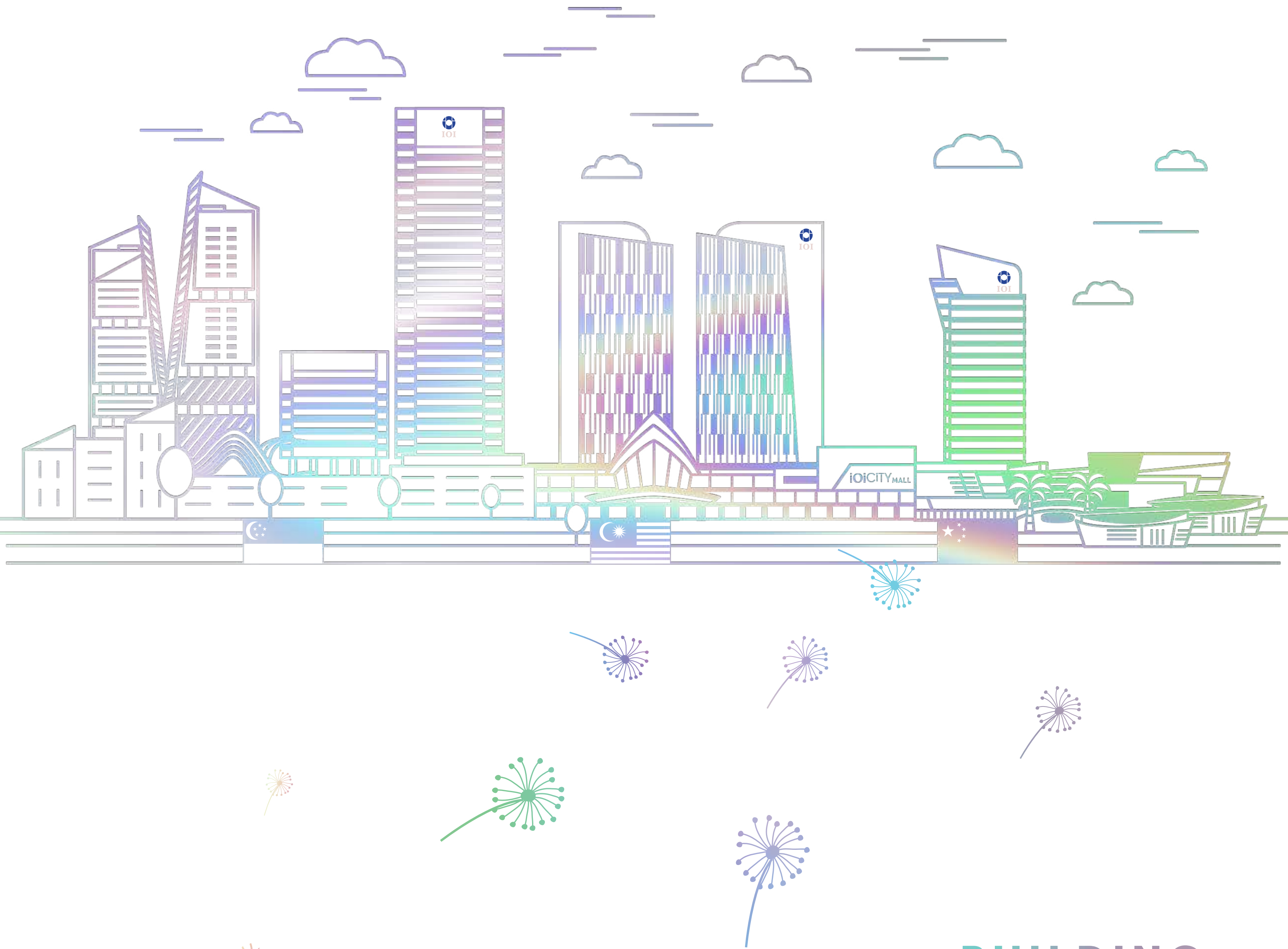
IOI PROPERTIES
Trusted.



BUILDING CONNECTIONS EXPANDING HORIZONS

INTEGRATED
ANNUAL REPORT 2023

Cover Rationale

Building Connections Expanding Horizons

As we continue to embrace a triple bottom line, we strengthen our ability to grow and explore new possibilities. At the heart of our approach to value creation, is the continued active engagement with all stakeholders towards better understanding of environmental, social and governance considerations, and to incorporate these insights into our strategies. "Building Connections Expanding Horizons" reflects our determination to create vibrant and thriving communities through positive impacts, responsible actions and sustainable management of our operations while striving to deliver excellence and exceed expectations.

Forging ahead, we remain committed to navigating the fast-evolving business environment while embracing emerging opportunities.

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

Inside This Report

Annual Report Formats

This annual report is available in the following formats:

Print

Online

Tablet

https://www.ioiproperties.com.my

About This Report

INTRODUCTION

IOI Properties Group Berhad ("IOIPG" or "the Group") is pleased to present its integrated annual report ("IAR2023") for financial year ended 30 June 2023 ("FY2023").

IAR2023 builds on the previous integrated annual reports of the Group with a focus on providing disclosures of performance from a multi-capitals perspective. IAR2023's intends to provide readers with a more comprehensive perspective of the Group - that is, going beyond typical past performance based financial reporting and to present a narrative centred on both financial and non-financial highlights and achievements over the short, medium and long-term perspectives.

Perspective based on past performance based financial disclosures + Perspective based on ESG disclosures + Perspective on other matters i.e. intellectual property, company culture, etc

A comprehensive viewpoint bringing together all relevant reporting perspectives into a unified narrative

BASIS OF PREPARATION

In developing the contents of IAR2023, a strategy workshop was held on 6 July 2023, which saw the participation of IOIPG's senior Management comprising C-Level personnel, Heads of Department, Business and Regional Heads and other key decision makers and data owners.

The intention of the workshop was to develop integrated thinking; aggregating the strategic perspectives of key internal stakeholders towards developing cross-functional insights and information; that would serve as the basis for reporting disclosures. The workshop was guided by a certified Integrated Reporting Training Partner. Findings and insights derived from the workshop were essential in enabling the development of the Integrated Reporting narrative centred on the following 4Cs: comprehensiveness of reporting, connectivity and conciseness of information and lastly, clarity of the integrated reporting narrative.

Breakout group discussions during the IOIPG Integrated Reporting Strategy Workshop

In soliciting information from participants, the workshop and all developed materials were guided by the Integrated Reporting Principles Based Framework comprising the six capitals, seven guiding principles and eight content elements as follows:

6 Capitals

- Financial Capital
- Manufactured Capital
- Human Capital
- Intellectual Capital
- Natural Capital
- Social Capital

7 Guiding Principles

- SF Strategic focus and future orientation
- CI Connectivity of Information
- C Conciseness
- RC Reliability and completeness
- CC Consistency and comparability
- M Materiality
- SR Stakeholder relationships

8 Content Elements

- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Unless otherwise indicated, the content for this report reflects data and activities of the Group from 1 July 2022 to 30 June 2023 ("FY2023").

GENERAL REPORTING GUIDANCE

Other Adopted/Referenced Frameworks

Aside from the Strategy Workshop, content for IAR2023 was developed in accordance to, or in reference to the following:

- Main Market Listing Requirements ("**MMLR**") of Bursa Securities Malaysia Berhad ("**Bursa Securities**")
- Malaysia Financial Reporting Standards ("**MFRS**")
- Bursa Malaysia Sustainability Reporting Guide, 3rd Edition 2022
- FTSE4Good Index Disclosures (**FTSE Russell's ESG Data Model**)
- Sustainability Accounting Standards Board ("**SASB**")
- Global Reporting Initiative 2021 ("**GRI**")
- Malaysian Code on Corporate Governance ("**MCCG**")
- Companies Act 2016 ("**Act**")
- ISO 31000 Risk Management – Principles and Guidelines
- Task Force on Climate-related Financial Disclosures (TCFD)

Use of Navigation Icons

Consistent with the principle of connectivity of information and in facilitating improved conciseness of reporting, IAR2023 employs icons throughout the reporting disclosures. This approach is aimed at avoiding duplication of information and repeated contents. The following icons are employed in IAR2023:

Business Operations	6 Capitals	Cross References
Property Development	Financial Capital	Tells you where you can find more information within the reports.
Property Investment	Manufactured Capital	Tells you where you can find more information online.
Hospitality and Leisure	Human Capital	
	Intellectual Capital	
	Natural Capital	
	Social Capital	

FORWARD-LOOKING STATEMENTS

Consistent with the Strategic Focus and Future Orientation principle of Integrated Reporting, IAR2023 provides disclosures on future-related information such as outlook, prospects, strategic priorities and resource allocation plans going forward.

This information has been developed based on data available at the time of reporting, as well as taking into account the external market operating conditions (based on a PESTLE[1] analysis) at that given time.

However, given that macro-economic trends and developments may change over time, readers are reminded that all future related information may not be conclusive or relevant. Actual plans and results may differ from those expressed in IAR2023. Therefore, forward-looking statements provided in IAR2023 do not serve as guarantees of future operational or financial results or any other kind of outcome. These include future plans and strategies that IOIPG intends to implement.

The Group is not responsible for any financial or non-financial losses incurred as a result of changes in business or operational performance due to factors beyond its control. Readers are advice to undertake their own due diligence prior to arriving at any conclusions or in making investment decisions in relation to IOIPG.

[1] PESTLE refers to the present/future political, economic, social technological, legal and environmental trends and developments within the macro-operating environment.

Corporate Information

Board of Directors

Datuk Tan Kim Leong
Non-Independent Non-Executive Chairman

Lee Yeow Seng
Chief Executive Officer

Lee Yoke Har
Non-Independent Non-Executive Director

Dato' Lee Yeow Chor
Non-Independent Non-Executive Director

Datuk Dr Tan Kim Heung
Non-Independent Non-Executive Director

Chan Cha Lin
Independent Non-Executive Director

Dato' Tan Thean Thye
Independent Non-Executive Director

Lee Ai Leng
Independent Non-Executive Director

Shirley Goh
Independent Non-Executive Director

Audit Committee

Shirley Goh*
Chairperson
Chan Cha Lin*
Lee Ai Leng*
Dato' Tan Thean Thye*

Nomination and Remuneration Committee

Lee Ai Leng*
Chairperson
Dato' Tan Thean Thye*
Datuk Dr Tan Kim Heung

Risk Management Committee

Chan Cha Lin*
Chairperson
Dato' Tan Thean Thye*
Lee Ai Leng*
Shirley Goh*

Whistleblowing Committee

Dato' Lee Yeow Chor
Chairperson
Datuk Dr Tan Kim Heung
Chan Cha Lin*

Company Secretary

Chee Ban Tuck
(SSM PC 202208000217)
(MIA 24078)

* Independent Non-Executive Directors

Corporate Information

Registered Office and Principal Place of Business

Level 29, IOI City Tower 2
Lebuh IRC, IOI Resort City
62502 Putrajaya
Wilayah Persekutuan, Malaysia
Tel +603 8947 8888/+603 8680 3333
Fax +603 8947 8909/+603 8680 3344
Email ioicosec@ioigroup.com

Auditors

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel +603 2173 1188
Fax +603 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
Wilayah Persekutuan, Malaysia
Tel +603 2783 9299
Fax +603 2783 9222
Email is.enquiry@my.tricorglobal.com

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, Malaysia
Tel +603 7721 3388
(ext 3109 / 7329 / 7954 / 7780)
Fax +603 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

International Securities Identification Number (ISIN)

MYL5249OO007

Website

www.ioiproperties.com.my

Location of 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.

Regional Presence

MALAYSIA

- Penang
- Selangor
- Negeri Sembilan
- Melaka
- Johor

SINGAPORE

- IOI Central Boulevard Towers
- Marina View
- The Trilinq
- South Beach
- Seascape, Sentosa Cove
- Cape Royale, Sentosa Cove

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 Developments and Projects in Malaysia

PENANG

1. Desaria, Sungai Ara

SELANGOR

2. Bandar Puchong Jaya
3. Bandar Puteri Puchong
4. 16 Sierra, Puchong South
5. IOI Resort City, Putrajaya
6. Bandar Puteri Bangi
7. Warisan Puteri, Sepang
8. IOI Industrial Park, Banting
9. PJ Midtown

NEGERI SEMBILAN

10. Bandar IOI Bahau

MELAKA

11. Ayer Keroh

JOHOR

12. Bandar Putra Kulai
13. Bandar IOI Segamat
14. Taman Lagenda Putra, Kulai
15. Taman Kempas Utama
16. iSynergy, Senai
17. The Platino

Main Airport
North-South Expressway
East Coast Expressway
Penang Bridge 1 & 2

Our Awards

These prestigious accolades demonstrate the Group's dedication towards delivering excellence and the determination of its people to exceed expectations.

01
STARPROPERTY AWARDS 2022 - REAL ESTATE DEVELOPER
1. StarProperty All-Stars Award in recognition of the Group's commitment to excellence as one of the top developers in Malaysia
2. The Family-Friendly Award (Landed) in recognition of Aralia, Bandar Putra Kulai, Johor
3. The Starter Home Award (Landed) in recognition of Cello, Bandar Putra Kulai, Johor

02
MALAYSIA DEVELOPER AWARDS 2022
1. Top-of-the-Chart Award (for Market Capitalisation of RM1 Billion & Above)

03
THE EDGE PROPERTY EXCELLENCE AWARDS 2022
1. Top 10 Developer Award
2. Property Development Excellence Award (Integrated Township of Residential, Resort, Office and Retail) - for IOI Resort City

04
2021 ASEAN CORPORATE GOVERNANCE SCORECARD AWARDS
1. ASEAN Asset Class PLCs Award

05
HR ASIA AWARDS 2022
1. Best Companies To Work For In Asia Award

06
UNGC SUSTAINABILITY PERFORMANCE AWARDS 2022
1. Sustainability Awareness and Employee Engagement Recognition Award

07
PUTRA ARIA BRAND AWARDS 2022
1. Bronze Award (Property Development)

08
STARPROPERTY REAL ESTATE DEVELOPER AWARDS 2023
1. Top 10 Listed Company Award (Best Performing Developers of 2022)
2. Readers' Choice Award (Most Preferrred Developer)
3. The Business Estate Award (Best Commercial Development) - for IOI Rio, Bandar Puteri Puchong
4. The Long Life Award (Best Health & Wellness Development) - for Gems Residences, IOI Resort City
5. The Neighbourhood Award (Best Comprehensive Township Above 2,000 Acres) - for Bandar Putra Kulai, Johor

09
ASIA PACIFIC PROPERTY AWARDS 2023/2024
1. Asia Pacific Property Award (5-Star Distinction in Commercial High Rise Development, Mixed Use Architecture & Mixed Use Development) - for IOI Central Boulevard Towers, Singapore

10
BCI ASIA AWARDS 2023
1. Top 10 Developer Award

11
THE EDGE BEST MANAGED & SUSTAINABLE PROPERTY AWARDS 2023
1. Gold Award (Below 10 Years: Retail - Non-strata Category) - for IOI City Mall, IOI Resort City

12
NATIONAL ENERGY AWARDS 2023
1. Energy-Efficient Building Award (EE Designed Building) - for PJ Midtown
2. Energy-Efficient Building Award (Large Green Building) - for IOI City Mall Phase 1

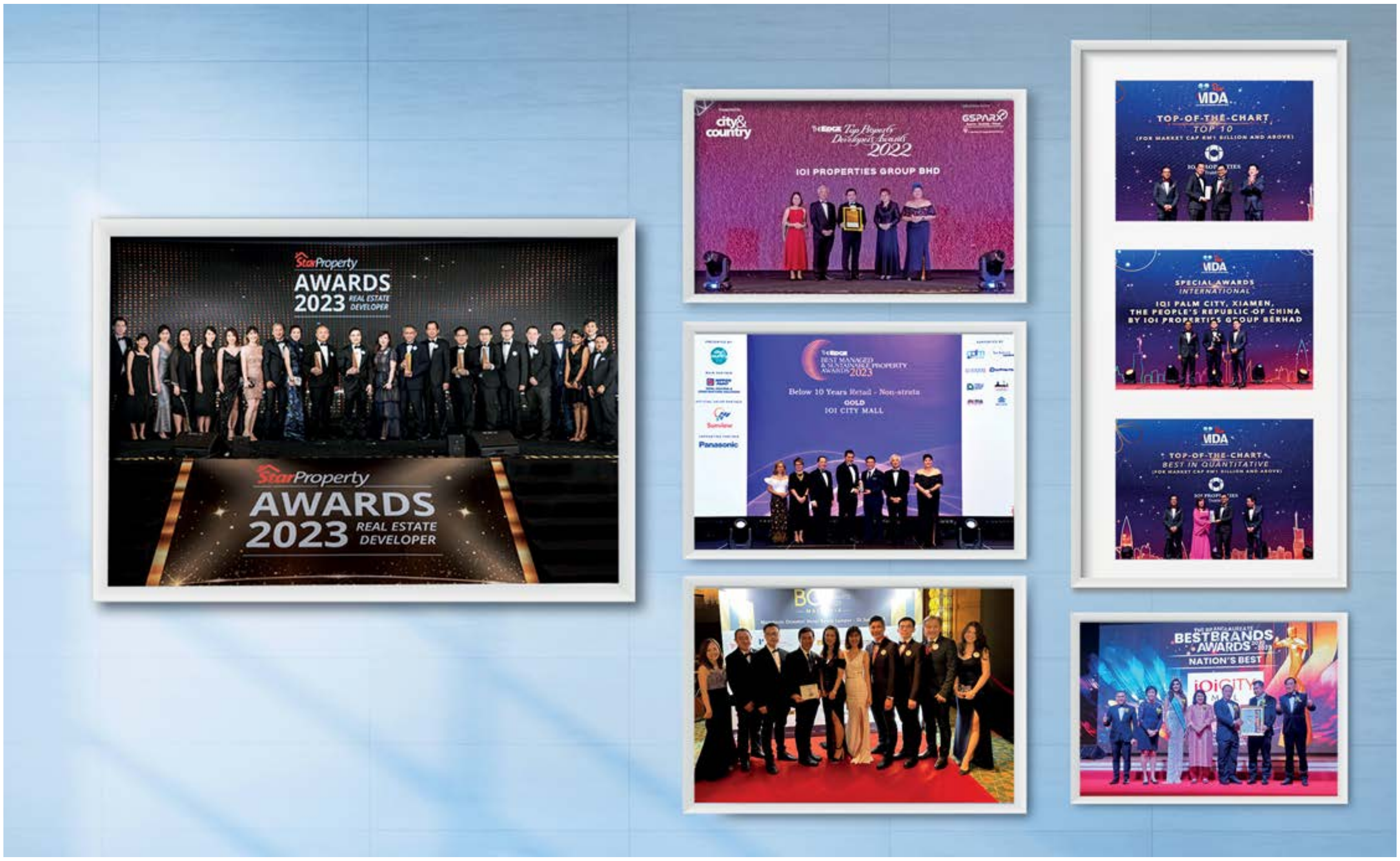
13
MALAYSIA DEVELOPER AWARDS 2023
1. Ranked 1st for Top-of-the-Chart - Top 10 (for Market Capitalisation of RM1 Billion & Above)
2. Best In Quantitative Award (for Market Capitalisation of RM1 Billion & Above)
3. Special Award - International for IOI Palm City, Xiamen, PRC

14
THE BRAND LAUREATE BEST BRAND AWARDS 2022 - 2023
1. Nation's Best Lifestyle Shopping Mall Award - for IOI City Mall

15
LUXURY LIFESTYLE AWARDS 2023
1. Best Luxury Business Hotel in Putrajaya - for Le Méridien Putrajaya

16
SAFETY AND HEALTH ASSESSMENT SYSTEM IN CONSTRUCTION (SHASSIC) EXCELLENCE AWARDS 2023
1. Outstanding Private Project Award - RMMJ Strata Townhouse in Bandar Putra Kulai, Johor

Our Awards


StarProperty
AWARDS 2023 REAL ESTATE DEVELOPER
IOI PROPERTIES GROUP BHD
Below 10 Years Retail - Non-strata
GOLD
IOI CITY MALL
TOP-OF-THE-CHART
TOP 10
SPECIAL AWARDS
INTERNATIONAL
IOI PALM CITY, XIAMEN, THE PEOPLE'S REPUBLIC OF CHINA BY IOI PROPERTIES GROUP BERHAD
TOP-OF-THE-CHART
BEST IN QUANTITATIVE
BESTBRANDS AWARDS
NATION'S BEST


TOPTEN
IOI Properties Group Berhad
ASIA PACIFIC PROPERTY AWARDS
WINNER 2023-2024
★★★★★
COMMERCIAL HIGH RISE DEVELOPMENT
MIXED USE ARCHITECTURE
MIXED USE DEVELOPMENT
ioiCITY MALL
BESTBRANDS AWARDS
MDA
CERTIFICATE
WINNER 2023
AWARDS 2023
Aria BRAND AWARDS 2022

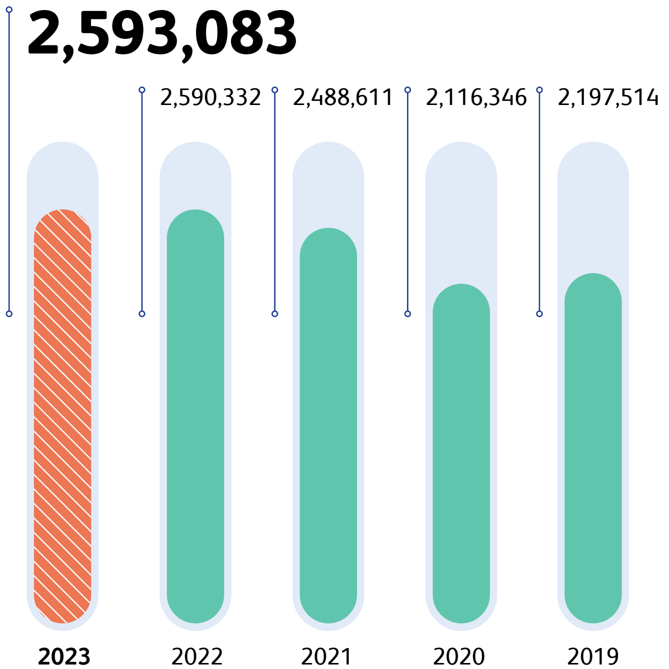
Five-Year Financial Highlights

Financial Year Ended 30 June (RM'000)	2023	2022	2021	2020	2019*
RESULTS					
Revenue	**2,593,083**	2,590,332	2,488,611	2,116,346	2,197,514
Segment operating profit	**706,340**	1,049,839	938,930	901,771	818,489
Fair value gain/(loss) on investment properties	**716,773**	147,336	(71,061)	(54,386)	93,356
Property development costs and inventories written down	**(18,545)**	(171,215)	(108,852)	(27,855)	-
Impairment losses on property, plant and equipment and investment properties	**(128,277)**	(98,412)	-	(84,189)	-
Share of result of an associate	**4,340**	2,124	34,973	19,622	2,005
Share of results of joint ventures	**292,485**	164,741	249,581	141,846	103,174
Profit before interest and taxation	**1,573,116**	1,094,413	1,043,571	896,809	1,017,024
Net interest income	**46,671**	8,360	34,429	49,995	68,936
Profit before taxation	**1,619,787**	1,102,773	1,078,000	946,804	1,085,960
Taxation	**(219,428)**	(414,704)	(414,687)	(438,165)	(425,530)
Profit for the financial year	**1,400,359**	688,069	663,313	508,639	660,430
Attributable to:					
Owners of the Company	**1,393,016**	686,735	660,209	504,695	661,290
Non-controlling interests	**7,343**	1,334	3,104	3,944	(860)
ASSETS					
Property, plant and equipment	**3,296,239**	3,054,120	1,530,672	1,421,979	1,265,538
Land held for property development	**5,607,379**	9,076,819	5,170,325	4,847,658	4,642,164
Investment properties	**18,364,466**	15,778,422	14,895,545	14,334,703	13,672,410
Interests in joint ventures	**4,230,457**	4,390,152	4,434,207	4,379,375	5,012,119
Property development costs	**5,124,648**	568,462	2,223,706	3,129,002	3,567,548
Inventories	**2,413,539**	3,051,666	2,412,152	2,133,507	2,047,991
Cash and cash equivalents	**2,682,380**	2,351,084	1,848,208	1,471,985	1,576,885
Other assets	**904,931**	1,230,644	918,091	965,628	934,547
Total assets	**42,624,039**	39,501,369	33,432,906	32,683,837	32,719,202
EQUITY AND LIABILITIES					
Total shareholders' equity	**22,292,272**	20,452,612	19,558,369	18,782,218	18,834,461
Non-controlling interests	**148,287**	157,958	160,339	155,401	159,122
Total equity	**22,440,559**	20,610,570	19,718,708	18,937,619	18,993,583
Borrowings	**17,863,884**	16,816,658	11,010,111	10,895,176	11,326,461
Other liabilities	**2,319,596**	2,074,141	2,704,087	2,851,042	2,399,158
Total liabilities	**20,183,480**	18,890,799	13,714,198	13,746,218	13,725,619
Total equity and liabilities	**42,624,039**	39,501,369	33,432,906	32,683,837	32,719,202
FINANCIAL RATIOS					
Basic earnings per share (sen)	**25.30**	12.47	11.99	9.17	12.01
Diluted earnings per share (sen)	**25.30**	12.47	11.99	9.17	12.01
Interest cover (times)	**1.69**	3.31	3.30	3.03	2.82
Dividend per share (sen)	**5.00**	4.00	2.00	1.50	3.00
Dividend payout ratio (%)	**19.76**	32.07	16.68	16.36	24.98
Net assets per share (RM)	**4.05**	3.71	3.55	3.41	3.42
Gross gearing ratio (%)	**0.80**	0.82	0.56	0.58	0.60
Net gearing ratio (%)	**0.68**	0.71	0.47	0.50	0.52
Return on average shareholders' equity (%)	**6.52**	3.43	3.44	2.68	3.56
Return on average capital employed (%)	**3.44**	1.96	2.04	1.51	1.95

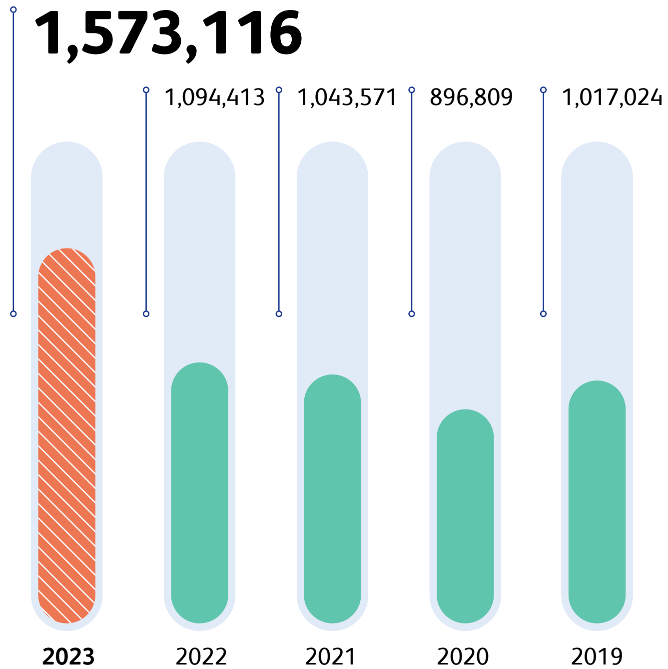
* Prior to the adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" effective from 1 July 2019.

