		<b>52,684</b>	(21,520)	<b>39</b>	(9)
Cash generated from/(used in) operations		<b>1,587,880</b>	1,395,479	<b>21,897</b>	(20,185)
Tax paid		<b>(922,137)</b>	(379,577)	<b>(120)</b>	(385)
Tax refunded		<b>28,550</b>	2,850	–	6
<b>Net cash from/(used in) operating activities</b>		<b>694,293</b>	1,018,752	<b>21,777</b>	(20,564)

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

# Statements of Cash Flows

For the Financial Year Ended 30 June 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Deposit received from disposal of a subsidiary		-	7,902	-	-
Dividends received		-	45,109	368,878	140,297
Interest received		33,600	28,405	5,415	10,190
Proceeds from disposal of:					
- investment properties		-	1,092	-	-
- property, plant and equipment		168	304	-	-
- a subsidiary		101,592	-	-	-
Additional investments in subsidiaries		-	-	(341,873)	(202,872)
Redemption of redeemable preference shares of a joint venture		194,309	163,070	-	-
Redemption of redeemable preference shares of subsidiaries		-	-	217,222	238,860
Redemption of cumulative redeemable preference shares of an associate		-	47,838	-	-
Repayment from joint ventures		180,952	34,817	-	-
Repayment to non-controlling interests in a subsidiary		(2,157)	-	-	-
Additions to:					
- property, plant and equipment	15.2	(1,521,967)	(123,108)	-	-
- land held for property development		(3,788,663)	(61,543)	-	-
- investment properties		(406,476)	(431,267)	-	-
Equity contribution to subsidiaries		-	-	-	(59,216)
Advances to joint venture		(37,467)	-	-	-
Advances to subsidiaries		-	-	(823)	(5)
Repayments from subsidiaries		-	-	284	232,853
<b>Net cash (used in)/generated from investing activities</b>		<b>(5,246,109)</b>	<b>(287,381)</b>	<b>249,103</b>	<b>360,107</b>

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

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Consideration paid for acquisition of additional shares from non-controlling interests		-	(10,091)	-	-
Advances from subsidiaries		-	-	<b>886,041</b>	527,194
Payment of lease interest		<b>(84)</b>	(113)	-	-
Payment of lease liabilities		<b>(1,682)</b>	(1,714)	-	-
Interest paid		<b>(375,273)</b>	(337,093)	<b>(15,921)</b>	(20,217)
Dividend paid	14	<b>(110,123)</b>	(82,592)	<b>(110,123)</b>	(82,592)
Dividend paid to non-controlling interests		<b>(3,489)</b>	(5,596)	-	-
Banking facilities fees paid		<b>(16,599)</b>	(5,493)	-	-
Drawdown of borrowings		<b>5,900,661</b>	605,029	-	-
Repayment of borrowings		<b>(357,297)</b>	(577,516)	-	(225,000)
Proceeds from issuance of preference shares to non-controlling interests in subsidiaries		<b>1,746</b>	17,485	-	-
Repayment to subsidiaries		-	-	<b>(958,593)</b>	(572,830)
<b>Net cash generated from/(used in) financing activities</b>		<b>5,037,860</b>	(397,694)	<b>(198,596)</b>	(373,445)
Net increase/(decrease) in cash and cash equivalents		<b>486,044</b>	333,677	<b>72,284</b>	(33,902)
Cash and cash equivalents at beginning of financial year		<b>1,848,208</b>	1,471,985	<b>456,254</b>	490,156
Effect of exchange rate changes		<b>16,832</b>	42,546	-	-
<b>Cash and cash equivalents at end of financial year</b>	36	<b>2,351,084</b>	1,848,208	<b>528,538</b>	456,254

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

# Statements of Cash Flows

For the Financial Year Ended 30 June 2022

## RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

A reconciliation between the opening and closing balance in the financial position for liabilities arising from financing activities is as follows:

Group	Lease liabilities RM'000	Borrowings RM'000
At 1 July 2021	2,369	11,010,111
<b>Cash flows:</b>		
Drawdown of borrowings	-	5,900,661
Repayment	-	(357,297)
Banking facilities fees paid	-	(16,599)
Interest paid	-	(375,273)
Payment of lease interest	(84)	-
Payment of lease liabilities	(1,682)	-
<b>Non-cash changes:</b>		
Foreign currency translation differences	45	251,800
Interest expense capitalised	-	343,785
Banking facilities fee capitalised	-	24,952
Interest expense	84	34,316
Amortisation of facilities fees	-	202
New leases (Note 15.2)	2,407	-
<b>At 30 June 2022</b>	<b>3,139</b>	<b>16,816,658</b>
At 1 July 2020	3,490	10,895,176
<b>Cash flows:</b>		
Drawdown of borrowings	-	605,029
Repayment	-	(577,516)
Banking facilities fees paid	-	(5,493)
Interest paid	-	(337,093)
Payment of lease interest	(113)	-
Payment of lease liabilities	(1,714)	-
<b>Non-cash changes:</b>		
Foreign currency translation differences	20	81,209
Interest expense capitalised	-	334,758
Banking facilities fee capitalised	-	14,007
Interest expense	113	120
Amortisation of facilities fees	-	67
New leases (Note 15.2)	573	-
Others	-	(153)
<b>At 30 June 2021</b>	<b>2,369</b>	<b>11,010,111</b>

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



**RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES: (CONTINUED)**

A reconciliation between the opening and closing balance in the financial position for liabilities arising from financing activities is as follows: (continued)

<b>Company</b>	<b>Borrowings RM'000</b>	<b>Amounts due to subsidiaries RM'000</b>
At 1 July 2021	–	<b>402,898</b>
<b>Cash flows:</b>		
Advances from subsidiaries	–	<b>886,041</b>
Repayment to subsidiaries	–	<b>(958,593)</b>
Interest paid	–	<b>(15,921)</b>
<b>Non-cash changes:</b>		
Foreign currency translation differences	–	<b>866</b>
Interest expense	–	<b>15,456</b>
Equity contribution	–	<b>48,487</b>
<b>At 30 June 2022</b>	<b>–</b>	<b>379,234</b>
At 1 July 2020	224,571	426,467
<b>Cash flows:</b>		
Advances from subsidiaries	–	527,194
Repayment to subsidiaries	–	(572,830)
Repayment	(225,000)	–
Interest paid	(8,124)	(12,093)
<b>Non-cash changes:</b>		
Foreign currency translation differences	–	18
Interest expense	6,442	14,823
Equity contribution	–	19,319
Others	2,111	–
<b>At 30 June 2021</b>	<b>–</b>	<b>402,898</b>

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

# Notes to the Financial Statements

30 June 2022

## 1 CORPORATE INFORMATION

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

Both the registered office and principal place of business of the Company are located at Level 29, IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia.

The immediate and ultimate holding company is Vertical Capacity Sdn. Bhd., which is incorporated in Malaysia.

## 2 PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 43 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

## 3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 3.1 Basis of preparation

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

As at 30 June 2022, the Group's current liabilities exceeded its current assets by RM7,894,721,000 due to the classification of borrowings as current liabilities as the repayment is done within 12 months from the end of the current financial year.

In order to meet the repayment obligation in the next 12 months from the end of the current financial year, the Group has put in place certain financing plans as disclosed in Note 39.4.

Based on this, the Directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements.

### 3.2 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may 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 5 to the financial statements.

### 3.3 Presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all financial information presented in RM are rounded to the nearest thousand (RM'000), except where otherwise stated.

## 4 ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

### 4.1 Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 July 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16 'Interest Rate Benchmark Reform Phased 2'
- Amendments to MFRS 16 Leases – COVID-19 Related Rent Concessions beyond 30 June 2021

The adoption of these amendments to MFRSs did not have any significant impact to the Group's and the Company's results and financial position.

#### Inter-bank offered rate (IBOR) reform

There were no changes to the contractual cash flows of the IBOR-linked contracts in previous financial year, the Group and the Company adopted the Phase 2 amendments in the current financial statements because the Phase 2 amendments are effective for annual periods beginning on or after 1 July 2021. However, there is no impact arising from IBOR reform as the interest rate swap contract and the borrowings expired prior to the implementation of the new interest rate benchmark.

### 4.2 New MFRSs that have been issued but not yet effective and applicable to the Group and to the Company

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 July 2022. None of these is expected to have a significant effect on the financial statements of the Group and of the Company.

Effective for financial periods beginning on or after 1 July 2022:

- Amendments to MFRS 3 'Reference to Conceptual Framework'
- Amendments to Annual Improvements to MFRS Standards 2018 – 2020
- Amendments to MFRS 17 'Insurance Contracts'
- Amendments to MFRS 101 "Classification of liabilities as current or non-current"
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 116 "Proceeds before Intended Use"
- Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract"
- Annual Improvements to MFRS 141 "Taxation in Fair Value Measurements"
- Amendments to MFRS 101 and MFRS Practice Statement 2

# Notes to the Financial Statements

30 June 2022

## 5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates that 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:

### 5.1 Revenue and cost recognition from property development activities

Revenue is recognised as and when the control of the asset is transferred to the customers and it is probable that the Group will collect the consideration to which the Group will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time depending on the terms of the contract and the applicable laws governing the contract.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on actual costs certified by professional consultants as a percentage of total estimated costs.

Significant judgement is required in determining the total estimated costs. Substantial changes in cost estimates may affect the profitability of the respective property development projects. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the recognition of revenue and costs from the property development activities.

In making the judgements, the Group and the Company rely on its industry knowledge, past experience and work of specialist.

### 5.2 Taxation and deferred tax assets

The Group is subject to income taxes of different jurisdictions. Significant judgement is required in determining the estimated taxable income, capital allowances and deductibility of certain expenses based on the interpretation of the tax laws and legislations during the estimation of the provision for income taxes. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due or payable. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made. An increase or decrease in the final tax outcome would result in lower or higher profits respectively for the Group.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit would be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based upon the likely timing and level of future taxable profits.

### 5.3 Capitalisation of borrowing costs

The Group capitalises borrowing costs and ceases the capitalisation of the borrowing costs as disclosed in the accounting policy in Note 6.13.2.

Significant judgement is involved in determining whether the development activities carried out meet the criteria for capitalisation of borrowing costs and, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development phases.

### 5.4 Fair value of investment properties

The valuations of the Group's completed investment properties were performed by independent external valuers.

There are complexities in determining the fair value of the completed investment properties, which involve significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied. The list of significant unobservable inputs and its sensitivity analysis are disclosed in Note 17 to the financial statements.

## 5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### 5.5 Property development cost

Property development cost is stated at lower of cost and net realisable value. The Group recognised property development costs written down when the net realisable value is lower than the cost. Significant judgement is required in determining the net realisable value, as it includes estimating selling prices by reference to recent signed sales and purchase agreements, net of discounts for completed units. In making judgements, the Group relies on its industry knowledge, past experience and work of specialist.

During the financial year, the Group recognised a write-down on property development costs amounting to RM171,215,000 (2021: RM108,852,000) to their net realisable values which were based on the latest approved selling prices by the relevant authority in Xiamen. An increase or decrease in the net realisable value will result in lower or higher profits respectively for the Group.

## 6 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group's entities, unless otherwise stated.

### 6.1 Basis of consolidation

#### 6.1.1 Subsidiaries

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

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (see Note 6.4 on goodwill).

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in profit or loss.

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 profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

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

Non-controlling interests in the results and equity of non-wholly owned subsidiaries are presented separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.



# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.1 Basis of consolidation (continued)

#### 6.1.2 Changes in ownership interests in subsidiaries without change of control

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

#### 6.1.3 Disposal of subsidiaries

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

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

#### 6.1.4 Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost inclusive of goodwill, if any, and adjusted thereafter to recognise the Group's share of the post-acquisition results and other changes in the net assets of the joint venture based on their latest audited financial statements. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of joint ventures used by the Group in applying the equity method to ensure consistency of accounting policies with those of the Group. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.1 Basis of consolidation (continued)

#### 6.1.5 Associates

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

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

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

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

#### 6.1.6 Investments in subsidiaries, joint ventures and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries, joint ventures and associates of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's net investments in the respective investees.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.2 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 6.13.2 on borrowing costs).

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

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

Golf course development expenditure	2%
Plantation expenditure	4% - 8%
Buildings and improvements	2% - 10%
Plant and machinery	4% - 20%
Motor vehicles	10% - 20%
Furniture, fittings and equipment	5% - 33%

Assets under construction are only depreciated when the assets are ready for their intended use.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 6.5 on impairment of non-financial assets.

Gain and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in profit or loss.

### 6.3 Investment properties

Investment properties, comprising principally freehold land, leasehold land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier. Investment properties under construction is measured at cost on the basis that the fair value of the work in progress building is unable to be reliably measured given the range of estimates involved during the construction phase, including the term yield, reversion yield and price per sq foot. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

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

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

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.3 Investment properties (continued)

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying amount immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

If a property undergoes a change in use and becomes an investment property, any difference resulting between the carrying amount of the property and the fair value of such investment property at the date of transfer is recognised in accordance with the applicable MFRS. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

### 6.4 Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually and whenever there is an indication that it might be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### 6.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the non-financial 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 purposes of impairment testing, cash generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Impairment loss on goodwill is not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.6 Leases

#### (a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") assets and a corresponding liability at the date on which the leased assets are available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

#### Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is 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; and
- any initial direct costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and accumulated impairment. The ROU assets are generally depreciated over the shorter of the lease term on a straight-line basis.

The lease term of the right-of-use assets are determined as follows:

Leasehold land	40 - 99 years
Buildings and improvements	1 - 6 years
Plant and machinery	2 - 4 years

If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group presents ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented within property, plant and equipment in the statement of financial position.

The Group applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Group (refer to Note 6.3 on investment properties).



## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.6 Leases (continued)

#### (a) Accounting by lessee (continued)

##### Lease liabilities

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents the lease liabilities as a separate line item in the statement of financial position. Finance cost on the lease liability is presented within the interest expense in profit or loss.

##### Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

##### Short term leases and leases of low value assets

Short term leases are leases with a lease term of 12 months or less. Low value assets comprise office equipment and office furniture. All short term leases and low value assets are recognised on a straight-line basis as an expense in profit or loss.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.6 Leases (continued)

#### (b) Accounting by lessor

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

#### Finance leases

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

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 6.22 on impairment of financial assets and financial guarantee contracts). In addition, the Group reviews regularly the estimated unguaranteed residual value.

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

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

#### Operating leases

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

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.7 Inventories

#### 6.7.1 Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is carried at the lower of cost and net realisable value.

The cost of land held for property development consists of cost associated with the acquisition of land. These costs include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

#### 6.7.2 Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statement of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the asset is transferred to the customer.

Property development cost of unsold unit is transferred to completed development properties once the development is completed.

#### 6.7.3 Completed development properties

The cost of completed development properties is stated at the lower of cost and net realisable value. Cost includes cost associated with the acquisition of land, all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects, direct building costs and other costs of bringing the development properties to their present location and condition.

#### 6.7.4 Finished goods, raw materials and consumable stores

Finished goods, raw materials and consumable stores are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The cost of produce and finished goods includes the cost of raw materials, direct labour and a proportion of production overheads.

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

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.8 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (refer to Note 6.22 on impairment of financial assets and financial guarantee contracts).

### 6.9 Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the context of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to the customer for which the Group has received the consideration or billed the customer. In the context of property development and construction contracts, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities include club membership fees, down payments received from customers and other deferred income where the Group has billed or collected the payment before the goods are delivered or services are provided to the customers.

### 6.10 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments and short-term funds, which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

## 6.11 Share capital

### 6.11.1 Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

### 6.11.2 Share issue costs

Costs directly attributable to the issue of new shares or options are deducted against equity.

### 6.11.3 Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

### 6.11.4 Purchase of own shares

Where any company within the Group purchases the Company's equity instruments as a result of a share buy-back, the consideration paid, including any directly attributable costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.11 Share capital (continued)

#### 6.11.5 Earnings per share

##### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

##### Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 6.12 Trade payables

Trade payables represent liabilities for goods or services provided to the Group and the Company prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities when the Group and the Company expect to settle the liability in its normal operating cycle and the Group and the Company have no unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 6.13 Borrowings and borrowing costs

#### 6.13.1 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss within interest expense.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.



# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.13 Borrowings and borrowing costs (continued)

#### 6.13.2 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the assets for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 6.14 Current and deferred tax

Tax expense for the period comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, joint ventures and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised using the liability method, providing for temporary differences between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Unutilised investment tax allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.15 Employee benefits

#### 6.15.1 Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the statement of financial position.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

#### 6.15.2 Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and its foreign subsidiaries make contributions to their respective countries' statutory pension schemes.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### 6.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Under the capital approach, government grants relating to investment properties are credited to investment properties when the costs for which the benefit of the grant is intended to compensate are incurred.

Government grants relating to development costs are netted against its relevant development expenditure when the benefit of the grant is intended to compensate are incurred.

### 6.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.18 Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

### 6.19 Revenue recognition

#### 6.19.1 Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods and services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at point in time.

A contract with customer exists when the contract has commercial substance. The Group, the Company and the customer have approved the contract and intend to perform their respective obligations, the Group's, the Company'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 Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

#### (a) Revenue from property development and construction contracts

Property development, comprising residential and commercial properties are specifically identified by its plot, lot or parcel number as set out in the sale and purchase agreement.

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual costs incurred to date on the property development project bear to the estimated costs for the respective development projects.

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.19 Revenue recognition (continued)

#### 6.19.1 Revenue from contracts with customers (continued)

(b) Sales of completed development properties

The Group recognises sales at a point in time for the sale of completed development properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

(c) Hotel operations

Hotel revenue represent income derived from room rentals, sales of food and beverage and other hotel related income net of discount are recognised at a point in time upon delivery of products and customer acceptance, if any, or performance of services.

(d) Club subscription fees

Club subscription fees, which are not refundable, are recognised over the subscription period.

(e) Sales of goods, services and rights of enjoyment

Revenue from sale of goods is recognised based on invoice value of goods sold and revenue from services is recognised net of discounts as and when services are performed.

Entrance fees collected for rights of enjoyment of facilities are recognised when services are rendered.

(f) Others

Other revenue comprises of management fees, building maintenance fees, landscaping services and sales of plantation produce. Revenue are recognised when services are rendered or upon delivery of products and customer acceptance.

#### 6.19.2 Lease income

Lease income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

#### 6.19.3 Dividend income

Dividend income is recognised when shareholder's right to receive payment is established.

#### 6.19.4 Interest income

Interest income is recognised using the effective interest method.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.20 Foreign currencies

#### 6.20.1 Functional and presentation currency

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

#### 6.20.2 Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

#### 6.20.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.



## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.21 Financial instruments

#### 6.21.1 Financial assets

##### (a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- (ii) those to be measured at amortised costs.

The Group and the Company reclassify debt investments when and only when their business model for managing those assets changes.

##### (b) Recognition and initial measurement

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Company 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 Company have transferred substantially all the risks and rewards of ownership.

##### (c) Measurement

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

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

#### Debt instruments

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

The Group and the Company classify their debt instruments at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in profit or loss together with foreign currency exchange gains or losses. Impairment losses are recognised in profit or loss.

#### Fair value through profit or loss ("FVTPL")

Short term funds are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss in the period which it arises.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.21 Financial instruments (continued)

#### 6.21.1 Financial assets (continued)

##### (c) Measurement (continued)

##### Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains or losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established. Other net gains and losses are recognised in other comprehensive income.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss as applicable.

#### 6.21.2 Financial liabilities

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs. The Group and the Company classify financial instruments as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into financial liabilities after initial recognition for the purpose of subsequent measurement:

##### (i) Financial liabilities

Financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as fair value through profit or loss.

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

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

All financial liabilities of the Group and of the Company are measured at amortised cost except for financial liabilities at fair value through profit or loss, which are held for trading (including derivatives) or designated at fair value through profit or loss upon initial recognition.

At the end of each reporting period, the Group and the Company shall assess whether their recognised insurance liabilities are adequate, using current estimates of future cash flows under their insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.21 Financial instruments (continued)

#### 6.21.3 Financial guarantee contracts

The Group and the Company designate corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 'Insurance Contracts'. The Group and the Company recognise these insurance contracts as insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 6.21.4 Offsetting financial instruments

Financial assets and liabilities are 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.

#### 6.21.5 Derivative and hedging activities

##### (i) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve (12) months, and as a current asset or liability when the remaining maturity of the hedged item is less than twelve (12) months.

##### (ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

# Notes to the Financial Statements

30 June 2022

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.22 Impairment of financial assets and financial guarantee contracts

The Group and the Company recognise loss allowance for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, financial guarantee contracts. Expected credit losses ("ECL") are probability-weighted estimate of credit losses.

ECL represent a probability-weighted estimate of the difference between present value of cash flow according to contract and present value of cash flows that the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

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.
- (a) General 3-stage approach for other receivables, amounts due from subsidiaries, amounts due from joint ventures and amount due from associate

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 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.

- (b) Simplified approach for trade receivables, lease receivables and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, lease receivables and contract assets.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in other comprehensive income and the allowance account is recognised in other comprehensive income.

## 6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6.22 Impairment of financial assets and financial guarantee contracts (continued)

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through profit or loss are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either a portion or entirety) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtors do not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

### 6.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

### 6.24 Fair value measurements

The fair value of an asset or a liability, (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the assets.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

### 6.25 Reorganisation debit reserve

Reorganisation debit reserve arose from the reverse acquisition of the Company by IOI Properties Berhad in the previous financial years pursuant to MFRS 3.



# Notes to the Financial Statements

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## 7 REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers (Note 7.1)	<b>2,226,085</b>	2,201,921	–	–
Revenue from other sources				
– Lease income	<b>364,247</b>	286,690	–	–
– Dividend income	–	–	<b>368,878</b>	140,297
<b>Total revenue</b>	<b>2,590,332</b>	2,488,611	<b>368,878</b>	140,297

### 7.1 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, major products and service lines and timing of revenue recognition.

	Group	
	2022 RM'000	2021 RM'000
<b>Primary geographical markets</b>		
Malaysia	<b>1,633,366</b>	1,307,980
People's Republic of China	<b>592,719</b>	879,147
Singapore	–	14,794
<b>Revenue from contracts with customers</b>	<b>2,226,085</b>	2,201,921
<b>Major products and service lines</b>		
Revenue from property development		
– Ongoing development properties	<b>459,670</b>	1,314,763
– Completed development properties	<b>1,642,245</b>	794,822
	<b>2,101,915</b>	2,109,585
Revenue from hospitality and leisure		
– Hotel and hospitality services	<b>84,752</b>	66,847
– Leisure	<b>28,342</b>	16,718
	<b>113,094</b>	83,565
Others		
– Management fees	<b>6,999</b>	6,519
– Others	<b>4,077</b>	2,252
	<b>11,076</b>	8,771
<b>Revenue from contracts with customers</b>	<b>2,226,085</b>	2,201,921

## 7 REVENUE (CONTINUED)

### 7.1 Disaggregation of revenue from contracts with customers (continued)

	Group	
	2022 RM'000	2021 RM'000
<b>Timing of revenue recognition</b>		
– Over time	<b>466,669</b>	1,321,282
– Point in time	<b>1,759,416</b>	880,639
<b>Revenue from contracts with customers</b>	<b>2,226,085</b>	2,201,921

Revenue from contracts with customers of the Group includes RM154,033,000 (2021: RM295,702,000) that was included in contract liabilities at the beginning of the reporting period.

## 8 OPERATING PROFIT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating profit has been arrived at after charging:				
Auditors' remuneration – statutory audit				
– PricewaterhouseCoopers PLT	<b>1,022</b>	922	<b>201</b>	144
– Member firms of PricewaterhouseCoopers International Limited	<b>213</b>	160	–	–
– Firms other than member firms of PricewaterhouseCoopers International Limited	<b>140</b>	132	–	–
Non-audit services				
– PricewaterhouseCoopers PLT	<b>440</b>	347	<b>5</b>	4
– Firms other than member firms of PricewaterhouseCoopers International Limited	<b>142</b>	409	–	–
Bad debts written off	<b>63</b>	635	–	–
Depreciation of property, plant and equipment (Note 15)	<b>49,742</b>	42,464	–	–
Fair value loss on investment properties (Note 17)	–	71,061	–	–
Impairment losses on:				
– interests in subsidiaries	–	–	–	5,333
– receivables	<b>3,585</b>	3,935	–	–
Loss on disposal of investment properties	–	88	–	–
Management fees to:				
– a subsidiary	–	–	<b>547</b>	1,068
– an affiliate	<b>4,623</b>	7,473	–	–
Property, plant and equipment written off (Note 15)	<b>94</b>	16	–	–
Property development costs*	<b>1,278,957</b>	1,233,918	–	–
Unrealised loss on foreign currency translations	<b>900</b>	–	<b>866</b>	18

\* The cost of inventories of the Group recognised as an expense during the financial year amounted to RM838,539,000 (2021: RM422,078,000) was included in property development costs of the Group.

# Notes to the Financial Statements

30 June 2022

## 8 OPERATING PROFIT (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating profit has been arrived at after crediting:				
Bad debts recovered	10	–	–	–
Dividend income from subsidiaries in Malaysia	–	–	368,878	140,297
Gain on disposal of:				
– property, plant and equipment	68	140	–	–
– a subsidiary	85,982	–	–	–
Fair value gain on short term funds	4,722	176	2,998	176
Fair value gain on investment properties (Note 17)	48,924	–	–	–
Management services income from affiliates	876	–	–	–
Property project management services from:				
– affiliates	757	2,290	–	–
– a joint venture	–	563	–	–
Reversal of impairment losses on receivables	2,297	776	–	–
Realised gain on foreign currency translations:				
– redemption of redeemable preference shares of subsidiaries	–	–	27,425	2,978
– subscription of redeemable preference shares in subsidiaries	–	–	4,546	2,590
– others	331	298	1,054	633
Unrealised gain on foreign currency translations	–	1	–	–

## 9 STAFF COSTS

The staff costs of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries and others	167,133	162,775	1,396	1,310
Defined contribution plan	17,051	16,474	–	–
	184,184	179,249	1,396	1,310

Included in staff costs are remuneration of the key management personnel of the Group and of the Company as disclosed in Note 37.3 to the financial statements.

## 10 INTEREST INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income from:				
– Deposits with financial institutions	7,751	3,625	807	822
– Short term funds	8,139	8,083	4,672	2,052
– Subsidiaries	–	–	–	7,013
– Joint ventures	9,527	7,574	–	–
– Housing development accounts	2,435	2,711	–	–
– Current accounts	12,087	9,694	191	141
– Stakeholders	1,541	2,245	–	–
– Others	1,482	797	–	–
	42,962	34,729	5,670	10,028

## 11 INTEREST EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expenses on:				
– Borrowings	34,316	120	–	6,246
– Lease liabilities	84	113	–	–
– Subsidiaries	–	–	15,456	14,823
Amortisation of banking facilities fee	202	67	–	196
	34,602	300	15,456	21,265

The Group's total interest expense and facilities fees charged by the banks of RM343,785,000 and RM24,952,000 (2021: RM334,758,000 and RM14,007,000) have been capitalised as part of the costs of qualifying assets as disclosed in Notes 15, 16, 17 and 23 to the financial statements.

The Group's weighted average capitalisation rate is 2% (2021: 2%) per annum.

## 12 TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current year tax expense				
– Malaysian income taxation	149,087	134,258	306	599
– Foreign taxation	202,885	686,718	–	–
– Deferred taxation* (Note 22)	23,638	(398,709)	–	–
	375,610	422,267	306	599
Prior years				
– Malaysian income taxation	(1,582)	1,736	4	520
– Foreign taxation	46,935	(264)	–	–
– Deferred taxation (Note 22)	(6,259)	(9,052)	–	–
	39,094	(7,580)	4	520
<b>Tax expense</b>	<b>414,704</b>	<b>414,687</b>	<b>310</b>	<b>1,119</b>

\* The reversal of deferred tax expenses in previous financial year was arising from the completion of one of the Group's development projects in China, the tax obligation for that development had crystallised.

# Notes to the Financial Statements

30 June 2022

## 12 TAXATION (CONTINUED)

A numerical reconciliation between the tax at applicable tax rate to tax expense of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation	<b>1,102,773</b>	1,078,000	<b>396,478</b>	124,667
Tax calculated at the Malaysian tax rate of 24%	<b>264,666</b>	258,720	<b>95,155</b>	29,920
Tax effects in respect of:				
Non-allowable expenses	<b>78,025</b>	64,532	<b>3,627</b>	6,225
Non-taxable income	<b>(13,952)</b>	(10,819)	<b>(98,476)</b>	(35,546)
Different tax rates arising from fair value (gain)/loss from real property investments	<b>(21,006)</b>	9,928	-	-
Different tax rates arising from gain on disposal of a real property subsidiary	<b>(11,265)</b>	-	-	-
Different tax rates in foreign jurisdictions	<b>122,074</b>	165,076	-	-
Different tax rate arising from prosperity tax	<b>929</b>	-	-	-
Unutilised tax losses and unabsorbed capital allowances not recognised in loss-making subsidiaries	<b>1,960</b>	5,853	-	-
Utilisation of previously unrecognised tax losses and capital allowances	<b>(960)</b>	(29)	-	-
Tax incentives and allowances	<b>(4,813)</b>	(2,701)	-	-
Share of post-tax results of an associate	<b>(510)</b>	(8,394)	-	-
Share of post-tax results of joint ventures	<b>(39,538)</b>	(59,899)	-	-
	<b>375,610</b>	422,267	<b>306</b>	599
Under/(Over) provision in prior years	<b>39,094</b>	(7,580)	<b>4</b>	520
<b>Tax expense</b>	<b>414,704</b>	414,687	<b>310</b>	1,119

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Deferred tax is calculated on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements using tax rates that are expected to apply when the related deferred tax is settled.

The Finance Act 2021 gazetted on 31 December 2021 enacted the prosperity tax on companies that generate chargeable income up to first RM100 million will be taxed at 24% and the remaining chargeable income will be taxed at one-off rate of 33% for year of assessment 2022.

### 13 EARNINGS PER SHARE

#### (a) Basic

The basic earnings per ordinary share for the financial year is calculated based on the profit for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2022 RM'000	2021 RM'000
Profit attributable to owners of the Company	686,735	660,209

The adjusted weighted average number of ordinary shares for the computation of earnings per ordinary share is arrived at as follows:

	Group	
	2022 '000	2021 '000
Weighted average number of ordinary shares in issue after deducting the treasury shares	5,506,145	5,506,145
Basic earnings per ordinary share (sen)	12.47	11.99

#### (b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share.

### 14 DIVIDENDS

Dividends declared and paid by the Company are as follows:

	Company	
	2022 RM'000	2021 RM'000
Interim single tier dividend in respect of financial year ended 30 June 2021 of 2.0 sen per ordinary share, paid on 24 September 2021	110,123	–
Interim single tier dividend in respect of financial year ended 30 June 2020 of 1.5 sen per ordinary share, paid on 23 October 2020	–	82,592
	110,123	82,592

On 23 September 2022, the Board of Directors proposed a first and final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2022 to be approved by the shareholders at the forthcoming Annual General Meeting of the Company. Based on the issued and paid-up ordinary shares of the Company as at 30 June 2022 of 5,506,145,375, the proposed first and final dividend amounts to RM220,245,815.



# Notes to the Financial Statements

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## 15 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Golf course development expenditure RM'000	Plantation expenditure RM'000
<b>2022</b>			
<b>At Cost</b>			
At beginning of financial year	130,379	75,717	4,839
Additions	-	159	-
Transfer from investment properties (Note 17)	45	-	-
Written off	-	-	-
Disposals	-	-	-
Foreign currency translation differences	-	-	-
Reclassifications	30	-	(795)
<b>At end of financial year</b>	<b>130,454</b>	<b>75,876</b>	<b>4,044</b>

Group	Golf course development expenditure RM'000	Plantation expenditure RM'000
<b>2022</b>		
<b>Less: Accumulated Depreciation</b>		
At beginning of financial year	16,253	602
Current year depreciation charge	1,599	130
Written off	-	-
Disposals	-	-
Foreign currency translation differences	-	-
<b>At end of financial year</b>	<b>17,852</b>	<b>732</b>

Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Right-of-use assets RM'000	Construction-in-progress RM'000	Total RM'000
946,106	84,206	16,275	91,199	79,543	390,317	1,818,581
12,042	4,649	319	6,980	1,274,456	255,710	1,554,315
-	-	-	-	-	-	45
(79)	(185)	(13)	(2,151)	-	-	(2,428)
(33)	(5)	(1,657)	(555)	-	-	(2,250)
316	-	114	141	16,069	3,066	19,706
-	-	-	-	-	765	-
958,352	88,665	15,038	95,614	1,370,068	649,858	3,387,969

Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Right-of-use assets RM'000	Total RM'000
125,299	53,740	11,628	59,285	21,102	287,909
21,959	6,202	1,326	8,117	10,409	49,742
(25)	(185)	(13)	(2,111)	-	(2,334)
(1)	(3)	(1,657)	(489)	-	(2,150)
59	-	49	36	538	682
147,291	59,754	11,333	64,838	32,049	333,849

# Notes to the Financial Statements

30 June 2022

## 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Golf course development expenditure RM'000	Plantation expenditure RM'000
<b>2021</b>			
<b>At Cost</b>			
At beginning of financial year	130,379	75,234	4,044
Additions	–	483	795
Transfer to investment properties (Note 17)	–	–	–
Written off	–	–	–
Disposals	–	–	–
Foreign currency translation differences	–	–	–
<b>At end of financial year</b>	<b>130,379</b>	<b>75,717</b>	<b>4,839</b>

Group	Golf course development expenditure RM'000	Plantation expenditure RM'000
<b>2021</b>		
<b>Less: Accumulated Depreciation</b>		
At beginning of financial year	14,661	473
Current year depreciation charge	1,592	129
Written off	–	–
Disposals	–	–
Foreign currency translation differences	–	–
<b>At end of financial year</b>	<b>16,253</b>	<b>602</b>

Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Right-of-use assets RM'000	Construction-in-progress RM'000	Total RM'000
937,786	71,345	14,069	86,220	74,810	274,406	1,668,293
7,594	6,327	3,558	5,475	573	110,373	135,178
-	6,570	-	-	-	(95)	6,475
-	(36)	(104)	(574)	-	-	(714)
(15)	-	(1,391)	(142)	-	-	(1,548)
741	-	143	220	4,160	5,633	10,897
946,106	84,206	16,275	91,199	79,543	390,317	1,818,581

Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Right-of-use assets RM'000	Total RM'000
103,359	48,327	11,764	51,518	16,212	246,314
21,860	5,447	1,117	8,388	3,931	42,464
-	(34)	(104)	(560)	-	(698)
-	-	(1,271)	(113)	-	(1,384)
80	-	122	52	959	1,213
125,299	53,740	11,628	59,285	21,102	287,909

# Notes to the Financial Statements

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## 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2022 RM'000	2021 RM'000
<b>Carrying Amount</b>		
Freehold land	130,454	130,379
Golf course development expenditure	58,024	59,464
Plantation expenditure	3,312	4,237
Buildings and improvements	811,061	820,807
Plant and machinery	28,911	30,466
Motor vehicles	3,705	4,647
Furniture, fittings and equipment	30,776	31,914
Right-of-use assets	1,338,019	58,441
Construction-in-progress	649,858	390,317
	<b>3,054,120</b>	<b>1,530,672</b>

Included in the Group's buildings and improvements are mainly hotel properties. The recoverable amounts of the Group's hotel properties were determined based on the value-in-use method and they were in excess of its carrying amounts as at the reporting date.

The value-in-use was prepared based on approved cash flow projection. The projection reflects management's expectation of revenue growth, operating costs and margin for the hotel properties based on past experience and future outlook. The discount rate applied is benchmarked against peers at the reporting date. The key assumptions applied in the value-in-use for current financial year are average growth in occupancy rates and pre-tax discount rate of 3% and 11% (2021: 3% and 9%) per annum respectively. Changes in input would not have significant impact to the carrying amounts of the assets.

### 15.1 Right-of-use assets

Group	Leasehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Total RM'000
<b>2022</b>				
<b>At Cost</b>				
At beginning of financial year	73,863	5,052	628	79,543
Additions	1,272,049	2,102	305	1,274,456
Foreign currency translation differences	15,958	111	-	16,069
At end of financial year	1,361,870	7,265	933	1,370,068
<b>Less: Accumulated Depreciation</b>				
At beginning of financial year	17,716	2,953	433	21,102
Current year depreciation charge	8,705	1,464	240	10,409
Foreign currency translation differences	473	65	-	538
At end of financial year	26,894	4,482	673	32,049
<b>Carrying amount</b>	<b>1,334,976</b>	<b>2,783</b>	<b>260</b>	<b>1,338,019</b>

## 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 15.1 Right-of-use assets (continued)

Group	Leasehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Total RM'000
<b>2021</b>				
<b>At Cost</b>				
At beginning of financial year	69,741	4,441	628	74,810
Additions	–	573	–	573
Foreign currency translation differences	4,122	38	–	4,160
At end of financial year	73,863	5,052	628	79,543
<b>Less: Accumulated Depreciation</b>				
At beginning of financial year	14,585	1,407	220	16,212
Current year depreciation charge	2,192	1,526	213	3,931
Foreign currency translation differences	939	20	–	959
At end of financial year	17,716	2,953	433	21,102
<b>Carrying amount</b>	<b>56,147</b>	<b>2,099</b>	<b>195</b>	<b>58,441</b>

Included in right-of-use assets is a balance of RM1,279,966,000 related to the 99 years leasehold land acquired during the financial year for the development as a hotel property.

### 15.2 Additions to property, plant and equipment

	Group	
	2022 RM'000	2021 RM'000
Additions	<b>1,554,315</b>	135,178
Financed by lease liabilities	<b>(2,407)</b>	(573)
Interest expenses capitalised	<b>(29,941)</b>	(11,497)
<b>Total cash outflow</b>	<b>1,521,967</b>	123,108



# Notes to the Financial Statements

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## 16 LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
<b>2022</b>				
<b>At Cost</b>				
At beginning of financial year	2,925,425	674,852	1,570,048	5,170,325
Additions	–	3,439,245	489,821	3,929,066
Disposal of a subsidiary (Note 19.1)	(25,331)	–	(1,567)	(26,898)
Transfer to property development costs (Note 23)	(11,420)	(3,444)	(23,292)	(38,156)
Foreign currency translation differences	–	38,970	3,512	42,482
<b>At end of financial year</b>	<b>2,888,674</b>	<b>4,149,623</b>	<b>2,038,522</b>	<b>9,076,819</b>
<b>2021</b>				
<b>At Cost</b>				
At beginning of financial year	2,925,285	572,852	1,349,521	4,847,658
Additions	–	–	175,502	175,502
Transfer from property development costs (Note 23)	140	–	45,025	45,165
Transfer from investment properties (Note 17)	–	102,000	–	102,000
<b>At end of financial year</b>	<b>2,925,425</b>	<b>674,852</b>	<b>1,570,048</b>	<b>5,170,325</b>

Included in additions to land held for property development of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM124,217,000 and RM16,186,000 (2021: RM107,019,000 and RM6,940,000) respectively.

Included in land held for property development of the Group are plantation land of RM689,812,000 (2021: RM698,855,000), which are intended to be used for property development. Currently, the subsidiaries are harvesting oil palm crops from the said land.

Certain titles of freehold land amounting to RM316,642,000 (2021: RM420,052,000) are registered under the name of the affiliate, whereby the Group is the beneficiary owner. The Group is in the midst of perfecting the land titles.

## 17 INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
<b>2022</b>			
At beginning of financial year	4,466,671	10,428,874	14,895,545
Additions	144,232	455,927	600,159
Transfer to property, plant and equipment (Note 15)	(45)	–	(45)
Transfer to inventories	(5,750)	–	(5,750)
Fair value adjustments	154,162	(105,238)	48,924
Foreign currency translation differences	–	239,589	239,589
<b>At end of financial year</b>	<b>4,759,270</b>	<b>11,019,152</b>	<b>15,778,422</b>
<b>2021</b>			
At beginning of financial year	4,366,129	9,968,574	14,334,703
Additions	176,012	469,431	645,443
Disposal	(1,180)	–	(1,180)
Transfer from property, plant and equipment (Note 15)	(6,475)	–	(6,475)
Transfer to land held for property development (Note 16)	–	(102,000)	(102,000)
Transfer from inventories	3,003	–	3,003
Fair value adjustments	(70,818)	(243)	(71,061)
Foreign currency translation differences	–	93,112	93,112
<b>At end of financial year</b>	<b>4,466,671</b>	<b>10,428,874</b>	<b>14,895,545</b>

Included in the above are:

	Group	
	2022 RM'000	2021 RM'000
At fair value:		
Freehold land and buildings	4,245,910	4,096,760
Leasehold land and buildings	835,135	25,029
	<b>5,081,045</b>	4,121,789
At cost:		
Investment properties under construction	10,697,377	10,773,756
<b>At end of the financial year</b>	<b>15,778,422</b>	14,895,545

Movements in investment properties under construction during the financial year are mainly additions and foreign currency translation differences of RM599,422,000 and RM230,667,000 (2021: RM637,033,000 and RM91,680,000) respectively. The construction of IOI Mall Xiamen, China has completed and commenced operations during the financial year. It was reclassified from investment properties under construction to completed investment properties and measured at fair value.