Five-Year Financial Highlights

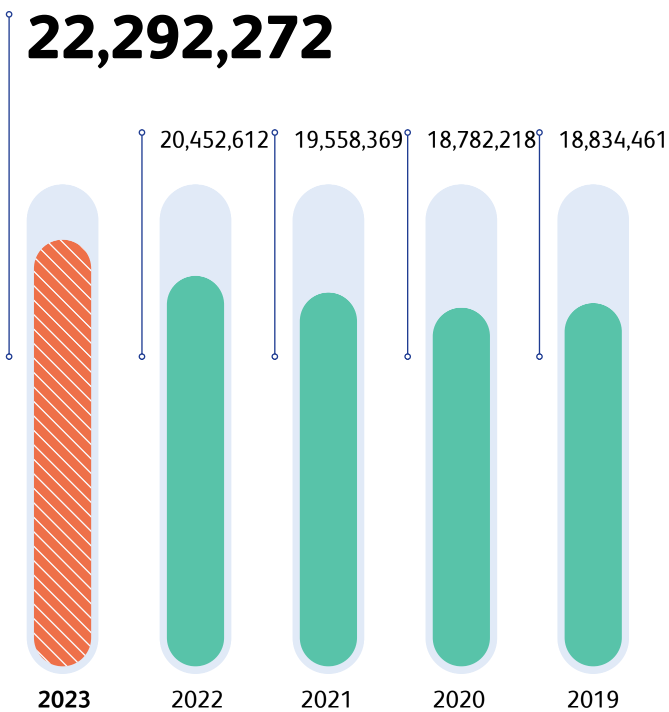
Revenue (RM'000)



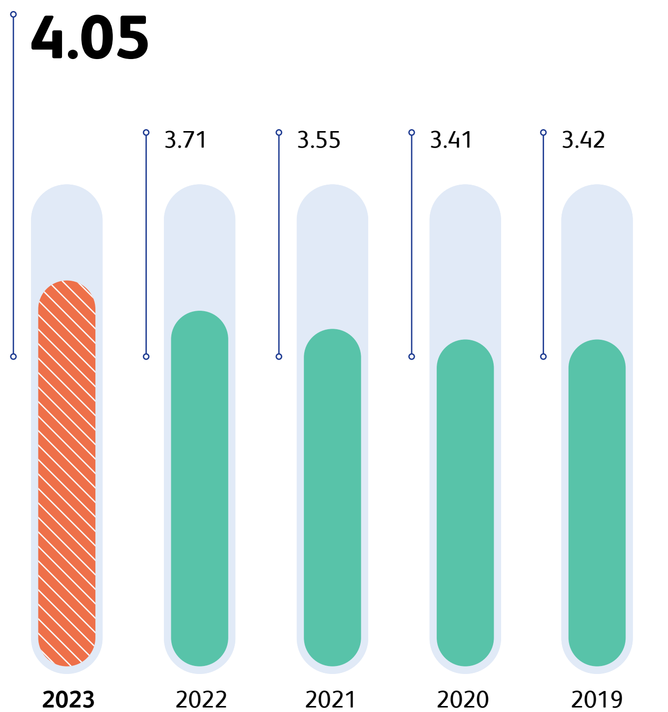
Profit Before Interest and Taxation (RM'000)



Shareholders' Equity (RM'000)



Net Assets Per Share (RM)



Key Indicators

Profit Before Taxation

RM**1.62** billion

RM1.10 billion (2022)

Earnings Per Share

25.30 sen

12.47 sen (2022)

Dividend Per Share

5.00 sen

4.00 sen (2022)

Net Assets Per Share

RM**4.05**

RM3.71 (2022)

Share Price

RM**1.07**

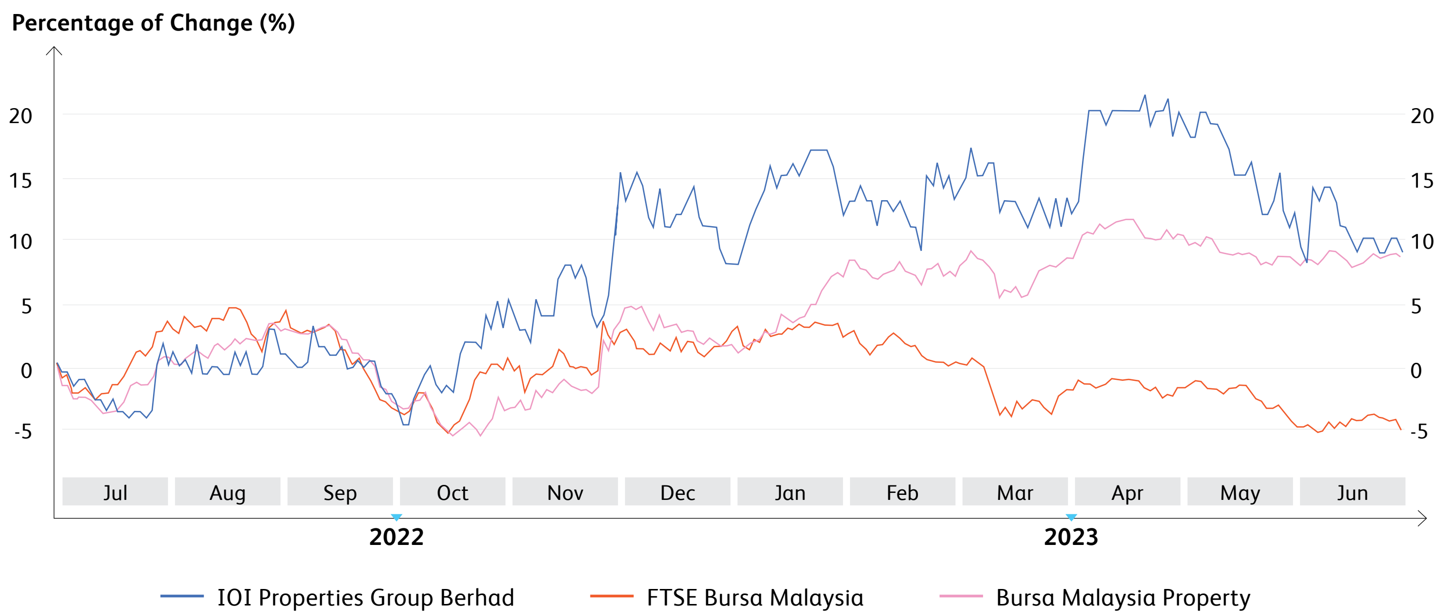
RM1.00 (2022)

Market Capitalisation

RM**5.89** billion

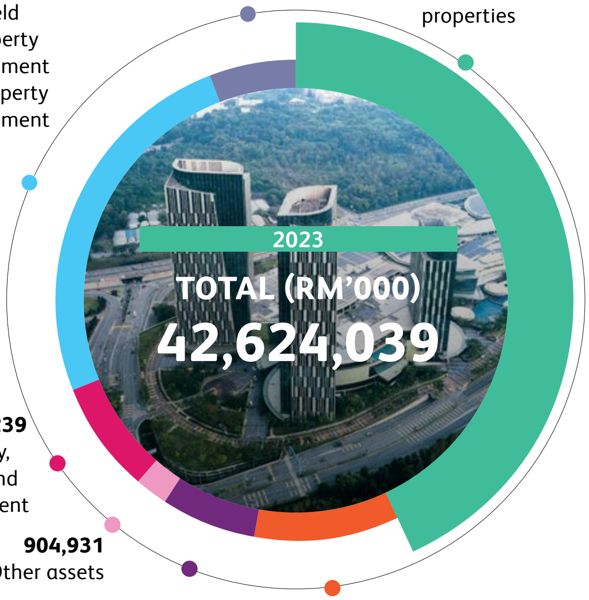
RM5.51 billion (2022)

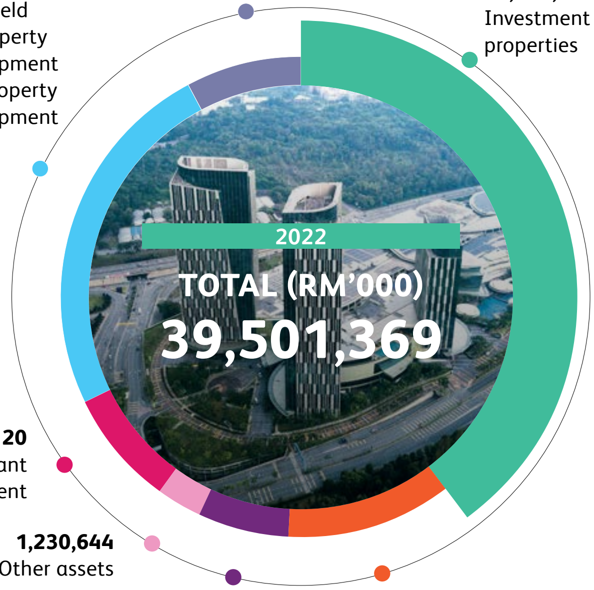
Stock Performance



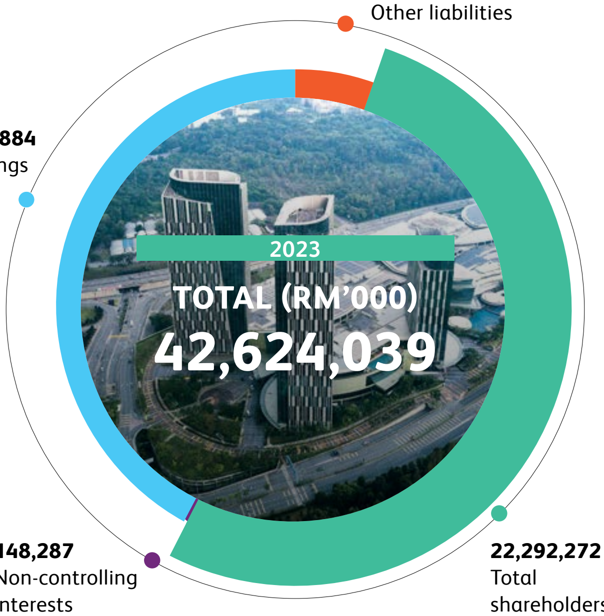
Group Financial Position

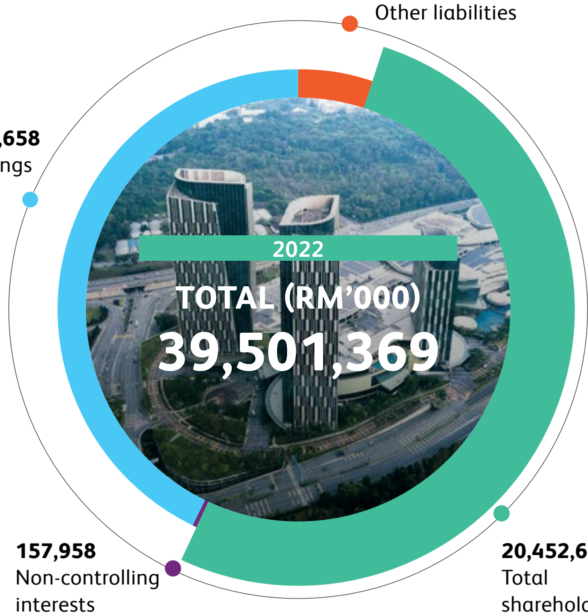
Assets





Equity and Liabilities





Group Financial & Segmental Performance Highlights

In RM'000 unless otherwise stated	2023	2022	2021	2020	2019*
FINANCIAL PERFORMANCE					
Revenue	**2,593,083**	2,590,332	2,488,611	2,116,346	2,197,514
Segment operating profit	**706,340**	1,049,839	938,930	901,771	818,489
Fair value gain/(loss) on investment properties	**716,773**	147,336	(71,061)	(54,386)	93,356
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Share of result of an associate	**4,340**	2,124	34,973	19,622	2,005
Share of results of joint ventures	**292,485**	164,741	249,581	141,846	103,174
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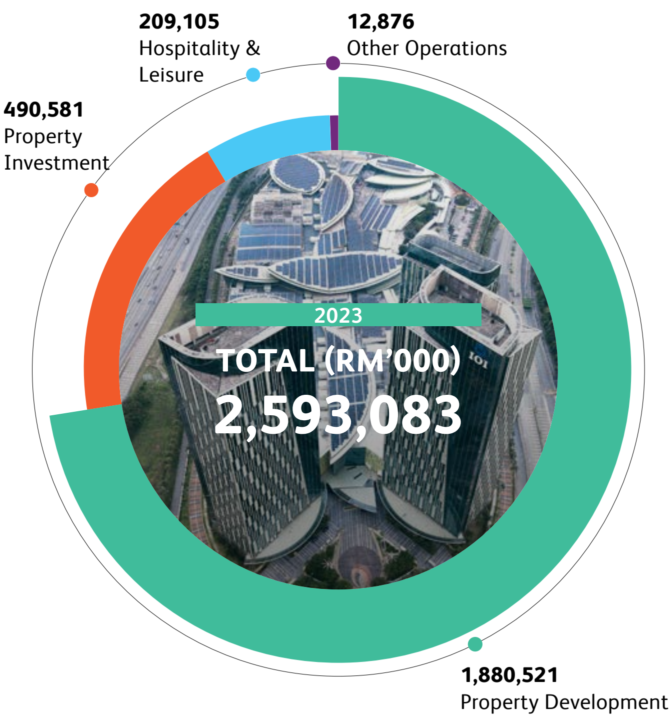
Profit before taxation	**1,619,787**	1,102,773	1,078,000	946,804	1,085,960
Taxation	**(219,428)**	(414,704)	(414,687)	(438,165)	(425,530)
Profit for the financial year	**1,400,359**	688,069	663,313	508,639	660,430
SEGMENT ANALYSIS					
Property Development					
Sales (unit)	**3,106**	2,765	2,509	2,270	2,126
Sales value	**1,964,464**	1,930,368	2,300,132	1,839,328	1,930,052
Revenue	**1,880,521**	2,101,915	2,109,585	1,638,453	1,634,582
Segment operating profit	**497,670**	911,815	834,892	743,469	581,124
Property Investment					
Assets under management#	**6,385,106**	5,081,045	4,121,789	4,289,660	4,283,618
Net lettable area ('000 sq ft)^	**8,152**	7,127	6,536	6,495	6,481
Average occupancy rate (%)	**69**	66	62	63	60
Rental yield (%)	**7**	6	6	7	8
Revenue	**490,581**	364,247	286,690	320,796	354,960
Segment operating profit	**202,621**	160,929	129,512	165,671	207,877
Hospitality & Leisure					
Number of hotels (unit)#	**4**	4	4	4	4
Number of rooms (key)	**1,241**	1,241	1,241	1,241	1,241
Occupancy rate (%)	**41-77**	16-53	26-64	51-78	65-81
Revenue	**209,105**	113,094	83,565	150,070	198,017
Segment operating (loss)/profit	**(22,686)**	(29,194)	(29,815)	(10,260)	22,624
Other Operations					
Revenue	**12,876**	11,076	8,771	7,027	9,955
Segment operating profit	**28,735**	6,289	4,341	2,891	6,864

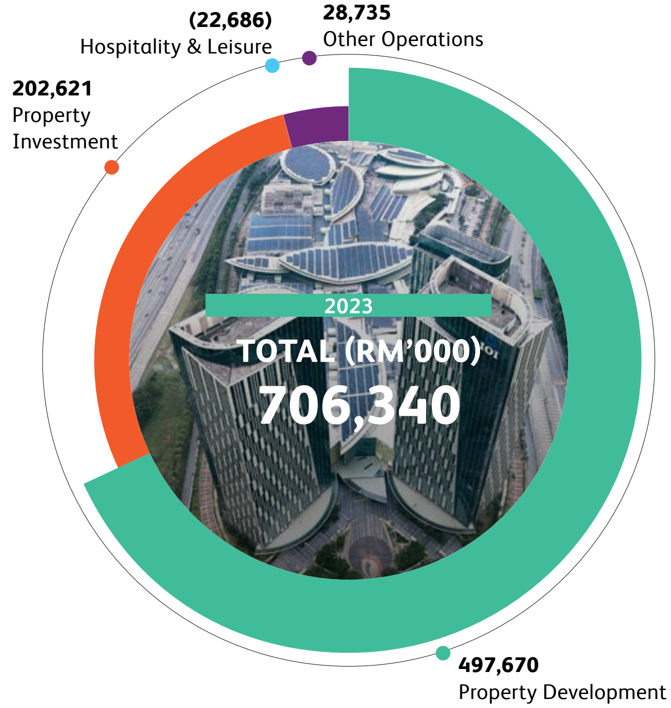
Excluded assets that are currently under construction.
^ Excluded vacant lands and car parks.
* Prior to the adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" effective from 1 July 2019.

Segmental Performance

Revenue



Segment Operating Profit/(Loss)



Property Development

REVENUE (RM'000)
1,880,521

SEGMENT OPERATING PROFIT (RM'000)
497,670

TOTAL SALES ACHIEVED (RM'000)
1,964,464

TOTAL UNITS SOLD
3,106

Property Investment

REVENUE (RM'000)
490,581

SEGMENT OPERATING PROFIT (RM'000)
202,621

Hospitality & Leisure

REVENUE (RM'000)
209,105

SEGMENT OPERATING LOSS (RM'000)
(22,686)

Other Operations

REVENUE (RM'000)
12,876

SEGMENT OPERATING PROFIT (RM'000)
28,735

Group Quarterly Results

In RM'000 unless otherwise stated	Q1 FY2023	%	Q2 FY2023	%	Q3 FY2023	%	Q4 FY2023	%
Revenue	691,519	26.7	670,441	25.9	564,666	21.8	666,457	25.6
Operating profit	654,007	51.2	234,285	18.4	136,357	10.7	251,642	19.7
Share of result of an associate	355	8.2	318	7.3	142	3.3	3,525	81.2
Share of results of joint ventures	26,164	9.0	225,815	77.2	4,690	1.6	35,816	12.2
Profit before interest and taxation	680,526	43.3	460,418	29.2	141,189	9.0	290,983	18.5
Net interest income	9,207	19.7	12,844	27.5	12,545	26.9	12,075	25.9
Profit before taxation	689,733	42.6	473,262	29.2	153,734	9.5	303,058	18.7
Taxation	(49,003)	22.3	(68,405)	31.2	(36,695)	16.7	(65,325)	29.8
Profit for the financial year	640,730	45.8	404,857	28.9	117,039	8.3	237,733	17.0
Attributable to:								
Owners of the Company	640,287	46.0	401,979	28.8	115,376	8.3	235,374	16.9
Non-controlling interests	443	6.0	2,878	39.2	1,663	22.7	2,359	32.1
	640,730	45.8	404,857	28.9	117,039	8.3	237,733	17.0
Earnings per share (sen)								
Basic	11.63		7.30		2.10		4.27	
Diluted	11.63		7.30		2.10		4.27	

Segment Revenue and Segment Profit/(Loss) Before Interest and Taxation

In RM'000 unless otherwise stated	Q1 FY2023	%	Q2 FY2023	%	Q3 FY2023	%	Q4 FY2023	%
SEGMENT REVENUE								
Property development	529,888	28.1	480,920	25.6	375,375	20.0	494,338	26.3
Property investment	110,145	22.5	126,102	25.7	135,104	27.5	119,230	24.3
Hospitality and leisure	48,719	23.3	59,606	28.5	51,254	24.5	49,526	23.7
Other operations	2,767	21.5	3,813	29.6	2,933	22.8	3,363	26.1
	691,519	26.7	670,441	25.9	564,666	21.8	666,457	25.6
SEGMENT PROFIT/(LOSS) BEFORE INTEREST AND TAXATION								
Property development	184,583	25.2	385,386	52.5	81,742	11.1	81,873	11.2
Property investment	493,312	58.5	63,431	7.5	57,605	6.8	229,852	27.2
Hospitality and leisure	(1,486)	4.4	2,151	(6.4)	(6,488)	19.4	(27,580)	82.6
Other operations	4,117	14.3	9,450	32.9	8,330	29.0	6,838	23.8
	680,526	43.3	460,418	29.2	141,189	9.0	290,983	18.5

Financial Calendar

Financial Year End

30 June 2023

General Meeting

Notice of AGM		AGM	
4 October	2023	**2 November**	2023

Announcement of Results

1st Quarter		2nd Quarter	
23 November	2022	**24 February**	2023

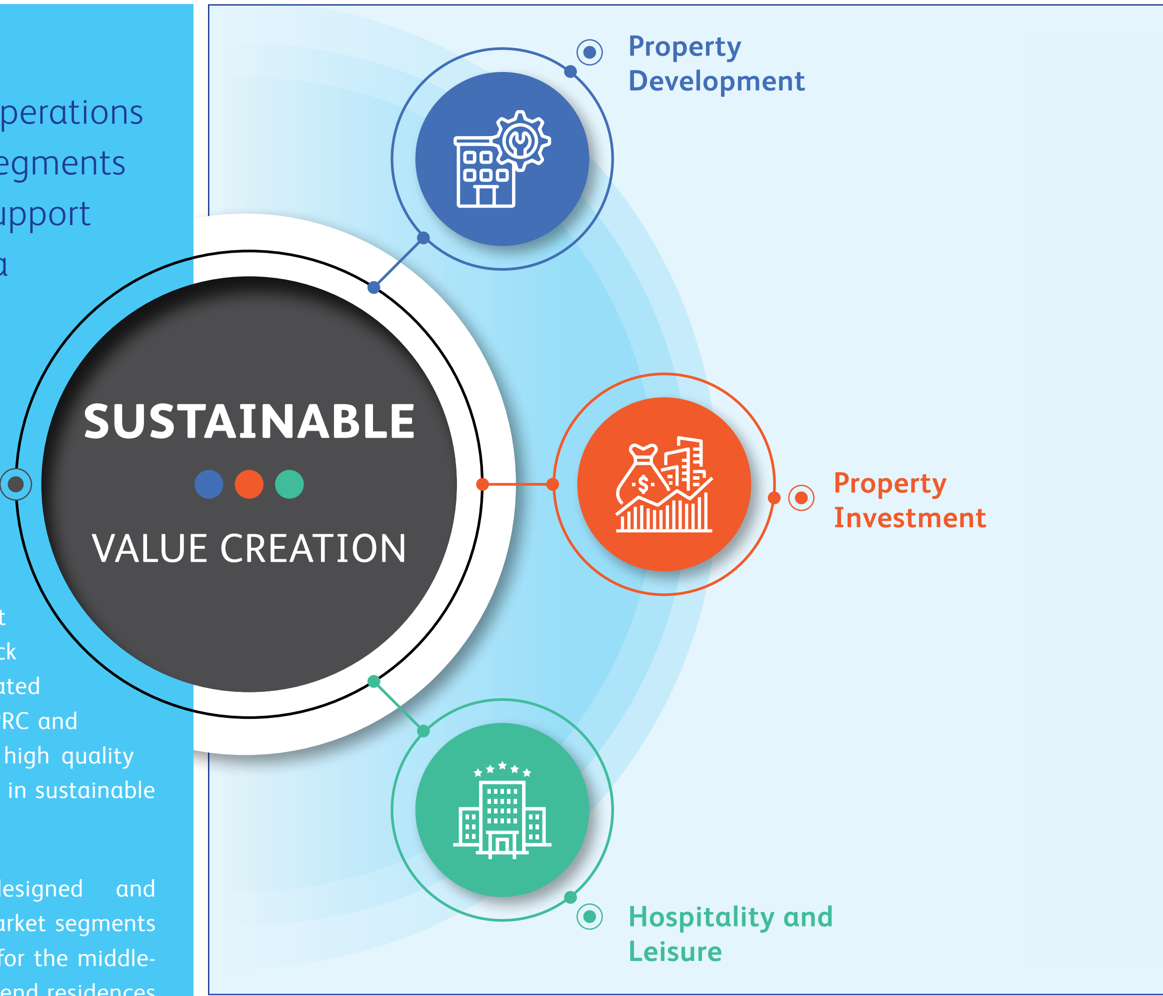
3rd Quarter		4th Quarter	
26 May	2023	**28 August**	2023

Payment of Interim Dividend

Declaration		Book Closure		Payment	
28 August	2023	**15 September**	2023	**29 September**	2023

Our Business Model

The Group's business operations comprises three core segments which synergistically support each other to provide a distinctive advantage amidst a highly competitive operating landscape.



The Group's property development segment has a proven track record for its signature integrated developments across Malaysia, PRC and Singapore, offering products of high quality that continue to set benchmarks in sustainable urban lifestyle standards.

These developments are designed and developed to cater to diverse market segments ranging from affordable homes for the middle-income mass segment to higher-end residences for discerning property purchasers with more affluent lifestyle preferences.

The Group's portfolio of investment assets are managed by its property investment operating segment. These assets primarily comprise retail malls and office buildings located at strategic, high growth urban areas. This provides recurring income streams through rental revenues which complements sales revenue from property development activities.

Completing the business model is the Group's hospitality and leisure segment, which manages its recreational based assets. These assets include several internationally acclaimed hotels such as the Putrajaya Marriott Hotel, Le Méridien Putrajaya, Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel and Four Points by Sheraton Puchong. The segment also operates golf courses such as the Palm Garden Golf Club and IOI Palm Villa Golf & Country Resort as well as recreational centres such as Icescape, IOI Sports Centre, IOI City Farm, District 21 and D36 amongst others.

The hospitality and leisure assets serve as strategic components that enhance the lifestyle and value proposition of the Group's integrated development projects and townships.

Our Business Model

IOI Central Boulevard Towers, Singapore

In the execution of its business model, the Group consumes various capitals or resources towards creating and sustaining values. The value creation model below provides a strategic snapshot of the capitals consumed and the creation of values which permeate across both financial and non-financial aspects of the Group.

The initial stage of developing property investment assets is typically capital intensive as it is necessary to hold assets i.e. offices and retail malls during the construction period as well as to maturity. Funding of such assets is via a combination of internal funds as well as bank borrowings.

As the assets are held to maturity, recurring income is generated through rental yields, notably over the medium and long-term while retaining asset ownership.

Asset ownership enables further value accretive possibilities and financial opportunities. These include disposal to unlock capital gains, undertaking asset enhancement initiatives ("AEI") to increase rental yields and increase asset value and other potentials to create stakeholder value.

The value creation model illustrates how the Group's business model serves to generate returns and positive outcomes from a financial perspective as well as for stakeholders and the environment.