# Notes to the Financial Statements

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## 17 INVESTMENT PROPERTIES (CONTINUED)

Included in additions to investment properties of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM184,917,000 and RM8,766,000 (2021: RM207,109,000 and RM7,067,000) respectively.

Right-of-use assets included in investment properties are leasehold land and buildings amounting to RM11,019,152,000 (2021: RM10,428,874,000).

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	Group	
	2022 RM'000	2021 RM'000
Rental income	364,247	286,690
Direct operating expenses	125,600	96,718

The fair values of the above investment properties were estimated based on valuations by independent registered valuers, which were based on:

- (i) market evidence of transaction prices for similar properties for certain properties in which the values are adjusted for differences in key attributes such as property size, location and quality of interior fittings under the comparison method.
- (ii) receipts of contractual rentals, expected future market rentals, current market yields, void periods and maintenance requirements and approximate capitalisation rates under the investment method.
- (iii) aggregate amount of the value of land component by comparison method, and the gross replacement cost of the buildings and other site improvements, allowing for depreciation under cost method.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. The valuations appraised by independent registered valuers are endorsed by the Board of Directors on an annual basis.

During the financial year, the fair value adjustments are mainly attributable to higher average rental rates secured as a result of market recovery.

Investment properties under construction is measured at cost on the basis that the fair value of the work in progress building is unable to be reliably measured.

Fair value is determined through various valuation methodologies using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in the profit or loss during the reporting period in which they are reviewed.

## 17 INVESTMENT PROPERTIES (CONTINUED)

The Level 3 inputs or unobservable inputs include:

- Term yield – the rate of return that the investment properties are expected to generate based on current passing rental including revision upon renewal of tenancies during the financial year;
- Reversion yield – the rate of return that the investment properties are expected to generate upon expiry of term rental; and
- Price per square foot (psf) – estimated price psf for which a property should exchange on the date of valuation between a willing buyer and a willing seller.

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement	Impact of changes in key inputs to fair value*	
		2022 RM'000	2021 RM'000
Term and reversion yield	Higher term and reversion yield rates, lower fair value	334,909	297,034
Price per square foot	Higher price per square foot, higher fair value	60,800	62,744

\* Changes in term and reversion yield rates by 50 basis points (2021: 50 basis points) and price per square foot by 10% (2021: 10%) are used as these are the key inputs subjected to changes in market conditions.

The fair value measurements as at 30 June 2022 and 30 June 2021 are as follows:

Group	Valuation methodology	Fair value RM'000	Significant unobservable inputs		
			Term yield %	Reversion yield %	Price per sq foot RM/psf
2022					
Completed investment properties					
Malls	Investment method	3,134,174	3.25 - 6.50	3.50 - 7.00	–
Office buildings	Investment method	1,205,900	4.75 - 6.00	5.25 - 6.00	–
Others	Comparison method	461,300	–	–	50 - 430
	Investment method	132,471	2.25 - 6.00	2.75 - 7.50	–
	Cost method	147,200	–	–	3 - 345
		5,081,045			
2021					
Completed investment properties					
Malls	Investment method	2,186,300	6.25 - 6.50	6.75 - 7.00	–
Office buildings	Investment method	1,195,000	4.75 - 5.50	5.25 - 6.00	–
Others	Comparison method	463,150	–	–	56 - 640
	Investment method	131,239	3.00 - 6.00	3.50 - 7.50	–
	Cost method	146,100	–	–	3 - 330
		4,121,789			

# Notes to the Financial Statements

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## 18 GOODWILL ON CONSOLIDATION

	Group	
	2022 RM'000	2021 RM'000
At beginning/end of financial year	11,472	11,472

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs identified according to the operating segments as follows:

	Group	
	2022 RM'000	2021 RM'000
Property development	3,802	3,802
Hospitality and leisure	7,670	7,670
	11,472	11,472

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the cash flows projections based on the financial budgets approved by the management. The discount rate used is 6.0% (2021: 5.3%) per annum.

## 19 SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
<b>At Cost</b>		
Unquoted shares in Malaysia (Note 19.1)	14,925,740	14,789,402
Unquoted shares outside Malaysia (Note 19.1)	3,707,123	3,538,971
Equity contribution (Note 19.2)	932,887	1,032,267
	19,565,750	19,360,640
Less: Accumulated impairment losses (Note 19.3)	(475,967)	(475,967)
	19,089,783	18,884,673

## 19 SUBSIDIARIES (CONTINUED)

### 19.1 Interests in subsidiaries

Unquoted shares include redeemable preference shares ("RPS") issued by subsidiaries (some of which are also issued to non-controlling interests), which are redeemable at the option of issuer and entitle the Company to receive dividend out of profits of the issuer at a rate to be determined by the issuer.

Details of the subsidiaries are set out in Note 43 to the financial statements.

#### 2022

During the financial year, the following changes in the investments in subsidiaries were effected:

#### Incorporation of new subsidiaries

Boulevard View Pte. Ltd., a wholly-owned subsidiary of the Company, had on 21 October 2021 incorporated the following wholly-owned subsidiaries:

- i. Boulevard Midtown Pte. Ltd. ("BMPL") in Singapore as a private limited company under the Companies Act, (Cap.50) with registered share capital of S\$100 divided into 100 ordinary shares. BMPL's intended principal activities are property investment, hotel and hospitality services.
- ii. Boulevard Development Pte. Ltd. ("BDPL") in Singapore as a private limited company under the Companies Act, (Cap.50) with registered share capital of S\$100 divided into 100 ordinary shares. BDPL's intended principal activity is property development.

Premier Landmark Limited, a wholly-owned subsidiary of the Company, had on 16 December 2021 incorporated a wholly-owned subsidiary known as Shenzhen IOI Property Development Co. Ltd ("SIOIPD") in Shenzhen, the People's Republic of China with a total registered capital of RMB10 million. SIOIPD's intended principal activity is investment holding.

#### Disposal of a subsidiary

Hartawan Development Sdn Bhd ("HDSB"), an indirect subsidiary of the Company, had ceased to be a subsidiary on 10 September 2021 pursuant to the completion of disposal of 100% equity interest pursuant to the sales of shares agreement.

Details of the disposal were as follows:

	Note	At date of disposal 2022 RM'000
<b>Non-current asset</b>		
Land held for property development	16	26,898
<b>Current asset</b>		
Other receivables		128
<b>Current liabilities</b>		
Other payables		10
Current tax liabilities		118
		128
Net assets		26,898
Total disposal proceeds		112,880
<b>Gain on disposal of a subsidiary</b>		<b>85,982</b>

The total disposal proceeds included a deposit of RM7,902,000 received by the Group in the previous financial year and an amount of RM3,386,000 remitted to the Director General of Inland Revenue by the acquirer.



# Notes to the Financial Statements

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## 19 SUBSIDIARIES (CONTINUED)

### 19.1 Interests in subsidiaries (continued)

#### 2022 (continued)

##### Subscription of additional shares

Company	Type of shares	No. of shares '000	Amount RM'000
Boulevard View Pte. Ltd. ("BVPL")	RPS at an issue price of SGD1.00 each	10,635	33,603
Fortune Premiere Sdn. Bhd. ("FPSB")	RPS at an issue price of RM1.00 each	18	18
IOI City Park Sdn. Bhd. ("IOICP")	RPS at an issue price of RM1.00 each	130,000	130,000
IOI Materials Trading Sdn. Bhd. ("IOIMT")	Ordinary share at an issue price of RM1.00 each	600	600
IOI Properties Empire Sdn. Bhd. ("IOIPE")	RPS at an issue price of RM1.00 each	340	340
Progressive View Pte. Ltd. ("PVPL")	RPS at an issue price of SGD1.00 each	100	314
Resort Villa Golf Course Bhd. ("RVGCB")	RPS at an issue price of RM1.00 each	27,977	27,977
Wealthy Link Pte. Ltd. ("WLPL")	RPS at an issue price of SGD1.00 each	95,900	301,097
Club IOI Loyalty Sdn. Bhd. ("CIL")	RPS at an issue price of RM1.00 each	338	338

The above subscriptions of additional shares of RM341,873,000 was partially settled by cash and the remaining amount of RM147,868,000 was settled pursuant to the conversion of equity contribution. Accordingly, the Company had recorded a realised foreign exchange gain on subscription of additional shares of RM4,546,000.

##### Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
Commercial Wings Sdn. Bhd. ("CWSB")	RPS at a redemption price of RM1.00 each	2,900	2,900
IOI City Tower Two Sdn. Bhd. ("IOICT2")	RPS at a redemption price of RM1.00 each	1,135	1,135
IOI Business Hotel Sdn. Bhd. ("IBH")	RPS at a redemption price of RM1.00 each	17,200	17,200
IOI Consolidated (Singapore) Pte. Ltd. ("IOIConso")	RPS at a redemption price of SGD1.00 each	62,900	166,862
Palmex Industries Sdn. Bhd. ("Palmex")	RPS at a redemption price of RM1.00 each	1,700	1,700

The above redemption of shares was redeemed at RM217,222,000 by cash. Accordingly, the Company had recorded a realised foreign exchange gain on redemption of RM27,425,000.

## 19 SUBSIDIARIES (CONTINUED)

### 19.1 Interests in subsidiaries (continued)

#### 2021

In the previous financial year, the Company acquired and subscribed for additional shares in its subsidiaries as follows:

#### Incorporation of new subsidiaries

On 5 January 2021, the Company had incorporated a wholly-owned subsidiary, namely Premier Landmark Limited ("PLL"). PLL was incorporated in Hong Kong as a private limited company under the Companies Ordinance (Chapter 622) with share capital of HK\$2 divided into 2 ordinary shares. PLL's intended principal activity is investment holding.

On 19 January 2021, the Company had incorporated a wholly-owned subsidiary, namely Boulevard View Pte Ltd ("BVPL"). BVPL was incorporated in Singapore as a private limited company under the Companies Act, (Cap.50) with share capital of S\$2 divided into 2 ordinary shares. BVPL's intended principal activity is investment holding.

On 18 May 2021, the Company had incorporated a wholly-owned subsidiary, namely IOI Materials Trading Sdn Bhd ("IMTSB") under the Companies Act 2016 with share capital of RM2 divided into 2 ordinary shares. IMTSB will be principally involved in trading of construction materials.

IOI (Xiamen) Business Management Co Ltd ("IBMC"), an indirect subsidiary of the Company, had on 18 March 2021 incorporated a wholly-owned subsidiary known as Xiamen Palm City Sports Technology Co. Ltd ("XPCST") in Xiamen, the People's Republic of China with a total registered capital of RMB10 million. XPCST's intended principal activity is leisure and entertainment activities. On 5 June 2021, IBMC had entered into a joint venture agreement (the "JVA") with Xiamen Bowling Boy Education Technology Co. Ltd ("XBBET"), a private limited company registered in People's Republic of China, to operate indoor leisure and entertainment activities in IOI Palm City Mall, Xiamen, measuring 2,750 square metres. Upon completion of the JVA, IBMC holds 60% equity stake in XPCST, while XBBET holds the remaining 40% equity interest.

#### Strike off of subsidiaries

On 14 July 2020, IOI Properties Capital (L) Berhad ("IPC"), a wholly-owned subsidiary of the Company, had received a notification from Labuan Financial Services Authority ("LFSA") informing that the name of IPC had been struck off from the register of LFSA under Section 151 of the Labuan Companies Act 1990. The Company had recorded an impairment loss of RM52,000 arising from the said strike off.

On 1 April 2021, Dynamism Investment Limited ("DIL"), a wholly-owned subsidiary of the Company, had been deregistered pursuant to section 751 of the Companies Ordinance, by notice published under Gazette Notice No.1885.

#### Subscription of additional shares

Company	Type of shares	No. of shares '000	Amount RM'000
IOI Business Hotel Sdn. Bhd. ("IBH")	RPS at an issue price of RM1.00 each	2,273	2,273
Wealthy Link Pte. Ltd. ("WLPL")	RPS at an issue price of SGD1.00 each	65,600	202,802
Club IOI Loyalty Sdn. Bhd. ("CIL")	RPS at an issue price of RM1.00 each	387	387

The above subscriptions of additional shares of RM202,872,000 was settled by cash. Accordingly, the Company had recorded a realised foreign exchange gain on subscription of additional shares of RM2,590,000.

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## 19 SUBSIDIARIES (CONTINUED)

### 19.1 Interests in subsidiaries (continued)

#### 2021 (continued)

#### Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
Commercial Wings Sdn. Bhd. ("CWSB")	RPS at a redemption price of RM1.00 each	16,900	16,900
IOI Harbour Front Sdn. Bhd. ("IOIHarbour")	RPS at a redemption price of RM1.00 each	5,149	5,149
Jutawan Development Sdn. Bhd. ("JDSB")	RPS at a redemption price of RM1.00 each	36,000	36,000
IOI City Tower Two Sdn. Bhd. ("IOICT2")	RPS at a redemption price of RM1.00 each	8,000	8,000
IOI Consolidated (Singapore) Pte. Ltd. ("IOIConso")	RPS at a redemption price of SGD1.00 each	52,670	159,833
Palmex Industries Sdn. Bhd. ("Palmex")	RPS at a redemption price of RM1.00 each	10,000	10,000

The above redemption of shares was redeemed at RM238,860,000 by cash. Accordingly, the Company had recorded a realised foreign exchange gain on redemption of RM2,978,000.

### 19.2 Equity contribution

Equity contribution represents capital contribution to subsidiaries for their working capital and repayment of borrowing costs.

### 19.3 Accumulated impairment losses

The Company performed impairment assessments on its investments in subsidiaries. The recoverable amounts of these investments in subsidiaries, which are involved in the property development, hospitality and leisure businesses, are derived based on either the fair value less costs to sell or value-in-use methods. The recoverable amounts are categorised as Level 3 in the fair value hierarchy. Based on the assessments performed, no impairment loss was recognised during the financial year. In the previous financial year, impairment loss amounting to RM5,333,000 had been recognised in profit or loss mainly due to the challenging market conditions caused by the COVID-19 pandemic.

### 19.4 Amounts due from/(to) subsidiaries

The current amounts due from subsidiaries represent payments made on behalf, which are unsecured, non-interest bearing and repayable upon demand.

The non-current amount due to a subsidiary represents advances which are unsecured, bears interest ranging from 5.04% to 5.08% per annum (2021: 5.01% to 5.05%) and is repayable on 30 June 2024.

The current amounts due to subsidiaries represent advances and payments made on behalf, which are unsecured, bear interest ranging from 1.67% to 2.10% (2021: 1.93% to 3.09%) per annum except for RM56,652,000 (2021: RM41,606,000) which is non-interest bearing and is payable upon demand in cash and cash equivalents.

## 19 SUBSIDIARIES (CONTINUED)

### 19.5 Material non-controlling interests

As at 30 June 2022, the total non-controlling interests are RM157,958,000 (2021: RM160,339,000), of which RM98,698,000 (2021: RM101,291,000), and RM24,452,000 (2021: RM27,197,000) are attributable to PINE MJR Development Sdn. Bhd. ("PINE MJR") and Legend Advance Sdn. Bhd. ("Legend") respectively. The other non-controlling interests are not material to the Group.

Set out below are the summarised financial information for PINE MJR and Legend that have non-controlling interests that are material to the Group. The below financial information is based on amounts before inter-company eliminations.

	PINE MJR		Legend	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Proportion of ordinary shares held by non-controlling interests (%)	<b>45.1%</b>	45.1%	<b>30.1%</b>	30.1%
Summarised statements of comprehensive income:				
Revenue	<b>35,965</b>	6,648	<b>9,521</b>	15,392
(Loss)/Profit and total comprehensive (loss)/income for the financial year	<b>(966)</b>	(1,417)	<b>846</b>	1,941
(Loss)/Profit and total comprehensive (loss)/income attributable to non-controlling interests	<b>(436)</b>	(639)	<b>255</b>	584
Dividend paid to non-controlling interests	<b>-</b>	-	<b>3,000</b>	3,000
Summarised statements of financial position:				
Current assets	<b>298,690</b>	263,632	<b>52,316</b>	53,546
Current liabilities	<b>(41,677)</b>	(20,406)	<b>(9,736)</b>	(5,857)
Non-current assets	<b>1,543</b>	1,347	<b>31,913</b>	35,958
Non-current liabilities	<b>(39,217)</b>	(24,268)	<b>-</b>	-
<b>Net assets</b>	<b>219,339</b>	220,305	<b>74,493</b>	83,647
Summarised cash flows:				
Cash flows (used in)/generated from operating activities	<b>(36,141)</b>	(57,710)	<b>(2,426)</b>	10,456
Cash flows generated from/(used in) investing activities	<b>100</b>	108	<b>(19)</b>	704
Cash flows generated from/(used in) financing activities	<b>33,309</b>	59,101	<b>2,404</b>	(14,649)
Net (decrease)/increase in cash and cash equivalents during the financial year	<b>(2,732)</b>	1,499	<b>(41)</b>	(3,489)
Cash and cash equivalents at beginning of the financial year	<b>7,513</b>	6,014	<b>3,079</b>	6,568
<b>Cash and cash equivalents at end of the financial year</b>	<b>4,781</b>	7,513	<b>3,038</b>	3,079

There was a dividend of RM489,000 (2021: RM2,596,000) paid to immaterial non-controlling interests during the financial year.

# Notes to the Financial Statements

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## 20 ASSOCIATE

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	23,601	23,601
Redeemable preference shares, at cost	5,232	5,232
Share of post-acquisition results and reserves	24,840	22,716
	53,673	51,549

### 20.1 Investment in an associate

RPS issued by associates, which are redeemable at the option of issuer and entitle the Group and the Company to receive dividend out of profits of the issuer at a rate to be determined by the issuer. The RPS rank pari passu without any preference or priority among themselves and in priority over the ordinary shares in respect of:

- Payment of the preference dividend (when, as and if declared); and
- In the event of a winding up of or return of capital by the associate, payment of any preference dividend that has accrued to holder of preference shares and is unpaid (whether or not then due) as well as the subscription price paid for the preference shares.

In the previous financial year, the associate had redeemed total shares of 47,838,000 for RM47,838,000 from both equity holders.

The associate of the Group is accounted for using the equity method in the consolidated financial statements. Details of the associate is set out in Note 43 to the financial statements.

### 20.2 Summary of financial information of the associate is as follows:

	GLM Emerald Industrial Park (Jasin) Sdn. Bhd.	
	2022 RM'000	2021 RM'000
<b>Assets and liabilities</b>		
Total current assets	19,807	26,870
Total non-current assets	149,802	150,064
Total current liabilities	(1,245)	(14,593)
Total non-current liabilities	(635)	(1,250)
<b>Results</b>		
Revenue	13,701	274,830
Profit and total comprehensive income for the financial year	6,638	109,291

In the previous financial year, the Group received dividend of RM45,109,000 from the associate.

## 20 ASSOCIATE (CONTINUED)

### 20.3 The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

	Group	
	2022 RM'000	2021 RM'000
Net assets as at 30 June	167,729	161,091
Share of net assets of the Group/Carrying amount in the statement of financial position	53,673	51,549
Share of profit of the Group	2,124	34,973

## 21 JOINT VENTURES

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	409,755	409,850
Redeemable preference shares ("RPS") (Note 21.2)	3,094,609	3,288,918
Share of post-acquisition results and reserves	471,125	220,257
	3,975,489	3,919,025
Amounts due from joint ventures (Note 21.3)	414,663	515,182
	4,390,152	4,434,207

The joint arrangements of the Group are regarded as joint ventures pursuant to the contractual rights and obligations of the joint venture agreements that provide the Group with the rights to the net assets of the joint ventures. The joint ventures are accounted for using the equity method in the consolidated financial statements. Details of the joint ventures are set out in Note 43 to the financial statements.



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## 21 JOINT VENTURES (CONTINUED)

### 21.1 Financial information of joint ventures

Set out below is the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method.

(i) Summarised statements of financial position:

	Scottsdale Properties Pte. Ltd. RM'000	Pinnacle (Sentosa) Pte. Ltd. RM'000
<b>2022</b>		
<b>Non-current:</b>		
Non-current assets	7,745,894	4,890
<b>Current:</b>		
Cash and cash equivalents	188,280	12,238
Other current assets	33,440	4,286,529
Total current assets	221,720	4,298,767
<b>Total assets</b>	<b>7,967,614</b>	<b>4,303,657</b>
<b>Non-current:</b>		
Financial liabilities (excluding trade and other payables and provisions)	–	70,346
Other liabilities (including trade and other payables and provisions)	113,330	–
Total non-current liabilities	113,330	70,346
<b>Current:</b>		
Financial liabilities (excluding trade and other payables and provisions)	3,687,545	1,592,181
Other liabilities (including trade and other payables and provisions)	71,328	15,125
Total current liabilities	3,758,873	1,607,306
<b>Total liabilities</b>	<b>3,872,203</b>	<b>1,677,652</b>
<b>Net assets</b>	<b>4,095,411</b>	<b>2,626,005</b>

## 21 JOINT VENTURES (CONTINUED)

### 21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

#### (i) Summarised statements of financial position: (continued)

	Scottsdale Properties Pte. Ltd. RM'000	Pinnacle (Sentosa) Pte. Ltd. RM'000
<b>2021</b>		
<b>Non-current:</b>		
Non-current assets	7,578,677	4,783
<b>Current:</b>		
Cash and cash equivalents	213,659	1,070
Other current assets	458,063	4,189,511
Total current assets	671,722	4,190,581
<b>Total assets</b>	<b>8,250,399</b>	<b>4,195,364</b>
<b>Non-current:</b>		
Financial liabilities (excluding trade and other payables and provisions)	–	1,188,957
Other liabilities (including trade and other payables and provisions)	82,818	–
Total non-current liabilities	82,818	1,188,957
<b>Current:</b>		
Financial liabilities (excluding trade and other payables and provisions)	3,699,696	464,105
Other liabilities (including trade and other payables and provisions)	280,914	13,724
Total current liabilities	3,980,610	477,829
<b>Total liabilities</b>	<b>4,063,428</b>	<b>1,666,786</b>
<b>Net assets</b>	<b>4,186,971</b>	<b>2,528,578</b>

# Notes to the Financial Statements

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## 21 JOINT VENTURES (CONTINUED)

### 21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

#### (ii) Summarised statements of comprehensive income:

	Scottsdale Properties Pte. Ltd. RM'000	Pinnacle (Sentosa) Pte. Ltd. RM'000
<b>2022</b>		
Revenue	917,413	104,141
Depreciation and amortisation	53,652	–
Interest income	103	6
Interest expense	(52,970)	(34,607)
Profit before taxation	244,504	39,025
Taxation	(36,919)	–
<b>Profit and total comprehensive income for the financial year</b>	<b>207,585</b>	<b>39,025</b>
<b>2021</b>		
Revenue	1,059,473	88,263
Depreciation and amortisation	50,953	–
Interest income	120	9
Interest expense	(64,804)	(29,748)
Profit before taxation	208,700	240,057
Taxation	(42,414)	–
<b>Profit and total comprehensive income for the financial year</b>	<b>166,286</b>	<b>240,057</b>

There was no dividend paid by the joint ventures in both the financial years.

## 21 JOINT VENTURES (CONTINUED)

### 21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(iii) **Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:**

	Scottsdale Properties Pte. Ltd. RM'000	Pinnacle (Sentosa) Pte. Ltd. RM'000
<b>2022</b>		
<b>Net assets:</b>		
As at 1 July 2021	4,186,971	2,528,578
Profit for the financial year	207,585	39,025
Movement in share capital	(389,397)	–
Foreign currency translation differences	90,252	58,402
<b>As at 30 June 2022</b>	<b>4,095,411</b>	<b>2,626,005</b>
Interest in joint ventures as at year end	49.9%	64.9%
Unquoted shares, at cost	405,172	2,025
Redeemable preference shares	891,615	2,182,993
Share of post-acquisition results and reserves	746,823	(478,115)
Total investments in joint ventures	2,043,610	1,706,903
Amounts due from joint venture	–	37,892
<b>Total interests in joint ventures</b>	<b>2,043,610</b>	<b>1,744,795</b>
<b>2021</b>		
<b>Net assets:</b>		
As at 1 July 2020	4,327,851	2,277,917
Profit for the financial year	166,286	240,057
Movement in share capital	(326,795)	–
Foreign currency translation differences	19,629	10,604
<b>As at 30 June 2021</b>	<b>4,186,971</b>	<b>2,528,578</b>
Interest in joint ventures as at year end	49.9%	64.9%
Unquoted shares, at cost	405,172	2,025
Redeemable preference shares	1,085,924	2,182,993
Share of post-acquisition results and reserves	598,203	(541,442)
<b>Total investments in joint ventures</b>	<b>2,089,299</b>	<b>1,643,576</b>

# Notes to the Financial Statements

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## 21 JOINT VENTURES (CONTINUED)

### 21.1 Financial information of joint ventures (continued)

The entities are accounted for as joint ventures due to the approvals required by all shareholders for key operating, financing and budgeting decisions.

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

	2022 RM'000	2021 RM'000
Unquoted shares, redeemable preference shares and share of post-acquisition results and reserves	224,976	186,150
Amounts due from joint ventures	376,771	515,182
<b>Total interests in joint ventures</b>	<b>601,747</b>	<b>701,332</b>
 <b>Share of joint ventures' profits and total comprehensive income</b>	 <b>35,790</b>	 <b>10,567</b>

There was no dividend paid by immaterial joint ventures during the financial year.

### 21.2 Redeemable preference shares

RPS issued by joint ventures, which are redeemable at the option of issuer and entitle the Group to receive dividend out of profits of the issuer at a rate to be determined by the issuer. The RPS rank pari passu without any preference or priority among themselves and in priority over the ordinary shares in respect of:

- (a) Payment of the preference dividend (when, as and if declared); and
- (b) In the event of a winding up of or return of capital by the joint venture, payment of any preference dividend that has accrued to holder of preference shares and is unpaid (whether or not then due) as well as the subscription price paid for the preference shares.

During the financial year, a joint venture has redeemed total RPS of RM194,309,000 (2021: RM163,070,000).

### 21.3 Amounts due from joint ventures

The non-current amounts due from joint ventures in the current financial year mainly represent outstanding amounts arising from the Group's subsidiaries' proportionate share in the advances and working capital to the joint ventures for the acquisition of land and its development properties in Singapore. The amounts due from joint ventures are unsecured and non-interest bearing, except for an amount due from a joint venture amounting to RM376,771,000 (2021: RM515,182,000) which is unsecured and interest bearing at rate of 2.00% (2021: 1.00% to 1.50%) per annum.

The current amount due from a joint venture included in the previous financial year represented mainly advances to a joint venture in Malaysia. The amount was unsecured and bore interest at rates ranging from 3.26% to 3.29% (2021: 3.26% to 3.64%) per annum. The outstanding amount has been fully settled by a joint venture during the financial year.

## 22 DEFERRED TAXATION

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	(453,248)	(848,882)
Recognised in the profit or loss (Note 12):		
– Current year	(23,638)	398,709
– Prior years	6,259	9,052
	(17,379)	407,761
Foreign currency translation differences	(187)	(12,127)
<b>At end of financial year</b>	<b>(470,814)</b>	<b>(453,248)</b>

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets	197,614	209,016
Deferred tax liabilities	(668,428)	(662,264)
	(470,814)	(453,248)

### 22.1 The amount of the deferred tax income or expenses recognised in the consolidated statement of profit or loss during the financial year are as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	(453,248)	(848,882)
Recognised in profit or loss (Note 12):		
Temporary differences on:		
– Capital allowances	(7,249)	(4,518)
– Fair value adjustment on investment properties	1,686	10,581
– Profit from sales of development properties	1,558	364,856
– Accruals and provisions	6,605	(756)
– Development properties	2,154	1,681
– Unabsorbed capital allowances	1,282	4,846
– Unrealised profits	(22,958)	24,635
– Unutilised tax losses	3,384	674
– Other deductible temporary differences	(3,841)	5,762
	(17,379)	407,761
Foreign currency translation differences	(187)	(12,127)
<b>At end of financial year</b>	<b>(470,814)</b>	<b>(453,248)</b>



# Notes to the Financial Statements

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## 22 DEFERRED TAXATION (CONTINUED)

**22.2 The components of deferred tax liabilities and assets at the end of the reporting period comprise the tax effects of:**

	Group	
	2022 RM'000	2021 RM'000
<b>Deferred tax assets</b>		
Accruals and provisions	21,544	14,939
Profit from sales of development properties	62,133	61,906
Unutilised tax losses	8,012	4,628
Unabsorbed capital allowances	9,047	7,765
Unrealised profits	57,225	80,183
Unutilised investment tax allowance	40,957	40,957
Other deductible temporary differences	7,185	10,886
Deferred tax assets (before off-setting)	206,103	221,264
Off-setting	(8,489)	(12,248)
<b>Deferred tax assets (after off-setting)</b>	<b>197,614</b>	<b>209,016</b>
<b>Deferred tax liabilities</b>		
Fair value adjustment on investment properties <sup>^</sup>	214,393	215,752
Capital allowances	114,313	107,064
Profit from sales of development properties	645	1,976
Development properties <sup>*</sup>	347,566	349,720
Deferred tax liabilities (before off-setting)	676,917	674,512
Off-setting	(8,489)	(12,248)
<b>Deferred tax liabilities (after off-setting)</b>	<b>668,428</b>	<b>662,264</b>

\* Comprises mainly of deferred tax adjustments on temporary differences arising from land held for property development, property development costs and inventories.

<sup>^</sup> Deferred tax recognised on investment properties carried at fair value are measured using the tax rates that would apply on the sale on those assets at their carrying values at the reporting date.

The following are the unutilised tax losses and unabsorbed capital allowances for which deferred tax assets have not been recognised, at gross:

	Group	
	2022 RM'000	2021 RM'000
Unutilised tax losses	54,474	50,441
Unabsorbed capital allowances	3,128	2,995
	<b>57,602</b>	<b>53,436</b>

## 22 DEFERRED TAXATION (CONTINUED)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The following unutilised tax losses, including those recognised as deferred tax assets, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Tax losses:		
– Expiring within the next 10 years	87,857	–
– Expiring within the next 7 years	–	59,452

Under the Malaysian Finance Act 2018 which was gazetted on 27 December 2018, unutilised tax losses are imposed with a time limit of utilisation of 7 years. This time limit of utilisation was further extended to 10 years following the approval of Budget 2022. Upon expiry of the 10 (2021: 7) years, the unabsorbed tax losses will be disregarded. The unutilised tax losses of the People's Republic of China ("PRC") will only be available for carry forward for a period of 5 consecutive years. Upon expiry of the 5 years, the unutilised losses will be disregarded.

## 23 PROPERTY DEVELOPMENT COSTS

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Accumulated cost charged to profit or loss RM'000	Total RM'000
<b>2022</b>					
<b>At Cost</b>					
At beginning of financial year	208,898	1,495,755	1,198,845	(679,792)	2,223,706
Costs incurred	–	–	289,224	–	289,224
Transfer from land held for property development (Note 16)	11,420	3,444	23,292	–	38,156
Transfer to inventories	(13,178)	(1,209,764)	(334,953)	–	(1,557,895)
Foreign currency translation differences	–	16,036	2,759	(3,106)	15,689
Recognised as part of cost of sales in profit or loss	–	–	(171,215)	(269,203)	(440,418)
Completed projects	(8,842)	(302,028)	(198,154)	509,024	–
<b>At end of financial year</b>	<b>198,298</b>	<b>3,443</b>	<b>809,798</b>	<b>(443,077)</b>	<b>568,462</b>

# Notes to the Financial Statements

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## 23 PROPERTY DEVELOPMENT COSTS (CONTINUED)

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Accumulated cost charged to profit or loss RM'000	Total RM'000
<b>2021</b>					
<b>At Cost</b>					
At beginning of financial year	245,629	1,767,335	1,799,491	(683,453)	3,129,002
Costs incurred	–	–	541,264	–	541,264
Transfer to land held for property development (Note 16)	(140)	–	(45,025)	–	(45,165)
Transfer to inventories	(16,665)	(74,127)	(602,954)	–	(693,746)
Foreign currency translation differences	–	95,780	25,942	(17,531)	104,191
Recognised as part of cost of sales in profit or loss	–	–	(108,852)	(702,988)	(811,840)
Completed projects	(19,926)	(293,233)	(411,021)	724,180	–
<b>At end of financial year</b>	<b>208,898</b>	<b>1,495,755</b>	<b>1,198,845</b>	<b>(679,792)</b>	<b>2,223,706</b>

Included in recognised as part of cost of sales in profit or loss is property development costs written down of RM171,215,000 (2021: RM108,852,000).

Included in costs incurred in property development of the Group are interest expense capitalised during the financial year amounting to RM4,710,000 (2021: RM9,133,000).

## 24 INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
<b>At Cost</b>		
Completed development properties	<b>3,048,197</b>	2,409,197
Others	<b>3,469</b>	2,955
	<b>3,051,666</b>	2,412,152

## 25 TRADE AND OTHER RECEIVABLES

	Group	
	2022 RM'000	2021 RM'000
Trade receivables (Note 25.1)	96,670	258,970
Other receivables, deposits and prepayments (Note 25.2)	607,456	135,439
Lease receivables	12,938	4,302
Contract costs (Note 25.3)	6,150	13,784
	<b>723,214</b>	412,495

	Company	
	2022 RM'000	2021 RM'000
Other receivables, deposits and prepayments (Note 25.2)	318	15,640

### 25.1 Trade receivables

	Group	
	2022 RM'000	2021 RM'000
Trade receivables	103,801	266,589
Less: Accumulated impairment losses	(7,131)	(7,619)
	<b>96,670</b>	258,970

- (a) Included in trade receivables of the Group are amounts due from affiliates of RM5,418,000 (2021: RM9,057,000) for property project management services, provision of landscaping services and related costs provided by subsidiaries, which are unsecured and payable within the credit period in cash and cash equivalents.
- (b) The normal trade credit terms granted by the Group range from 7 to 90 days (2021: 7 to 90 days) from date of invoice and progress billing. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.
- (c) The reconciliation of movements in provision for impairment losses on trade receivables are as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	7,619	4,895
Charge for the financial year	1,844	3,283
Reversal	(2,219)	(545)
Written off	(113)	(14)
<b>At end of financial year</b>	<b>7,131</b>	7,619

# Notes to the Financial Statements

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## 25 TRADE AND OTHER RECEIVABLES (CONTINUED)

### 25.2 Other receivables, deposits and prepayments

	Group	
	2022 RM'000	2021 RM'000
Other receivables	549,830	69,379
Less: Accumulated impairment losses	(5,319)	(3,656)
	544,511	65,723
Deposits	37,790	52,941
Prepayments	25,155	16,775
	607,456	135,439

	Company	
	2022 RM'000	2021 RM'000
Other receivables	264	20
Deposits	4	15,570
Prepayments	50	50
	318	15,640

In the previous financial year, included in other receivables of the Group were receivable of RM375,000 in relation to a government grant for the infrastructure costs of certain development projects undertaken by the Group.

Included in deposits of the Group is an amount of RM2,774,000 (2021: RM2,774,000) paid for new land acquisitions.

Included in the other receivables are the Goods and Services Tax and Value Added Tax receivable amounting to RM486,783,000 (2021: RM4,778,000).

(a) The reconciliation of movements in provision for impairment losses on other receivables are as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	3,656	3,245
Charge for the financial year	1,741	652
Reversal	(78)	(231)
Written off	-	(10)
<b>At end of financial year</b>	<b>5,319</b>	<b>3,656</b>

## 25 TRADE AND OTHER RECEIVABLES (CONTINUED)

### 25.3 Contract costs

	Group	
	2022 RM'000	2021 RM'000
Cost to obtain a contract	<b>6,150</b>	13,784

Cost to obtain a contract primarily comprises incremental sales commission fees paid to intermediaries as a result of obtaining property development contracts.

Capitalised sales commission fees are amortised when the related revenue is recognised. During the current financial year, RM26,102,000 (2021: RM15,622,000) comprising of commission fees paid for both on-going and completed projects was amortised to profit and loss.

## 26 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Contract assets		
– Property development contracts	<b>143,686</b>	109,958
– Stakeholder sums	<b>34,070</b>	52,765
	<b>177,756</b>	162,723
Contract liabilities		
– Property development contracts	<b>(101,999)</b>	(186,682)
	<b>75,757</b>	(23,959)

(a) Property development contracts and stakeholder sums

Contracts assets and contracts liabilities represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to trade receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Stakeholder sums are payable upon expiry of defect liability period up to 24 months (2021: up to 24 months).



# Notes to the Financial Statements

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## 26 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) The movements in the contract assets and contract liabilities from property development contracts are as follow:

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 July	(76,724)	(183,102)
Net property development revenue recognised	459,670	1,314,763
Net progress billing during the financial year	(338,729)	(1,194,259)
Foreign currency translation differences	(2,530)	(14,126)
<b>Balance as at 30 June</b>	<b>41,687</b>	<b>(76,724)</b>

(c) The movement of stakeholder sums

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 July	52,765	55,265
Additions	7,344	31,951
Amount transferred to trade receivables	(26,039)	(34,451)
<b>Balance as at 30 June</b>	<b>34,070</b>	<b>52,765</b>

(d) Unsatisfied performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2022 RM'000	2021 RM'000
Revenue from property development activities		
– Within one year	557,048	607,629
– More than one year	31,424	147,324
	<b>588,472</b>	<b>754,953</b>

## 27 SHORT TERM FUNDS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Investments in fixed income trust funds in Malaysia	<b>735,444</b>	263,698	–	263,698

Investments in fixed income trust funds represent investments in highly liquid money market instrument and deposits with financial institution in Malaysia with maturity of less than three (3) months. These short term funds are subject to an insignificant risk of changes in value. The distribution income from these funds was tax exempted up to 31 December 2021. With effect from 1 January 2022, the distribution income from these fund is subject to income tax.

## 28 DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with financial institutions	<b>510,576</b>	277,082	<b>186,732</b>	100,695

As at 30 June 2022, the effective interest rates of the Group's and of the Company's short term deposits range from 0.09% to 3.66% and 0.35% to 1.50% per annum (2021: 0.06% to 3.10% and 0.08% to 1.00% per annum) respectively. All short term deposits have average maturity less than three (3) months.

## 29 CASH AND BANK BALANCES

Included in the Group's cash and bank balances are amounts of:

- (i) RM117,459,000 (2021: RM156,639,000) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities; and
- (ii) RMB24,443,000 (2021: RMB93,679,000), equivalent to approximately RM16,042,000 (2021: RM60,198,000) held under Housing Developers (Project Account) Rules, Fujian Province, Administration of Pre-sale of Commodity Premises Regulations (Revised), in People's Republic of China ("PRC"), which can only be used for property development activities.

## 30 SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
<b>Issued and fully paid-up:</b>				
Ordinary shares with no par value				
At beginning/end of financial year	<b>5,506,145</b>	18,514,233	<b>5,506,145</b>	18,514,233

# Notes to the Financial Statements

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## 31 RESERVES

	Group	
	2022 RM'000	2021 RM'000
Foreign currency translation reserve (Note 31.1)	135,391	(51,088)
Cash flow hedge reserve (Note 31.2)	10,494	(120,658)
	145,885	(171,746)

### 31.1 Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

### 31.2 Cash flow hedge reserve

The cash flow hedge reserve represents the deferred fair value adjustment relating to derivative financial instruments used to hedge floating rate of the Group's certain foreign currency denominated borrowings.

Movement in the cash flow hedge reserve during the financial year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of financial year	(120,658)	(212,312)	-	(1,075)
Fair value gain on derivatives	137,651	93,769	-	1,754
Reclassifications from profit and loss				
– Interest rate differences	(3,677)	(795)	-	(446)
– Foreign exchange rate differences	(2,822)	(1,320)	-	(233)
	(6,499)	(2,115)	-	(679)
<b>At end of financial year</b>	<b>10,494</b>	<b>(120,658)</b>	<b>-</b>	<b>-</b>

## 32 BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
<b>Non-current liabilities</b>		
<b>Unsecured</b>		
Term loans	1,440,735	8,436,108
Sukuk Murabahah	1,890,000	2,240,000
	<b>3,330,735</b>	10,676,108
<b>Current liabilities</b>		
<b>Unsecured</b>		
Term loans	13,116,178	334,003
Revolving credit	19,745	–
Sukuk Murabahah	350,000	–
	<b>13,485,923</b>	334,003
<b>Total borrowings</b>	<b>16,816,658</b>	11,010,111

The range of contractual interest rate per annum as at 30 June 2022 for borrowings are as below:

	Group	
	2022	2021
Term loans	1.46% to 4.70%	0.98% to 4.85%
Revolving credit	3.10%	–
Sukuk Murabahah	3.90% to 5.05%	3.90% to 5.05%

# Notes to the Financial Statements

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## 32 BORROWINGS (CONTINUED)

The maturity profile of borrowings is as follows:

Group	Fixed interest rate					Floating interest rate					Total RM'000
	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	> 4 years RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	> 4 years RM'000	
<b>2022</b>											
Unsecured:											
Term loans denominated in:											
– Ringgit Malaysia ("RM")	-	-	-	-	-	-	10,587	72,636	44,669	134,480	262,372
– Singapore Dollar ("SGD")*	-	-	-	-	-	12,043,205	-	-	631,920	-	12,675,125
– Renminbi ("RMB")	945,651	264,770	278,582	-	-	127,322	2,625	466	-	-	1,619,416
	945,651	264,770	278,582	-	-	12,170,527	13,212	73,102	676,589	134,480	14,556,913
Revolving credit denominated in:											
– RM	-	-	-	-	-	19,745	-	-	-	-	19,745
Sukuk Murabahah denominated in:											
– RM	350,000	530,000	160,000	1,000,000	200,000	-	-	-	-	-	2,240,000
	1,295,651	794,770	438,582	1,000,000	200,000	12,190,272	13,212	73,102	676,589	134,480	16,816,658

\* The Group has entered into interest rate swaps for borrowings of RM5,124,871,000 (equivalent to SGD1.6 billion) to hedge against fluctuation in interest rate.