How We Create Value

Our value creation centres around the transformation of our capitals and it is led by our vision of **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 sustainability of the Group.

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.

Please refer to the Our Capitals Consumption and Values Created section from pages 56 to 61.

Intellectual Capital

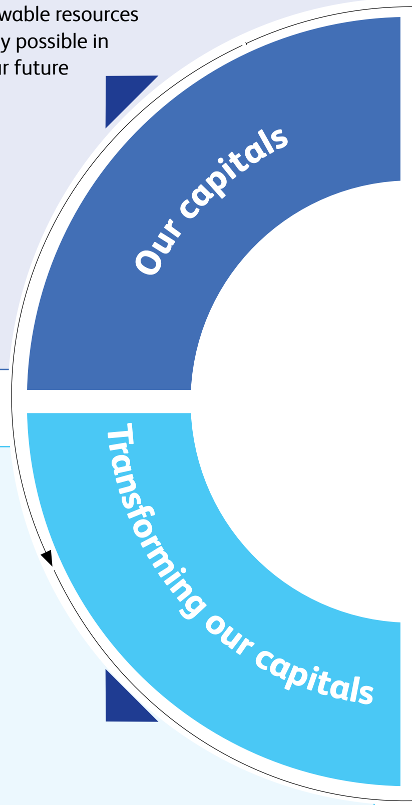
We continue to invest in the Group's technical know-how, processes and systems that gives us a competitive advantage. We will build on this knowledge base to drive innovation and productivity.

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 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.



Our business

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

Please refer to our Sustainability Report from pages 89 to 183.

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

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.

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 Management Discussion and Analysis: Hospitality and Leisure on page 80.

Value created in relation to our capitals

Financial Capital

Net Assets
RM22.44 billion

Cash & Cash Equivalents
RM2.68 billion

Profit Before Tax
RM1.62 billion

Manufactured Capital

NLA Retail
4.30 million sq ft

NLA Office
3.21 million sq ft

Total Hotel Rooms
1,875*

Human Capital

2,647
Strong Workforce

* inclusive of 634-rooms in JV-hotel JW Marriott Hotel Singapore.

Intellectual Capital

Implementation of ISO based systems:
ISO 9001:2015
ISO 14001:2015

Natural Capital

Total landbank of more than
9,000 acres

Social Capital

Contributions Made Through CSR Programmes
RM2.20 million

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	79%		
Cases of substantiated complaints recorded for breach of data privacy			0
QLASSIC score:			
MI Apartment	82%	Marvela	78%
Strata 2	79%	Alanis	78%

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	15,794 GJ
Number of trees planted Group-wide which are in the IUCN Red List as Near Threatened, Vulnerable or Endangered	924

Trusted by the nation to develop sustainable communities
Creating long-term positive impact through community investments, community development programmes and other community initiatives.

Maintenance of the refurbished and upgraded Bandar Puteri Townpark	RM167,000
Affordable housing launched in FY2023	423 units

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)	11,502 hours
Gender diversity (% of females in middle management)	40%
Number of fatalities	0

Our Business Strengths

Diversified Portfolio of Product Offerings at Different Geographical Locations

Enables greater market exposure, reduces dependence on a single geographic market for revenue, ability to harness synergistic capabilities - drawing from best practices of the various operations across geographic locations and business segments.

Strategic, Ample Landbank

The ability to strategically time product launches (phase-ability) and to undertake both large scale developments such as townships, transit oriented developments ("TOD"), industrial parks as well as integrated developments.

Robust and Stable Financial Position

Greater capabilities to conceptualise and execute development plans as intended. Financial strength inspires confidence in property buyers, financiers and other stakeholders.

The ability to access both internally generated funds as well as borrowings to fund development plans.

The Group leverages its business strengths in navigating the external operating environment and in developing effective strategies to manage risks and capitalise on opportunities.

Kindly refer to the Strategies to Sustain Value Creation section on pages 45 to 55 for detailed information on the Group's strategies.

Our Business Strengths

Established Brand And Proven Track Record

Instills market confidence and supports customer traction. Provides a distinctive advantage amidst a competitive marketplace.

Excellence in Product Delivery

Enables timely completion of properties at excellent quality while introducing innovative and in-demand lifestyle concepts to market.

Diversified Business Segments

Strengthens overall business model, allowing for the creation of multiple income streams and facilitating a stronger presence in the various segments of the property value chain.

Our Operating Environment

In FY2023, our operating environment presented substantial challenges, predominantly due to persistent global and domestic headwinds. In particular, the Group identified the following trends and developments to be material to the Group's business model and its strategic efforts at sustaining value creation.

TOPIC	DESCRIPTION	RISKS
POLICY CHANGES **Link to our business:**	Specific policy changes in FY2023, such as introduction of higher tariffs for electricity and an upwards revision in the minimum wage, contributed to higher operating costs. While these policy changes are designed to accelerate the nation's transition to a greener economy and to increase personal disposable incomes respectively, businesses, many of which are still in recovery mode (post the COVID-19 pandemic) faced increased expenses. In Singapore, the increase in Additional Buyers Stamp Duty ("ABSD") as a cooling measure to address an overheating property market has impacted demand for properties.	**Financial and Operational Risks** • Requirements for compliance to new policies and regulations may necessitate additional financial expenditures and/or even higher labour and operational costs. • Adjustments to new regulatory changes may require a gestation period that could cause temporary downward impacts to operational productivity. **Link to our capital:**
INCREASES IN INTEREST RATES **Link to our business:**	In order to contain the unprecedented inflationary pressure in the US, the Federal Reserve continued its rate hike policy in FY2023. In a bid to arrest impacted inflationary pressure to stabilise local currencies against a strengthening US dollar, most central banks have followed suit to increase interest rates. This rate hike will exert downward pressure on economic growth, and dampen consumer spending as well as investor sentiments, until interest rates normalise. In Malaysia, Bank Negara Malaysia ("BNM"), revised the Overnight Policy Rate ("OPR") five times, resulting in a rate of 3.0% as at 3 May 2023. Over in Singapore, in March 2023 saw a further increase, with the Singapore Overnight Rate Average ("SORA") touching 3.6%, a new high after October 2022's 2.5%. Bucking the upward trend, PRC's central bank lowered its loan prime rate ("LPR") to 3.55% on 30 June 2023 (June 2022: 3.70%).[1] [1] On 30 August 2023, the LPR was again revised downward by PRC's Central Bank to 3.45%.	**Financial Risks** • Disruption to financial strategies including cash management and refinancing strategies. • Impacts to mass consumers' appetite such as lower demand for big ticket items. • Increased financial and human resources required to re-strategise homeownership campaigns as well as product launches and marketing strategies. • Possible erosion of margins to sustain target market base. **Link to our capital:**

Our Operating Environment

The identification of these factors (through a PESTLE analysis undertaken by Management), enables the determination of risks and opportunities and subsequently, the development of effective risk mitigation strategies as well as business and operational strategies for all operating segments.

OPPORTUNITIES	RELATED MATERIAL MATTERS
Adopting More Sustainable Business Practices • Continue pivoting to natural capitals in order to minimise environmental impact and related risk i.e. use of solar energy. • Other strategies include leveraging the district cooling network system (IOI Central Boulevard Towers, Singapore) as well as thermal energy storage (IOI City Mall) to reduce costs and to optimise equipment energy efficiency. **Kindly refer to Our Strategies to Sustain Value Creation, pages 45 to 55 on the Group's IOI Central Boulevard Towers in Singapore which reflects the Group's commitment to sustainable development.** • Increase automation of technology and increase internal stakeholder buy-in to reconfigure existing work processes (manufactured and intellectual capitals) and reduce manual labour dependencies (human capital). **Target Market Repositioning** • Repositioning branding and sales strategies to target selected clientele and demographic segments that are more resilient to market forces. • Refinements made in tandem with market sentiments to strengthen unique selling propositions with specific marketing messages developed and disseminated to appeal to the lifestyle aspirations of targeted buyers. Among the value propositions include world-class facilities, strategic location with unrivalled connectivity and accessibility, a reputable brand name and the prospect of residing in a highly-sought after address. **Link to our capital:**	• **Employee Management** • **Compliance** • **Health, Safety and Well-being** • **Economic Performance** • **Climate Change**
New Product Development • Reassess present product offerings towards meeting market demand and customer preferences. • Invest in intellectual capitals to develop improved products (manufactured capitals) that support financial value creation and meet social aspirations including affordable homes, fully-furnished offices and flexible tenancy terms. **Addressing Homeownership Issues** • Leverage on strong stakeholder relationships i.e. with bankers and the government to develop new value propositions that promote homeownership; converting social capitals into manufactured and financial capitals. **Leveraging Green Financing** • Continued pivot towards sustainability linked loans. Green financing offers strategic advantages as opposed to conventional loans. **Link to our capital:**	• **Economic Performance** • **Innovation** • **Materials** • **Supply Chain Management**

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
INCREASING OPERATIONAL COST **Link to our business:**	Prevalent in FY2023. the rising material and construction costs were largely due to disruption in global and domestic supply chains as well as a surge in business and industrial activities as the global economic recovery continued post COVID-19 pandemic. The cost of materials (i.e. steel, cement, etc.) and rising wages for skilled and unskilled labour (attributed to a diminished labour pool) culminated in increased operating costs that impacted project margins, and/or the transfer of costs resulting in higher prices to consumers. In addition, the Imbalance Cost Past Through (“ICPT”) surcharge introduced for all low, medium and high voltage buildings during January 2023, significantly increased the cost of utilities for all our managed commercial properties including including office buildings, hotels and commercial hubs amongst others. Despite a slightly lower adjustment in July 2023, the cost of utilities remained high. Shortage of domestic food supply has also resulted in an increase to the cost of food for hotel operations.	**Operational Risks** • Extension of time to complete projects and to achieve the required standards due to workflow disruptions which may also incur penalties. • Loss of competitive edge due to products and services being outpriced in the market if costs were transferred to customers. • Increase in the cost of sales for the hotel segment. **Link to our capital:**
DOMESTIC CURRENCY PERFORMANCE **Link to our business:**	In tandem with a strengthening US dollar, many Asian currencies continued depreciating against the greenback with the Malaysian ringgit in June 2023 standing at RM4.679 to 1USD. The depreciation of the ringgit may serve as a catalyst in driving the tourism and hospitality sectors – as foreign tourists look to take advantage of the favourable currency exchange situation, notably tourists from Singapore, US, Japan, Korea and PRC. This may augur favourably for the Group’s hospitality and leisure segment – driving room occupancy rates upwards. In PRC, the Chinese renminbi, or Yuan, also weakened slightly against the greenback whereas the Singapore dollar was the notable exception, standing relatively firm against the US Dollar.	**Financial Risks** • Weakening local currencies result in higher operating costs, particularly for raw materials, equipment and services procured internationally. • Impacts on hotel operating service cost due to the billing from international management companies, which is usually in foreign currencies. • Influences the return on investments in overseas operations that are sensitive to fluctuations in the value of the US dollar (USD). **Link to our capital:**

OPPORTUNITIES	RELATED MATERIAL MATTERS
Supply Chain Diversification • Greater impetus on localising supply chains and expanding the supplier base towards increasing "green" or sustainability-based procurement. This provides opportunities to stimulate jobs and local business activities. • Increased possibility to explore alternative materials to reduce consumption of virgin materials. • Explore new, resource-efficient design and construction methods. • Increased exploration of alternative/renewable energy sources such as the installation of solar panels on rooftops and the use of energy-efficient fittings (e.g. LED lights) amongst others. **Link to our capital:**	• Economic Performance • Climate Change • Supply Chain Management • Materials • Innovation
Boost For Tourism • A weakened domestic currency favours domestic tourism as locals opt to travel within their own countries, eschewing more expensive overseas destinations. A weaker currency also encourages the arrival of foreign tourists. Both support local room occupancy rates and consumer/retail expenditure. • The present activities initiated by the hotel and tourism bodies as well as respective government ministries and agencies would spur further momentum for the industry, thus driving more revenue opportunities for the hospitality and leisure segment. **Link to our capital:**	• Economic Performance • Innovation • Supply Chain Management • Materials

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
CHANGING DEMOGRAPHICS AND MARKET TRENDS **Link to our business:**	Consumers and property buyers continue to evolve, as a younger demographic with differing lifestyle preferences and aspirations enter the market. This demographic's values contrast significantly with more mature target groups such as a preference to rent rather than purchase property, or a tendency to choose experiences like travel over tangible attributes such as financial security. In addition, there is a growing shift towards a preference for buildings with green or low carbon features over conventional buildings. While some businesses have returned to a pre-pandemic office-based work model, others, particularly startups and smaller firms, have chosen to reduce their traditional office space needs. This shift aligns with the growing trend of remote and flexible working arrangements, giving rise to an increase of shared workspaces, including hubs for digital nomads. Post pandemic travel remains on an uptrend which includes corporate related travel. Travel, coupled with the pick-up in business activity bodes well for the Meeting, Incentives, Conventions and Exhibitions ("MICE") segment, especially with the re-opening of PRC's economy. The emergence of biz-leisure travel where business travellers extend their trips to include vacation time is also a growing trend.	**Financial and Market Risks** • Ineffective attempts to understand changing market trends and evolving customer preferences may render products and services uncompetitive and irrelevant. • Insufficient market intelligence or a slower evolution in products and services. • Credit tightening by the banks resulting in difficulty for purchasers in securing financing or getting a favourable loan for property purchase. • Negative impacts on domestic travellers as hotel room rates rise due to strong demand from international tourists. **Link to our capital:**

OPPORTUNITIES	RELATED MATERIAL MATTERS

To Entrench Leadership Position

- Intensified efforts to understand market trends and changing customer patterns and implement evolved strategies to ensure the Group remains not just relevant and competitive, but to continue occupying market leadership and mindshare among key demographic segments.
- As key market segments mature (with higher affluence and spending power), there is higher probability that the Group's future products will be more sought after from these customer segments, given the initial positive experience.
- The market proven lifestyle concepts of the Group's many established projects i.e. 16 Sierra, Bandar Puteri Puchong (multi-generational homes concept) and Gems Residences in IOI Resort City (wellness living concept) continue to attests to the Group's quality and credibility, while serving to provide confidence to existing and new buyers.
- Development of new and larger target markets, which is anticipated to support improved financial performance in the medium to long term i.e. IOI Industrial Park, Banting and iSynergy, Senai.
- The focus on industrial properties complements the Group's existing property portfolio mix and also enables exposure into a resilient, high-growth sector fuelled by demand from the last-mile delivery sector as well as other industries i.e. technology, etc.
- Continued enhancement in the use of digital marketing to reach target markets.
- Continue to entrench all hotels as preferred choices; to be listed on corporate business directories and to target new foreign direct investment companies that have collaboration with the government.
- Transforming the Group's portfolio of hotels into a tourist hub, which enables IOIPG to diversify its business segmentation for leisure and business including groups from different markets. For example, the soon to be completed Moxy Putrajaya Hotel, which caters to the lifestyle preferences of a younger traveller segment.

Link to our capital:

Related Material Matters:

- **Employee Management**
- **Customer Satisfaction and Privacy**
- **Economic Performance**
- **Innovation**

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
TALENT ACQUISITION AND RETENTION **Link to our business:**	The hiring and retention of professional talent, notably for the retail and hospitality sectors continue to be a major challenge, given the number of detracting factors which include huge demand for skilled professionals amidst a limited talent pool. The influx of new malls and shopping centres as well as the ongoing recovery in retail and socio-economic activity has led to a resurgence of job opportunities. In addition, the customary demand and supply dynamics for talent continues to be altered by the gig economy. The varied opportunities for self-employment provided by the gig economy continues to drive talents to leave typical job settings for the prospect of more control over personal time and working hours. In addition, the increase in minimum wages led to higher operational costs, including increased monthly charges from third party manpower providers for the supply of contract workers. During the pandemic, a large number of skilled hospitality professionals chose to shift careers, effectively moving out of the industry into new fields. This exodus has further exacerbated the talent shortage issue and affects businesses in the process of recovery.	**Operational Risks** • Challenges revolving around recruitment and retention of talent could affect productivity, internal capabilities and succession planning strategies. A lack of suitable talent may also impact business expansion plans and overall growth. • As talent scarcity grows, talent recruitment and remuneration costs may increase thus requiring increased allocation of financial resources. • Challenges in acquiring talents capable of meeting desired service and quality standards. **Link to our capital:**

OPPORTUNITIES	RELATED MATERIAL MATTERS
Human Capital Development • Ensure that all aspects of the talent value chain are well managed and developed towards attracting, retaining and developing a high-performance workforce and organisational culture. • Continued implementation of the Group's structured Talent Review process to identify and develop talents for future leadership roles. **Please refer to the Sustainability Statement for more information on the Group's talent management and development strategies on pages 148 to 165.** • Implementing "Just Transition" practices that advocate for more sustainable business practices. This includes evaluating business strategies in terms of impacts on employees and other talents, as well as specific focus on upskilling the workforce. • Partnering with local and international colleges and universities to provide internship and placement opportunities to boost the talent pool of skilled manpower. **Link to our capital:**	• Employee Management • Economic Performance

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
DIGITALISATION AND INNOVATION **Link to our business:**	The continued proliferation of current and new technology offers exciting potentials for the property sector, including Artificial Intelligence ("AI"), Internet of Things ("IoT"), Blockchain and more. Technology can enhance the business model – increasing the efficiency of processes across the value chain. Other benefits include traceability, cost effectiveness, faster speed to market, new and enhanced customer experiences, reduced environmental footprint amongst others. The newly unveiled National Energy Transition Roadmap (NETR), launched in July 2023 to accelerate Malaysia's aspirations of becoming a low-carbon nation and to achieve net zero by 2050 (12th Malaysia Plan) will spur the growth of green sector businesses such as EV, batteries and green technology. The growth of the green sector is anticipated to increase Foreign Direct Investment ("FDI") through capital investments, joint ventures with local companies, establishment of offices and operations, acquisition of industrial property and more. This bodes positively for the Group's property development, property investment and hospitality and leisure segments.	**Financial and Operational Risks** • The implementation and application of technology may require significant financial outlay at the onset (acquisition, training and development, implementation cost and more). Most implementations have a learning curve and require a gestation period before seeing returns. **Link to our capital:**

OPPORTUNITIES	RELATED MATERIAL MATTERS
Transition to a More Sustainable Business Model and Synergistic Benefits • Digitalisation and technology reduce environmental footprint and promote expediency in operational processes. Acquisition of technology is essential to replace legacy and outdated systems. • Strategic adoption of technology including new technologies such as RPA, AI, Big Data, etc. drive business and operational efficiency, enables new value-accretive opportunities, elevates customer experiences, increases productivity, and facilitates the creation of innovative value propositions. **The above includes implementation of e-ticketing systems, an all-in-one, loyalty mobile app, Club IOI and the introduction of the IOI Offices Mobile Application (Refer to Our Strategies to Sustain Value Creation on pages 45 to 55).** • Continuous improvement and/or upgrading of managed properties as well as implementation of Internet of Things (IOTs) to stay competitive and relevant. **Link to our capital:**	• Customer Satisfaction and Privacy • Economic Performance • Innovation • Supply Chain Management

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
GREEN BUILDINGS AND DEVELOPMENTS **Link to our business:**	The ongoing pivot towards sustainable development and green buildings continued to gain momentum in FY2023. Specific stakeholders such as multinational companies, government-linked institutions and other large-scale operations are increasingly opting to operate from certified green buildings. While green building design and development necessitates increased investments in financial, human, intellectual and technological capitals, it also presents upsides for the development of innovative products and sustainable rental yields.	**Financial and Operational Risks** • Green buildings typically entail more financial investments as well as a higher degree of technical specification to meet criteria for green building design and development based on a specific framework. As such, the adoption process may require a longer incubation period, due to the need for increased skilled manpower and financial resources. • Capacity building and training will need to be provided in line with the principles of "Just Transition". This is to ensure that employees can adapt to the changes in terms of competency requirements and new processes. • Inability to meet tenants' demand, green building certification and improvement of managed buildings' environmental initiatives (i.e. energy efficiency, water efficiency, waste management, etc.) will impact the financial performance of the operations and the value of the managed investment properties. **Link to our capital:**

OPPORTUNITIES	RELATED MATERIAL MATTERS
Greenfield Market • Over the short to medium-term, the capabilities acquired would enable the Group to secure its position in the market, presenting competitive advantage as demand for green building development is poised to grow e.g. IOI Central Boulevard Towers, a Green Mark Platinum premium Grade A office building; GBI-certified IOI City Mall and GBI-Silver certified IOI Galleria, Kulai, Johor. • The acquired expertise and experience would enable business expansion across multiple markets. • Importantly, there are older buildings that can be refurbished and equipment retrofitted to achieve better operational efficiency towards carbon emissions reduction. • There is growing interest for real estate with ecologically designed landscape and urban parks. Hence, there is potential in leveraging on Natural Capital to develop Nature-based Solutions e.g. landscape or parks that conserve urban biodiversity and sequester carbon (climate change mitigation), as well as parks with waterbodies that mitigate flood risks and alleviate the heat island effect. Among these include the Townpark in Bandar Puteri Puchong. Please refer to pages 144 to 145 for more information on the Townpark. **Link to our capital:**	• **Customer Satisfaction and Privacy** • **Economic Performance** • **Climate Change** • **Innovation** • **Health, Safety and Well-being** • **Water** • **Waste and Effluent** • **Biodiversity** • **Supply Chain Management** • **Materials**

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
INCREASING ESG FOCUS **Link to our business:**	In FY2023, Bursa Malaysia, as a market regulator, launched its Sustainability Reporting Guide 3rd Edition. The introduction of mandatory disclosures has seen public listed companies, particularly main market listed companies, shift greater attention to improve data quality and integrity. On the same note, there is heightened focus on the development of ESG based policies, guidelines and strategic plans related to the real estate sector and financial institutions.	**Financial, Operational and Market Risks** • Access to financing may be limited as regulators and financial institutions place increased importance of ESG performance and reporting disclosure. • With ESG becoming a stringent compliance requirement, any inability to achieve required performance standards could lead to a wide range of punitive actions. • ESG offers ample value creation opportunities for the business model. Hence, opportunities may be missed if ESG is not integrated into the business model. **Link to our capital:**

OPPORTUNITIES	RELATED MATERIAL MATTERS
New Potentials • ESG presents opportunities for the development of low carbon products and services that are progressively increasing in demand over time. This may have reduced impact on the environment and community, meeting the holistic preferences of a more social and eco-conscious society as well as strengthening our brand perception and appeal. • Position the Group as an ESG focused brand that minimises the environmental impact of its operations, products and services and contributes positively to the society in which it operates. **Link to our capital:**	• Economic Performance • Community Investment • Climate Change • Compliance • Anti-Corruption • Water • Waste & Effluent • Biodiversity • Employee Management • Health, Safety & Well-being • Innovation • Supply Chain Management • Customer Satisfaction & Privacy • Materials

Our Operating Environment

TOPIC	DESCRIPTION	RISKS
CLIMATE CHANGE **Link to our business:**	Climate Change related effects bring both physical and transition risks, which affect almost all businesses and economic sectors. Physical risks include excessive rainfall, flash floods, drought, rising temperatures and vector borne diseases, all of which, if not effectively managed can cause serious disruptions to business operations. Transitional risks such as funding the switch to renewable energy ("RE"), an increased pivot towards developing green buildings and greening of supply chains may also lead to disruptions to business operations, notably in the initial years of adjustment. **Kindly refer to the Group's Taskforce on Climate Related Financial Disclosures ("TCFD") section on page 119 as well as 181 - 182 for more information.**	**Financial, Market, Operational, Environmental and Climate Change Risks** • A lack of comprehensive understanding and visibility of the impacts of climate change and their relevance to our operations would expose the Group to a higher risk prevalence whereby attempts at scenario planning or future proofing the business through the development of climate resilience cannot be effected to the desired level. • Typically, lack of safeguards could also significantly impact stakeholders, resulting in injuries, fatalities, financial loss, damaged properties and/or other less-than-desirable consequences for society. These, if materialised- would ultimately impact the Group's brand image and credibility. **Link to our capital:**

Business Divisions:

Property development

Property investment

Hospitality and leisure

OPPORTUNITIES	RELATED MATERIAL MATTERS
Strengthening Design and Build Approaches, Driving Cost and Operational Efficiency • The results and findings from climate change vulnerability studies could enable better understanding of climate change related risks and impacts, which would then potentially fuel an improved mitigation response to identified physical and transition risks. • With the identification of potential vulnerabilities and based on future projections, the Group would look into design and planning of future development as well as improve developed townships e.g. on drainage, landscaping and sheltered walkways to enable a higher degree of climate resilience. • Various opportunities and potentials emerge such as carbon pricing mechanisms (that enable carbon credit purchasing and generation of carbon credits), improved access to ESG based financing, improved branding and recognition that comes from pursuing more green building developments. The pursuit of energy efficiency, renewable energy and waste management supports reduced operational costs, notably in the medium and long-term. • The opportunities of addressing physical risks include the conservation of urban parks for community recreational purpose, which also function to mitigate flood and alleviate heat island effect. **Link to our capital:**	• Compliance • Supply Chain Management • Materials • Water • Biodiversity • Economic Performance • Climate Change • Innovation • Health, Safety and Well-being • Employee Management • Waste & Effluent

Capitals:

Financial Manufactured Human Intellectual Social Natural

Determining Materiality

The Group's PESTLE analysis was linked to its material topics based on the identified risks and opportunities. In consideration of interests from stakeholders, IOIPG is conducting a fresh materiality assessment exercise ("MAE") using the approach as follows:

FINANCIAL MATERIALITY

Topics deemed material/important to business and operational performance and revenue, earnings and cashflow.

IMPACT MATERIALITY

Topics deemed material due to its impact to the environment, society or the economy. Topics material to sustainable development.

The freshly conducted MAE will be used to guide the Group's value creation strategies for FY2024 and beyond. The purpose of the exercise is to seek stakeholder views, verification and validation, from both internal and external stakeholders on the emerging issues, concerns, trends and developments that were identified from the PESTLE analysis.

The Group continues to use its FY2023 material topics given that internal KPIs and targets have been aligned to these topics.

The FY2023 materiality topics serve as a strategic assessment to determine the most pertinent concerns and how or where IOIPG should allocate resources towards achieving an effective response.

It provides a clear stakeholder driven perspective on the Group's strategic priorities in ensuring that the Group continues to positively manage socio-economic and environmental impacts.

The FY2023 materiality matrix has been provided in the Group's sustainability reporting disclosures. The following are its top topics for FY2023:

ECONOMIC TOPICS

MATERIAL MATTERS: **Economic Performance**

IMPORTANCE TO BUSINESS MODEL:

The matter of economic performance is viewed from two perspectives: the financial performance of the Group as well as the economic growth and progress of its geographical markets – Malaysia, PRC and Singapore.

Financial performance, reflected in revenue and profit growth primarily is vital for sustaining stakeholder value creation on multiple fronts. These include dividend payouts, fundings for community development and social responsibility initiatives, repayments to bankers and financiers as well as supporting local businesses and local supply chains.

Robust financial performance bolsters market confidence, stirs positive interest among stakeholders and is imperative towards maintaining the Group's track record of delivering notable operating margins.

RELEVANT STAKEHOLDERS

- Organisation
- Investors
- Tenants
- Employees
- Business Associates/ Vendors/Consultants

ECONOMIC TOPICS

MATERIAL MATTERS: Supply Chain Management

IMPORTANCE TO BUSINESS MODEL:
Effective supply chain management enables the Group to respond to the present challenges of disruption in global and domestic supply chains.

In the delivery of quality products and services, the Group is initiating ESG related assessment along its value chain. This includes driving efficiencies, prioritising local procurement, respecting human rights and due diligence on social and environment impacts. These efforts enables the Group to strategise, in a timely manner, for optimal supply of goods and services, faster time to market, reduced procurement costs, improved quality as well as developing "greener" supply chains that would reduce indirect environment impacts caused by business operations.

RELEVANT STAKEHOLDERS

- Organisation
- Investors
- Customers
- Business Associates/ Vendors/Consultants
- Authorities/Regulators/ Government Agencies
- Local Communities

MATERIAL MATTERS: Innovation

IMPORTANCE TO BUSINESS MODEL:
With technology becoming more pervasive, it is imperative that the Group stays abreast with the changes brought on by digitalisation and innovation. Most importantly, leveraging on these trends to ensure that the Group forges ahead towards sustaining value creation.

This includes adopting and utilising technology to drive cost and operational efficiencies, increase quality of products and services, strengthen its property based business model and to improve customer traction and strengthen brand presence.

Innovations in product offerings will attract more purchasers and ultimately result in increased revenue for the group as well as instil customer loyalty.

RELEVANT STAKEHOLDERS

- Organisation
- Investors
- Customers
- Tenants
- Employees
- Business Associates/ Vendors/Consultants
- Local Communities

MATERIAL MATTERS: Customer Satisfaction and Privacy

IMPORTANCE TO BUSINESS MODEL:
In a highly competitive environment, where customers have a plethora of choices, delivering satisfying outcomes and experiences for customers is crucial to build trust and confidence, increase referrals and strengthen brand appeal.

This includes focusing on aspects related to customer satisfaction such as design and build quality, affordability of pricing, inclusion of customer preferences in the development of products and services and ensuring effective mechanisms in addressing customer enquiries and any encounters of dissatisfaction.

Satisfied customers have greater potential to become brand ambassadors who not only provide referrals but also become loyal repeat buyers. This does not only positively influence our financial performance but also bolsters the appeal and credibility of the IOIPG brand.

RELEVANT STAKEHOLDERS

- Customers
- Authorities/Regulators/ Government Agencies
- Business Associates/ Vendors/Consultants

ENVIRONMENTAL TOPICS

MATERIAL MATTERS: Waste and Effluent

IMPORTANCE TO BUSINESS MODEL:

Across the Group's operations, a wide range of wastes are produced and such wastes are disposed in compliance to regulatory requirements. However, rethinking the waste management approach presents opportunities to not just reduce waste production but to adopt more circular economy based strategies that enable waste to be:

- Repurposed to be used within existing production processes. This transforms waste into a byproduct and thus reducing use of virgin materials.
- Recycled by working with external parties, which reduces waste quantities sent to landfills or incinerators.
- To be better stored, transported, handled and treated.

RELEVANT STAKEHOLDERS

- Organisation
- Tenants
- Employees
- Vendors
- Authorities/Regulators/ Government Agencies
- Local Communities
- NGOs

MATERIAL MATTERS: Climate Change

IMPORTANCE TO BUSINESS MODEL:

The ability to address the physical and transition risks brought on by climate change is imperative in ensuring resilience of the business model and operations including managing impacts from supply chains.

The Group has adopted the TCFD Framework and is undertaking measures to assess vulnerabilities and scenario planning, as efforts to ensure sustained value creation.

The Group is monitoring the related indicator's performances e.g. energy, emissions, water, waste and financial implications of climate change, including investment to mitigate and adapt to climate change. The related initiatives are expected to reduced optimise operational expenditure and enhance operational efficiency.

RELEVANT STAKEHOLDERS

- Organisation
- Investors
- Tenants
- Employees
- Vendors
- Authorities/Regulators/ Government Agencies
- Local Communities
- Media
- Residents' Associations/ JMBs
- NGOs

MATERIAL MATTERS: Water

IMPORTANCE TO BUSINESS MODEL:

Water is a finite resource and is often affected by increasing pressure due to disrupted rainfall patterns, prolonged periods of drought, pollution and with growing population and socio-economic growth, increasing consumption demand. Climate change has further exacerbated the issues surrounding water supply.

Hence, striving for water consumption efficiency not only delivers cost savings, but it also reduces the risks of disruptions to operations caused by lack of water supply, especially when operating in water stressed areas.

RELEVANT STAKEHOLDERS

- Organisation
- Investors
- Tenants
- Employees
- Business Associates/ Vendors/Consultants
- Authorities/Regulators/ Government Agencies
- Local Communities
- Media
- Residents' Associations/ JMBs
- NGOs

ENVIRONMENTAL TOPICS

MATERIAL MATTERS: **Biodiversity**

IMPORTANCE TO BUSINESS MODEL:
Biodiversity, or the natural environment, is vital to the liveability of the built environment, in safeguarding ecosystem services as well as an avenue of Nature-based Solutions and Disaster Risk Reduction.

Biodiversity conservation can also help to regulate ambient temperatures and indirectly avert landslides, mitigate flash floods as well as alleviate heat island effects. A healthy and balanced natural ecosystem can reduce the effects of climate change on built environments.

It can lead to an ecologically designed and developed landscape, which strengthens the value proposition of urban developments and thus, support capital appreciation and premium priced properties.

Rethinking and prioritising the importance of biodiversity within property development would leverage on the value of Natural Capital, enabling a more sustainable future for the business model.

RELEVANT STAKEHOLDERS

- Organisation
- Investors
- Consultants
- Authorities/Regulators/ Government Agencies
- Local Communities
- Residents' Associations/ JMBs
- NGOs

SOCIAL TOPICS

MATERIAL MATTERS: **Employee Management**

IMPORTANCE TO BUSINESS MODEL:
It is important to focus on employees across all levels of the Group towards reducing disruption and loss of inherent company knowledge caused by attrition.

Talent management and development is material to sustaining business and operational performance, maintaining quality of products and services, driving customer satisfaction and retaining competitive edge and generating ideas and solutions.

Beyond active recruitment strategies to ensure necessary skill sets within the organisation, the focus is also on capacity building and competency enhancement, compensation, cultivation of a conducive and inclusive work culture environment, enabling sufficient work-life balance and ultimately ensuring high employee satisfaction and morale.

RELEVANT STAKEHOLDERS

- Organisation
- Employees

MATERIAL MATTERS: **Health, Safety and Well-Being**

IMPORTANCE TO BUSINESS MODEL:
A safe and secure work environment across all operating sites is a prerequisite for operational productivity. This is material as the Group prioritises people as one of its core values.

The Group continues to prioritise the well-being of its most prized asset, its human capital and emphasising occupational health and safety ("OHS") is an intrinsic part of living up to its core tenets as a people oriented employer.

RELEVANT STAKEHOLDERS

- Organisation
- Tenants
- Employees
- Vendors
- Authorities/Regulators/ Government Agencies
- Local Communities
- NGOs
- Media

Determining Materiality

GOVERNANCE TOPICS

MATERIAL MATTERS: Environmental and Social Compliance

IMPORTANCE TO BUSINESS MODEL:

The Group respects ethics and ensures a high level of environmental and social compliance to minimise negative socio-economic and environmental impacts. It also averts disruptions and stop-work of operational sites, fines and other censures including impacts to reputation and credibility.

Adherence to rules and regulations mandated by the respective governing bodies ensures that the Group operates in a responsible manner where business activities are conducted in line with its core values.

RELEVANT STAKEHOLDERS

- Organisation
- Tenants
- Employees
- Vendors
- Authorities/Regulators/ Government Agencies
- Local Communities
- NGOs
- Media
- Residents' Associations/ JMBs

MATERIAL MATTERS: Anti-Corruption

IMPORTANCE TO BUSINESS MODEL:

The Group maintains a zero tolerance, no-compromise approach with regard to corruption. Emphasising a corrupt free business environment across all facets of operation is intrinsic towards supporting robust business and financial performance. It is a requisite for bidding for contracts, seeking joint venture partners and also ensuring brand credibility and attracting and retaining talent. Naturally, a no-compromise approach to corruption also prevents legal repercussions.

Often, corruption is a precursor to other issues of non-compliance within operations and the supply chain. These include poor quality, labour and human rights issues, lackadaisical attitudes and more. Hence, emphasising a corrupt free business model and operations is intrinsic all round towards addressing product & services quality, labour and human rights issues and ultimately, ensuring competent performance across the value chain.

RELEVANT STAKEHOLDERS

- Organisation
- Employees
- Vendors
- Authorities/Regulators/ Government Agencies
- Media
- NGOs
- Business Associates/ Vendor/Consultants

Our Strategies for Sustaining Value Creation

In managing its material topics and responding effectively to the external operating environment, the Group has established its specific strategies.

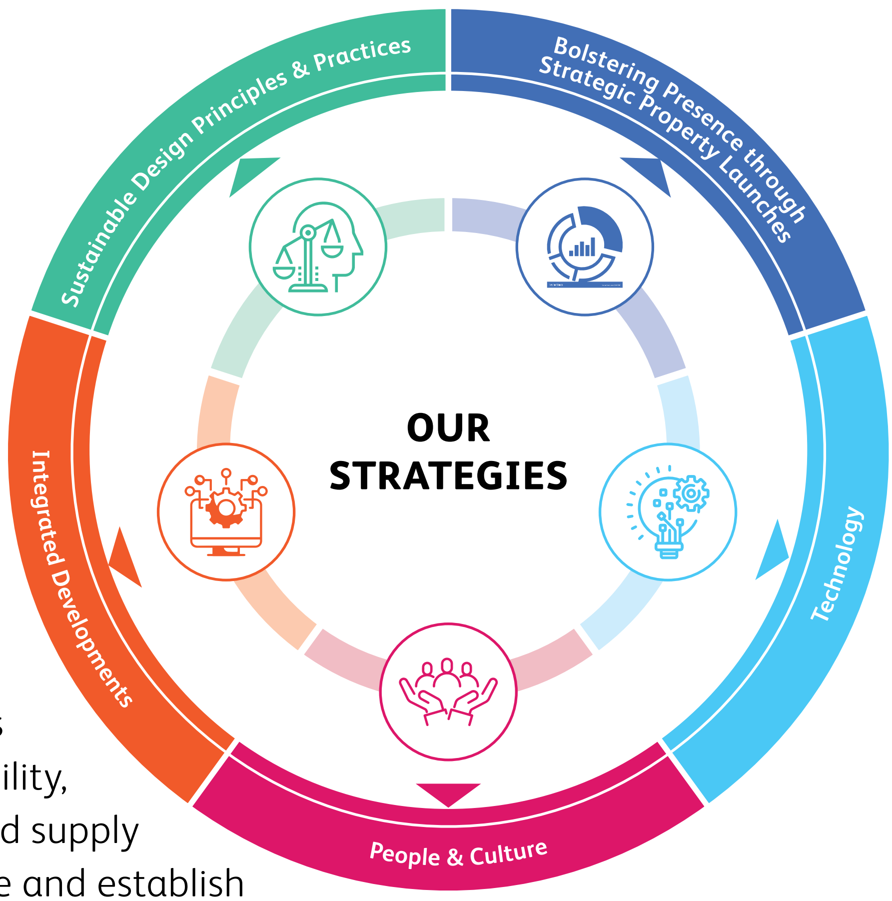
These strategies are designed to sustain growth over the short, medium and long-term perspectives. The strategies address identified risks and materiality matters and enables the Group to capitalise on emerging opportunities.

Resource allocation is driven not just by the financial objectives, but also by the realisation of positive social, human and environmental outcomes.

STRATEGIES:

SUSTAINABLE DESIGN PRINCIPLES & PRACTICES

The continued implementation of sustainable design and building practices is intended to address environmental impacts and to develop properties that remain relevant with current trends and changing market preferences. These include introducing innovative products that not only enhances customer satisfaction but also minimises impact on the environment as well as contributing positively to society's well-being.



> Beyond regulatory compliance, the value of integrating ESG into the business model includes increased brand trust and credibility, and the opportunity to safeguard supply chains, achieve climate resilience and establish medium to long-term business competitiveness.

Our Strategies for Sustaining Value Creation

The focus on ESG is in tandem with the aspirations of the Group's many stakeholders, notably governments, financial institutions and institutional value chain, customers and local communities amongst others. We strive to minimise the environmental and social impacts of our property development activities which includes due consideration on the design, technology and the use of resources. As such, the launch of our sustainability roadmap is an essential strategic development towards "greening" the Group's business model and operations that will contribute towards cost and operational efficiencies as well as synergistic benefits that will positively impact the environment and society.

Sustaining and Enhancing Value through Township Developments

Our Strategies for Sustaining Value Creation

Gems Residences

In Malaysia, the Group was the first integrated property player to conduct a Carbon Footprint Assessment to calculate and analyse the upfront embodied carbon of its prestigious Gems Residences project, which comprises eight (8) high-rise residential towers with a total of 676 units.

The assessment of the project's upfront embodied carbon was conducted in accordance with the methodologies specified by the UK Royal Institution of Chartered Surveyors ("RICS") and the UK Institution of Structural Engineers (IStructE), with respect to the lifecycle stages as defined in the EN 15978 standard for building lifecycle assessment.

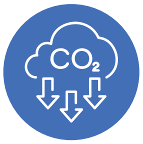
The upfront embodied carbon is 553kg CO_2e per m^2 based on Gross Floor Area (GFA), 1 band below the ideal LETI 2020 Good Design Target. Moving forward, the Group wish to assess the embodied carbon of its developed products, as we aspire to play a concerted role in supporting the national government's aspiration (Malaysia, Singapore and PRC) to achieve Carbon Neutrality or Net Zero.

Our Strategies for Sustaining Value Creation

CASE STUDY: IOI CENTRAL BOULEVARD TOWERS

IOI Central Boulevard Towers, Singapore

Green Mark Platinum Certified



Approximately over 4,100 tonnes of **carbon dioxide emission reduction** per annum. Expected to achieve **30% energy and water savings.**

The upcoming premium Grade A office building, IOI Central Boulevard Towers (IOI CBT) located at Marina Bay, Singapore, exemplifies a new benchmark in urban commercial development for the Group, where sustainability based principles are at the forefront of the design philosophy.

It comprises two office towers of 16 and 48 storeys as well as a 7-storey podium respectively, with a total office area of 1.26 million sq ft and 30,000 sq ft of retail, food and beverage spaces. IOI Central Boulevard Towers emphasises the optimisation of natural lighting and ventilation as well as aircon balancing, all of which promotes energy efficiency. The implementation of technology enabled systems regulates air-conditioning use, with temperatures and speed of air-conditioning being automatically adjusted to the number of people present in event spaces.

The building is designed in support of Singapore's national goal of net-zero carbon emissions, while promoting more conducive working spaces and environments. IOI Central Boulevard Towers also features Central Green, a 60,000 sq ft sky park, which features lush greenery amidst a 200-metre jogging track and bicycle parking lots. Other facilities and amenities include a childcare centre for working parents, changing rooms and shower facilities to encourage a more work-life balance as well as recycling systems, waste disposal, and cleaning materials.

As a Green Mark Platinum Certified building, IOI Central Boulevard Towers shall achieve approximately over 4,100 tonnes of carbon dioxide emission reduction per annum while also expected to achieve 30% energy and water savings as compared to conventional office buildings.

IOI Central Boulevard Towers is also connected to the Marina Bay District Cooling Network, which aims to reduce the district's carbon emissions by 19,439 tonnes yearly, equivalent to removing 17,672 cars on roads. This will enable IOI Central Boulevard Towers to achieve higher energy savings and reduce the total cost of ownership, ultimately contributing positively toward Singapore's 2050 net zero emission goal and reducing its operational impact on the environment.

Our Strategies for Sustaining Value Creation

STRATEGIES:

INTEGRATED DEVELOPMENTS

In developing integrated developments, the key concept behind the development philosophy would be community inclusivity and placemaking. Hence, the focus would be accessibility and connectivity, availability of amenities and lifestyle convenience. These basic precepts are placed at the forefront of project planning and design towards achieving long-term social sustainability.

Successful placemaking is achieved through mindful planning that facilitates the continued evolution and growth of the community over time. This enables the creation of enduring, sustainable value that contributes to the capital value of developments over the medium and long-term as well as, stronger brand recognition and higher demand.

Sustaining and Enhancing Value through Township Developments

The Group's approach to holistic development and placemaking is well exemplified through its townships, where each has been master-planned to thrive as integrated developments which meet the lifestyle aspirations of homebuyers.

Developments namely Bandar Puteri Puchong, Warisan Puteri, 16 Sierra, IOI Resort City, Bandar Putra Kulai, and IOI Palm City, Xiamen, PRC amongst others are designed to create signature urban spaces that foster social integration and sustainable lifestyles. They are complemented by well-designed amenities and excellent connectivity by bringing people together and strengthening the social fabric of communities.

The Group's townships are at differing stages of maturity, each with its unique characteristics. However, all serve to deliver financial and non-financial values that benefit stakeholders.

IOIPG approaches township development with an emphasis on placemaking and futureproofing – conceptualising integrated townships that are able to stay market relevant and continue to provide excellent lifestyle experiences over time.

Providing opportunities for homeownership is important for wealth building and to develop social stability and security.

Generation of financial values through land and property price appreciation, creation of jobs and commercial opportunities for locals.

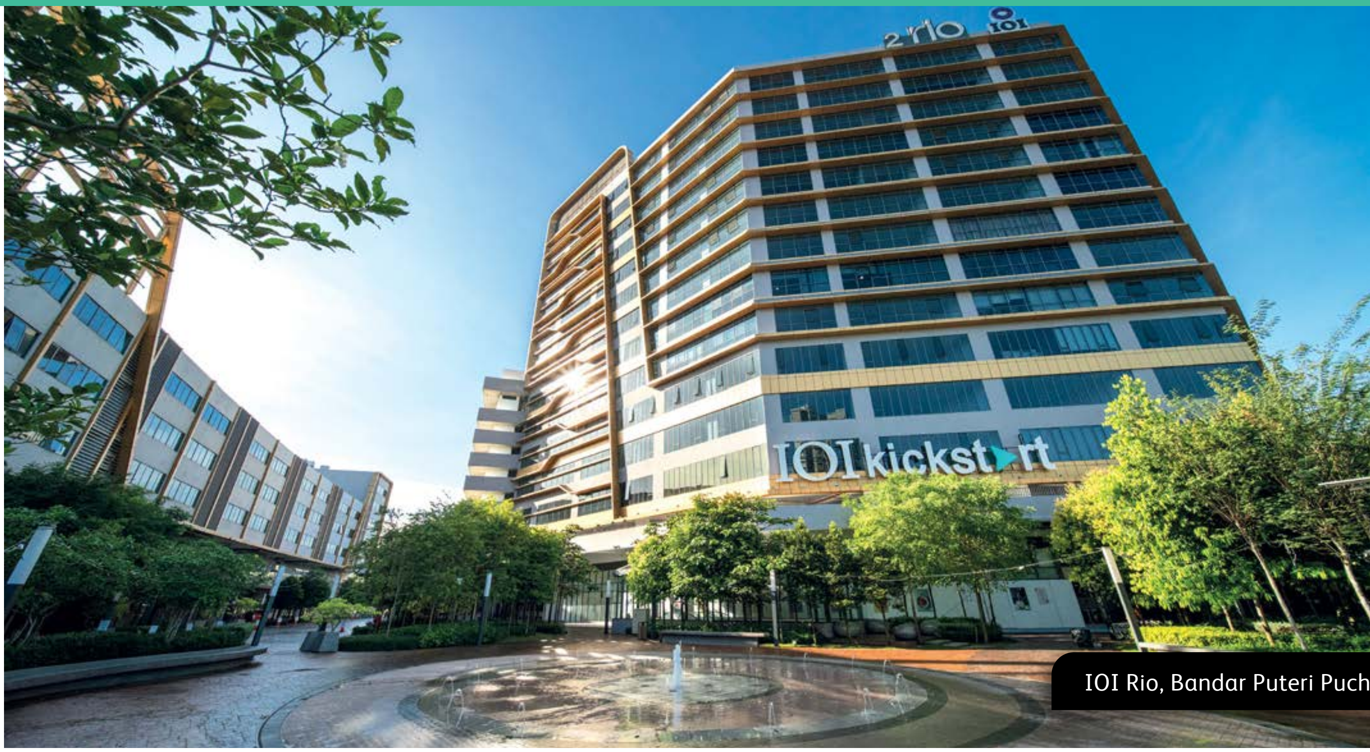
Strategic accessibility, connectivity and public transportation ensures the dynamism of the development as a strategic location for commercial activities as well as a livable place to call home.

Incorporation of new technologies enhances lifestyle and enables the township to evolve over time.

Access to quality facilities such as healthcare, schools in a well-planned integrated development have proven to enable families to climb the social income ladder.

Our Strategies for Sustaining Value Creation

CASE STUDY: BANDAR PUTERI PUCHONG



IOI Rio, Bandar Puteri Puchong

Bandar Puteri Puchong is a bustling, mature township that is home to a vibrant and thriving community. In essence, the township caters to both the residential and commercial aspects of urban living, ensuring a sufficient local population that would attract a wide range of businesses whilst the presence of such businesses enables placemaking – providing varied lifestyle experiences that meet the community's needs.

Bandar Puteri Puchong boasts excellent accessibility to KL City Centre via KESAS, LDP and Bukit Jalil highway. It is also well-connected via public transportation with proximity to four LRT stations.

The Bandar Puteri Puchong LRT Station specifically, is well leveraged with key commercial areas such as the Puchong Financial Corporate Centre ("PFCC") and Four Points by Sheraton Puchong directly connected via walkways to the station. This enables commuters to access the station quickly, comfortably and safely without being exposed to the physical elements.

An essential element of a vibrant development would be the presence of a thriving urban biodiversity. In Bandar Puteri Puchong, a Townpark sits in the heart of this integrated development which provides a space for people to connect with nature, serving as an urban respite and sanctuary for the community.

Notable signature developments within Bandar Puteri Puchong includes IOI Rio, an 80-acre future-ready smart development, and Stellar Suites, a TOD development – located 50m away from the Bandar Puteri LRT station, among others.

In further enhancing connectivity, the Group invested RM90 million for infrastructure upgrading works and expansion of Lebuh Puteri from 2016 to 2022. These include a flyover from the LDP highway, two underpasses at Rio City (ingress and egress), interchange at the junction of IOI Galleria Puchong, two pedestrian bridges, pedestrian crossings with signal lights and walkways, upgrading of street lights to LED lights as well as lush landscaping. The upgrading was undertaken by the Group despite having handed over the infrastructure to the authorities.

Our Strategies for Sustaining Value Creation

STRATEGIES:
PEOPLE & CULTURE

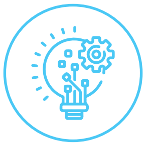
The Group has ramped up its strategic focus on its people – prioritising talent management as a key enabler for sustained value creation. Beyond active recruitment strategies, the Group has remodelled its talent management approach to position the Group as an employer of choice. Our efforts in doing so have been well recognised with the Group being selected as one of the winners in the HR Asia Best Company to Work For In Asia Award 2022.

The award attests to the efforts of Malaysian companies in continuing to adopt forward-thinking, people-oriented policies, that emphasises the development of conducive working environments to enable talents to thrive. This is a testament to the Group's ongoing efforts to recognise meritorious performance and the continued cultivation of an equal opportunity workplace that recognises excellent performance.

In essence, Group People & Culture ("GPC")'s approach to talent management is driven by the People Strategy 3-Year Transformation Journey. The journey is a comprehensive, strategic approach which continues to enhance all aspects of people and culture.

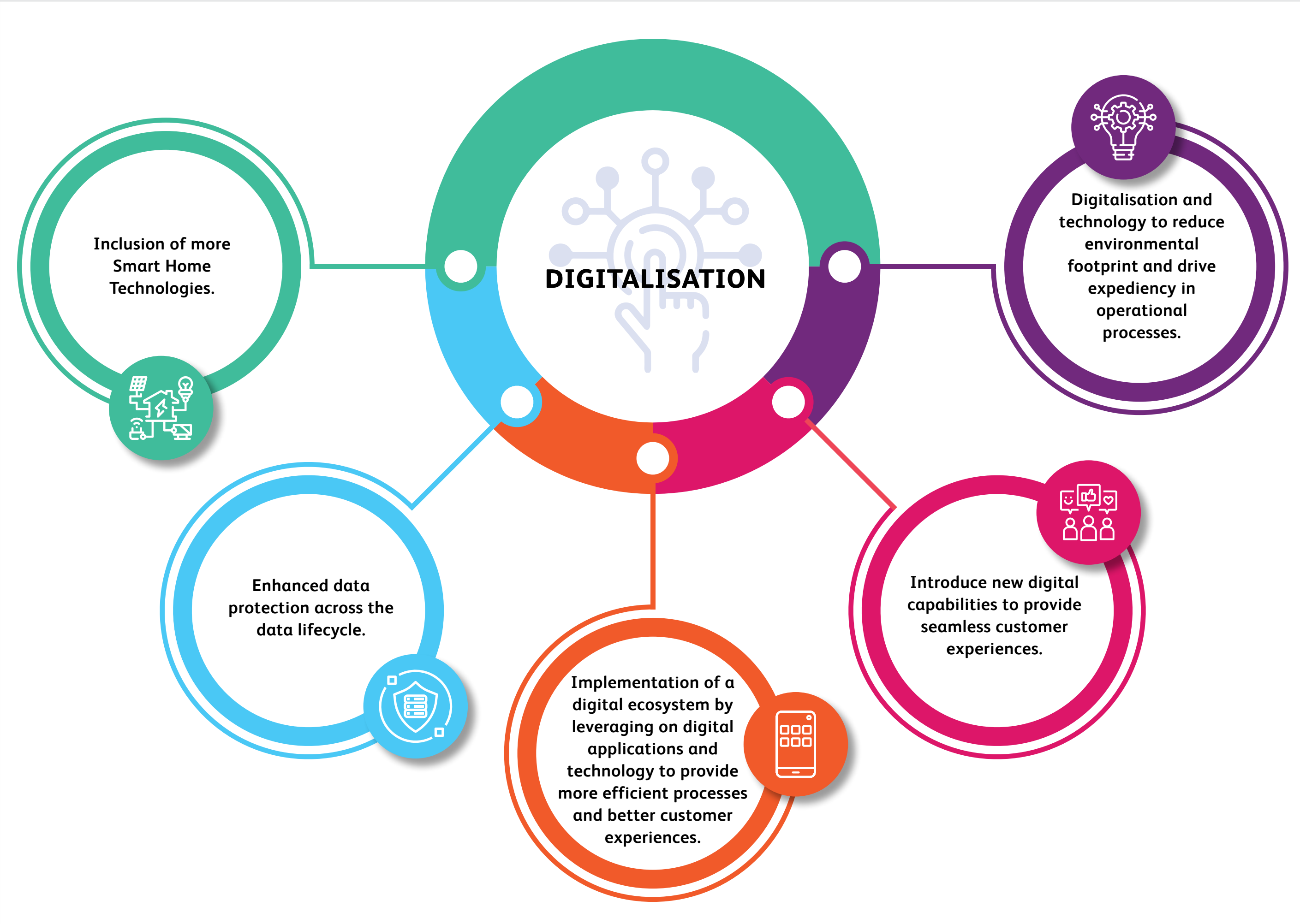
Hence, beyond competitive remuneration offerings, Group People & Culture ("GPC") has focused on all aspects of talent management, including providing conducive work environments and rewarding career prospects as well as focusing on the well-being of employees.