Group	Fixed interest rate					Floating interest rate					Total RM'000
	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	> 4 years RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	> 4 years RM'000	
<b>2021</b>											
Unsecured:											
Term loans denominated in:											
– RM	-	-	-	-	-	55,593	-	10,789	57,549	179,078	303,009
– SGD*	-	-	-	-	-	-	6,262,044	-	-	617,760	6,879,804
– US Dollar ("USD")*	-	-	-	-	-	276,513	-	-	-	-	276,513
– RMB	-	926,731	260,063	-	-	1,897	122,094	-	-	-	1,310,785
	-	926,731	260,063	-	-	334,003	6,384,138	10,789	57,549	796,838	8,770,111
Sukuk Murabahah denominated in:											
– RM	-	350,000	530,000	160,000	1,200,000	-	-	-	-	-	2,240,000
	-	1,276,731	790,063	160,000	1,200,000	334,003	6,384,138	10,789	57,549	796,838	11,010,111

\* The Group has entered into interest rate swaps for borrowings of RM276,513,000 (equivalent to USD66.7 million) and RM5,010,034,000 (equivalent to SGD1.6 billion).

### 33 LEASE LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
<b>Non-current liabilities</b>		
Due later than 1 year	1,882	740
<b>Current liabilities</b>		
Due not later than 1 year	1,257	1,629
	<b>3,139</b>	<b>2,369</b>

The underlying assets of the lease liabilities are included in property, plant and equipment in Note 15 to the financial statements. Lease contracts are typically entered for fixed periods and the terms are negotiated on an individual basis and contains a wide range of different terms and conditions. The maturity periods of the lease liabilities are disclosed in Note 39.4.2 to the financial statements.

#### 33.1 Leases not included in lease liabilities

Lease liabilities do not include leases of low-value assets and short-term leases. Details of these leases which are charged to profit or loss and included in cash flows from operating activities in the current financial year are as follows:

	Group	
	2022 RM'000	2021 RM'000
Short-term leases	703	–
Leases of the low-value assets	329	178
	<b>1,032</b>	<b>178</b>

### 34 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

The Group's derivative financial assets/(liabilities) are as follows:

	Group	
	2022 RM'000	2021 RM'000
<b>Derivative designated in hedging relationship</b>		
<b>Non-current liabilities</b>		
– IRS as cash flow hedge on a SGD denominated borrowing	–	(45,426)
<b>Current assets/(liabilities)</b>		
– IRS as cash flow hedge on a USD denominated borrowing	–	(2,230)
– IRS as cash flow hedge on a SGD denominated borrowing	7,785	(79,304)
	<b>7,785</b>	<b>(81,534)</b>



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## 34 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

The details of the IRS are set out as below:

Commencement/ Maturity date	Contract/Notional amount		Interest rate
	2022 RM'000	2021 RM'000	
18 May 2017/ 1 December 2021	–	276,513	The Group pays a fixed interest rate of 2.95% per annum in exchange for receiving LIBOR plus a spread on the outstanding principal amount as disclosed in Note 32 to the financial statements.
3 December 2018/ 8 March 2023	<b>1,579,800</b>	1,544,400	The Group pays a fixed interest rate of 3.00% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
7 December 2018/ 8 March 2023	<b>631,920</b>	617,760	The Group pays a fixed interest rate of 2.98% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
9 January 2019/ 8 March 2023	<b>947,880</b>	926,640	The Group pays a fixed interest rate of 2.88% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
13 December 2019/ 8 March 2023	<b>1,579,800</b>	1,544,400	The Group pays a fixed interest rate of 2.28% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
13 March 2020/ 8 March 2023	<b>385,471</b>	376,834	The Group pays a fixed interest rate of 2.28% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.

The settlement dates of the IRS coincide with the dates on which principal and interest are payable on the underlying borrowing and settlement.

## 35 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current</b>				
Trade payables (Note 35.1)	<b>55,936</b>	38,903	–	–
<b>Current</b>				
Trade payables and accruals (Note 35.1)	<b>905,151</b>	887,896	–	–
Other payables and accruals (Note 35.2)	<b>211,382</b>	192,969	<b>964</b>	925
	<b>1,116,533</b>	1,080,865	<b>964</b>	925

## 35 TRADE AND OTHER PAYABLES (CONTINUED)

### 35.1 Trade payables and accruals

	Group	
	2022 RM'000	2021 RM'000
<b>Current</b>		
Trade payables	288,146	344,723
Accruals	545,733	488,740
Deposits	71,272	54,433
	<b>905,151</b>	<b>887,896</b>

The Group's non-current trade payables are in relation to security deposits received from tenants. The discounting impact is immaterial.

Included in trade payables of the Group are retention monies of RM178,712,000 (2021: RM188,175,000). The retention monies are repayable upon expiry of the defect liability period up to 24 months (2021: up to 24 months).

### 35.2 Other payables and accruals

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Current</b>				
Other payables	48,469	69,562	13	4
Accruals	162,913	123,407	951	921
	<b>211,382</b>	<b>192,969</b>	<b>964</b>	<b>925</b>

## 36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of financial year comprise:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short term funds (Note 27)	735,444	263,698	–	263,698
Deposits with financial institutions (Note 28)	510,576	277,082	186,732	100,695
Cash and bank balances (Note 29)	1,105,064	1,307,428	341,806	91,861
	<b>2,351,084</b>	<b>1,848,208</b>	<b>528,538</b>	<b>456,254</b>

# Notes to the Financial Statements

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## 37 SIGNIFICANT RELATED PARTY DISCLOSURES

### 37.1 Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- i. Vertical Capacity Sdn. Bhd. ("VCSB") is the immediate and ultimate holding company;
- ii. Direct and indirect subsidiaries as disclosed in Note 43 to the financial statements;
- iii. Direct and indirect subsidiaries of the ultimate holding company;
- iv. Associate and joint ventures as disclosed in Note 43 to the financial statements;
- v. Key management personnel which is the Directors and officers of the Company whom having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly; and
- vi. Affiliates, companies in which the Directors who are also the substantial shareholders of the Company have substantial shareholdings interest, including IOI Corporation Berhad and its subsidiaries.

### 37.2 Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had undertaken the following transactions with related parties during the financial year:

	Group	
	2022 RM'000	2021 RM'000
<b>Affiliates</b>		
Management services income	876	–
Property project management services	757	2,290
Rental income	4,635	4,777
Sales of plant and landscaping services	618	462
Sales of palm products	58,251	45,149
Agency fees expense	(2,904)	(2,169)
Management fee	(4,623)	(7,473)
Rental expenses	(219)	(179)
<b>Associate</b>		
Dividend income	–	45,109
<b>Joint ventures</b>		
Interest income	9,527	7,574
Property project management services	–	563

### 37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

#### 37.2 Significant related party transactions (continued)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had undertaken the following transactions with related parties during the financial year: (continued)

	Company	
	2022 RM'000	2021 RM'000
<b>Subsidiaries</b>		
Dividend income	<b>368,878</b>	140,297
Interest income	-	7,013
Interest expense	<b>(15,456)</b>	(14,823)
Management fees	<b>(547)</b>	(1,068)

The related party transactions described above were carried out on terms and conditions negotiated and agreed between the parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2022 are disclosed in Notes 19.2, 19.4, 21.3 and 25.1 to the financial statements.

#### 37.3 Key management personnel compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Directors</b>				
Fees	<b>1,280</b>	1,200	<b>1,280</b>	1,200
Salaries and bonuses	<b>13,505</b>	11,581	<b>116</b>	110
Defined contribution plan	<b>1,449</b>	1,311	-	-
Estimated monetary value of benefits-in-kind	<b>241</b>	234	-	-
	<b>16,475</b>	14,326	<b>1,396</b>	1,310
<b>Officers</b>				
Salaries and bonuses	<b>6,513</b>	5,878	-	-
Defined contribution plan	<b>770</b>	703	-	-
Estimated monetary value of benefits-in-kind	<b>79</b>	44	-	-
	<b>7,362</b>	6,625	-	-
	<b>23,837</b>	20,951	<b>1,396</b>	1,310

# Notes to the Financial Statements

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## 38 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group are able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity mix.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital of the Group comprises equity and borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2022 and 30 June 2021.

The Group uses the gearing ratio to assess the appropriateness of its debt level. The ratio is calculated as total debt divided by equity attributable to owners of the Company.

	Group	
	2022 RM'000	2021 RM'000
Borrowings (Note 32)	16,816,658	11,010,111
Less: Cash and cash equivalents (Note 36)	(2,351,084)	(1,848,208)
Net debt	14,465,574	9,161,903
Equity	20,452,612	19,558,369
Gearing ratio	0.71	0.47

The Group is subject to certain externally imposed requirements in the form of loan covenants. The Group monitors gearing ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group and the Company have complied with loan covenants during and as at the financial year.

## 39 FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks such as market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.1 Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Singapore Dollar ("SGD") and US Dollar ("USD"). Foreign currency denominated assets and liabilities give rise to foreign currency exposures.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels.

#### 39.1.1 Risk management approach

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country, in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

When necessary, CCIRS is used to hedge the volatility in the cash flow attributable to variability in the foreign currency denominated borrowings from the inception to maturity of the borrowings.

Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

#### 39.1.2 Foreign currency risk exposure

The Group and the Company are not exposed to significant foreign currency risk as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in the functional currencies of the respective entities within the Group except for the SGD deposits, USD deposits, USD borrowings and intercompany advances.

As defined by MFRS 7 'Financial Instruments: Disclosure', currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

As at 30 June 2022, the Group's and the Company's net monetary assets/(liabilities) are as tabled below.

The effects to the Group's and the Company's profit before tax, had these foreign currencies denominated net monetary assets/(liabilities) strengthened by 5% against RM, are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net monetary assets/(liabilities) denominated in				
– USD	416	(270,596)	117	122
– SGD	211,174	217,136	186,972	188,608
Increase/(Decrease) in profit or loss if the currency had strengthened by 5% (2021: 5%)				
– USD	21	(13,530)	6	6
– SGD	10,559	10,857	9,349	9,430
<b>Net exposure</b>	<b>10,580</b>	<b>(2,673)</b>	<b>9,355</b>	<b>9,436</b>

Except as disclosed above, other foreign currency exchange risks exposures are not material and did not have any significant impact on the financial statements of the Group and of the Company as at 30 June 2022, hence sensitivity analysis is not presented.



# Notes to the Financial Statements

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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.2 Interest rate risk

The Group's interest rate risk arises from its interest-bearing financial instruments that could impact fair value and future cash flows due to fluctuation in market interest rates.

The Group's objective on interest rate risk management is to achieve a balance in repricing risks and the optimisation of its cost of funds whilst ensuring sufficient liquidity to meet funding needs.

#### 39.2.1 Risk management approach

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

Funds held for liquidity purposes and temporary surpluses are placed in short term interest-bearing financial instruments.

#### 39.2.2 Interest rate risk exposure

The exposure of the Group to interest rate risk on financial assets arises primarily from cash held in Housing Development Accounts, short term deposits with financial institutions and investments in fixed income trust funds. The Group considers the risk of significant changes to interest rates on those deposits to be unlikely.

The exposure of the Group to interest risk on financial liabilities arises primarily from its borrowings and loans. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group also entered into IRS to hedge the floating rate interest payable on borrowings as disclosed in Note 34 to the financial statements.

As at 30 June 2022, after taking into account the effect of IRS, the borrowings of the Group of RM7,962,784,000 (2021: RM2,296,770,000) are at floating interest rates.

As at 30 June 2022, the net amounts due to subsidiaries of the Company of RM322,582,000 (2021: RM361,292,000) are at floating interest rates.

#### 39.2.3 Sensitivity analysis

Sensitivity analysis on interest rate is applied on floating rate financial instruments only, as the carrying amount of fixed rate financial instruments are measured at amortised cost.

A 50 basis points movement in interest rates of the borrowings would increase or decrease the additions to land held for property development, property development costs, property, plant and equipment and investment properties arising from capitalised borrowing costs of the Group by approximately RM39,814,000 (2021: RM11,484,000). The interest expense would be charged to profit or loss based on percentage of completion method. The interest rate risk exposure to the profit or loss is deemed immaterial to the Group, hence sensitivity analysis is not presented.

A 50 basis points movement in interest rates of the net amounts due to subsidiaries would decrease or increase the profit or loss of the Company by approximately RM1,613,000 (2021: RM1,806,000).

## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.3 Credit risk

The Group's credit risk exposure is mainly related to external counter-party credit risk on monetary financial assets and trade credits. Credit risk is managed at the business unit level, but macro group-wide policies on the granting of credit and credit control are issued and monitored centrally, such as those relating to credit risk concentration, adequacy of formal credit rating and evaluation of counter parties, credit impairment and unit level credit control performance.

The Group's objective on credit risk management is to avoid significant exposure to any individual customer or counter party and to minimise concentration of credit risk.

#### 39.3.1 Risk management approach

Credit risk or financial loss from the failure of customers or counter parties to discharge their financial and contractual obligations from trade credits is managed through the application of credit approvals, credit limits, insurance programmes and monitoring procedures on an on-going basis. If necessary, the Group may obtain collateral from counter parties as a mean of mitigating losses in the event of default.

The Group's credit risk varies with the different classes of counter-parties as outlined below:

##### (i) Property

Generally, property units sold are progressively invoiced and settled by end-buyers' financiers posing minimal credit risk. Property investment, hospitality and leisure segments for which sales are generally cash settled; and the rental property sub-segment which poses a certain degree of collection risk in correlation with the macroeconomic environment.

##### Policies and procedures

- (a) Tail-end progress billings on property units sold that serve as retention sum are closely monitored and claimed upon expiry of defect liability period;
- (b) Credit granted for corporate clients in the hospitality segment are duly assessed and selectively approved with established limits;
- (c) All tenants of its investment properties are subjected to deposits requirement averaging one (1) to five (5) months rental; and
- (d) Credit exposure is monitored on limits and aging, managed and reviewed periodically. Debtors with emerging credit problems are identified early and remedial actions are taken promptly to minimise further exposure and to restore past due status.

##### Collateral and credit enhancement

In general, a combination of:

- (a) Title retention and conveyance on clearance for property development;
- (b) Security deposits for rental segment; and
- (c) Cash deposits/advance for hospitality segment.

# Notes to the Financial Statements

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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.3 Credit risk (continued)

#### 39.3.1 Risk management approach (continued)

##### (ii) Financial institutions and exchanges

The Group places its working capital and surplus funds in current accounts, money market, time-deposits with financial institutions; and investment in fixed income trust fund managed by licensed financial institutions. Beyond the minimal deposit guarantee offered by certain sovereign nation's deposit insurance schemes, the Group is exposed to a degree of counter-parties' credit risk in times of severe economic or financial crisis.

##### Policies and procedures

- (a) Funds are mainly placed with licensed financial institutions with credit rating of "A- and above"; and
- (b) Funds placements are centrally monitored, and where applicable are spread out based on location need.

##### Collateral and credit enhancement

In general, a combination of:

- (a) National deposit insurance; and
- (b) Fidelity guarantee.

In general, all business units of the Group have a comprehensive policy that governs the need for formal credit rating system and evaluation on counter parties prior to any contractual arrangement that would result in credit risk exposure. Besides exposure amount, credit risk is also measured and monitored by way of credit quality segregation, past due aging analysis, and limits breach alerts.

#### 39.3.2 Credit risk exposures and concentration

##### (i) Exposure to credit risk – trade and other receivables and contract assets

The Group does not have any significant credit risk from its property development activities as sale of development properties are made to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from the Group's property investment segment is limited as all tenants of its investment properties are subjected to security deposits requirement averaging one (1) to five (5) months rental.

The other receivables and contract assets impairment are assessed individually to determine whether there was objective evidence that an impairment had been incurred but not yet identified. The Group's other receivables mainly comprise of Goods and Services Tax, Value Added Tax and deposits placed with utilities companies and local authorities. The Group applies the 3-stage approach, which utilises three (3) categories (performing, under-performing and non-performing) to reflect the credit risk and how loss allowance is determined for each of the categories. The Group has determined that the other receivables are performing, and there is no indication that the amounts are not collectible and therefore the ECL allowance is immaterial.

## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.3 Credit risk (continued)

#### 39.3.2 Credit risk exposures and concentration (continued)

(ii) Exposure to credit risk - cash and cash equivalents

Credit risk from cash and cash equivalents is generally low as the counter-parties involved are reputable financial institutions.

(iii) Exposure to credit risk – related party balances

Credit risk with respect to amounts due from joint ventures and subsidiaries are assessed to be low as the significant amounts due are from companies which have sufficient liquid assets to repay the loan if demanded. Hence, the impact of ECL is immaterial.

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Credit risk concentration profile

Concentrations of credit risk with respect of trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses.

The credit risk concentration of the Group is mainly in the "receivables" class of assets, except for non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax, and this is further analysed below to reveal the credit risk concentration by geographic location and business segment.

Group	Property development		Property investment		Hospitality & leisure and others		Total	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>2022</b>								
Malaysia	119,304	85%	17,884	35%	8,168	83%	145,356	72%
Asia (excluding Malaysia)	21,684	15%	33,621	65%	1,691	17%	56,996	28%
	140,988	100%	51,505	100%	9,859	100%	202,352	100%
<b>2021</b>								
Malaysia	171,768	52%	31,270	99%	8,705	91%	211,743	57%
Asia (excluding Malaysia)	161,508	48%	258	1%	875	9%	162,641	43%
	333,276	100%	31,528	100%	9,580	100%	374,384	100%

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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.3 Credit risk (continued)

#### 39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and the Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2022 and 30 June 2021 which are grouped together as they are expected to have similar risk nature.

Group	Not past due RM'000	Past due			Total RM'000
		Less than 90 days RM'000	Between 91 to 120 days RM'000	More than 120 days RM'000	
<b>2022</b>					
Trade and other receivables	170,865	17,104	–	26,833	43,937
Contract assets	177,756	–	–	–	–
Amounts due from joint ventures	414,663	–	–	–	–
	763,284	17,104	–	26,833	43,937
Individual impairment	–	–	–	(12,450)	(12,450)
<b>Net total</b>	<b>763,284</b>	<b>17,104</b>	<b>–</b>	<b>14,383</b>	<b>31,487</b>
<b>2021</b>					
Trade and other receivables	292,260	50,902	–	42,497	93,399
Contract assets	162,723	–	–	–	–
Amounts due from joint ventures	538,551	–	–	–	–
	993,534	50,902	–	42,497	93,399
Individual impairment	–	–	–	(11,275)	(11,275)
<b>Net total</b>	<b>993,534</b>	<b>50,902</b>	<b>–</b>	<b>31,222</b>	<b>82,124</b>

	Company	
	2022 RM'000	2021 RM'000
<u>Not past due</u>		
Trade and other receivables	268	15,590
Amounts due from subsidiaries	544	5
<b>Net total</b>	<b>812</b>	<b>15,595</b>

## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.4 Liquidity and cash flow risk

Liquidity and cash flow risk arise when financial resources are insufficient to meet financial obligations as and when they fall due, or have to be met at excessive cost.

As at 30 June 2022, the Group's exposure to liquidity risk primarily arose from bank borrowings with total outstanding amount of RM13,485,923,000 for which the repayment is due within 12 months from the end of the current financial year. In order to meet this repayment obligation in the next 12 months from the end of the current financial year, the Group has put in place the following financing plans:

- a) The Group successfully tendered for a development land in Singapore on 29 September 2021. A short term loan of RM5,491,625,000 was utilised for the said acquisition, maturing on 4 October 2022. As part of the loan agreement, the Group is required to put in place a long term refinancing plan prior to the maturity. Subsequent to the financial year end, the Group obtained approval for an extension of up to 12 months from October 2022 to October 2023 from the consortium of lenders for the maturity date of the outstanding short term loan.

Concurrently, the Group has been working with the consortium of lenders on the overall long term refinancing plan which was already envisaged as part of the terms of the current short term loan obtained, as disclosed above. At this juncture, the Directors do not foresee any adverse circumstances to restructure the short term loan into a long term loan, in line with the expected project development period given that the Group's solid historical track record.