Our Strategies for Sustaining Value Creation



STRATEGIES:
TECHNOLOGY

Technology will continue to be prominent in the design and build of properties, in the management of properties and assets as well as other facets of operations with the ultimate outcome to increasing process efficiency and reducing high dependence on human capital.



Growing technological adoption reduces dependence on unskilled labour and opens opportunities for higher-skilled knowledge workers as new employment prospects are required. These include jobs revolving around use of data, automation, artificial intelligence ("AI") and other technologies. Within the Group, the proliferation of digitalisation is evident, especially in the ongoing drive to transform customer engagement processes and to elevate experiences.

Digitalising Customer and Tenant Experience

Key Digitalisation Initiatives

IOI Offices Mobile Application – a digital property management solution to unify building management processes, namely tenant and visitor access via QR Code, digital directory and management of tenant requests.

01

Online Ticketing Solution - a streamlined ticket process which improves customer experience. It is an online platform that allows online ticket purchase for our leisure attractions at IOI City Mall, namely District 21, Icescape Ice Rink, IOI City Farm and IOI Sports Centre.

02

CLUB IOI 2.0 – a unified mobile loyalty platform to enhance customer loyalty, drive sales, and improve customer satisfaction. The application supports online and offline sales, integrates parking payment capabilities, accumulates reward points and offers member privileges amongst others.

03

Our Strategies for Sustaining Value Creation

STRATEGIES:
STRATEGIC BRAND PRESENCE

In strengthening its market positioning and meeting real market demand, the Group's property development segment intends to launch approximately RM11.71 billion worth of properties into the market.

Despite operating amidst a highly competitive and still turbulent market environment, the Group shall leverage its strategically located landbank and its ability to masterplan and deliver well-positioned integrated residential and industrial developments to distinguish its property launches in FY2024.

The Group looks forward to the unveiling of new products within its thriving townships such as 16 Sierra, Bandar Puchong Jaya, Bandar Puteri Puchong, Warisan Puteri, Sepang and Bandar Putra Kulai – which are all strategically located with excellent connectivity. Apart from residential and commercial offerings, the Group looks forward to the launch of IOI Industrial Park, Banting, a high-tech industrial park.

In Singapore, the Group anticipates the launch of Marina View, a mixed development comprising luxurious condominiums as well as an international luxury hotel brand, which is set to reinvigorate demand for luxury homes among the affluent. Supported by robust financials and the confidence of investors and bankers, the Group's property development segment is able to leverage both internally generated funds as well as external borrowings to finance upcoming property launches.

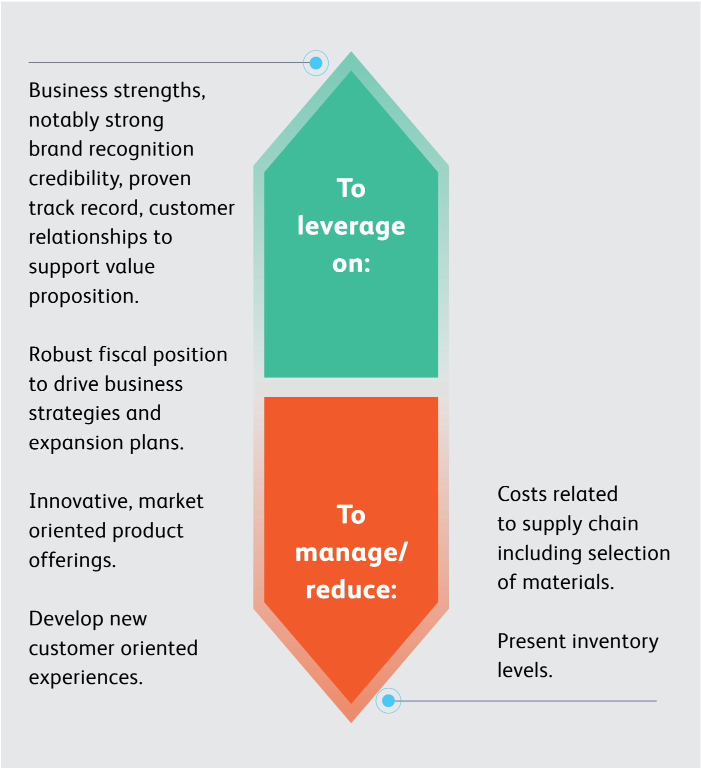
Other strategies specific to its property development is the introduction of more easy-ownership sales packages. Leveraging on the strengths of the Group's strong cash position and balance sheet, the Group will continue to expand and develop new homeownership strategies to drive sales, while supporting and increasing existing earnings and margins.

Supporting Earnings Margins

Amidst rising construction, operating and compliance costs and higher interest rates, it is imperative that property developers identify suitable pricing points for products and develop value propositions that sustain or even improve earnings margins.

A significant focus area is continued action to address escalating costs – increasingly leveraging local supply chains, reducing project financing costs and managing overall operational expenditure and project costs.

However, beyond cost containment measures, developing innovative products with appealing and unique features would enable a new approach to offering property buyers a competitively priced value proposition that yields robust margins. This includes beyond just selling physical properties but also packaging these with valued added services and other market oriented offerings to support earnings margins.



Our Strategies for Sustaining Value Creation

Intensified Branding and Communication

The Group will continue to strengthen its brand presence and actively engage with all stakeholders, especially its valued customers. Increasingly, the shift is towards employing digital media which complements mainstream media channels.

A cornerstone of this strategy is leveraging on the Group's proven track record and existing positive brand perception among stakeholders. In this regard, the focus on branding is integrated with emphasis on human capital. We prioritise regular training for the frontline staff of the Group, aiming to consistently deliver positive experiences for our customers.

Pursuing Revenue Stream Diversification for Increased Recurring Income

Apart from property development, the Group derives its revenue from its property investment and management operations, resulting in a growing recurring income revenue base. Sustaining and expanding the existing recurring income revenue base directly addresses future challenges such as scarcity of suitable landbank, increasing property development costs and intensifying market competition.

Specific strategies to boost income from investment properties include raising rental yields and undertaking asset enhancement initiatives on existing assets. Such assets can also be leveraged to enhance the overall value proposition of existing and future property development projects, including townships.

IOI City Mall, IOI Resort City

Our Capitals Consumption and Values Created

Financial Capital

All resources related to the management of funds, cash, borrowings, equity, short and longer term investments and market capitalisation.

SOURCE & SIGNIFICANCE

Income from our business segments and equity from financiers are used to finance our daily operation, project developments and new ventures.

HOW IS THE CAPITAL SUSTAINED

- Maintaining the long-established relationships with customers, business partners, financiers and other stakeholders allow us to effectively maximise on the financial resources available to generate stable and rewarding returns.
- Property sales, rental and recurring income from investment properties.
- Strengthening product quality and brand credibility to drive sales.
- Constant pursuit of cost and operational efficiencies optimising funding costs.

RELATED RISKS:

- Financial Risk
- Market Risk
- Operational Risk
- Environmental & Climate Change Risk

INPUTS (as at 1 July 2022):

- Shareholders' funds: **RM20.45 billion**
- Share capital: **RM18.51 billion**
- Assets: **RM39.50 billion**
- Liabilities: **RM18.89 billion**
- Cash and cash equivalents: **RM2.35 billion**
- Retained profits: **RM10.23 billion**
- Total borrowings: **RM16.82 billion**

OUTPUTS (as at 30 June 2023):

- Revenue: **RM2.59 billion**
- PBT: **RM1.62 billion**
- PAT: **RM1.40 billion**
- Assets: **RM42.62 billion**
- Liabilities: **RM20.18 billion**
- Retained profits: **RM11.40 billion**
- Cash and cash equivalents: **RM2.68 billion**
- Total borrowings: **RM17.86 billion**

OUTCOMES:

- Dividend of **5.0 sen** to shareholders, equivalent to **RM275.31 million**
- Improved net debt to equity ratios **4%**
- Share price appreciation of **7%**
- Market capitalisation of **RM5.89 billion** as at 30 June 2023

Our Capitals Consumption and Values Created

Manufactured Capital

All physical assets consumed or leveraged by the Group. These include assets owned or leased by IOIPG.

SOURCE & SIGNIFICANCE

Investments in property development projects, infrastructure, and real estate, including commercial, residential, and leisure facilities, enable the Group to create and maintain high-quality spaces that enhance community living and boost the value and competitiveness of our property portfolio.

HOW IS THE CAPITAL SUSTAINED

- Employing effective asset management strategies is key to achieving high occupancy and maximising asset utilisation rates. These strategies encompass continual asset maintenance and upgrades, the implementation of robust Occupational Safety and Health (OSH) practices, and, when applicable, the adoption of ISO standards and industry best practices.
- Engaging in proactive marketing and branding initiatives, while simultaneously prioritising intangible factors such as exceptional customer service and robust stakeholder engagement, etc Adopting adoption of green building methodologies and development progressively.

RELATED RISK:

- Market Risk
- Health, Safety and Security Risk
- Operational Risk
- Environmental & Climate Change Risk
- Cybersecurity Risk

INPUTS:

- **5 hotels** providing a total of **1,875 hotel rooms***
- **4 malls** comprising **4.30 million sq ft** of net lettable area (NLA)
- **Two** 18-hole Golf Courses
- **3.21 million sq ft** of net lettable area (NLA) of office space

* inclusive of 634-rooms in JV-hotel JW Marriott Hotel Singapore

OUTPUTS:

- Total residential and commercial units launched in FY2023: **2,011 units**
- Total GDV launched in FY2023: **RM1.19 billion**
- Revenue from Hospitality and Leisure Segment: **RM209.11 million**
- Completed IOI City Mall - largest mall in Malaysia
- IOI City Mall awarded **The Best Managed & Sustainable Award 2023**

OUTCOMES:

- Enabling home ownership, which is a proven approach for wealth generation and asset preservation
- Generation of a wide range of socio-economic multiplier effects such as supporting local businesses especially smaller retail set-ups, skilled and unskilled job creation, stimulating infrastructure development, driving commercial and retail activity for local communities
- Driving tourism and promoting a wide range of socio-economic benefits including consumer/retail expenditure
- Enhancing lifestyle experiences through new retail offerings

Our Capitals Consumption and Values Created

Intellectual Capital

Consists primarily of intangible assets such as innate business knowledge and industry know-how, technical capabilities and skills, the Group's business model, organisational culture, strategies, processes and systems, intellectual property and brand equity.

SOURCE & SIGNIFICANCE

Brand recognition, proprietary technologies, knowledge, and expertise in property development and real estate management fuels the Group's innovation and competitive advantage, allowing the the Group to leverage specialised knowledge and intellectual properties to design and execute projects effectively.

HOW IS THE CAPITAL SUSTAINED

- Constant focus and commitment to ensure effective execution of the business model.
- Focusing on maintaining all operational systems at optimum level.
- Continued data gathering and market intelligence activities.
- Further developing knowledge capabilities through technology acquisition.
- Continued brand development activities including brand and process auditing to ensure positive resonance in the hearts and minds of stakeholders.

RELATED RISKS:

- Health, Safety and Security Risk
- Operational Risk
- Environmental & Climate Change Risk
- Cybersecurity Risk

INPUTS:

- Intellectual property and proprietary business/industry knowledge i.e. building management systems, cloud computing
- Organisational capital (systems, procedures, protocols, design briefs, patents, trademarks, software, licenses)
- Implementation of ISO based and other best practice systems
    - ISO9001, ISO14001 as well as best practices aligned to ISO45001, ISO30001
- Property market data as well as data on other customers, retailers and stakeholders

OUTPUTS:

- Growth in brand awareness, appeal and credibility
- Continued operational efficiency as measured through key performance indicators
- Refinement of business and operational strategies
- MSCI Rating of AA

OUTCOMES:

- Consistency in delivery of products and services and a brand that is able to compete amidst a competitive marketplace
- Ability to mine customers data to develop insights into consumer demographics and purchase patterns to develop future ready strategies

Human Capital

Consists of the Group's employees and their Individual and collective competencies and expertise that enable the Group to operate its business model and execute its business strategies.

SOURCE & SIGNIFICANCE

Skills, experience, and competencies of the Group's employees, from management to on-site staff serve to drive organisational success through the development and empowerment of staff, leading to enhanced performance, innovation, and growth.

HOW IS THE CAPITAL SUSTAINED

- Active employee management strategies based on addressing the Group's requirements for the following: hiring, retention, remuneration, satisfaction of employees as well as succession planning.
- Emphasis on ensuring work-life balance, undertaking regular employee engagement at all levels of the Group.
- Constant focus on skills development of employees through inhouse and external training courses and programmes.

RELATED RISK:

- Market Risk
- Health, Safety and Security Risk
- Operational Risk

INPUTS:

- **2,647** strong workforce
- **271** interns and apprentices placed
- **110,044** total training hours provided

OUTPUTS:

- **87%** permanent workforce
- Diverse multi-cultural workforce in terms of age, gender and ethnicity
- **40%** women in middle management
- **58** interns and apprentices absorbed into the workforce

OUTCOMES:

- Provision of a wide range of employment opportunities, primarily for locals
- Training opportunities provided continue to develop the skills of the workforce, ultimately resulting in a more competent and capable talent pool
- Provision of employment to staff has a cascading effect on families as well as the local economy
- Continuing to maintain the IOIPG brand as a preferred employer
- The sustained ability to generate new ideas, products and services
- Improved talent bench strength for more effective succession planning

Our Capitals Consumption and Values Created

Social Capital

Comprises brand appeal and equity, stakeholder relationships, goodwill with local communities and other relationship-based capitals.

SOURCE & SIGNIFICANCE

Relationship with stakeholders such as customers, suppliers, regulators, and local communities, along with participation in social initiatives, builds trust and reputation, and promotes collaboration with and loyalty in the Group that enhances our brand value and ensures long-term sustainability in the market.

HOW IS THE CAPITAL SUSTAINED

- Regular stakeholder engagement activities. These include dialogue with regulatory authorities, CSR programmes with local communities, marketing and branding campaigns, media and investor relations activities and various other programmes and initiatives.
- Periodic communication to stakeholders on IOIPG. These include sharing of financial results, announcement of significant changes or developments pertaining to the Group.
- Regulatory compliance-based communication and engagement such as holding of the annual general meeting ("AGM") and publishing of the integrated annual report and others.

RELATED RISKS:

- Financial Risk
- Market Risk
- Health, Safety and Security Risk
- Operational Risk

INPUTS:

- Partnerships with **14 charity homes and organisations** (which NGOs/charities, where we have long standing collabs)
- Good standing with regulators and financiers

OUTPUTS:

- **RM2.20 million** contributed through CSR programmes in FY2023
- **337** scholarships provided (to date)
- **423** affordable homes launched in FY2023

OUTCOMES:

- The creation of a wide range positive social impacts that support the realisation of UN SDGs as well as nation-building aspirations

Natural Capital

Refers to the use of natural resources such as energy, water, materials and ensuing impacts caused to the physical environment. Also includes attempts to reduce/mitigate any negative outputs or impacts caused by consumption of natural capitals. These include recycling, biodiversity conservation, reduction of carbon emission and more.

SOURCE & SIGNIFICANCE

How land, water, energy, and other environmental resources are consumed or impacted by our operations reflect the Group's commitment to sustainable development and responsible resource management, protecting environmental quality for future generations.

HOW IS THE CAPITAL SUSTAINED

The preservation of natural capitals is driven by the Group's Sustainability Strategic Framework anchored on the Group's core purpose of Creating a Sustainable Future. Hence, efforts are focused on reducing/optimising resource consumption, improving consumption efficiency and reducing wastage, transitioning to greener energy sources and conserving natural environments as much as possible.

RELATED RISK:

- Financial Risk
- Market Risk
- Health, Safety and Security Risk
- Operational Risk
- Environmental & Climate Change Risk

INPUTS:

- **76,661 GJ** of diesel, natural gas, and liquified petroleum gas consumed (Group-wide)
- **509,035 GJ** of grid electricity consumed (Group-wide)
- **2,648,989 m^3** municipal water consumption (Group-wide)
- Total solar energy generated for FY2023 is **15,794 GJ**
- Total landbank of more than **9,000 acres**

OUTPUTS:

- **4,058 tCO_2** Scope 1 emissions (Group-wide)
- **59,271 tCO_2** Scope 2 emissions (Group-wide)
- **3,422 tCO_2** avoided through solar energy utilisation (IOI City Mall and IOI Sales Galleria, Kulai)

OUTCOMES:

- The Group is developing increased understanding on the physical and transition risks of climate change, which will strengthen its approach towards developing climate resilience

Chairman's Statement

Dear Valued Stakeholders,

I am pleased to share that IOI Properties Group Berhad ("IOIPG"), in FY2023, continues to strengthen its presence across its three core operating segments comprising property development, property investment and hospitality and leisure across our geographical markets of Malaysia, Singapore and People's Republic of China ("PRC").

Datuk Tan Kim Leong
Non-Independent Non-Executive Chairman

Led by a strong corporate philosophy, combined with market-oriented strategies and together with the talents of our people, this has enabled IOIPG to continue moving forward and remain well-positioned to deliver value for all its stakeholders. This exemplifies our vision of **Trusted.** where the strength of our brand, with a legacy of more than four decades of business achievement, continues to deliver robust financial performance and serves as a catalytic force for positive change.

We remain cautiously optimistic that despite the many prevailing headwinds within the operating environment, IOIPG will continue to register progress across all its operating segments and replicate our business model in all the markets where we operate.

INTRODUCTION

In financial year 2023 ("FY2023"), we saw the global economy continue its post COVID-19 recovery trajectory. For the most part, the world continued to recover from the pandemic related afflictions that had affected nations, businesses and societies.

Global economic expansion, however, was impacted by various developments, including the ongoing Russia-Ukraine conflict, a significantly stronger US Dollar, rising inflation rates and rising interest rates. The global gross domestic product ("GDP") growth in 2022 stood at 3.1%, significantly lower than 6% in 2021.

Malaysia's economy however, posted a significantly improved gross domestic product ("GDP") growth rate of 8.7% in 2022. However, GDP growth had moderated notably, reaching 5.6% for the first quarter of 2023, followed by a further moderation to 2.9% in the second quarter of the year.

Domestic economic performance was affected by both external and internal headwinds. Among these included increased import costs, rising inflation which affected private consumption and a significantly weakened local currency against the strengthened US Dollar.

On a positive note, household spending has improved due to increased job opportunities and the minimum wage regulation as well as nation building activities such as large-scale infrastructure projects and developments. Other supportive factors include a rebound in travel and tourism.

Operating conditions were indeed challenging throughout FY2023 and our property development segment was impacted with its revenue declining by 11% as compared to FY2022. However, this contraction was off-set by the notable performance from both our property investment and hospitality and leisure segments.

The full details of our efforts in responding to macro-economic trends and developments and how these influenced business and operational performance as well as strategic measures undertaken is provided in Our Operating Environment and Management Discussion and Analysis from pages 24 to 39 and pages 66 to 88.

PURSUING OUR GROWTH PATH

Our property development segment in Malaysia continued to launch projects through innovative marketing campaigns to garner greater interest from prospective buyers.

We also focused on non-financial aspects of our operations such as digitalisation and innovation, talent management and supply chain management to drive cost and operational efficiencies. Our efforts in undertaking value engineering towards reducing design and construction costs have yielded a more efficient operation, with improvements extending to our value chains.

Our property investment segment focused on good asset management while enhancing tenant relations to bolster tenant occupancy rates, increase footfall and strengthen rental yields. Many strategic initiatives have been implemented, including increasing adoption of technology to enhance the value proposition of our assets, and to deliver experiences that resonate better with market preferences.

"WE REMAIN CAUTIOUSLY OPTIMISTIC THAT DESPITE THE MANY PREVAILING HEADWINDS WITHIN THE OPERATING ENVIRONMENT, IOIPG WILL CONTINUE TO REGISTER PROGRESS ACROSS ALL ITS OPERATING SEGMENTS AND REPLICATE OUR BUSINESS MODEL IN ALL THE MARKETS WHERE WE OPERATE."

HIGHLIGHTS

Property Development

TOTAL SALES ACHIEVED

Contributions to Charitable Causes

In FY2023, contributions were made to NGOs, state and private run charities, schools and many other bodies

Interim Dividend

5.0 SEN

Chairman's Statement

Our hospitality and leisure segment concentrated on targeted marketing strategies in view of the increase in guest arrivals domestically and internationally for both business and leisure. The Group view this as a major opportunity to generate revenue and increase occupancy.

Therefore, we continued to enhance our unique value proposition to distinguish our IOIPG brand amidst a competitive and evolving marketplace, leveraging on digital and social marketing to enhance awareness and to increase customer loyalty through direct bookings to hotels.

The specific initiatives and plans undertaken in FY2023 (and the related highlights and achievements) are provided in the Management Discussion and Analysis section of IAR2023 from pages 66 to 88.

VALUE CREATION

Our efforts throughout FY2023 have enabled IOIPG to maintain its business and operational performance as the Group achieved a revenue of RM2.59 billion. In the property development segment, total sales achieved amounted to RM1.96 billion, out of which, local projects contributed RM1.67 billion while projects from Singapore and PRC contributed RM290.42 million.

On the back of a stronger financial performance, the Board has recommended an interim dividend of 5.0 sen to be paid to shareholders, amounting to RM275.31 million in respect of FY2023.

The Group has also achieved various other non-financial milestones. These include being ranked 1st for Top-of-the-Chart Top 10 Award at the Malaysia Developer Awards 2023 as well as being awarded GBI - Silver Certification for IOI Galleria, Bandar Putra Kulai, Johor. I also wish to highlight the Group's financial and non-financial contributions to various charitable causes. As at 30 June 2023, contributions amounting to RM2.20 million benefited various non-governmental organisations ("NGOs"), state and private run charities, schools and many other bodies. Specific details of these are provided in the Sustainability Statement of this report.

EMPHASISING GOOD GOVERNANCE FOR VALUE CREATION

Good corporate governance and integrity remain a fundamental aspect of our business philosophy. This is reflected across all aspects of our operations with a continued uncompromising stance on ensuring a corrupt free, non-discriminatory work culture, centred on meritorious performance.

Hence, in FY2023, the Board of Directors together with Senior Management continued to focus on corporate governance which enables effective execution of business and operational strategies.

Extending beyond the Group's operations, we aspire to cascade our philosophy of corporate integrity and good governance to our supply chains.

With rising scrutiny on organisation's supply chains, it is apt that we look to develop stronger oversight of our supply chains and support our business partners to also adopt improved ESG practices. Ultimately, the benefits of doing so, will translate into higher operating standards and better quality business relationships, which over time, will contribute to a more robust business model.

RESPONSIBLE STEWARDSHIP OF RESOURCES AND PEOPLE

It is our view that our continued ability to generate financial performance must take into account environmental impacts while delivering positive outcomes for society. It is evident that financial and non-financial perspectives are intrinsically linked and both must be considered together amidst a dynamic operating environment where societal and environmental issues present risks and opportunities to business and future prospects.

Notably, on the ESG front with climate change dominating the corporate conversation across the world, our focus has been on reduction of energy consumption and emissions, whereby we have commissioned solar photovoltaic (PV) systems at our managed properties. We are also proud to announce that our award-winning GBI-certified IOI City Mall in IOI Resort City, Putrajaya has won Gold in The Edge Malaysia Best Managed & Sustainable Property Awards 2023 which reiterates our ESG efforts for sustainable developments.

One of the highlights has been our continued efforts in product design and development. Our continued journey on developing more low carbon buildings is consistent with our commitment to offer market-oriented products that at the same time are attuned to the present global movement of better stewardship of our resources and the natural environment. A good example is our IOI Central Boulevard Towers, a BCA Green Mark Platinum certified Grade A office building in Marina Bay, Singapore, which is expected to achieve 30% energy and water savings as well as an estimated reduction of 4,100 tonnes in carbon dioxide emissions yearly.

Simultaneously, our digital transformation strategies are well-mapped to further strengthen our systems and processes as well as our competitive edge. As part of our efforts to elevate customer experiences, we are implementing e-ticketing solutions for our leisure activities and digital wayfinding mapping solutions to ease customers' navigation through our malls.

As human capital is the backbone of our operations, it is imperative to champion continued talent development and growth to nurture our people. Hence, the Group will continue its efforts to recognise meritorious performance and provide conducive work environments that focuses on employee well-being.

LOOKING AHEAD

The global and domestic economy is expected to moderate as global GDP growth rate is forecasted to reach between 2.7-3.0% in 2023, one of the lowest annual rate since the global financial crisis, with the exception of the 2020 pandemic period. It is predicted that a slight improvement to 2.9% will be seen next year while in essence, global growth in 2023 and 2024 is expected to be below the average growth rate of the past two decades.

The muted outlook is attributed to several factors. Among these include the rise in interest rates and tightening lending conditions, imposed to quell rising inflationary pressures. Despite fiscal measures, inflation remains comparatively high in most countries. The risk of stagflation remains as high borrowing costs and higher prices for goods and service dampen economic growth.

Similarly, Malaysia's economic growth is also expected to recede to around 4% to 5%, given it faces the same challenges affecting the global economy. Still, domestic conditions are relatively stable supported by firm domestic demand, reduction in unemployment, improvements in income and consumption and continued roll-out of large scale infrastructure projects.

A recovery in the tourism sector and the weakened ringgit also augurs favourably for our hospitality and leisure segment, including our IOI malls.

While we remain cognisant of the operating backdrop for FY2024, IOIPG will continue to leverage on its business strengths to move forward.

The Group will continue to innovate to remain ahead of the market, to create and enhance our offerings and we are well attuned to the specific operating conditions of our geographical markets. We will continue to tap into our unique capabilities, drive sharing of best practices and industry knowledge between business segments and geographical locations to enhance our capabilities as an integrated property developer. We shall intensify our emphasis on quality products, services and experiences while remaining cost efficient.