- b) Subsequent to the financial year end, the Group obtained approval for an extension of 18 months for repayment of two outstanding term loans totalling RM6,561,057,000 from March 2023 to September 2024. This extension is in line with the 18-month extension of the project completion period granted by the Urban Redevelopment Authority of Singapore on 29 June 2021.
- c) The Group has a term loan of RM918,820,000 due in the next 12 months, utilised for financing the development projects in China. The Group is finalising the terms of the re-financing with existing lenders and is expected to complete the re-financing before the maturity of the said term loan.
- d) As for the remaining borrowings of RM514,421,000, the Group has sufficient internally generated funds to repay these facilities.

Based on above mentioned financing plans of the Group, the Directors are of the opinion that the Group's exposure to liquidity risk is appropriately mitigated.

#### 39.4.1 Risk management approach

The Group leverages on IOI Properties Group Berhad ("IOIPG") as the public listed parent company whereby treasury related activities are centralised and where the optimal weighted average costs of funds is managed. The Company, as a parent company plays a central liquidity management role where the Group's longer term funding requirements are managed based on business and liquidity needs, whilst the day-to-day operational liquidity needs are decentralised at the business unit level. The Group practises an arm's-length market based policy with regard to funding costs.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure all operating, investing and financing needs are met. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and investment activities. In addition, the Group strives to maintain available banking facilities at a reasonable level against its overall debt position. As at 30 June 2022, the Group has undrawn debt facilities of RM9,115,559,000 (2021: RM10,503,950,000).



# Notes to the Financial Statements

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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.4 Liquidity and cash flow risk (continued)

#### 39.4.1 Risk management approach (continued)

The Group manages its liquidity risk with a combination of the following methods:

- (i) Maintain a balanced contractual maturity profile of financial assets to meet financial liabilities (particularly on near and immediate term maturity);
- (ii) Maintain a diversified range of funding sources with adequate back-up facilities;
- (iii) Maintain debt financing and servicing plan; and
- (iv) Maintain medium to long term cash flow planning incorporating funding positions and requirements of all its subsidiaries.

As a group's policy, all business units conform to the following processes in ensuring its liquidity profiles are balanced and that all its obligations can be met when due:

- (i) Perform annual cash flow budgeting and medium term cash flow planning, in which the timing of operational cash flows and its resulting surplus or deficit are reasonably determined. The aggregation of these allows for an overview of the Group's forecast cash flow and liquidity position, which in turn facilitates further consolidated cash flow planning;
- (ii) Manage contingent liquidity commitment and exposures;
- (iii) Monitor liquidity ratios against internal thresholds;
- (iv) Manage working capital for efficient use of funds and optimise cash conversion cycle; and
- (v) Manage concentration and maturity profile of both financial and non-financial liabilities.

#### 39.4.2 Liquidity risk exposure

The following table details the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	More than 4 years RM'000	Total RM'000
<b>2022</b>						
<b>Financial liabilities</b>						
Trade and other payables*	1,116,012	55,936	–	–	–	1,171,948
Borrowings	13,778,706	916,757	595,350	1,711,033	342,620	17,344,466
Lease liabilities	1,395	1,714	119	6	–	3,234
	<b>14,896,113</b>	<b>974,407</b>	<b>595,469</b>	<b>1,711,039</b>	<b>342,620</b>	<b>18,519,648</b>
<b>2021</b>						
<b>Financial liabilities</b>						
Trade and other payables*	1,072,099	38,903	–	–	–	1,111,002
Borrowings	649,497	7,925,403	893,720	294,526	2,040,279	11,803,425
Lease liabilities	1,640	587	91	73	–	2,391
Derivative financial liabilities	81,654	45,664	–	–	–	127,318
	<b>1,804,890</b>	<b>8,010,557</b>	<b>893,811</b>	<b>294,599</b>	<b>2,040,279</b>	<b>13,044,136</b>

\* Includes retention monies of RM178,712,000 (2021: RM188,175,000) which are repayable within the normal operating cycle i.e. upon expiry of the defect liability period of up to 24 months (2021: up to 24 months).

## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.4 Liquidity and cash flow risk (continued)

#### 39.4.2 Liquidity risk exposure (continued)

The following table details the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations: (continued)

Company	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	More than 4 years RM'000	Total RM'000
<b>2022</b>						
<b>Financial liabilities</b>						
Amounts due to subsidiaries	373,159	13,221	-	-	-	386,380
Trade and other payables	964	-	-	-	-	964
	<b>374,123</b>	<b>13,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387,344</b>
<b>2021</b>						
<b>Financial liabilities</b>						
Amounts due to subsidiaries	308,518	5,027	104,769	-	-	418,314
Trade and other payables	925	-	-	-	-	925
	<b>309,443</b>	<b>5,027</b>	<b>104,769</b>	<b>-</b>	<b>-</b>	<b>419,239</b>

### 39.5 Fair values

#### (a) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Except as otherwise disclosed, the carrying amounts of the current financial assets and liabilities are disclosed at reasonable approximation of its fair value due to their short term nature.

- (ii) Fixed rate borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the end of each reporting period.

#### (b) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.5 Fair values (continued)

#### (b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2022</b>										
<b>Financial assets</b>										
Amortised costs										
– Amounts due from joint ventures	-	-	-	-	-	414,663	-	414,663	414,663	414,663
Fair value through profit or loss										
– Short term funds	735,444	-	-	735,444	-	-	-	-	735,444	735,444
– Derivative financial assets	-	7,785	-	7,785	-	-	-	-	7,785	7,785
	735,444	7,785	-	743,229	-	414,663	-	414,663	1,157,892	1,157,892
<b>Financial liabilities</b>										
Financial liabilities carried at amortised costs										
– Borrowings	-	-	-	-	-	16,720,746	-	16,720,746	16,720,746	16,816,658
– Trade and other payables	-	-	-	-	-	55,936	-	55,936	55,936	55,936
	-	-	-	-	-	16,776,682	-	16,776,682	16,776,682	16,872,594

## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.5 Fair values (continued)

#### (b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2021</b>										
<b>Financial assets</b>										
Amortised costs										
– Amounts due from joint ventures	–	–	–	–	–	515,182	–	515,182	515,182	515,182
Fair value through profit or loss										
– Short term funds	263,698	–	–	263,698	–	–	–	–	263,698	263,698
	263,698	–	–	263,698	–	515,182	–	515,182	778,880	778,880
<b>Financial liabilities</b>										
Financial liabilities carried at amortised costs										
– Borrowings	–	–	–	–	–	11,004,386	–	11,004,386	11,004,386	11,010,111
– Trade and other payables	–	–	–	–	–	38,903	–	38,903	38,903	38,903
Fair value through profit or loss										
– Derivative financial liabilities	–	126,960	–	126,960	–	–	–	–	126,960	126,960
	–	126,960	–	126,960	–	11,043,289	–	11,043,289	11,170,249	11,175,974

# Notes to the Financial Statements

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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.5 Fair values (continued)

#### (b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2022</b>										
<b>Financial liabilities</b>										
Financial liabilities carried at amortised costs										
– Amount due to a subsidiary	-	-	-	-	-	12,582	-	12,582	12,582	12,582
	-	-	-	-	-	12,582	-	12,582	12,582	12,582
<b>2021</b>										
<b>Financial assets</b>										
Fair value through profit or loss										
– Short term funds	263,698	-	-	263,698	-	-	-	-	263,698	263,698
	263,698	-	-	263,698	-	-	-	-	263,698	263,698
<b>Financial liabilities</b>										
Financial liabilities carried at amortised costs										
– Amount due to a subsidiary	-	-	-	-	-	99,742	-	99,742	99,742	99,742
	-	-	-	-	-	99,742	-	99,742	99,742	99,742

### 39 FINANCIAL INSTRUMENTS (CONTINUED)

#### 39.6 Classification of financial instruments

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement:

Financial assets	Amortised costs RM'000	Fair value through profit or loss RM'000	Total RM'000
<b>Group</b>			
<b>2022</b>			
Trade and other receivables, net of goods and services tax, non-refundable deposits and prepayments	202,352	–	202,352
Amounts due from joint ventures	414,663	–	414,663
Short term funds	–	735,444	735,444
Deposits with financial institutions	510,576	–	510,576
Cash and bank balances	1,105,064	–	1,105,064
Derivative financial assets	–	7,785	7,785
	<b>2,232,655</b>	<b>743,229</b>	<b>2,975,884</b>
<b>2021</b>			
Trade and other receivables, net of goods and services tax, non-refundable deposits and prepayments	374,384	–	374,384
Amounts due from joint ventures	538,551	–	538,551
Short term funds	–	263,698	263,698
Deposits with financial institutions	277,082	–	277,082
Cash and bank balances	1,307,428	–	1,307,428
	<b>2,497,445</b>	<b>263,698</b>	<b>2,761,143</b>



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## 39 FINANCIAL INSTRUMENTS (CONTINUED)

### 39.6 Classification of financial instruments (continued)

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement: (continued)

Financial assets	Amortised costs RM'000	Fair value through profit or loss RM'000	Total RM'000
<b>Company</b>			
<b>2022</b>			
Trade and other receivables, net of prepayments	268	–	268
Amounts due from subsidiaries	544	–	544
Deposits with financial institutions	186,732	–	186,732
Cash and bank balances	341,806	–	341,806
	529,350	–	529,350
<b>2021</b>			
Trade and other receivables, net of prepayments	15,590	–	15,590
Amount due from a subsidiary	5	–	5
Short term funds	–	263,698	263,698
Deposits with financial institutions	100,695	–	100,695
Cash and bank balances	91,861	–	91,861
	208,151	263,698	471,849

### 39 FINANCIAL INSTRUMENTS (CONTINUED)

#### 39.6 Classification of financial instruments (continued)

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement: (continued)

Financial liabilities	Financial liabilities at amortised costs RM'000	Fair value through profit or loss RM'000	Total RM'000
<b>Group</b>			
<b>2022</b>			
Borrowings	16,816,658	–	16,816,658
Trade and other payables*	1,171,948	–	1,171,948
Lease liabilities	3,139	–	3,139
	17,991,745	–	17,991,745
<b>2021</b>			
Borrowings	11,010,111	–	11,010,111
Trade and other payables*	1,111,002	–	1,111,002
Derivative financial liabilities	–	126,960	126,960
Lease liabilities	2,369	–	2,369
	12,123,482	126,960	12,250,442
<b>Company</b>			
<b>2022</b>			
Trade and other payables	964	–	964
Amounts due to subsidiaries	379,234	–	379,234
	380,198	–	380,198
<b>2021</b>			
Trade and other payables	925	–	925
Amounts due to subsidiaries	402,898	–	402,898
	403,823	–	403,823

\* Excludes goods and services tax.

# Notes to the Financial Statements

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## 40 COMMITMENTS

### 40.1 Capital commitments

	Group	
	2022 RM'000	2021 RM'000
Authorised capital expenditure not provided for in the financial statements		
– Contracted		
Additions of land held for property development	81,359	81,359
Additions of property, plant and equipment	177,354	221,820
Additions of investment properties	1,197,192	1,486,246
	1,455,905	1,789,425

### 40.2 Operating lease commitments

#### 40.2.1 The Group as lessor

The future minimum lease payments receivable under operating leases contracted for as at end of reporting period but not recognised as receivables are as follows:

	Group	
	2022 RM'000	2021 RM'000
Not later than one (1) year	332,186	244,200
One (1) year to two (2) years	235,729	199,532
Two (2) years to three (3) years	130,042	118,011
Three (3) years to four (4) years	51,037	65,846
Four (4) years to five (5) years	26,717	32,009
More than five (5) years	103,900	117,452
	879,611	777,050

The Group entered into non-cancellable operating lease agreements on its investment properties and unsold properties. These leases have remaining non-cancellable lease terms of between one (1) to twenty (20) years (2021: one (1) to fifteen (15) years).

## 41 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

### Acquisition of a leasehold land at Marina View in the Republic of Singapore ("Singapore")

On 29 September 2021, Boulevard View Pte Ltd ("BVPL"), a wholly-owned subsidiary of the Company has successfully tendered a parcel of leasehold land measuring approximately 7,817.6 square metres at Marina View, Singapore for a consideration of SGD1,508,000,101 from the Urban Redevelopment Authority ("URA"), acting as agent for and on behalf of the Government of Singapore.

BVPL had on 27 October 2021 obtained URA's approval to appoint its wholly-owned subsidiaries, Boulevard Development Pte Ltd ("BDPL") and Boulevard Midtown Pte Ltd ("BMPL") to jointly carry out the development on the land parcel and sign the building agreement. BDPL and BMPL had entered into a building agreement with the collector of Land Revenue on behalf of the President of Singapore for the grant of a lease in relation to the land for a term of 99 years.

Pursuant to the terms and conditions of the Land Tender, the Land Tender was deemed completed on 27 December 2021.

## 42 SEGMENTAL INFORMATION

The Group has four (4) reportable operating segments that are organised and managed separately according to the nature of products and services, specific expertise and technological requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development	Development of residential, commercial and industrial properties
Property investment	Investments in shopping malls, office buildings, office complexes and other properties
Hospitality and leisure	Management and operation of hotels, resorts, golf course and amusement park
Other operations	Project and building services management, landscape services and other operations which are not sizeable to be reported separately

The Group's chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. The Group's financing (including interest expense) and income taxes are managed on a group basis and are not allocated to operating segments.

The transactions between segments are carried out on terms and conditions negotiated and agreed between the parties.

Segment assets exclude current tax assets, deferred tax assets, derivative financial assets and assets used primarily for corporate purposes such as goodwill on consolidation, short term funds and deposits with financial institutions.

Segment liabilities exclude current tax liabilities, deferred tax liabilities, borrowings and derivative financial liabilities that are managed under centralised treasury function.

Details are provided in the reconciliations from segment assets and liabilities to the Group position.

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## 42 SEGMENTAL INFORMATION (CONTINUED)

2022	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>						
External	2,101,915	364,247	113,094	11,076	-	2,590,332
Inter-segment	-	6,059	-	140,662	(146,721)	-
<b>Total revenue</b>	<b>2,101,915</b>	<b>370,306</b>	<b>113,094</b>	<b>151,738</b>	<b>(146,721)</b>	<b>2,590,332</b>
<b>Results</b>						
Segment operating profit/(loss)	901,803	160,929	(29,194)	6,289	-	1,039,827
Property development costs written down	(171,215)	-	-	-	-	(171,215)
Fair value gain on investment properties	-	48,924	-	-	-	48,924
Share of result of an associate	2,124	-	-	-	-	2,124
Share of results of joint ventures	115,806	72,227	(23,292)	-	-	164,741
<b>Profit before interest and taxation</b>	<b>848,518</b>	<b>282,080</b>	<b>(52,486)</b>	<b>6,289</b>	<b>-</b>	<b>1,084,401</b>
<b>2022</b>						
<b>Assets</b>						
Operating assets	14,160,073	16,647,877	2,596,941	130,632		33,535,523
Interest in an associate	53,673	-	-	-		53,673
Interests in joint ventures	2,362,417	1,563,977	463,758	-		4,390,152
Segment assets	16,576,163	18,211,854	3,060,699	130,632		37,979,348
<b>Liabilities</b>						
Segment liabilities	892,781	305,723	42,614	36,489		1,277,607
<b>Other information</b>						
Capital expenditure	3,938,878	651,381	1,493,247	27		6,083,533
Depreciation and amortisation	6,825	12,038	30,809	70		49,742
Non-cash items other than depreciation and amortisation	170,468	(49,301)	61	(1,724)		119,504

## 42 SEGMENTAL INFORMATION (CONTINUED)

2021	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>						
External	2,109,585	286,690	83,565	8,771	–	2,488,611
Inter-segment	–	4,224	–	135,080	(139,304)	–
<b>Total revenue</b>	2,109,585	290,914	83,565	143,851	(139,304)	2,488,611
<b>Results</b>						
Segment operating profit/(loss)	790,063	129,512	(29,815)	4,341	–	894,101
Property development costs written down	(108,852)	–	–	–	–	(108,852)
Fair value loss on investment properties	–	(71,061)	–	–	–	(71,061)
Share of result of an associate	34,973	–	–	–	–	34,973
Share of results of joint ventures	243,360	36,441	(30,220)	–	–	249,581
<b>Profit before interest and taxation</b>	959,544	94,892	(60,035)	4,341	–	998,742

Included in the Group's share of results of joint ventures is reversal of write down value of a development properties in Singapore of RM136,224,000.

2021	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
<b>Assets</b>					
Operating assets	11,844,935	15,296,242	989,693	7,545	28,138,415
Interest in an associate	51,549	–	–	–	51,549
Interests in joint ventures	2,298,528	1,577,707	557,972	–	4,434,207
Segment assets	14,195,012	16,873,949	1,547,665	7,545	32,624,171
<b>Liabilities</b>					
Segment liabilities	915,737	368,424	21,244	3,414	1,308,819
<b>Other information</b>					
Capital expenditure	180,195	714,176	61,543	209	956,123
Depreciation and amortisation	6,777	10,715	24,880	92	42,464
Non-cash items other than depreciation and amortisation	108,636	74,498	74	–	183,208



# Notes to the Financial Statements

30 June 2022

## 42 SEGMENTAL INFORMATION (CONTINUED)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	Group	
	2022 RM'000	2021 RM'000
<b>Profit or loss</b>		
Profit before interest and taxation	1,084,401	998,742
Interest income	42,962	34,729
Interest expense	(34,602)	(300)
Net foreign currency translation gain/(loss) on:		
– borrowings	4,273	46,122
– deposits	5,739	(1,293)
Profit before taxation	1,102,773	1,078,000
Taxation	(414,704)	(414,687)
<b>Profit after taxation</b>	<b>688,069</b>	<b>663,313</b>
<b>Assets</b>		
Segment assets	37,979,348	32,624,171
Unallocated corporate assets	1,522,021	808,735
<b>Total assets</b>	<b>39,501,369</b>	<b>33,432,906</b>
<b>Liabilities</b>		
Segment liabilities	1,277,607	1,308,819
Unallocated corporate liabilities	17,613,192	12,405,379
<b>Total liabilities</b>	<b>18,890,799</b>	<b>13,714,198</b>

## 42 SEGMENTAL INFORMATION (CONTINUED)

### Geographical segments

The Group's major businesses operate in the following principal geographical areas:

Malaysia	Development of residential, commercial and industrial properties. Investments in shopping mall, office building and other properties. Management and operation of hotels, resorts, golf course and amusement park. Project and building management services, landscape services and other operations.
Singapore	Development of residential and commercial properties. Investments in retail, hotel and office building.
PRC	Development of residential and commercial properties. Investments in shopping mall, hotel and office building. Management and operation of amusement park.

	Malaysia RM'000	PRC RM'000	Singapore RM'000	Total RM'000
<b>2022</b>				
Revenue from external customers by location of customers	<b>1,957,932</b>	<b>632,400</b>	<b>–</b>	<b>2,590,332</b>
Segment operating profit/(loss)	<b>725,558</b>	<b>333,168</b>	<b>(18,899)</b>	<b>1,039,827</b>
Non-current assets <sup>^</sup>	<b>11,031,844</b>	<b>1,369,268</b>	<b>19,537,411</b>	<b>31,938,523</b>
<b>2021</b>				
Revenue from external customers by location of customers	1,594,670	879,147	14,794	2,488,611
Segment operating profit/(loss)	520,976	376,949	(3,824)	894,101
Non-current assets <sup>^</sup>	10,565,928	1,191,464	13,809,724	25,567,116

<sup>^</sup> Excluding financial assets, deferred tax assets and goodwill on consolidation.

There is no single external customer from which the revenue generated exceeded 10% of the Group's revenue.

# Notes to the Financial Statements

30 June 2022

## 43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows:

	Effective Group Interest		
Name of Company	2022 %	2021 %	Principal Activities
Direct Subsidiaries			
Boulevard View Pte. Ltd.* <i>(Incorporated in Singapore)</i>	100.0	100.0	Investment holding
Bukit Kelang Development Sdn. Bhd.	100.0	100.0	Property development and cultivation of plantation produce
Club IOI Loyalty Sdn. Bhd.	100.0	100.0	Provision of management loyalty programme services
Fortune Growers Sdn. Bhd.	100.0	100.0	Property development and cultivation of plantation produce
Fortune Premiere Sdn. Bhd.	100.0	100.0	Provision of treasury services
IOIPG Capital Sdn. Bhd.	100.0	100.0	Provision of treasury management services
IOI Business Hotel Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
IOI City Mall Sdn. Bhd.	100.0	100.0	Property investment, property management and investment holding
IOI Consolidated (Singapore) Pte. Ltd.* <i>(Incorporated in Singapore)</i>	100.0	100.0	Investment holding
IOI Materials Trading Sdn. Bhd.	100.0	100.0	Trading of construction materials
IOI Properties Berhad	99.9	99.9	Property development, property investment and investment holding
IOI Properties Empire Sdn. Bhd.	100.0	100.0	Property development and property investment
IOIP Capital Management Sdn. Bhd.	100.0	100.0	Provision of treasury management services
Mayang Development Sdn. Bhd.	100.0	100.0	Property development, property investment and investment holding
Nice Skyline Sdn. Bhd.	99.9	99.9	Property development, investment holding and cultivation of plantation produce
Novel Vortex Limited** <i>(Incorporated in the British Virgin Islands)</i>	100.0	100.0	Provision of treasury services
Nusa Properties Sdn. Bhd.	100.0	100.0	Property development and property investment
Palmex Industries Sdn. Bhd.	100.0	100.0	Property development
PMX Bina Sdn. Bhd.	100.0	100.0	General contractor for the construction of real estate
Premier Landmark Limited# <i>(Incorporated in Hong Kong)</i>	100.0	100.0	Investment holding
Progressive View Pte. Ltd.* <i>(Incorporated in Singapore)</i>	100.0	100.0	Investment holding
Resort Villa Development Sdn. Bhd.	100.0	100.0	Property investment and provision of hotel and hospitality services
Resort Villa Golf Course Berhad	100.0	100.0	Property investment and management of a golf club known as Palm Garden Golf Club

### 43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

	Effective Group Interest		
Name of Company	2022 %	2021 %	Principal Activities
Direct Subsidiaries (continued)			
Resort Villa Golf Course Development Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
Wealthy Link Pte. Ltd.* (Incorporated in Singapore)	100.0	100.0	Property investment
Emerald Property Services Sdn. Bhd.	100.0	100.0	Provision of management services
Vital Initiative Limited# (Incorporated in Hong Kong)	100.0	100.0	Investment holding
Subsidiaries of IOI Properties Berhad			
Cahaya Kota Development Sdn. Bhd.	99.9	99.9	Property development, property investment and investment holding
Commercial Wings Sdn. Bhd.	99.9	99.9	Property investment
Dynamic Management Sdn. Bhd.	99.9	99.9	Property development, investment holding and provision of management services
Flora Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Flora Horizon Sdn. Bhd.	99.9	99.9	Property development and cultivation of plantation produce
Hartawan Development Sdn. Bhd.®	–	99.9	Property development and cultivation of plantation produce
IOI Harbour Front Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Landscape Services Sdn. Bhd.	99.9	99.9	Landscape services, sale of ornamental plants and turfing grass
IOI Land Singapore Pte. Ltd.* (Incorporated in Singapore)	99.9	99.9	Investment holding
IOI Lavender Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Medini Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Medini Management Sdn. Bhd.	99.9	99.9	Provision of management services
IOI Mulberry Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI PFCC Hotel Sdn. Bhd.	99.9	99.9	Provision of hotel and hospitality services
IOI Prima Property Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Properties (Singapore) Pte. Ltd.* (Incorporated in Singapore)	99.9	99.9	Property investment and investment holding
Jutawan Development Sdn. Bhd.	89.9	89.9	Property development and property investment
Knowledge Vision Sdn. Bhd.	99.9	99.9	Property development and property investment
Multi Wealth (Singapore) Pte. Ltd.* (Incorporated in Singapore)	99.9	99.9	Investment holding
Palmy Max Limited* (Incorporated in Hong Kong)	99.9	99.9	Investment holding and provision of consultancy services

# Notes to the Financial Statements

30 June 2022

## 43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

	Effective Group Interest		
Name of Company	2022 %	2021 %	Principal Activities
Subsidiaries of IOI Properties Berhad (continued)			
Paska Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Pilihan Teraju Sdn. Bhd.	99.9	99.9	Property development and property investment
Pine Properties Sdn. Bhd.	99.9	99.9	Property development and property investment
Property Skyline Sdn. Bhd.	99.9	99.9	Provision of management services and investment holding
Speed Modulation Sdn. Bhd.	99.9	99.9	Property investment
Subsidiaries of IOI City Holdings Sdn. Bhd.			
IOI City Hotel Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
IOI City Park Sdn. Bhd.	100.0	100.0	Car park operator and provision of car park management services
IOI City Tower One Sdn. Bhd.	100.0	100.0	Property management and property investment
IOI City Tower Two Sdn. Bhd.	100.0	100.0	Property management and property investment
Subsidiaries of Cahaya Kota Development Sdn. Bhd.			
IOI Building Services Sdn. Bhd.	99.9	99.9	Provision of building maintenance services
Lush Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Riang Takzim Sdn. Bhd.	99.9	99.9	Investment holding
Tanda Bestari Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Subsidiaries of Dynamic Management Sdn. Bhd.			
Legend Advance Sdn. Bhd.	69.9	69.9	Property development and property investment
Paksi Teguh Sdn. Bhd.	99.9	99.9	General contractor for the construction of real estate
Pilihan Megah Sdn. Bhd.	99.9	99.9	Property development, property investment and provision of management services
Subsidiary of IOI City Mall Sdn. Bhd.			
IOI City Holdings Sdn. Bhd.	100.0	100.0	Investment holding and property investment
Subsidiary of Multi Wealth (Singapore) Pte. Ltd.			
Clementi Development Pte. Ltd.* (Incorporated in Singapore)	87.9	87.9	Property development
Subsidiaries of Boulevard View Pte. Ltd.			
Boulevard Midtown Pte. Ltd. (Incorporated in Singapore)	100.0	–	Property investment, provision of hotel and hospitality services
Boulevard Development Pte. Ltd. (Incorporated in Singapore)	100.0	–	Property development

### 43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

	Effective Group Interest		
Name of Company	2022 %	2021 %	Principal Activities
Subsidiaries of Property Skyline Sdn. Bhd.			
Nice Frontier Sdn. Bhd.	99.9	99.9	Property development, property investment and cultivation of plantation produce
Property Village Berhad	99.9	99.9	Property development, operations of golf club and provision of recreational services and investment holding
Trilink Pyramid Sdn. Bhd.	99.9	99.9	Property development and provision of management services
Wealthy Growth Sdn. Bhd.	99.9	99.9	Property development
Subsidiary of Property Village Berhad			
Baycrest Sdn. Bhd.	99.9	99.9	General contractor
Subsidiaries of Palmy Max Limited			
IOI (Xiamen) Business Management Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	99.9	99.9	Business management, property management and procurement of construction materials
IOI (Xiamen) Properties Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	99.9	99.9	Property development, property investment and provision of hotel and hospitality services
Prime Joy Investments Limited <sup>#</sup> <i>(Incorporated in Hong Kong)</i>	99.9	99.9	Investment holding
Subsidiary of Prime Joy Investments Limited			
Xiamen Double Prosperous Real Estate Development Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	99.9	99.9	Property development and property management services
Subsidiary of Premier Landmark Limited			
Shenzhen IOI Property Development Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	100.0	–	Property development and property investment
Subsidiaries of IOI (Xiamen) Properties Co. Ltd.			
Xiamen Palm City Management Services Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	99.9	99.9	Provision of management services
Xiamen Palm Kaiyue Real Estate Development Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	99.9	99.9	Property development, property management and car park management
Subsidiary of IOI (Xiamen) Business Management Co. Ltd.			
Xiamen Palm City Sports Technology Co. Ltd. <sup>#</sup> <i>(Incorporated in the People's Republic of China)</i>	59.9	59.9	Leisure and entertainment activities
Subsidiary of Pine Properties Sdn. Bhd.			
PINE MJR Development Sdn. Bhd.	54.9	54.9	Property development
Associate of IOI Properties Berhad			
GLM Emerald Industrial Park (Jasin) Sdn. Bhd. <sup>#</sup>	32.0	32.0	Property development and operation of oil palm estate



# Notes to the Financial Statements

30 June 2022

## 43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest		Principal Activities
	2022 %	2021 %	
Joint Venture of IOI Consolidated (Singapore) Pte. Ltd.			
Scottsdale Properties Pte. Ltd. <sup>#</sup> (Incorporated in Singapore)	49.9	49.9	Investment holding
Joint Venture of IOI Land Singapore Pte. Ltd.			
Seaview (Sentosa) Pte. Ltd. <sup>#</sup> (Incorporated in Singapore)	49.9	49.9	Property development
Joint Venture of IOI Properties Berhad			
PJ Midtown Development Sdn. Bhd.	49.9	49.9	Property development
Joint Venture of IOI Properties (Singapore) Pte. Ltd.			
Pinnacle (Sentosa) Pte. Ltd. <sup>#</sup> (Incorporated in Singapore)	64.9	64.9	Property development
Joint Venture of Multi Wealth (Singapore) Pte. Ltd.			
Mergui Development Pte. Ltd. <sup>^</sup> (Incorporated in Singapore)	–	59.9	Property development

<sup>#</sup> Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.

<sup>\*</sup> Audited by member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT.

<sup>\*\*</sup> The subsidiary is not required by their local laws to appoint statutory auditors.

<sup>@</sup> Ceased to be a subsidiary on 10 September 2021 pursuant to the completion of disposal of 100% equity interest under the sale of shares agreement.

<sup>^</sup> Struck off from the register of ACRA with effect from 7 April 2022.

## 44 AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2022 were authorised for issue by the Board of Directors on 23 September 2022.

# Statement by Directors Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 180 to 288 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**LEE YEOW SENG**

Director

23 September 2022

**LEE YOKE HAR**

Director

# Statutory Declaration Pursuant to Section 251(1) of the Companies Act 2016

I, Shen Yan Chao (MIA 31632), being the officer primarily responsible for the financial management of IOI Properties Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 180 to 288 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.

Subscribed and solemnly declared     )  
by the abovenamed                         )  
at Puchong, Selangor Darul Ehsan     )  
this 23 September 2022                   )

Before me

**NG SAY JIN**

COMMISSIONER FOR OATHS

No. B195

# Independent Auditors' Report

To the Members of IOI Properties Group Berhad

(Incorporated in Malaysia)

Registration No. 201301005964 (1035807-A)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of IOI Properties Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 180 to 288.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>1. Revenue recognition from property development activities</b></p> <p>Total revenue recognised for the Group on sale of development properties amounted to RM2,101.9 million for financial year ended 30 June 2022, of which RM459.7 million relates to ongoing projects.</p> <p>The Group recognises revenue from ongoing property development projects in the statements of profit or loss by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the actual costs certified by professional consultants as a percentage of total estimate costs.</p> <p>Given the nature of property development projects, we focused on this area as significant estimates and judgements are required in:</p> <ul style="list-style-type: none"> <li>Determining the extent of property development costs accruals to reflect work performed up to the reporting date;</li> <li>Determining the estimated total property development costs to completion; and</li> <li>Determining the common costs allocation to the project phases from the total budgeted common costs attributable to the respective property development projects.</li> </ul> <p><i>Refer to Note 5.1 (Significant Accounting Estimates and Judgements – Revenue and Cost Recognition from Property Development Activities), Note 6.19 (Significant Accounting Policies – Revenue Recognition), Note 7 (Revenue) and Note 23 (Property Development Costs)</i></p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>Reviewed the terms and conditions of the major sales transactions to determine that revenue recognised conforms with the Group policies and the requirements of MFRS 15 “Revenue from contracts with customers”;</li> <li>Tested the key controls in respect of the budgeting process of total property development costs;</li> <li>Tested controls over monitoring of costs incurred for work performed to date;</li> <li>Assessed the reasonableness of samples of estimated total property development costs on the property development projects by comparing to contracts, quotations from contractors and cost estimates from quantity surveyors for newly launched projects;</li> <li>Assessed sample of revision of estimated total property development costs to supporting documentations such as quotation from contractors and variation orders received and approved by management for ongoing projects;</li> <li>Evaluated variances between actual costs incurred and budgeted property development costs to assess whether total estimated costs to completion have been properly updated;</li> <li>Assessed the reasonableness of allocation of total budgeted common costs to the project phases by comparing the budget to the approved master layout plan;</li> <li>Tested samples of actual sales of development properties to signed sales and purchase agreements;</li> <li>Tested samples of costs incurred to date to supporting documentations such as contractors’ claim certificates or suppliers invoices. Where costs have not been billed or certified, assessed the adequacy of management’s accruals of such costs by reviewing subsequent contractors’ claims certificates, supplier invoices or approved architect’s certificates; and</li> <li>Recomputed the stage of completion by computing the proportion of property development costs incurred for work performed to date as a percentage of total estimated costs of the property development projects.</li> </ul> <p>Based on our work done, we did not identify any material exceptions.</p>

# Independent Auditors' Report

To the Members of IOI Properties Group Berhad

(Incorporated in Malaysia)

Registration No. 201301005964 (1035807-A)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>2. Fair value of completed investment properties</b></p> <p>As at 30 June 2022, the Group's completed investment properties, which are carried at fair value, amounted to RM5,081.0 million. The valuations of the Group's completed investment properties were performed by independent external valuers based on Investment Method and Comparison Method. The valuers have considered factors related to the properties' overall condition and demand as a whole in arriving at the fair values.</p> <p>We focused on this area due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied.</p> <p><i>Refer to Note 5.4 (Significant Accounting Estimates and Judgements – Fair Value of Investment Properties), Note 6.3 (Significant Accounting Policies – Investment Properties) and Note 17 (Investment Properties)</i></p>	<p><b>External valuations</b></p> <p>We obtained and read the valuation reports obtained by management from independent external valuers. Based on these reports, we discussed the valuation methodologies and assumptions used in the valuation with the independent external valuers.</p> <p>We have assessed the independent external valuers' competency, capabilities and objectivity by checking the valuers' qualification and their registration to the respective boards of each country.</p> <p><b>Valuation methodologies</b></p> <p>We carried out the following procedures to assess the inputs underpinning the valuation of the properties:</p> <ul style="list-style-type: none"> <li>• Agreed rental rates, rental periods, net lettable area and outgoing expenses to the underlying tenancy agreements where applicable, and held discussions with valuers to understand the factors they have considered in adjusting the inputs, including any market factors;</li> <li>• Benchmarked the term yield, reversion yield and allowance for void used by the valuers to comparable properties;</li> <li>• Discussed with valuers to understand the basis of adjustments made to transacted price per square foot of comparable peers by considering factors related to the characteristics of each individual property, such as location, accessibility to the location, size, tenure and comparable transaction dates; and</li> <li>• Challenged the valuers on certain key inputs and estimates used in consideration of the current market condition.</li> </ul> <p>We have also assessed the sensitivity analysis prepared by management on the yields and price per square foot underpinning the valuation, where applicable.</p> <p>Based on the above procedures performed, we did not identify any material exceptions.</p>

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

### Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>3. Assessment of funding requirements and ability to meet the short term obligations</b></p> <p>As at 30 June 2022, the Group had a net current liability position of RM7,894.7 million, consisting of RM13,485.9 million in borrowings which are due in the next 12 months. We focused on the Group's funding and ability to meet its short term obligations due to the significant amount of the short term borrowings.</p> <p><i>Refer to Note 39.4 (Financial Instruments – Liquidity and Cash Flow Risk)</i></p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Reviewed the letters of extension provided by the Facility Agents of the respective borrowing facilities for which management sought an extension of the repayment due date;</li> <li>• Checked the latest available correspondences with the banks on the status of the refinancing of the short term borrowings;</li> <li>• Checked repayment profile of the Group based on existing loan agreements and that the debt covenants of the Group were met;</li> <li>• Checked extent of debt that the Group can raise from its existing facilities;</li> <li>• Discussed with management on key assumptions used in developing the cash flow forecasts for the Group including cash collection trends, payment profiles and significant transactions in developing the cash flow forecasts for the Group; and</li> <li>• Reviewed the appropriateness of disclosures in the financial statements in relation to the Group's liquidity risk management.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions to the Directors' assessment that the Group will be able to meet its short term obligations.</p>

We have determined that there are no key audit matters to report for the Company.



# Independent Auditors' Report

## To the Members of IOI Properties Group Berhad

(Incorporated in Malaysia)

Registration No. 201301005964 (1035807-A)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and contents in the 2022 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## 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' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 43 to the financial statements.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### **PRICEWATERHOUSECOOPERS PLT**

LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
23 September 2022

### **SOO HOO KHOON YEAN**

02682/10/2023 J  
Chartered Accountant

# Group's Material Properties

## DEVELOPMENT PROPERTIES

Location	Tenure	2022 Remaining Land Area (Acres)	Usage	Year of Acquisition	Carrying Amount as at 30 June 2022 RM'000
<b>MALAYSIA</b>					
<b>Klang Valley</b>					
IOI Resort City, Putrajaya Various parcels of land in Dengkil, Sepang Selangor Darul Ehsan	Freehold and 99 years leasehold	358	On-going mix development and future development land	1990, 1994 and 2016	<b>2,075,056</b>
Bandar Puteri Bangi Various parcels of land in Beranang Mukim of Ulu Langat Selangor Darul Ehsan	Freehold	206	On-going mix development	2013	<b>548,090</b>
Warisan Puteri @ Sepang Various parcels of land in Mukim of Dengkil Dengkil, Sepang Selangor Darul Ehsan	Freehold and 99 years leasehold	186	On-going mix development	2012	<b>372,949</b>
Bandar Puteri, Puchong Various parcels of land in Puchong, Petaling Selangor Darul Ehsan	Freehold	142	On-going mix development	1990	<b>277,463</b>
16 Sierra, Puchong South Various parcels of land in Dengkil, Sepang Selangor Darul Ehsan	99 years leasehold	183	On-going mix development and future development land	2001 and 2002	<b>220,020</b>
BC Industrial Park, Banting Various parcels of land in Daerah Kuala Langat, Selangor Darul Ehsan	Freehold	325	Future development land	2017	<b>173,242</b>
<b>Negeri Sembilan Darul Khusus</b>					
Bandar IOI, Bahau Various parcels of land in Mukim of Rompin, Jempol Negeri Sembilan Darul Khusus	Freehold	779	On-going mix development and future development land	1990 and 2014	<b>182,365</b>

**DEVELOPMENT PROPERTIES (CONTINUED)**

Location	Tenure	2022 Remaining Land Area (Acres)	Usage	Year of Acquisition	Carrying Amount as at 30 June 2022 RM'000
<b>MALAYSIA</b>					
<b>Johor Darul Takzim</b>					
Bandar Putra Kulai Various parcels of land in Senai Kulai, Johor Bahru Johor Darul Takzim	Freehold	3,498	On-going mix development and future development land	1988 and 2012	<b>300,020</b>
Bandar IOI, Segamat Various parcels of land in Mukim Sungai Segamat Mukim Pagoh, District of Segamat Johor Darul Takzim	Freehold	1,277	On-going mix development and future development land	2014	<b>285,856</b>
i-Synergy Various parcels of land in Senai, Kulai Johor Bahru Johor Darul Takzim	Freehold	265	On-going commercial development	2015	<b>236,489</b>
Taman Plentong – Various parcels of land in Plentong Johor Darul Takzim	Freehold	20	On-going mix development and future development land	2011 and 2013	<b>238,149</b>
Various parcels of land in Mukim of Pulai Johor Darul Takzim	Freehold	16	Future development land	2013	<b>194,426</b>
Taman Kempas Utama Various parcels of land in Tebrau Johor Bahru Johor Darul Takzim	Freehold	33	On-going mix development	2006	<b>185,721</b>
Various parcels of land in Nusa Jaya, Johor Johor Darul Takzim	99 years leasehold	7	Future development land	2013	<b>159,813</b>
A parcel of Land in Kulai Jaya Johor Darul Takzim	Freehold	404	Future development land	2014	<b>147,884</b>
<b>OVERSEAS</b>					
<b>The Republic of Singapore</b>					
Lot No. 483K and 484N Town Subdivision 30 at Marina View Singapore	99 years leasehold	2 (part of)	On-going residential development	2021	<b>3,791,730</b>

# Group's Material Properties

## INVESTMENT PROPERTIES

Location	Tenure	Net Lettable Area ('000 sq ft) (Approximately)	Usage	Age of Building (Years)	Carrying Amount as at 30 June 2022 RM'000
<b>RETAILS</b>					
IOI City Mall Lebuh IRC IOI Resort City Putrajaya	Freehold	1,473	4-storey shopping mall together with car park	7	<b>1,843,085<sup>^</sup></b>
IOI City Mall (Phase 2) Lebuh IRC IOI Resort City Putrajaya	Freehold	1,044	6-storey shopping mall together with car park	*	<b>804,454<sup>^</sup></b>
IOI Palm City Mall, Xiamen Xinglin Bay Road and Jimei Main Road Jimei New Town Zone 11-12 Jimei District, Xiamen Fujian Province The People's Republic of China	40 years leasehold	639	6-storey shopping mall together with car park	1	<b>809,874</b>
IOI Mall Bandar Puchong Jaya Puchong Selangor Darul Ehsan	Freehold	641	3-storey shopping mall together with car park	25	<b>444,936</b>
IOI Mall (new wing) Bandar Puchong Jaya Puchong Selangor Darul Ehsan	Freehold	261	4-storey shopping mall together with car park	13	<b>227,064</b>
<b>OFFICES</b>					
IOI Central Boulevard within Marina Bay area Opposite Telok Ayer Market Singapore	99 years leasehold	1,279	Integrated mixed development including office towers and retail podium	*	<b>9,930,391</b>
IOI City Tower 1 and IOI City Tower 2 Lebuh IRC IOI Resort City Putrajaya	Freehold	968	2 blocks of purpose-built office building together with car park	7	<b>343,700</b>
Puchong Financial Corporate Centre ("PFCC") Towers 1 and 2 Bandar Puteri Puchong Selangor Darul Ehsan	Freehold	379	2 blocks of purpose-built office building together with car park	13	<b>144,000</b>
PFCC Towers 4 and 5 Bandar Puteri Puchong Selangor Darul Ehsan	Freehold	504	2 blocks of purpose-built office building together with car park	8	<b>231,000</b>

**INVESTMENT PROPERTIES (CONTINUED)**

Location	Tenure	Net Lettable Area ('000 sq ft) (Approximately)	Usage	Age of Building (Years)	Carrying Amount as at 30 June 2022 RM'000
<b>OFFICES</b>					
Conezion IOI Resort City Putrajaya	Freehold	925	Stratified shop and office lots together with car park	5	<b>317,000</b>
One IOI Square and Two IOI Square IOI Resort City Putrajaya	Freehold	434	2 blocks of purpose-built office building together with car park	19	<b>170,200</b>
IOI Palm City Office, Xiamen Xinglin Bay Road and Jimei Main Road Jimei New Town Zone 11-12 Jimei District, Xiamen Fujian Province The People's Republic of China	50 years leasehold	371	10 blocks of purpose-built office building together with car park	*	<b>253,626</b>
<b>OTHERS</b>					
Lot PT 92 Pekan Bukit Bisa Sepang Selangor Darul Ehsan	Freehold	–	A parcel of commercial land	N/A	<b>370,000</b>
Bungalow (Beverly Row) IOI Resort City Putrajaya	Freehold	268	37 units of residential bungalow	17-25	<b>120,000</b>

\* The investment properties are currently under construction.