ACKNOWLEDGEMENTS AND APPRECIATION

On behalf of the Board of the Directors, I would like to extend our appreciation to Dato' Voon Tin Yow, who stepped down as Chief Executive Officer ("CEO") during the year in review. His dynamic leadership of the Group has been instrumental in driving IOIPG to another year of growth and progress. The Board thanks Dato' Voon and wishes him the best of success in his future endeavours.

In his stead, we are pleased to welcome Mr Lee Yeow Seng, who has been redesignated from Executive Vice Chairman to CEO of the Group effective 1 July 2023. The Board has full confidence in Mr Lee's experience and expertise of the property industry and not forgetting his consummate understanding of IOIPG, places him on solid footing to helm IOIPG to greater heights.

The Board also welcomes the appointments of Dato Tan Thean Thye, Ms Lee Ai Ling and Ms Shirley Goh to the Board as Independent Non-Executive Directors. Dato Tan and Ms Lee were appointed on 2 January 2023, while Ms Shirley Goh was appointed on 1 July 2023. All three Board appointments bring a wealth of corporate experience and expertise, which will be a welcome addition in enhancing the Board's cumulative knowledge and capabilities.

I also wish to highlight the appointments of Mr Teh Chin Guan and Mr Chris Chong to the positions of Group Chief Operating Officer (Property Development) and Chief Operating Officer (Property Investment). My congratulations to both of them for I am certain that in their new roles, both Mr Teh and Mr Chris Chong will bring further impetus in driving our strategies for growth and towards betterment.

My message of thanks would not be complete without acknowledging my fellow Board members for their wise counsel and guidance during the past financial year.

Similarly, the Board wishes to thank the Management and employees of IOIPG who have continued to exemplify stellar professionalism during a challenging year in review. Their continued contributions, leadership, diligence and spirit have certainly been instrumental in our continued journey of progress and growth.

We would also like to express gratitude to all stakeholders who have been part of our journey in FY2023. These include shareholders, customers, business associates, our financial partners, government bodies and regulators who have continued to support IOIPG. Thank you, may we continue to move forward in unison towards sustained value creation.

Challenges abound, but so do the many opportunities. The future remains promising with prospect and together, we shall continue to scale upwards in realising our vision and mission and fulfilling our commitment of being a **TRUSTED.** organisation that remains robust and ready for a brighter future.

DATUK TAN KIM LEONG
NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Management Discussion and Analysis

Dear Stakeholders,

In FY2023, despite an uncertain operating environment brought on by various geo-political and socio-economic developments, IOIPG posted revenue of RM2.59 billion, with the Group's property development segment contributing 73% (2022: 81%) of total Group revenue. The Group's property investment and hospitality and leisure segments made up the balance 19% (2022: 14%) and 8% (2022: 4%) of the Group's revenue respectively.

Lee Yeow Seng
Chief Executive Officer

MESSAGE FROM THE CEO

Revenue from Malaysian operations constituted 87% (2022: 76%) of total Group revenue in FY2023 while our operations in PRC and Singapore contributed 12% (2022: 24%) and 1% (2022: nil) respectively.

Though revenue from the property development segment declined by 11%, it has remained the largest contributor to the Group's revenue and profits, accounting for 73% of the total revenue. This contraction was offset by the improved performance from the Group's property investment and hospitality and leisure segments. In FY2023, among the three core business segments, hospitality and leisure recorded the highest year-on-year revenue growth of 85%, followed by the property investment segment at 35%. The property investment segment saw higher recurring leasing income with the commencement of operations at IOI City Mall Phase 2, which added 1 million sq ft to its net lettable area (NLA) in the first quarter of FY2023.

In FY2023, the Group's property development segment secured sales of RM1.96 billion. The robust sales were achieved through the effective reduction of our completed inventories by 21% and also through strategic project launches. Launches were supported by innovative sales and marketing campaigns to address challenges faced by many buyers. In FY2023, the Group launched RM1.19 billion worth of properties with an average take-up rate of 69%.

The Group's portfolio includes residential developments such as Piccolo and Arcela, comprising single and double-storey homes as well as Sonatia, featuring single-storey semi-detached houses, in Bandar Putra Kulai, Johor which experienced robust demand from owner occupiers during the past financial year. Bandar Putra Kulai emerged as one of our top-performing integrated developments, offering a diverse range of products, ranging from landed residential properties to shop offices and semi-detached and detached factories to cater to first-time home buyers, upgraders, business proprietors and investors.

The Group has strategically planned a versatile array of product offerings, introducing mid-priced residential and commercial units, spanning across our well-established townships, namely 16 Sierra, Bandar Puteri Puchong, Bandar Puchong Jaya, Warisan Puteri, Sepang and Bandar Puteri Bangi. Additionally, we are excited about the launch of industrial lots with the rebranded IOI Industrial Park, Banting in Klang Valley. Capitalising on the present strong industrial growth in Johor, the Group will commence Phase 2 of iSynergy Industrial Park in Senai. Phase 2 will consist of semi-detached factories and industrial lots and is expected to be launched in FY2024. The Group will continue to focus on landed products in all townships across Johor, namely Bandar Putra and Taman Lagenda Putra in Kulai, Taman Kempas Utama in Johor Bahru and Bandar IOI in Segamat, to meet the strong demand for strategically located properties in matured integrated developments.

Over in Singapore, property prices continue to rise in contrast with regional decline and in April 2023, the Singapore government increased the Additional Buyer's Stamp Duty ("ABSD") rate as a cooling measure to moderate growth. The measure was targeted to promote a sustainable property market and to prioritise housing for owner-occupiers. During the year, our JV project, Cape Royale, Sentosa Cove registered strong sales of SGD342.92 million and capitalising on a strong property market, the Group was able to recognise its share of profits from this completed project.

In the PRC, challenges remain for the property market primarily due to the concerns over the liquidity issues of the Chinese developers. Despite the subdued outlook, there were renewed enquiries on our developments at IOI Palm City and IOI Palm International Parkhouse in Xiamen since the lifting of the COVID-19 measures. The Group's residential units are completed and this gives us an edge in providing greater confidence to house buyers who are purchasing for immediate occupancy.

The Group's property investment segment also posted significant achievements. Since commencing operations in August 2022, IOI City Mall Phase 2 has achieved an outstanding occupancy rate of 98%. Overall, IOI Malls enjoyed a good growth in footfall.

Businesses are returning to a sense of normalcy and the physical office remains a valuable part of the work environment. This has benefited our office segment with a double digit growth in occupancy at our existing office towers.

On the back of the ongoing recovery in international and domestic travel, the hospitality and leisure segment continued to see robust recovery in occupancy rates. Of note, Le Méridien Putrajaya in IOI Resort City and our JV owned JW Marriott Hotel Singapore also registered vast improvements in financial performance.

The full highlights of the Group's business and operational performance including specific highlights for each of the Group's business operating segments are provided in detail in the subsequent pages of this Management Discussion and Analysis.

The Group has continued to register steady progress in FY2023, despite operating amidst a dynamic and challenging external environment.

The full details of these external trends are discussed in detail in the Our Operating Environment section from pages 24 to 39.

Despite the ongoing economic recovery, market conditions are expected to remain challenging due to a wide range of macro-economic trends and developments. These include higher interest rates, a weakened ringgit, continued geopolitical tensions, global trade conflicts, disrupted supply chains and climate change.

The Group has developed clear strategies to mitigate risks and to leverage on opportunities including the implementation of our TCFD Roadmap to address the climate change related transition and physical risks and opportunities.

Our wide product offerings from the property development segment, recurring earnings from established property investment portfolios in the office and retail segments and improving prospects for the tourism sector is also expected to bode well for the Group going forward.

The Group will continue to leverage on its proven business model and expertise as well as its financial strength to capture the market share in the countries that we are operating in, while remaining responsive to the respective market trends and changes.

All business segments have definitive strategic plans for sustained value creation. We shall pursue these plans actively while remaining attentive to evolving market consideration and inherent headwinds.

Further details on our specific plans for each operating segment are provided in the respective Outlook And Strategic Priorities subsection within this Management Discussion and Analysis from pages 83 to 88.

We shall continue to pursue our path of growth, supported by a strong brand name and our values of **Trusted.** 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 Group continues to move forward with cautious optimism driven by the goal of sustained value creation for all stakeholders. As we execute our business model with precision and pace, we continue to lay a firm foundation for resilience and innovation, while charting a steady path towards greater growth opportunities and value for present as well as future generations.

FINANCIAL PERFORMANCE

Revenue

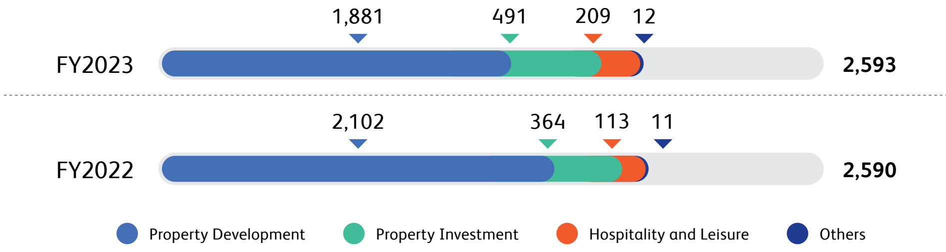
In FY2023, the Group posted revenue of RM2.59 billion, with property development segment remaining the primary driver of our operations, contributing 73% (2022: 81%) of the Group's total revenue. The remaining 19% (2022: 14%) and 8% (2022: 5%) of revenue came from the property investment, hospitality and leisure and other segments, respectively. Notably, revenue from Malaysian operations constituted 87% (2022: 76%) of the total Group's revenue, while PRC and Singapore operations contributed 12% (2022: 24%) and 1% (2022: nil) respectively.

The drop in revenue in property development segment by 11% this year was mainly attributed to a significant reduction in sales from the Group's properties in PRC, a consequence of the prolonged battle with the zero-COVID policy, which has greatly slowed down economic transactions in the region. On the contrary, sales from Malaysian operations have shown growth by 13%, primarily driven by robust sales uptake in the Johor region.

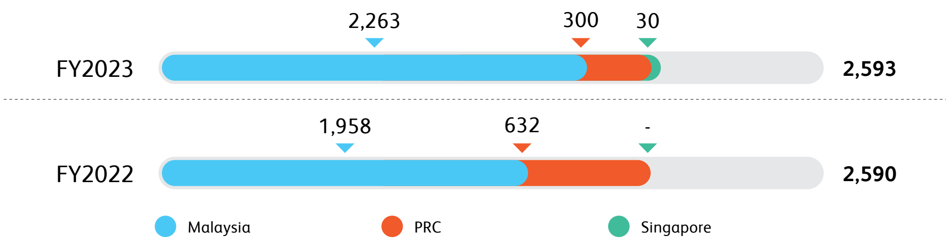
Revenue posted by the property investment segment of RM490.58 million (2022: RM364.25 million) reached a record high in FY2023, driven by strong contributions from the commencement of operations at IOI City Mall Phase 2 combined with enhanced rental yield and occupancy rates in the retail and office subsegments.

The Group's revenue from hospitality and leisure segment rebounded to RM209.11 million (2022: RM113.09 million) driven by strong recoveries in occupancy rates across all hotel properties.

Revenue By Segment (RM' mil)



Revenue By Region (RM' mil)

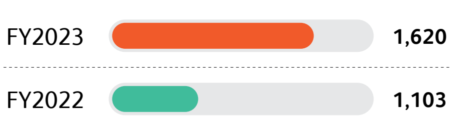


Profits and Dividends

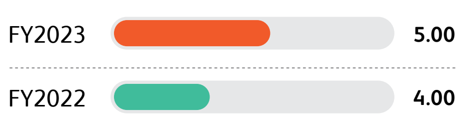
The Group achieved a robust profit before tax ("PBT") of RM1.62 billion, marking a remarkable 47% year-on-year increase, while profit after tax ("PAT") reached RM1.40 billion, showing an impressive 104% year-on-year growth. These substantial increases in both PBT and PAT were higher primarily driven by significant fair value gains on our investment properties. This success is intricately linked to the completion of IOI City Mall Phase 2, which seamlessly integrated its operations with the existing mall. It not only demonstrated the Group's exceptional operational expertise but also underscored the proficiency of our skilled management team in effectively managing the mall's operations while unlocking the full potential of our investment properties.

Excluding the fair value gain on investment properties, inventories written down and impairment losses on property, plant and equipment as well as an investment property of RM569.95 million in the FY2023, the Group's PBT of RM1.05 billion experienced a 15% decline compared to FY2022 of RM1.23 billion (after also excluding fair value gain on investment properties and property development cost written down). The decrease in PBT was largely attributed to a decrease in operating profit within property development segment, primarily stemming from lower sales in the PRC region.

Profit Before Tax (RM' mil)



Dividend per Share (sen)



The Board of Directors have declared a higher dividend of 5.0 sen per share, amounting to RM275.31 million in respect of FY2023. This represents a dividend payout ratio of 20% of the total profits attributable to the shareholders.

Assets and Liabilities

In FY2023, the Group's asset position grew by 8% on the back of significant increases in cash and cash equivalents, mainly attributed to the sale of the Group's completed properties with tactical and strategic sales campaigns. Secondly, the growth was bolstered by an increase in investment properties, which was predominantly due to the ongoing progress works for the IOI Central Boulevard Towers in Singapore, along with an appreciation in value of the Group's completed investment properties resulting from the annual valuation exercise and favourable movements in foreign exchange rates. Property development costs have shown significant increase in FY2023, of which was mainly due to commencement of active development activities for our Marina View residential project, which had previously been categorised as land held for property development.

The Group's total liabilities increased by 7%, primarily attributed to higher borrowing position required for the construction of IOI Central Boulevard Towers in Singapore. Meanwhile, the surge in trade payables was mainly a result of accruing completion costs for completed development projects and land cost payable to a landowner under joint-development arrangement completed during the financial year.

The Group's financial strength remains robust, consistently boasting total assets that surpass total liabilities. The Group's net gearing ratio has improved from 0.71x to 0.68x, driven by the strong financial performance achieved in the current financial year. Furthermore, the Group's net asset value for FY2023 stood at RM4.05 per share, representing a 9% improvement compared to the previous financial year.

Cashflow Position

We remain vigilant in our oversight of operating cashflows, debt maturity schedules, and funding availability in alignment with our overall debt obligations. This diligence ensures that we meet all requirements associated with operating, investing, and financing activities, including compliance with loan covenants imposed by financial institutions.

As of 30 June 2023, the Group holds a total of RM2.68 billion in cash and cash equivalents, signifying a 14% improvement over the previous financial year. Notably, cash generated from operating activities in FY2023 reached RM1.56 billion, representing a remarkable 124% increase compared to the previous financial year. This substantial increase can be attributed primarily to higher proceeds from property sales, the recovery of goods and services tax from the Inland Revenue Authority in Singapore, as well as a reduction in tax payments to the tax authority in the PRC. The reduction in tax payments is a result of significant tax payments made in the previous financial year for the settlement of land appreciation tax and corporate income tax, in accordance with the completion of the last phase of residential development in IOI Palm City, Xiamen, PRC.

The Group reduced net cash outflows for investing activities from RM5.25 billion in FY2022 to RM176.09 million in FY2023. This reduction is primarily due to the RM5.31 billion cash outflow used for the land acquisition of the Marina View project, which was included in last year's investing activities. In FY2023, cash outflows for investing activities were mainly allocated to the construction of the IOI Central Boulevard Towers in Singapore, partially offset by repayments from our joint ventures' projects, primarily in Singapore.

The Group had total net cash outflows of RM1.06 billion for financing activities in FY2023. These outflows were substantially used for interest and borrowing repayments related to ongoing developments in Singapore, as well as dividend payment of RM220.25 million for FY2022.

Sustained cash inflows are anticipated, backed by ongoing revenue recognition from property sales, unbilled sales, and stable income streams derived from the property investment and hospitality and leisure segments.

SEGMENTAL PERFORMANCE:
PROPERTY DEVELOPMENT


Bandar Puteri Puchong

The focus remained on providing products that catered to real market demand, primarily meeting the growing owner-occupier market segment.

In FY2023, the principal strategies of the property development segment were to reduce inventories and to launch mid-priced residential and commercial products at affordable price points in both Klang Valley and Johor. The focus remained on providing products that catered to real market demand, primarily meeting the growing owner-occupier market segment. Additionally, due to strong demand for industrial properties in Johor, the Group's new launches in this region will focus on large industrial lots between 1 to 2 acres in size and also semi-detached factories with a large built-up area.

Ongoing Project Developments

Klang Valley
- Bandar Puchong Jaya
- IOI Resort City
- Bandar Puteri Puchong
- 16 Sierra, Puchong South
- Bandar Puteri Bangi
- Warisan Puteri, Sepang
- IOI Industrial Park, Banting
- PJ Midtown (JV)

Remaining Land Bank
1,303.3 acres

Remaining GDV
RM45.12 billion

Johor
- Bandar Putra Kulai
- Bandar IOI Segamat
- Taman Lagenda Putra, Kulai
- Taman Kempas Utama
- iSynergy, Senai
- The Platino

Remaining Land Bank
3,868.1 acres

Remaining GDV
RM7.92 billion

Others
- Desaria Sungai Ara, Penang - Completed
- Bandar IOI Bahau, Negeri Sembilan

Remaining Land Bank
18.4 acres

Remaining GDV
RM0.14 billion

Overseas
PRC
- IOI Palm City, Xiamen
- IOI Palm International Parkhouse, Xiamen

Singapore
- Seascape, Sentosa Cove (JV)
- Cape Royale, Sentosa Cove (JV)
- Marina View (Under construction)

Remaining Land Bank
2.7 acres

Remaining GDV
RM14.11 billion

Total Remaining Land Bank: **5,192.5 acres**

Total Remaining GDV: **RM67.29 billion**

The Group secured property sales of RM1.96 billion in FY2023 (2022: RM1.93 billion) while unbilled sales stood at RM618.43 million. Malaysia accounted for 85% of property sales with the remaining 13% and 2% respectively contributed from sales of properties in PRC and Singapore.

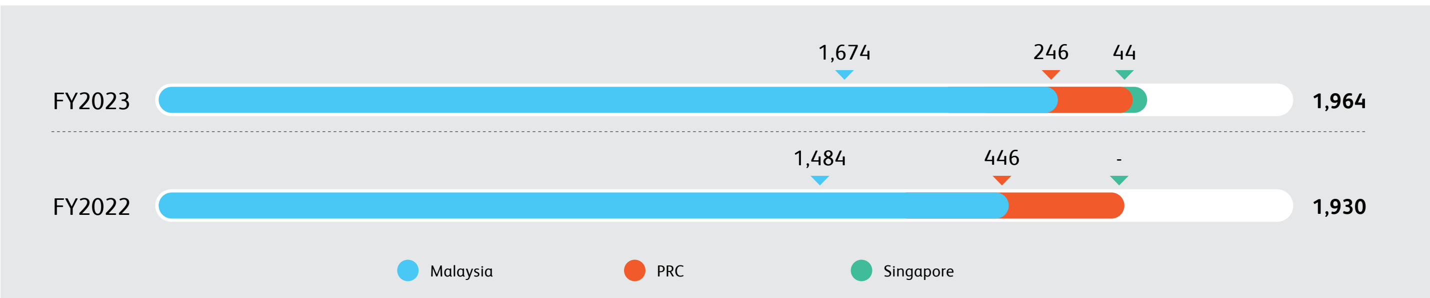
In FY2023, the Group's overall property sales was maintained due to the double digit growth in Malaysia, compensating the weaker sales from PRC. Property sales in Malaysia grew by 13% year-on-year to stand at RM1.67 billion (2022: RM1.48 billion). High-rise residential properties comprised 45% of property sales while landed properties contributed 32%, followed by commercial products at 23%.

This buoyant sales performance was supported by aggressive and targeted sales and marketing campaign, such as the Buy With Tenant programme, which offered property investors an option to purchase tenanted commercial properties at strategic location with attractive yield, as well as a Rent-to-Own programme and the IOI Finance package to provide alternative financing options for prospective residential and commercial buyers.

Value-added collaborations such as homeownership financing packages were introduced to spur sales growth. In FY2023, the Group collaborated with financial institutions to offer loan financing packages, designed to assist buyers to own their desired home.

These campaigns and collaborations were timely as it goes directly towards addressing many issues buyers face post the pandemic. While the desire to purchase remains strong, financial related challenges such as impacted income, job insecurity and more continued to affect buying demand in FY2023.

Sales Performance (RM' mil)




16 Sierra, Puchong South

Management Discussion and Analysis

101 Happy Moments Campaign

Property Development - Malaysia

In Malaysia, the sales secured were largely from the Klang Valley region at RM854.11 million, led by our integrated development at IOI Resort City in Putrajaya and our established township at Bandar Puteri Puchong in Selangor. The Johor region also outperformed with sales contribution of RM771.98 million through the strong take up of its landed properties, as well as the factories products in iSynergy, industrial park in Senai.

IOI Resort City registered a remarkable 86% increase in sales year-on-year, mainly due to the effective strategies in marketing flagship products such as Gems Residences, a JV project with Mitsubishi. Warisan Puteri in Sepang gained a 38% increase in sales year-on-year. Arena Xchange, featuring two-storey shop offices were fully sold within a couple of months. Located within its proximity, Arena Residences comprised 406 units of two to four-bedroom apartments with prices ranging from RM250,000 to RM450,000 also enjoyed a strong take-up rate.

Apart from these strategic launches, property sales were also driven by effective marketing campaigns. Among these were the '101 Happy Moments', an innovative marketing campaign that drove the progressive transformation of the Group's sales galleries into fun and exciting hubs for surrounding communities as they showcased the Group's latest developments.

A key highlight was the reduction of inventories during the financial year. The property development segment achieved a significant reduction of RM637.88 million in FY2023, representing 21% of our FY2022 total inventory balance. This brings the total outstanding inventory as at 30 June 2023 to RM2.41 billion. Further efforts are ongoing to pare down inventory going forward. This includes innovative marketing campaigns as well as various home ownership packages.

16 Sierra is designed to provide quality homes at strategic location that enable people to reside close enough to benefit from jobs and commercial activities, yet at the same able to enjoy more greenery and space within the suburbs. The development is strategically located close to the administrative capital of Putrajaya, Cyberjaya and Puchong, as well as the commercial capital of Kuala Lumpur.

The township serves as an expansion from other developments within the Puchong area to meet growing demand for homes in a strategic location from middle income, first time homeowners and upgraders.

Consistent with the township development philosophy of the Group, 16 Sierra is replete with a wide range of amenities and conveniences including Amigo clubhouse, walkways and cycling lanes linking 16 themed gardens with a Central Park and its latest commercial hub, Sierra Fresco. Sierra Fresco houses retail outlets, a grocer, an urban farm as well as a wide range of food and beverage outlets. Its attraction points, beyond its retail tenants include its prime location, fronting the bustling SKVE highway with accessibility to the LDP and MEX highways. One of the major highlights of FY2023 was the completion of the long-awaited 16 Sierra Mass Rapid Transit ("MRT") Station, which commenced operations on 16 March 2023. The station provides the necessary transit connectivity and completes the township's value proposition as a well-connected integrated development. Also, the placemaking activities brought in by the newly completed Sierra Fresco has also enhanced the appeal of the Sierra 16 development.

The station is expected to connect thousands of commuters monthly, thus alleviating traffic congestion, reducing carbon emissions while providing more convenient travel across the Klang Valley. The station is also consistent with the Group's philosophy of delivering the benefits of TOD to support the creation of self-sustaining and well connected communities.

The MRT station as well as Sierra Fresco, a 98,000 sq ft commercial hub has enhanced the overall lifestyle value proposition for the township. The hub injects vibrancy and renewed vigor with its placemaking activities which strengthen the appeal of the development, meeting the needs of local and surrounding communities.

Bandar Puteri Puchong is a matured township that is home to a vibrant and thriving community, both residential and commercial. In essence, the township caters to both the residential and commercial aspects of urban living, ensuring a sufficient local population that would attract a wide range of retail businesses whilst the presence of such businesses enables placemaking – providing varied lifestyle experiences that meet the community's needs and attracts people to the township.

Bandar Puteri Puchong features IOI Rio, a future-ready smart development, and Stellar Suites, a TOD project – located 50m away from the Bandar Puteri LRT station. It also features a Townpark, a lush green pocket that serves as an urban respite and sanctuary for the community.

In enhancing connectivity, the Group invested RM90 million for road expansion and refurbishing works to cater to increasing vehicular traffic. The upgrading was undertaken by the Group despite having handed over the infrastructure to the authorities. The new Rio City Interchange connects the 1,000-acre Bandar Puteri Puchong township with approximately over 30,000 households and business owners, four blocks of office towers at Puchong Financial Corporate Centre, IOI Rio (a smart next-gen mixed development) and Four Points by Sheraton Puchong.

Similarly, Johor projects continued to receive favourable market response. Among the well-performing products for FY2023 were D'Summit Residences and Valeria, both located in Taman Kempas Utama, Johor Bahru as well as The Platino, located in Johor Bahru. The Group's established township at Bandar Putra Kulai continues to outperform.

All products were developed with compelling value propositions centred on excellent location and accessibility, a wide range of lifestyle facilities and amenities and supported by homeownership financing packages.

D'Summit notably is strategically placed close to the North-South and Pasir Gudang highways as well as the Eastern Dispersal Link. The project also provides buyers with more than 20 lifestyle oriented facilities and exclusive amenities such as a private lift.

On 31 March 2023, the Group launched the last phase of semi-detached units at Valeria. Valeria remains a highly sought-after address for a gated and secured living residential area with tech-driven safety and security features. It is located just a minute's drive from the Kempas toll and North-South Highway.

The Platino, a serviced apartment in Johor Bahru has seen brisk sales in FY2023. Buyers also benefit from the IOI Finance homeownership scheme and a 2-year waiver on maintenance charges.

At Bandar Putra Kulai, the property products registered sales of RM524.61 million. The township continues to be the preferred location within the Iskandar region largely because of its self-contained convenience and choice amenities such as schools, hospital, commercial outlets as well as green lungs such as the 150-acre Hutan Bandar Putra, recreational townpark and IOI Palm Villa Golf and Country Resort.

At Senai, the Group's industrial project iSynergy continued to register strong sales. Demand for quality, modern industrial units remained strong in FY2023 as the state of Johor continued to benefit from high foreign direct investment (FDI) inflows at RM70.6 billion in 2022, equivalent to 26.8% of the total FDI received by Malaysia. The strong growth in FDI as well as domestic investments continues to drive demand for industrial properties.

In addition to well-planned infrastructure and layout, iSynergy also continues to be attractive to buyers due to its close proximity to the Senai International Airport as well as direct links to three ports: Tanjung Langsat, Pasir Gudang and the Port of Tanjung Pelepas.

In Negeri Sembilan, Bandar IOI Bahau launched 84 units of Rumah Mampu Milik (RMM) under the state government's affordable housing programme in FY2023. It received an overwhelming response with a 94% take-up rate on its launch in February 2023 with a long waiting list of prospective buyers, reiterating our corporate responsibility efforts towards building sustainable communities.

Our townships which are strategically located in high growth areas with matured amenities continue to provide buyers with strong capital appreciation and competitive passive income.

IOI Rio, Bandar Puteri Puchong

Management Discussion and Analysis

Property Development – PRC and Singapore

In Singapore, Cape Royale, Sentosa Cove, a JV project with a GDV of SGD1.48 billion, saw brisk sales in FY2023. This is significant as it enables the Group to recognise significant share of profits from this completed project in Singapore while capitalising on a buoyant property market.

Our strategy of partnering with local marketing agencies combined with extensive market research enabled the Group to effectively reach the desired market segments and to develop products that are attuned to market sensibilities. A wide range of targeted communication platforms were used i.e. online and offline marketing channels, local and international trade shows, networking & event activities, pre & post-launch activities, public and media relations activities and more.

In PRC, despite the government's removal of the zero COVID policy, the domestic economy and the property sector did not make an immediate recovery as it struggled to rebuild businesses lost during the pandemic and weak consumer spending.

Weaker than expected economy recovery, general lack of market confidence and other factors continued to dampen activities in the property sector. In addition, FY2023 saw many aspiring property buyers in PRC adopting "a wait and see" stance. Sales of properties in the country were also impacted by the fact that our remaining units for sale at IOI Palm City were larger villas with higher prices. Hence, the slower sales as compared to expectations.

Nevertheless, IOI Palm City and IOI Palm International Parkhouse offer completed units, which enables buyers to experience the units firsthand and the advantage of immediate occupancy.

As the contributions from Singapore are expected to improve, sales from PRC are expected to pick up too due to the recovery of the property market albeit at slower pace in the coming financial year (refer to the Outlook and Strategic Priorities - Property Development subsection).

IOI Palm City, PRC

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 Development Value 'billion	Remaining Estimated Gross Development Value 'billion
Ongoing					
Bandar Puchong Jaya, Selangor	1990	939	17	RM4.73	RM0.93
IOI Resort City, Putrajaya	1995 & 2016	358	293	RM17.86	RM15.01
Bandar Putra Kulai, Johor	1995	5,680	3,474	RM9.41	RM4.77
Bandar IOI Segamat, Johor	1995	607	82	RM1.86	RM0.49
Bandar Puteri Puchong, Selangor	2000	930	142	RM18.11	RM12.26
Taman Lagenda Putra, Kulai, Johor	2006	225	18	RM0.65	RM0.10
Taman Kempas Utama, Johor Bahru, Johor	2007	294	29	RM2.80	RM0.77
16 Sierra, Puchong South, Selangor	2008	548	163	RM9.17	RM6.49
IOI Palm City, Xiamen, PRC	2014	21	0.3	RMB7.16	RMB0.09
Bandar IOI Bahau, Negeri Sembilan	2014	283	18	RM0.60	RM0.14
Bandar Puteri Bangi, Selangor	2014	345	204	RM7.05	RM5.47
Warisan Puteri, Sepang	2014	336	159	RM3.78	RM2.73
iSynergy, Bandar Putra Kulai, Johor	2015	507	265	RM1.98	RM1.79
IOI Palm International Parkhouse, Xiamen, PRC	2018	6	1	RMB2.31	RMB0.91
IOI Industrial Park, Banting	2021	325	325	RM2.06	RM2.06
Marina View	2022	1	1	SGD2.58	SGD2.58

Project	Year of Development's Commencement	Original Development Land Size (Acres)	Remaining Development Land Size (Acres)	Estimated Gross Development Value 'billion	Remaining Unsold Value 'billion
Completed joint venture projects					
Seascape, Sentosa Cove, Singapore	2008	4	-	SGD0.85	SGD0.35
Cape Royale, Sentosa Cove, Singapore	2010	5	-	SGD1.48	SGD1.14
PJ Midtown, Selangor	2013	6	-	RM0.73	RM0.17

Key Information – Property Development (excluding joint ventures projects)

Items	2023	2022	2021	2020	2019#
Units of property sold	3,106	2,765	2,509	2,270	2,126
Total sales (RM'000)	1,964,464	1,930,368	2,300,132	1,839,328	1,930,052
Revenue (RM'000)	1,880,521	2,101,915	2,109,585	1,638,453	1,634,582
Operating profit (RM'000)	497,670	911,815	834,892	743,469	581,124

Prior to the adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" effective from 1 July 2019.

Property Sales Mix by Price Range

Price Range	2023 RM'000	%	2022 RM'000	%
Below RM250,000	89,172	5	31,984	2
Between RM250,000 and RM500,000	489,256	25	464,107	24
Between RM500,000 and RM750,000	442,522	23	439,655	23
Between RM750,000 and RM1,000,000	221,846	11	239,924	12
Between RM1,000,000 and RM1,500,000	168,057	8	117,120	6
Between RM1,500,000 and RM2,000,000	68,403	3	54,161	3
Above RM2,000,000	485,208	25	583,417	30
Total	**1,964,464**	**100**	**1,930,368**	**100**

SEGMENTAL PERFORMANCE:

PROPERTY INVESTMENT

IOI City Mall, IOI Resort City

The Group's property investment segment continued to outperform, underpinned by recurring income from all property investment assets.

Notable highlights include the securing of several anchor tenants such as AEON, Jonetz By Don Don Donki, GSC and Nitori amongst others as well as IOI Grand Exhibition and Convention Centre.

Strategically located in the heart of IOI Resort City, Putrajaya, IOI City Mall continued to see strong traction among retailers and shoppers alike. The mall holds the unique distinction of being Malaysia's largest mall with a net lettable area ("NLA") of 2.50 million square feet ("sq ft").

Mall

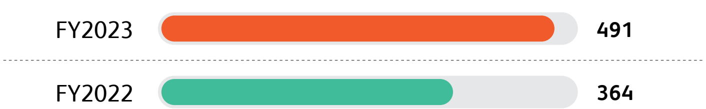
- **IOI City Mall**
  Net Lettable Area: 2.50 million sq ft
- **IOI Mall Puchong**
  Net Lettable Area: 902,000 sq ft
- **IOI Mall Kulai**
  Net Lettable Area: 264,000 sq ft
- **IOI Mall Xiamen, PRC**
  Net Lettable Area: 639,000 sq ft

Office

- **Puchong Financial Corporate Centre, Bandar Puteri Puchong**
  - Four 12-Storey to 21-Storey Purpose-built Office buildings
  - Net Lettable Area: 883,000 sq ft
- **One IOI Square and Two IOI Square, 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, IOI Resort City, Putrajaya**
  - Two Office Towers
  - Net Lettable Area: 967,000 sq ft
- **Conezión, IOI Resort City, Putrajaya**
  - Net Lettable Area: 925,000 sq ft
- **South Beach Tower, Singapore (JV)**
  - 34-storey Office Towers
  - Net Lettable Area: 511,000 sq ft
- **IOI Central Boulevard Towers, Singapore (Under construction)**
  - Two 16-storey and 48-storey office towers on a 7-storey podium
  - Net Lettable Area: 1.29 million sq ft
- **IOI Business Park, Xiamen, PRC (Under construction)**
  - Net Lettable Area: 371,000 sq ft

IOI City Mall, IOI Resort City

Revenue from Property Investment (RM' mil)



IOI City Mall Phase 2 features the IOI Grand Exhibition and Convention Centre, a 40,000 sq ft convention centre; the largest GSC outlet in Malaysia with its first IMAX Laser Hall; IOI City Farm, the first indoor farm park in Putrajaya and District 21, an indoor adventure park. Another unique feature is IOI Sports Centre, a world-class indoor sports facility comprising 15 badminton courts with rubber flooring, and two mini futsal courts that can be converted into a full-sized futsal arena.

A key factor for the success of IOI City Mall Phase 2 is the proficiency of the management team in effectively managing the mall's operations while unlocking the full potential of the Group's investment properties. Since its opening in August 2022, Phase 2 has continued to see its committed occupancy rates increase, culminating in a 98% rate achieved.

IOI City Mall is strategically positioned to attract consumers from across the Klang Valley as well as other locations such as Nilai and Seremban. It serves as the go-to entertainment hub for the local population and offers a wide range of lifestyle and recreational offerings and amenities. In addition, the mall serves as a key placemaking development for Putrajaya and the local community within its vicinity.

Apart from this, IOI City Mall has earned the distinction of securing Gold for The Edge Malaysia Best Managed & Sustainable Property Award 2023. It was also awarded the Merit award in the Energy-Efficient Building category at the National Energy Awards 2023, organised by the Ministry of Natural Resources, Environment and Climate Change, Malaysia, while PJ Midtown (Retail and Office), secured the Runner-Up award. The latter accolade is consistent with the Group's commitment to safeguard the environment by minimising waste, and by deploying renewable resources to reduce carbon emissions (amongst other ESG initiatives).

In FY2023 total retail space stood at 4.30 million sq ft with a market value of RM4.93 billion, comprising 4 retail locations. A large portion of the portfolio comprises mature assets with a well-established brand and credible market reputation. Locations of these properties are also strategic and thus, continues to see strong market uptake in Klang Valley.

Management Discussion and Analysis

Where required, various asset enhancement initiatives ("AEIs") were undertaken to ensure all assets continued to be market relevant and to command higher rentals. AEIs were also undertaken to retain existing tenants, attract new tenants and to attract more retail footfall.

With regard to office properties in Malaysia, the Group remains committed to obtaining GBI certification for its existing buildings. This aligns with the growing demand for such office buildings, especially from multinational corporation, government-linked companies, large corporate entities and similar organisations. Both our IOI City Towers in IOI Resort City, Putrajaya are GBI certified.

Equally important were continued efforts to drive tenancy renewals, which resulted in an overall higher renewal rate in FY2023 for office properties in Malaysia. This included focusing on customer experience by tapping technology to offer multiple services through user-friendly interfaces and delivery systems.

Technology was also harnessed towards driving operational efficiency, improving asset management and delivering greater convenience and enhanced customer experience and services. FY2023 was the launch of the IOI Office Apps, aimed at streamlining building management operations. Among its functions include facilitating easier tenant and visitor access through QR codes, serving as an advertising platform, digital directory, and bulletin board as well as functioning as a communication platform to manage building-related requests and complaints efficiently.

A significant trend in FY2023 was the continuous shift in demand patterns for office spaces during post pandemic period. The emergence of remote working as well as hybrid office setups have resulted in altered requirements by prospective tenants. While there remains a strong demand for conventional office spaces, the increasing interest in flexible solutions like serviced offices and hot desk setups continue to open up new possibilities for reevaluating the strategy for positioning and marketing office space.

In tandem with the aforementioned shifting trends, the Group also adapted to these evolving preferences. Strategies employed included flexible leasing terms as well as fully furnished units. The latter enables companies to lease a pre-equipped space ready for immediate occupancy, thus eliminating the need for navigating through procurement and renovation procedures. Such units as opposed to bare units command higher rental rates and are more appealing to tenants who require a hassle-free, one-stop solution.

Flexible lease terms have attracted more startups, freelancers, and businesses, leading to a more diverse and stable tenant mix, thus reducing dependence on a limited number of tenants.

Other strategies implemented were to increase retail tenants within the office spaces by converting unused spaces to retail units and increasing F&B options within the office spaces in Malaysia.

As at end FY2023, the Group's office portfolio within the property investment segment comprised office buildings namely IOI City Towers (1 & 2), Conezión, Puchong Financial Corporate Centre (1, 2, 4 & 5) and IOI Square (1 &2), with a total NLA of 3.21 million sq ft with a cumulative market value of RM1.22 billion.

Conezión, IOI Resort City

Property Investment – PRC and Singapore

In PRC, retail expenditure continued to see a slower-than-expected recovery as consumers gradually adjusted to the removal of zero COVID policies, which had disrupted regular socioeconomic activities.

Specifically in Xiamen, PRC where IOI Mall Xiamen is located, consumer spending levels were affected by the local economic situation and employment which had yet to recover to pre-pandemic levels.

The trickle-down effect of reduced consumer spending was felt across the retail sector with shops, restaurants and recreational/entertainment centres feeling the impact of weakened spending. Notably, mall tenants have opted to be more cautious with expansion plans on the back of reduced consumer expenditure. In addition, many consumers are increasingly pivoting to online shopping, citing convenience as a factor as compared to conventional in-store shopping.

The Group's strategy focused on controlling costs, and increasing occupancy rates for IOI Mall Xiamen. AEIs were also undertaken towards providing more digital and experiential consumer experiences. This entailed tapping on online and offline consumer interaction, big data analysis, improving tenant mix, and gradually enhancing brand awareness and appeal while driving operational and cost efficiencies.

In driving retail traffic and supporting retailers, mall operations in PRC held various large-scale community events such as bazaars within the mall. Typically organised on public holidays and weekends, these activities served to attract consumers and drive footfall, thus providing much needed support to retail tenants. Consumption coupons were also distributed to encourage and incentivise consumers to spend at malls.

In addition, IOI Mall Xiamen cooperated with Agricultural Bank of China, a local bank, to organise various promotions including discounts on selected in-store items from retailers.

Given that online shopping is now a growing part of the retail consumption mix, IOI Mall Xiamen organised a series of online promotional events such as anniversary discount offers to reward customers for spending at the mall through redemption of loyalty points for small gifts, free parking or any applicable purcahses in the mall, to provide a hybrid online and offline shopping and dining experience to attract and retain consumers.

Beyond supporting tenants and attracting consumers, efforts were also placed on maximising storefront potential and driving occupancy rates. The overall tenant mix was positioned towards attracting and retaining popular brand names. IOI Mall Xiamen in PRC supplemented the investments of anchor tenants, towards providing them with necessary support to retain and expand their presence.

Over in Singapore, our JV owned South Beach Office Tower continues to benefit from the growing demand of prime office space in Singapore. It currently enjoys a high occupancy rate of 95% and this is an indication of strong demand for prime office space which will augur well for our upcoming IOI Central Boulevard Towers.

IOI Central Boulevard Towers, Singapore

SEGMENTAL PERFORMANCE:

HOSPITALITY AND LEISURE

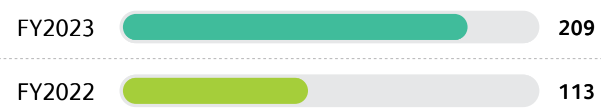
JW Marriott Hotel Singapore South Beach

On the back of the ongoing recovery in local and international tourism, the Group's hospitality and leisure segment rebounded strongly in FY2023.

The Group's hotels in Malaysia registered vast improvement, particularly in the overall market segmentation which includes leisure, corporate and group business. The resumption of daily international flights makes travel activities more flexible.

The Group's hotel portfolio comprises a balanced mix of matured and new assets that cater to a wide demographic range. This reduces over dependence on any particular market segment.

Revenue from Hospitality and Leisure (RM' mil)



Hotels

- **Putrajaya Marriott Hotel**
  - 488 Rooms
- **Le Méridien Putrajaya**
  - 353 Rooms
- **Four Points by Sheraton Puchong**
  - 249 Rooms
- **Palm Garden Hotel, A Tribute Portfolio Hotel, Putrajaya, IOI Resort City**
  - 151 Rooms
- **JW Marriott Hotel, Singapore (JV)**
  - 634 Rooms (49.9% Stake)
- **Marina View Hotel, Singapore (Under construction)**
  - 350 Rooms
- **Moxy Hotel, IOI Resort City (Under construction)**
  - 480 Rooms
- **Sheraton Grand Xiamen, PRC (Under construction)**
  - 370 Rooms

Golf Courses

- **Palm Garden Golf Club**
  - 18-hole Golf Course
- **IOI Palm Villa Golf & Country Resort**
  - 18-hole Golf Course

Leisure

- **District 21**
  - Indoor Adventure Park
- **IOI City Farm**
  - Indoor Urban Farm & Edutainment Centre
- **IOI Sports Centre**
  - 15 Indoor Badminton & 2 Covered Futsal Arenas
- **Icescape Ice Rink**
  - Olympic-sized Skating Rink
- **D36, PRC**
  - Indoor Adventure Park

The recovery is not solely attributed to the revival of the international and domestic tourism sectors. Effective sales and marketing efforts were carried out strategically to boost sales and room occupancy leading to improved performance.

These included promoting IOI Resort City as one of the main tourist hubs for East Asians and working with tourist agents to position IOI Resort City as part of their travel experience and itinerary.

Efforts were also placed on targeting corporate travellers as business activities began to pick up as well as the resumption of meetings, incentives, conference and exhibitions ("MICE") segment. However, beyond business travellers, the ongoing efforts to also attract holidaymakers, especially families have also proven effective. The staycation concept continues to grow in popularity whereby the Group has tapped on the new trend in expanding its target base to a wider range of clientele.

New pricing and market segmentation strategies were also employed in capturing varying market segments. This was in response to increasing competition as well as to develop new value propositions that better cater to the changing demographic profiles.

At the same time, the hospitality and leisure segment also looked to reposition Putrajaya Marriott Hotel. Putrajaya Marriott Hotel is a well-established name in the hospitality segment, but a refresh of its brand identity and offerings together with new pricing strategies and market segmentation and positioning was undertaken towards ensuring continued market traction amidst increasing and new competition.

Apart from the Group's hotel segment, Palm Garden Golf Club and IOI Palm Villa Golf & Country Resort continued to retain their positions as preferred public golf courses in Malaysia. FY2023 has seen a return of golfers to the green and with that, both golf courses have contributed positively towards revenues from the hospitality and leisure segment. Notably, as tourist arrivals and social activities continue to recover, golf courses have also seen a pick-up of players and related activities.

Palm Garden Golf Club, which has been consistently ranked among Malaysia's top golf courses, maintains a robust and diverse revenue stream generated from golf rounds, banqueting and corporate functions amongst others.

In particular, Palm Garden Golf Club capitalised on its ever-growing list of local travel agents to secure bookings and reservations by international golfers while IOI Palm Villa Golf and Country Resort in Kulai, Johor recorded significant increase in golfers from Singapore and other golf tournaments during the year under review. Upon the re-alignment of IOI Palm Villa Golf and Country Resort as a 18-hole golf course, it now boasts the longest Par 6 in Malaysia with a distance of 634 metres.

Over at IOI Palm Villa Golf and Country Resort, Kulai, the club refurbished its club house, renovated to an enviable Olympic-size swimming pool and restructured its 27-hole golf course to a more attractive and competitive 18-hole.

Le Méridien Putrajaya, IOI Resort City

Management Discussion and Analysis

INTEGRATING ESG FOR BUSINESS AND OPERATIONAL SUSTAINABILITY

In FY2023, as the Group continued to focus on driving business performance, it leveraged on sustainability strategies centred on environmental, social and governance ("ESG") performance towards mitigating risks and strengthening its business model.

The Group is cognisant of the clear direct and indirect linkages between ESG performance with business and operational performance, and thus, has been actively implementing action plans to integrate sustainability across its operations and to cascade the same to its supply chains.

Through the adoption of a multi-capital perspective, the Group is able to increasingly leverage on ESG as a strategic enabler to address related material topics such as climate change, regulatory compliance, and management talent amongst others.

Among the notable ESG highlights in FY2023 were the clutch of sustainability related awards secured. These included the Sustainability Awareness and Employee Engagement Recognition Awards 2022 and The Edge Best Managed & Sustainable Property Awards 2023.

Other highlights include GBI certification for IOI City Mall, and the increasing pivot to solar and renewable energy. In FY2023, the Group generated almost 4.4 million kWh of solar-based electricity.

As at 30 June 2023, the Group's certified green building portfolio comprises IOI City Mall, Putrajaya, IOI Galleria Kulai as well as IOI City Towers 1 and 2; all of which are GBI Certified. In PRC, the Group's IOI Mall Xiamen is China Green Building Evaluation Standard 1-Star certified.

Two more green-certified buildings; IOI Central Boulevard Towers in Singapore (Green Mark Platinum certified) and GBI-designed Moxy Hotel Putrajaya in Malaysia will be ready in FY2024.

FY2023 also saw the Group's inaugural climate change workshop for top management while the Group continued its adoption of the Taskforce on Climate Related Financial Disclosures ("TCFD") framework with the implementation of planned initiatives encapsulated in the Group's TCFD Roadmap.

In line with TCFD, the Group conducted a baseline measurement of an ongoing project to determine the embodied carbon that occur in a Business-As-Usual scenario as compared to using lower-GHG emission materials and construction method. The findings from this study will provide insight into guiding future design and construction approaches towards reducing the embodied carbon of our projects.

The initiative to determine the upfront carbon in the product and construction process phase helped us identify the Scope 3 GHG emissions from our value chain of property development. It would then contribute to the assessment of transition risks, under the TCFD Framework, facilitate our business decisions on planning, design and construction of our developments in order to develop products with decarbonisation aspirations. This is also in support of the national commitments (Malaysia, PRC and Singapore) towards carbon neutrality and net zero.

The Group has developed a clear roadmap which reflects its concerted commitment and focus on realising its aspirations to reduce, manage and mitigate its carbon footprint.

Developing sustainable communities has always been a key philosophy of the the Group to create thriving and vibrant communities through positive impacts. In FY2023, the Group contributed RM2.20 million to various schools, state and private run charities as well as non-governmental organisations.

On a separate note, Morgan Stanley Capital International (MSCI) ESG Research LLC upgraded the Group's ESG rating to AA from A, putting the Group among the top quartile of the MSCI index's constituents with Real Estate Development & Diversified Activities.

The full accounts of the Group's sustainability initiatives and achievements as well as progress achieved against ESG based key performance indicators and targets are provided in the FY2023 Sustainability Statement of IAR2023.

OUTLOOK AND STRATEGIC PRIORITIES – PROPERTY DEVELOPMENT

Cape Royale, Sentosa Cove

The Group's property development segment will continue to optimise its existing landbank, develop sustainable products that integrate all facets of urban lifestyle (connectivity, entertainment, conveniences, retail, etc.) and offer a wide range of products to capture a larger demographic of buyers.

Primarily, the focus remains on owner-occupiers comprising first time homebuyers from the expanding middle-income segment as well as upgraders. Our portfolio of offerings will cater to families, young couples and single adults, amongst others. As we bring new products to market, the Group shall continue to focus on monetising its existing inventory.

Amidst rising costs, the Group will continue to focus on ensuring cost effectiveness to sustain its margins. This includes reassessing not just present business operations but also in assessing supply chains to identify cost efficiency opportunities.

In FY2024, the Group shall launch approximately RM11.71 billion in new properties including Covo, a TOD service apartment in 16 Sierra which is just 100 metres away from the MRT station and affordable service apartments in Warisan Puteri, Sepang as well as Marina View Residences in Singapore with a GDV value of approximately RM8.56 billion.

Marina View development comprises 683 high-end residential units and a 350-room hotel. The project is strategically located between Union Street and Marina View and is in close proximity to several mass rapid transit ("MRT") stations. The development is well-poised to attract strong interest from owner-occupiers and investors seeking a vibrant urban lifestyle replete with world-class facilities, bespoke services and more.

The Group is cognisant that the revision of the ABSD by the Singapore government may impact foreign buyer demand for properties and influence overall market sentiments. The Group will leverage on its distinctive value propositions of its strategically located properties to the discerning market.

Underpinned by continued robust economic growth, strong spending and purchasing power, the Singaporean property market is expected to continue recording stable growth going forward.

Marina View, being an integrated development with an international branded luxury hotel is well positioned to tap the market segment of discerning and affluent buyers.

Apart from Marina View Residences in FY2024, the Group has planned a versatile range of product offerings spread across our established townships. Mid-priced residential and commercial units will be launched in 16 Sierra, Bandar Puteri Puchong, Bandar Puchong Jaya, Warisan Puteri, Sepang, Bandar Puteri Bangi and industrial lots will be offered in the rebranded IOI Industrial Park, Banting in Klang Valley.

IOI Industrial Park, Banting

In Johor, capitalising on the strong demand, launches will be focused in Bandar Putra Kulai, followed by launches in Taman Lagenda Putra, Taman Kempas Utama and our industrial park, iSynergy at Senai.

The Johor property market continues to benefit from the Singapore factor. Spillover economic development from across the causeway continues to spur development in the state, while both Singaporeans and Johoreans, especially those working across the Causeway continue to prop demand for properties.

Upcoming developments such as the rapid transit system ("RTS"), will further enhance connectivity and this bodes well for the state's property sector. The RTS will also spur socio-economic activity and enhance the appeal of Johor properties, specifically those within close radius to the planned RTS stops.

Demand is also strong for commercial and industrial properties in Johor. Robust demand stems from businesses looking to operate in close proximity to Singapore, yet intending to benefit from cheaper land prices. Businesses looking to relocate to Johor from Singapore, especially manufacturing operations remain strong and as such, demand from industrial properties remains on the rise. Hence, the Group's new industrial launches in Johor will focus on larger lot sizes of 1 to 2 acres and semi-detached factories with larger built-ups.

The Group's aforementioned Johor townships and developments are expected to benefit from the spillover effect of increasing economic activities from Singapore. In providing a wide range of products, the strategy of the property development segment is to continue to capture a significant market share in the state.

At Bandar Puteri Puchong and Bandar Puchong Jaya, the Group continues to leverage on the matured township and surrounding areas, which attracts buyers, looking to benefit from the existing infrastructure and amenities such as excellent connectivity to major transportation hubs and major highways.

The Group is also positive on the prospects for the rebranded IOI Industrial Park (previously named BC Industrial Park). Industrial properties have retained their appeal driven by a recovery in industrial and commercial activities and importantly, the continued growth of eCommerce and increasing demand from data centres and green energy players.

Growing demand for last-mile deliveries are necessitating both domestic and large international fulfilment companies to invest in industrial properties in strategic locations. Malaysia also continues to retain its attractiveness as a strategic location to establish a regional production facility or distribution hub.

Following are the projects the Group has planned for launching (non-exhaustive) in FY2024:

PROJECTS	TYPE
Marina View Residences, Singapore	Residential
Aster, 16 Sierra, Puchong South	Residential
Oakleaf, 16 Sierra, Puchong South	Residential
Covo, 16 Sierra, Puchong South	Residential
2 Rio Residences, Bandar Puteri Puchong	Residential
Arena Residences Phase 2, Warisan Puteri, Sepang	Residential
Arawani, Bandar Puteri Bangi	Residential
Various residential and commercial projects at Bandar Putra Kulai, Johor	Residential & Commercial
Skyloft Avenue, Bandar Puchong Jaya	Commercial
Various industrial projects at IOI Industrial Park, Banting	Industrial
Various industrial and commercial projects at iSynergy, Senai	Industrial & Commercial

The upcoming launches within the 21 on-going developments and projects by the property development segment will further reinforce the IOIPG brand presence and increase market share in all the three countries it is operating in. The Group has more than 9,000 acres in its landbank, out of which on-going developments and projects consist of 5,192.50 acres with a total remaining GDV of RM67.29 billion.