^ Included purpose-built car park which classified as property, plant and equipment with carrying amount of RM551,413,000.



# Group's Material Properties

## HOSPITALITY AND LEISURE PROPERTIES

Location	Tenure	Land Area (Acres)	Built-up Area ('000 sq. ft.)	Usage	Age of Building (Year)	Carrying Amount as at 30 June 2022 RM'000
<b>MALAYSIA</b>						
<b>Klang Valley</b>						
IOI Palm Garden Golf Club IOI Resort City Putrajaya	Freehold	146	171	18-hole golf course and club house	10	<b>196,494</b>
Le Méridien Putrajaya Lebuh IRC IOI Resort City Putrajaya	Freehold	37 (part of)	326	353-room hotel	6	<b>181,530</b>
Putrajaya Marriott Hotel IOI Resort City Putrajaya	Freehold	16 (part of)	1,521	488-room hotel	19	<b>144,613</b>
Four Points by Sheraton Puchong Bandar Puteri Puchong Selangor Darul Ehsan	Freehold	8 (part of)	242	249-room hotel	7	<b>101,713</b>
Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel IOI Resort City Putrajaya	Freehold	3	130	151-room hotel	29	<b>61,997</b>
<b>OVERSEAS</b>						
<b>The People's Republic of China</b>						
Sheraton Grand Jimei District Xiamen, Fujian Province	40 years leasehold	7 (part of)	*	370-room hotel	*	<b>270,628</b>
<b>The Republic of Singapore</b>						
Lot No. 483K and 484N Town Subdivision 30 at Marina View Singapore	99 years leasehold	2 (part of)	*	350-room hotel	*	<b>1,395,813</b>

\* The hotels are currently under construction.

As at 30 August 2022

## ANALYSIS OF SHAREHOLDINGS

\* Negligible

(without aggregating securities from different securities accounts belonging to the same person)

Name	No. of shares held	%
1. Vertical Capacity Sdn Bhd	1,716,236,641	31.17
2. Vertical Capacity Sdn Bhd	1,330,174,400	24.15
3. Vertical Capacity Sdn Bhd	569,652,700	10.34
4. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	420,338,501	7.63
5. AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera</i>	247,163,985	4.49
6. AnnHow Holdings Sdn Bhd	102,338,400	1.86
7. CIMB Group Nominees (Tempatan) Sdn Bhd <i>Exempt an for DBS Bank Limited</i>	60,113,750	1.09
8. Lai Ming Chun @ Lai Poh Lin	40,000,000	0.73
9. AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia</i>	39,088,950	0.71
10. AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia 2 – Wawasan</i>	39,000,000	0.71
11. Pertubuhan Keselamatan Sosial	34,949,600	0.63
12. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for UBS AG Singapore</i>	34,234,931	0.62

# Shareholders Information

As at 30 August 2022

## LIST OF TOP 30 SHAREHOLDERS (CONTINUED)

(without aggregating securities from different securities accounts belonging to the same person)

Name	No. of shares held	%
13. AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	26,303,393	0.48
14. CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Rickoh Holdings Sdn Bhd</i>	20,119,999	0.37
15. HLB Nominees (Tempatan) Sdn Bhd <i>Securities Account for Datuk Tan Kim Heung</i>	18,480,700	0.34
16. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Rickoh Holdings Sdn Bhd</i>	18,011,244	0.33
17. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Chan Cha Lin</i>	17,321,600	0.31
18. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for Norges Bank</i>	17,219,110	0.31
19. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	16,838,656	0.31
20. Carbatan Nominees (Tempatan) Sdn Bhd <i>PBTB for Takafulink Dana Ekuiti</i>	13,535,138	0.25
21. Koon KM Holding Sdn Bhd	13,300,000	0.24
22. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Tan Pei Geok</i>	11,468,800	0.21
23. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account-UBS AG Singapore for Annhow Holdings Sdn Bhd</i>	10,940,000	0.20
24. Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	10,852,728	0.20
25. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Lai Ming Chun @ Lai Poh Lin</i>	9,372,000	0.17
26. Lee Yeow Seng	9,298,100	0.17
27. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund ZYEF for Vanguard Global Ex-US real Estate Index Fund</i>	9,292,300	0.17
28. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Affin Hwang)</i>	9,290,300	0.17
29. Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	8,982,740	0.16
30. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Annhow Holdings Sdn Bhd</i>	8,397,900	0.15
Total	4,882,316,566	88.67

## SUBSTANTIAL SHAREHOLDERS

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Lee Yeow Seng	69,298,100	1.26	3,616,063,741*	65.67
Dato' Lee Yeow Chor	6,837,500	0.12	3,616,063,741*	65.67
Vertical Capacity Sdn Bhd ("VCSB")	3,616,063,741	65.67	–	–
Employees Provident Fund Board	442,944,001	8.05	–	–

\* Deemed interested by virtue of his interest in VCSB pursuant to Section 8 of the Companies Act 2016.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Tenth Annual General Meeting (“**10<sup>th</sup> AGM**”) of IOI Properties Group Berhad (the “**Company**”) will be conducted virtually through live streaming to be hosted at <https://conveneagm.my/ioipropertiesagm2022> (Domain Registration No. D6A475992) from the broadcast venue at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Tuesday, 8 November 2022 at 10:00 am (Malaysia time) for the following purposes:

## AGENDA

### As Ordinary Business

- |   |  |                     |
|---|--|---------------------|
| 1 | To receive the Audited Financial Statements for the financial year ended 30 June 2022 and the Reports of the Directors and Auditors thereon.   | Note C1             |
| 2 | To approve the payment of a first and final single tier dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2022.  | <b>Resolution 1</b> |
| 3 | To re-elect the following Directors who are to retire pursuant to Article 91 of the Company's Constitution:  |                     |
|   | (i) Datuk Tan Kim Leong  | <b>Resolution 2</b> |
|   | (ii) Lee Yeow Seng   | <b>Resolution 3</b> |
| 4 | To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,300,000 for the financial year ending 30 June 2023 payable quarterly in arrears after each month of completed service of the Directors during the financial year.               | <b>Resolution 4</b> |
| 5 | To approve the payment of Directors' benefits (other than Directors' fees) of up to an aggregate amount of RM290,000 for the period from 9 November 2022 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016. | <b>Resolution 5</b> |
| 6 | To re-appoint PricewaterhouseCoopers PLT, the retiring Auditors for the financial year ending 30 June 2023 and to authorise the Audit Committee to fix their remuneration.   | <b>Resolution 6</b> |

### As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution:

#### 7 **Proposed Renewal of Existing Share Buy-Back Authority**

“THAT subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be and is hereby given to the Company to utilise up to the aggregate of the Company's latest audited retained earnings, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares which may be purchased and/or held by the Company as treasury shares pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time of purchase(s) and the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase (“**Proposed Purchase**”);

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion as defined in Section 127 of the Companies Act 2016 in the following manner:

- (i) cancel the ordinary shares so purchased; and/or
- (ii) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Malaysia; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder.

THAT such authority conferred by this resolution shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by an ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting,

whichever is the earlier, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Malaysia or any other relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company."

#### Resolution 7

- 8 To transact any other business of which due notice shall have been given.

#### NOTICE OF FIRST AND FINAL DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the 10<sup>th</sup> AGM, a first and final single tier dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2022 will be payable on 2 December 2022 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 23 November 2022.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4:30 pm on 23 November 2022 in respect of transfers;
- b) Shares deposited into the Depositor's Securities Account before 12:30 pm on 21 November 2022 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board,

**Chee Ban Tuck** (SSM PC 202208000217) (MIA 24078)  
Company Secretary

Putrajaya  
7 October 2022

# Notice of Annual General Meeting

## Notes

### A. Remote Participation and Electronic Voting

- 1 The 10<sup>th</sup> AGM of the Company will be conducted virtually through live streaming and voting using the Remote Participation and Electronic Voting ("**RPEV**") facility at <https://conveneagm.my/ioipropertiesagm2022> ("**ConveneAGM Meeting Platform**") from the broadcast venue. With the RPEV facility, shareholders/proxies/corporate representatives may exercise their rights to participate (including to pose questions to the Chairman, Board of Directors and/or Management of the Company) and vote at the 10<sup>th</sup> AGM, safely from their home. **Please refer to the Administrative Guide for the detailed steps on RPEV facility.**
- 2 The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the "**Act**") which requires the Chairman of the meeting of the Company to be present at the main venue in Malaysia. Shareholders/proxies/corporate representatives are required to participate in the meeting online.
- 3 As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the conduct of General Meetings for Listed Issuers and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and/or corporate representatives shall communicate via real-time submission of textual question available at ConveneAGM Meeting Platform during live streaming of the 10<sup>th</sup> AGM as the primary mode of communication.

### B. Appointment of Proxy

- 1 Only shareholders whose names appear in the Record of Depositors and Register of Members as at **31 October 2022** shall be eligible to participate and vote at the 10<sup>th</sup> AGM or appoint proxy to participate and vote on his or her behalf.
- 2 A shareholder may appoint any person to be his or her proxy and there shall be no restriction as to the qualification of the proxy.
- 3 If an instrument appointing a proxy is submitted in hard copy, it must be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of two (2) authorised officers, one (1) of whom shall be a director, or of its attorney duly authorised in writing.
- 4 A shareholder of the Company [including an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (Omnibus Account)] may appoint more than one (1) proxy, provided that the shareholder specifies the proportion of his or her shareholdings to be represented by each proxy. When two (2) or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others in respect of that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
- 5 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- 6 The proxy form may be made in hard copy or by electronic means, not less than forty-eight (48) hours before the time for holding the 10<sup>th</sup> AGM or any adjournment thereof, as follows:

#### (i) In hard copy form

The proxy form must be deposited at the office of our Administration and Polling Agent, KPMG Management & Risk Consulting Sdn Bhd at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

#### (ii) By electronic means

The proxy form can also be lodged electronically through ConveneAGM Meeting Platform at <https://conveneagm.my/ioipropertiesagm2022> or email to [support\\_conveneagm@kpmg.com.my](mailto:support_conveneagm@kpmg.com.my). Please follow the procedures provided in the Administrative Guide for the 10<sup>th</sup> AGM on how to deposit the proxy form electronically.



- 7 Any corporation which is a shareholder can appoint one (1) or more corporate representatives who may exercise on its behalf all of its power as a shareholder in accordance with the Act.
- 8 For all the above resolutions which are proposed as ordinary resolutions, more than half of the votes cast must be in favour of the resolutions. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions shall be put to vote by way of a poll.

### C. Explanatory Notes to the Agenda

To help make things clearer, we have explained each resolution here. The Directors consider all the resolutions to be in the best interests of the Company and our shareholders as a whole. They unanimously recommend that shareholders vote in favour of them.

#### 1. To receive Audited Financial Statements for the financial year ended 30 June 2022

This Agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Act, the audited financial statements do not require a formal approval of the shareholders. Hence, this resolution will not be put forward for voting.

The Chairman will give shareholders an opportunity to ask questions about, and make comments on the financial statements and reports and the Group's performance in accordance with the mode of communication as provided in the Administrative Guide.

Shareholders will also be given an opportunity to ask the representative(s) of the Company's External Auditors, PricewaterhouseCoopers PLT ("**PwC**"), questions relevant to audit matters, including the Auditors' Report.

#### 2. Ordinary Resolution 1 – First and final single tier dividend

On 23 September 2022, the Board had considered the amount of a first and final single tier dividend and decided to recommend the same for the shareholders' approval. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the payment is made on 2 December 2022 in accordance with the solvency requirements under Section 132 of the Act.

#### 3. Ordinary Resolutions 2 to 3 – Re-election of Directors

Datuk Tan Kim Leong and Lee Yeow Seng, who retire in accordance with Article 91 of the Company's Constitution, are standing for re-election as Directors of the Company and being eligible for re-election, have offered themselves for re-election at the 10<sup>th</sup> AGM.

Each of the Directors standing for re-election has undergone a performance evaluation and had provided his annual declaration on his fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group, as well as independence confirmation for Independent Chairman. Upon the Governance, Nominating and Remuneration Committee ("**GNRC**")'s assessment, the performance and suitability of each of the retiring Directors was found to be satisfactory and that each of the retiring Directors had demonstrated his commitment to the role and continues to be an effective and valuable member of the Board of Directors (the "**Board**").

Based on the above premise, the GNRC had recommended for the retiring Directors to be re-elected at the 10<sup>th</sup> AGM and the Board had endorsed the GNRC's recommendations. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board meeting.

No individual is seeking election (other than re-election of Directors) as Director at the 10<sup>th</sup> AGM of the Company. Detailed profile of each Director, including their career history, competencies and experience can be found from pages 126 to 132 of the Integrated Annual Report 2022.

# Notice of Annual General Meeting

## 4. Ordinary Resolutions 4 and 5 – Directors' fees and benefits payable

The GNRC and the Board have reviewed the Directors' fees after taking into account fee levels and trends for similar positions in the market and time commitment required from the Directors. The payment of Directors' fees (inclusive of Board Committees' fees) for the financial year ending 30 June 2023 shall be payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The Directors' benefits (other than Directors' fees and Board Committees' fees) comprise attendance allowances, insurance coverage, non-cash benefits-in-kind ("**BIK**") and golf privilege benefit. In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated number of meetings for the Board and its Committees, estimated proportionate paid and payable insurance premium, estimated BIK for living accommodation and the estimated usage of golf facilities based on the limits provided by the Company during the relevant period.

## 5. Ordinary Resolution 6 – Re-appointment of Auditors

The Company's External Auditors, PwC must offer themselves for re-appointment at each AGM at which Audited Financial Statements are presented. The performance and effectiveness of PwC have been evaluated by the Audit Committee ("**AC**"), which included an assessment of PwC's independence, suitability and objectivity. The AC having satisfied with the performance, suitability and independence of PwC, had recommended to the Board that PwC be re-appointed and its remuneration be determined by the AC. The representatives of PwC will be participating at the 10<sup>th</sup> AGM.

## 6. Ordinary Resolution 7 – Proposed Renewal of Existing Share Buy-Back Authority

Ordinary Resolution 7 is to seek a renewal of the authority granted at the 9<sup>th</sup> AGM of the Company held on 28 October 2021, which will lapse at the conclusion of the 10<sup>th</sup> AGM to be held on 8 November 2022. The resolution authorises the Company to make market purchases of its own ordinary shares as permitted by the Act.

The Board seeks authority to purchase up to ten percent (10%) of the Company's total number of issued shares, should market conditions and price justify such action.

The Directors only intend to use this authority to make such purchases if to do so could be expected to lead to an increase in net assets value per share for the remaining shareholders and would be in the best interests of the Company generally, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company.

Any purchases of ordinary shares would be by means of market purchases through Bursa Malaysia. Any shares purchased under this authority may either be cancelled or held as treasury shares by the Company. Treasury shares may subsequently be cancelled or resold for cash or distributed as dividends or be dealt with by the Directors in the manners allowed by the Act. The Company did not purchase any ordinary shares during FY2022.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to the explanatory information in the Share Buy-Back Statement dated 7 October 2022.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 10<sup>th</sup> AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 10<sup>th</sup> AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 10<sup>th</sup> AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.





# PROXY FORM

I/We \_\_\_\_\_  
(full name in block letters)

NRIC/Passport/Company No. \_\_\_\_\_ Mobile Phone No. \_\_\_\_\_

of \_\_\_\_\_  
(full address)

being a member(s) of **IOI Properties Group Berhad**, hereby appoint:

Full Name (in block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile No	Email Address		

and/or (delete as appropriate)

Full Name (in block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile No	Email Address		

or failing him/her, the Chairman of the Tenth Annual General Meeting ("10<sup>th</sup> AGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the 10<sup>th</sup> AGM of the Company which will be conducted virtually through live streaming to be hosted at <https://conveneagm.my/ioipropertiesagm2022> (Domain Registration No. D6A475992) from the broadcast venue at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia on **Tuesday, 8 November 2022 at 10:00 am (Malaysia time)** or any adjournment thereof.

My/our proxy/proxies shall vote as follows:

(Please indicate with an "X" or "✓" in the space provided as to how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote, or abstain from voting on the resolutions as he/she/they may think fit)

No.	Ordinary Resolutions	First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
1.	To approve the payment of a first and final single tier dividend of 4.0 sen per ordinary share				
2.	To re-elect Datuk Tan Kim Leong as a Director				
3.	To re-elect Lee Yeow Seng as a Director				
4.	To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,300,000 for the financial year ending 30 June 2023 payable quarterly in arrears after each month of completed service of the Directors during the financial year				
5.	To approve the payment of Directors' benefits (other than Directors' fees) of up to an aggregate amount of RM290,000 for the period from 9 November 2022 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016.				
6.	To re-appoint PricewaterhouseCoopers PLT, the retiring Auditors for the financial year ending 30 June 2023 and to authorise the Audit Committee to fix their remuneration.				
7.	Proposed Renewal of Existing Share Buy-Back Authority.				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

No. of Shares held : \_\_\_\_\_

CDS A/C No. : \_\_\_\_\_

Signature of Shareholder/Common Seal

## Notes:

- Only shareholders whose names appear in the Record of Depositors and Register of Members as at **31 October 2022** shall be eligible to participate and vote at the 10<sup>th</sup> AGM or appoint proxy to participate and vote on his or her behalf.
- A shareholder may appoint any person to be his or her proxy and there shall be no restriction as to the qualification of the proxy.
- If an instrument appointing a proxy is submitted in hard copy, it must be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of two (2) authorised officers, one (1) of whom shall be a director, or of its attorney duly authorised in writing.
- A shareholder of the Company (including an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (Omnibus Account)) may appoint more than one (1) proxy, provided that the shareholder specifies the proportion of his or her shareholdings to be represented by each proxy. When two (2) or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others in respect of that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
- An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- The proxy form may be made in hard copy or by electronic means, not less than forty-eight (48) hours before the time for holding the 10<sup>th</sup> AGM or any adjournment thereof, as follows:
  - In hard copy form**  
The proxy form must be deposited at the office of our Administration and Polling Agent, KPMG Management & Risk Consulting Sdn Bhd at Concourse,

KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

## (ii) By electronic means

The proxy form can also be lodged electronically through ConveneAGM Meeting Platform at <https://conveneagm.my/ioipropertiesagm2022> or email to support\_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 10<sup>th</sup> AGM on how to deposit the proxy form electronically.

- Any corporation which is a shareholder can appoint one (1) or more corporate representatives who may exercise on its behalf all of its power as a shareholder in accordance with the Companies Act 2016.

## Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 10<sup>th</sup> AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 10<sup>th</sup> AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 10<sup>th</sup> AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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STAMP

**Administration and Polling Agent of**  
**IOI PROPERTIES GROUP BERHAD**

KPMG Management & Risk Consulting Sdn Bhd  
Concourse, KPMG Tower  
No. 8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan

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[www.ioiproperties.com.my](http://www.ioiproperties.com.my)

**IOI PROPERTIES GROUP BERHAD**

201301005964 (1035807-A)

Level 29, IOI City Tower 2, Lebuhraya IRC, IOI Resort City,  
62502 Putrajaya, Malaysia.