IOI Resort City, Putrajaya

In PRC, the government is actively fostering more favorable market conditions. They recently made significant announcements, including the removal of purchase restrictions for second homes and sales limitations. These measures aim to facilitate faster property transactions for buyers. Moreover, borrowing rates have been reduced, further incentivising property investments. In select cities, buyers are now allowed to make lower down payments when purchasing both their first and second homes.

Municipal and district authorities also introduced various initiatives to promote domestic consumption and stabilise the economy, including creating the "Jimei Central Active Zone (Jimei CAZ)" in Xiamen. Launched in February 2023, the Jimei CAZ fully utilises Jimei district's business, tourism, culture and sports infrastructure and resources to drive new investments and spur commercial activities in Xiamen.

The introduction of the house voucher by the PRC government to support the resettlement of citizens also contributed to improving sales of the Group's products. Together, with active marketing activities via both conventional and online channels, our efforts were effective in generating interest from buyers in both IOI Palm City and IOI Palm International Parkhouse.

The implementation of these measures should deliver a strong impetus across the property sector, both on the demand and supply side of the industry. Coupled with the ongoing economic recovery in PRC, demand for properties are expected to also rebound. Our focus would be to drive sales for existing inventories at IOI Palm City and IOI Palm International Parkhouse.

In addition to existing sales and marketing strategies, the Group shall also capitalise on the inherent attraction of Xiamen as a heritage and cultural destination. Competition is expected to remain stiff, but we continue to develop attractive ownership propositions to entice consumer interest amidst a recovering property market.

The Group will continue to differentiate its products in PRC vis-à-vis local developers. Beyond short-term sales, the intention is to cultivate brand appeal and consumer trust by promoting the track record and proven quality of the Group's portfolio. We shall leverage on our more than four decades of property development experience and also, by leveraging on the completed units of our projects. This is a unique advantage as we can convey the actual lifestyle experience to buyers including visualising the actual interior layout and usable space within their units, the quality of fixtures and finishing and have a surer perspective that would be useful in determining renovation plans, purchase of furniture and other lifestyle plans.

OUTLOOK AND STRATEGIC PRIORITIES – PROPERTY INVESTMENT

The Group looks forward to the completion of IOI Central Boulevard Towers, with the building's Temporary Occupation Permit to be approved within the first quarter of 2024.

Likewise, the office spaces of IOI Business Park at IOI Palm City, Xiamen would be completed in FY2024. These developments would further bolster the property investment segment's position in the PRC and Singapore office market. When completed, both projects would increase total net lettable area ("NLA") of the Group's office space by an additional 1.66 million sq ft with an indicative market value of RM14.51 billion.

The strategic addition of Grade A offices with the coming launch of IOI Central Boulevard Towers capitalises on the lack of new supply in prime locations in the Central Business District in Singapore. In Singapore, demand for office space continues to increase – driven mainly by non-banking financial institutions, professional service companies and multinational companies.

Le Méridien Putrajaya, IOI Resort City

In addition, there is a growing demand for green "Grade A" office spaces in CBD from multi-national companies in Singapore. With the completion of IOI Central Boulevard Towers, the Group is poised to capture this growing segment.

To date, almost 40% of the available space for rental at IOI Central Boulevard Towers has been taken up by two international anchor tenants and another 20% is in advanced negotiation. We continue to see growing interest for the remaining office space from various prospective tenants and the Group is positive of prospects going forward.

The office market in Malaysia remains challenging as supply remains ample and lack of major catalysts to boost demand. However, demand for Grade A, green certified office space remains robust and is expected to be on the rise as corporates merge commercial requirements with sustainability aspirations. The focus is to ensure office space meets changing market requirements such as taking into account ESG-related considerations i.e. energy efficient fittings and sustainable office space design and green building certifications.

The government's focus on promoting certain industries, such as technology, finance, or healthcare, can lead to higher demand for office spaces within those sectors as companies in these industries seek to expand.

Technology adoption is also earmarked as a key strategy in ensuring market competitiveness. The focus is on leveraging technology that enhances tenant experiences, that deliver cost effectiveness and convenience and ultimately improve building management and efficiency while supporting a reduced environmental footprint.

Green and smart buildings will remain a priority for the Group. In addition, the Group will continue to pursue its goal of achieving GBI certification for all office properties.

In sustaining and increasing occupancy rates and rental yields, the Group will continue to offer attractive packages for lease renewals thus reducing turnover and vacancy costs. Other strategies include continuing to build on the flexible lease terms and shorter tenures to existing tenants and other approaches.

Beyond lease terms, other strategies include attracting appropriate F&B tenants into office space. This has proven highly effective in augmenting the value proposition to office tenants. The presence of F&B offerings also serve to meet the social needs of employees and office tenants.

As for the Group's retail portfolio in Malaysia, it is anchored by matured buildings with strong occupancy rates. The property investment segment shall continue to focus on its existing tenant acquisition and management efforts, working closely together to explore new commercial concepts that will create win-win outcomes amidst a post pandemic retail environment.

We shall continue to pursue cost optimisation and to develop more strategies to support retailers, notably as rising interest rates and inflationary pressures affect consumer purchasing power.

Technology, online retail and other new aspects of the retail experience continue to reshape consumption patterns as well retailers' business models. Our approach is to constantly align with these changing forces towards ensuring we provide effective storefronts for retailers so they may attract more customers and optimise sales.

In PRC, the reopening of the economy, though slower than anticipated, should provide a boost to the IOI Mall Xiamen, PRC. The soon-to-be completed IOI Business Park at IOI Palm City has already achieved pre-commitment leasing of 70%.

The property investment segment's operations will continue to closely track prevailing economic trends and market conditions. Existing efforts targeted at consumers and retailers will be maintained. The focus is on encouraging personal consumption while providing the most conducive environment for retail businesses to capitalise on the recovering economy.

The Group will continue to undertake promotional activities, introduce high-quality brands, and ramp up thematic and experiential marketing activities to drive footfall.

Another focus area, going forward is enabling the existing retail community to tap online shopping which is pivotal and with this the development of more hybrid offline-online shopping experiences which optimises the strengths of both mediums to deliver unique, appealing and vibrant retail experiences that redefine consumer shopping. The spillover effects of ongoing infrastructure investment and development within the area bodes well for retail consumption going forward. These include the ongoing efforts by the Municipal and district authorities to promote consumption and stabilise the economy, and the various stimulus measures implemented in the creation of the "Jimei Central Activity Zone (Jimei CAZ)".

Similar to Malaysia, we foresee consumers to remain cost-conscious and therefore continued efforts to derive operational efficiencies and to pass these savings to our retailers will be maintained.

Management Discussion and Analysis

OUTLOOK AND STRATEGIC PRIORITIES – HOSPITALITY AND LEISURE

As domestic and international tourism continues to see robust recovery, the outlook for the hospitality and leisure industry remains positive.

According to Tourism Malaysia, the country is well on track to surpass its tourist arrival target of 16.1 million underpinned by improving airline connectivity and resumption/increase in international flights. Most notably, the influx of tourists from key markets such as PRC, India and the Middle East will continue to drive growth.

With this, socio-economic conditions augur well for the Group's hospitality and leisure segment. While competition is expected to remain stiff, the Group continues to strengthen the brand of its hotels and leisure components as well as the unique value propositions of each hotel, enabling the Group to continue driving improvements in terms of occupancy rates, room rates and subsequently, revenues.

Beyond tourist arrivals, the Group's hospitality and leisure segment will continue to target other market segments. These include the MICE and domestic segments.

The MICE segment continues to see a strong recovery underpinned by a resumption to pre-pandemic business and investment activities. Malaysia has always retained its attraction as a leading location for conferences, roadshows and exhibitions and we shall continue to develop strategies to position the Group's hotels as a preferred choice among MICE travellers.

The demand for staycations continue to rise, driven mostly by local guests and this presents a fairly unexplored market segment to drive hotel revenue and F&B revenue, which were crucial during the COVID-19 driven lock downs is also a focus area, which the Group intends to tap going forward.

Other opportunities include leveraging the synergistic potentials between the hospitality and leisure segment with the Group's retail operations. The Group will look to tap on the potential of combining hotel stays with retail attractions for guests.

FY2024 shall see the completion of the 480-room Moxy Hotel in Putrajaya as well as the completion of the 370-room Sheraton Grand Xiamen at IOI Palm City, Xiamen, PRC.

Upon their completion, these hotels will further increase the hospitality and leisure segment's total room capacity to 3,075 rooms while further enhancing the segment's offerings to cater to a wider range of travellers.

In PRC, prospects bode positively for the hospitality segment. The inherent advantages of IOI Palm City such as its strategic location, picturesque, nature-inspired surroundings and integrated development approach offers a unique value proposition. The combination of commercial and hotel facilities, living space and ecological environment form a unique attraction along the Southeast Coast, and should continue to be an attraction point in driving tourist arrivals.

The Group also expects golfing activities to be on the rise as the game recovers its popularity going into FY2024. Malaysia continues to retain its appeal as a premier destination for international golfers, with its excellent golf courses and infrastructure including tournaments as well as a large number of local and international players.

The resumption of professional golfing events and tournaments in Malaysia promises to be a significant catalyst in further enhancing the performance of the golf tourism sector.In view of this continued uptrend recovery, the Group is positive that both its Palm Garden Golf Club and IOI Palm Villa Golf and Country Resort, complete with challenging 18-hole golf courses will continue to attract golf enthusiasts from around the world.

In pursuing its strategic priorities, the Group has identified related risks and opportunities, mainly attributed to prevailing conditions in the operating environment. These risks and opportunities have been identified in the Our Operating Environment section of this annual report (pages 24 to 39). Further information on the Group's approach to risk management including its risk management structure is provided in detail in the Statement of Risk Management and Internal Control of this report on pages 227 to 233.

HIGHLIGHTS

8 hotels
@ 3,075 rooms

Existing
@ 1,241 rooms

Joint Venture ("JV")
@ 634 rooms

Under construction ("UC")
@ 1,200 rooms

Group Sustainability Statement

Our Sustainability Journey

ABOUT THIS REPORT

Sustainability matters continue to be an integral focus of the Group as reflected in our vision, mission and core values which are centred on building trust. We remain firmly dedicated to fulfilling our sustainability commitments and strengthening the trust we have built with our stakeholders.

This report seeks to present an overview of IOIPG's sustainability journey to keep stakeholders posted on the progress we made on the related environmental, social and governance ("ESG") matters in FY2023.

During the year under review, we advanced our sustainability approach in order to ensure that our sustainability agenda stays relevant to our business and stakeholders. For instance, we continued to implement our climate action strategy and established baselines for goals under our roadmap aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

SCOPE OF REPORTING

The IOIPG Sustainability Report 2023 ("SR2023") covers our performance in relation to the economic, environmental and social ("EES") benchmarks from 1 July 2022 to 30 June 2023 with comparative historical data where available. The previous report was published in September 2022.

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

This report has been prepared in accordance with Bursa Malaysia Main Market Listing Requirements and with reference to the Global Reporting Initiative ("GRI") Standards 2021, FTSE Russell ESG Data Model, Task Force on Climate-related Financial Disclosures ("TCFD") Framework, United Nations Sustainable Development Goals ("UN SDGs"), and Sustainability Accounting Standards Board ("SASB").

Please refer to the TCFD Content Index from pages 181 to 182, Bursa Malaysia Content Index on page 173, GRI Content Index from pages 174 to 180, and the SASB Content Index on page 183 for the full list of disclosures referenced in this report.

REPORT QUALITY AND DATA ASSURANCE

All data presented in this report have been internally sourced and verified by the relevant business units or senior management to ensure its accuracy and quality.

REFERENCES

All references of "IOIPG", "the Company", "the organisation", "the Group", "us" or "we", shall refer to IOI Properties Group Berhad.

LIMITATIONS

We acknowledge that there may be certain gaps in the data. We aim to improve our data collection process to enhance the quality of future reports.

FORWARD-LOOKING STATEMENT

All forward-looking statements contained in SR2023, including our plans, goals, operations and forecast figures, are based on reasonable assumptions made under current business trajectories.

FEEDBACK AND REPORT AVAILABILITY

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

This SR2023 document can be viewed online on the IOIPG sustainability website at https://www.ioiproperties.com.my/ioi-sustain

HIGHLIGHTS

AT A GLANCE

2,647
Total Workforce
Consisting of 87% Permanent Employees

RM3.03 billion
Total Value Distributed
to Stakeholders

99.9%
Procurement Spend
on Local Companies

120,443
tCO_2
Total Emissions
(Scope 1, 2 & 3)

924
out of 5,218 trees planted
are valuable species (Endangered or Near Threatened or Vulnerable)

42
Training Hours
Per Employee on Average

Zero
Fatalities in FY2023 with 32 million manhours
* employees + contractors

33%*
Women
Representation at IOIPG's Board
* As at 30 August 2023

Zero
Incidence of Corruption

Zero
Incidence of Customer Data Breaches

Our Sustainability Journey

OUR ESG PERFORMANCE

Our commitment towards sustainability is evident in our performance in global sustainability ratings. In 2023, IOIPG received a rating of AA in the MSCI ESG Ratings* assessment, which is a step up from the A rating achieved in 2022.

* 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.

ESG AWARDS & ACCOLADES

HR Asia Awards 2022
- Best Companies To Work For In Asia Award

In FY2023, IOI Properties Group was one of the winners of the HR Asia Best Companies To Work For In Asia Awards for the Malaysia Chapter. This award handpicks world-class corporations with high levels of employee engagement and excellent workplace cultures. The attainment of this honour demonstrates the effectiveness of IOIPG's Talent Management strategy that continues to raise the bar in providing an inclusive, safe and engaging workplace where employees can thrive.

Material Matters:

- Employee Management
- Health, Safety and Well-being

BCI Asia Awards (BCIAA) 2023
- Top 10 Developer Awards

In FY2023, IOI Properties Group (IOIPG) was honoured to be among the winners of the BCI Asia Awards (BCIAA) - Top 10 Developer Awards in Malaysia. Established in 2005, this prestigious accolade serves as a benchmark for innovation and sustainable practices in the realm of building design. The Top 10 Developer recognition in particular is granted based on the total value of active projects in the preceding year, with special weight given to the developer's commitment to sustainability and verified green building ratings. This award not only validates our efforts but also underscores our leading role in championing environmentally conscious and sustainable building practices within the industry.

Material Matters:

- Climate Change
- Innovation

UNGC Sustainability Performance Awards 2022 - Sustainability Awareness and Employee Engagement Recognition Awards

In FY2023, IOIPG was accorded the UNGC Sustainability Awareness and Employee Engagement Recognition Awards. This award is given to organisations that have demonstrated exceptional commitment to sustainability awareness and employee engagement, and serves as a testament to IOIPG's dedication to fostering a culture of sustainability among its employees. The Group's efforts in this area include the implementation of various sustainability awareness programmes and the active engagement of its employees in these initiatives.

Material Matters:

- Employee Management
- Health, Safety and Well-being
- Biodiversity
- Climate Change
- Water
- Waste & Effluent
- Supply Chain Management
- Innovation

The Edge Best Managed & Sustainable Property Awards 2023

In FY2023, IOI City Mall was honoured to receive The Edge Malaysia's Best Managed & Sustainable Property Awards. This esteemed recognition underscores buildings that exemplify not just superior management, but also a commitment to sustainable practices.

This award acknowledged for our efforts in connecting sustainability with management excellence, setting a benchmark in the industry that goes beyond mere compliance to create truly sustainable and well-managed properties.

Material Matters:

- Climate Change
- Innovation

National Energy Awards (NEA) 2023

The NEA initiative, spearheaded by the Ministry of Natural Resources, Environment and Climate Change, supports Malaysia's ambition to achieve net-zero GHG emissions by 2050, encourages the adoption of sustainable energy practices i.e. energy conservation, energy efficiency, and renewable energy.

PJ Midtown (Retail & Office) bagged the Runner Up for Energy Efficient Designed, under Category 2: Energy Efficient Building.

IOI City Mall phase 1 won the Merit award of Large Green Building under Category 2: Energy Efficient Building.

Material Matters:

- Climate Change
- Innovation

Asia Pacific Property Awards 2023/2024

The award are widely recognised as a mark of excellence by companies in the property sector, judged by over 70 industry experts.

IOI Central Boulevard Tower, Singapore was conferred three awards:

- The highest industry honour of 5-Stars in the Best Mixed-Use Development (Singapore)
- Best Commercial High Rise Development (Singapore)
- Best Mixed Use Architecture (Singapore)

Material Matters:

- Climate Change
- Biodiversity
- Innovation
- Water

SUSTAINABILITY AT IOIPG

At IOI Properties Group Berhad, sustainability is deeply ingrained in our organisational culture and forms an integral part of our corporate strategy. We are committed to upholding responsible practices to create a lasting, positive impact – not just within the realm of our business operations, but in the broader communities we serve and the natural environment we pledge to conserve.

We have developed a robust ecosystem of frameworks, policies, processes and governance structures to drive the Group's sustainability agenda.

SUSTAINABILITY STRATEGIC FRAMEWORK & POLICY

CORE PURPOSE: CREATING A SUSTAINABLE FUTURE

IOIPG Vision, Mission and Core Values

Sustainability Policy

STRATEGIC PILLARS	FOCUS AREAS	SUSTAINABILITY GOALS
Economic	01 **Products & Services Excellence**	**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.
Environment	02 **Green Efforts**	**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.
Social	03 **Work Culture**	**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.
Governance	04 **Community Initiatives**	**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

Our Sustainability Strategic Framework outlines this fundamental commitment to Creating a Sustainable Future, guided by the Group's Vision, Mission and Core Values in building trust while we embark on a balanced journey of environmental stewardship, social responsibility, and financial integrity. 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.

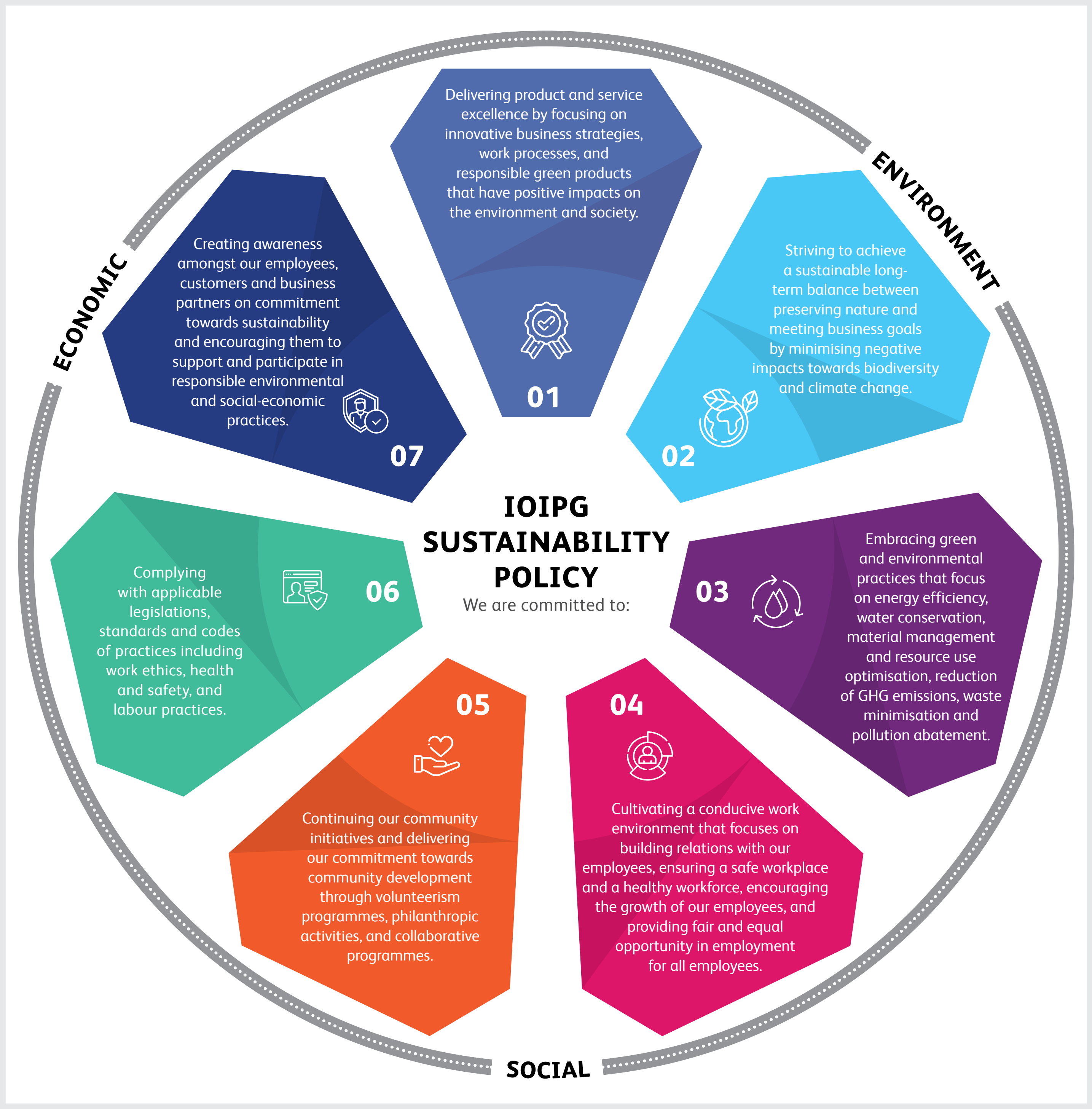
Our sustainability objectives are four-fold:

- Delivering Excellence in our product and service offerings,
- Caring for the Environment through eco-conscious practices,
- Creating Value for Our Employees via a nurturing work culture, and
- Developing Sustainable Communities through socially beneficial initiatives.

We aim to realise these goals by confronting key sustainability issues and crafting initiatives that resonate with our strategic sustainability themes.

MATERIAL MATTERS	STRATEGIC THEMES
• Compliance • Customer Satisfaction and Privacy • Supply Chain Management • Anti-Corruption • Innovation	 **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.
• Climate Change • Water • Waste & Effluent • Materials • Biodiversity	 **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.
• Employee Management • Health, Safety and Well-being	 **Young Urbanites** Groom young talents, introduce the spirit of sustainability and expose them to best practices in socioeconomic and environmental ethics.
• Community Investment • Economic Performance	 **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.

Our Sustainability Journey



The Group's Sustainability Policy amplifies our Sustainability Strategic Framework, outlining strategic steps, contributing to the Group's Sustainability Goals. This ensures alignment between IOIPG's business strategies and our overarching aim of achieving long-term sustainable growth, not just for the organisation but also for the well-being of future generations.

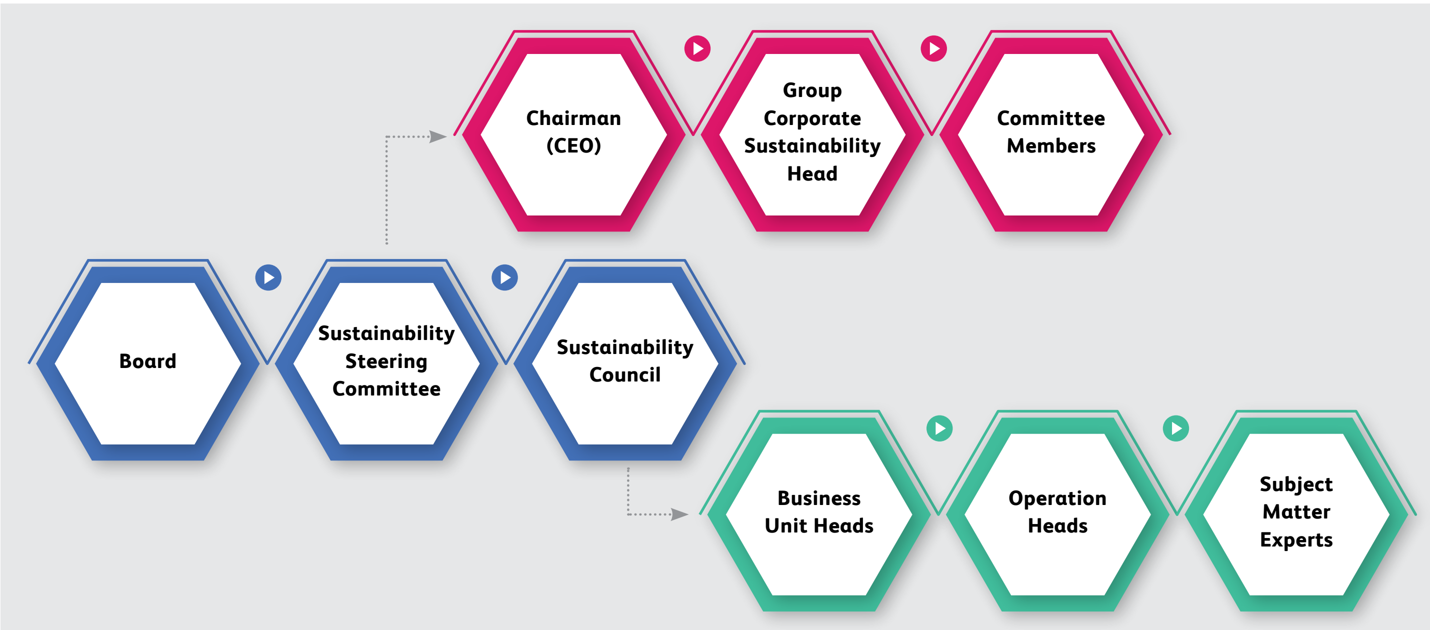
Appropriate sustainability initiatives are identified for prioritised areas of material importance and are implemented across all business units with measurable indicators to track and manage any gaps or issues.

Together, the Sustainability Strategic Framework and Sustainability Policy guides the business operations in mitigating risks and enhancing the positive impacts.

The Group has put in place a robust risk management process that takes into account the needs and expectations of our stakeholders in identifying the ESG risks and opportunities through the Group's Enterprise Risk Management ("ERM"). These risks and their mitigation measures are updated periodically to address emerging issues on both local and global scales.

SUSTAINABILITY GOVERNANCE STRUCTURE

The governance of sustainability within IOIPG falls under the purview of our Board of Directors. They oversee the Sustainability Steering Committee ("SSC") which is chaired by the CEO. The SSC chairman is assisted by the Head of Group Corporate Sustainability in managing ESG and climate-related risks and opportunities, policy matters, and tracking of sustainability performance. The SSC in turn is supported by the Sustainability Council in the implementation of the Group's sustainability action plans. The remuneration for all employees, including the senior management, are linked to the Group's ESG performance as all levels of our workforce are expected to contribute to the Group's sustainability journey.



Roles	Responsibilities	Composition
Board of Directors ("Board")	• Maintains strategic oversight on IOIPG's sustainability agenda • Ensuring that sustainability is integrated into Group strategies, governance and decision-making	• Executive and Non-Executive Directors
Sustainability Steering Committee ("SSC")	• Assist the Board on oversight and management of all sustainability matters • Supervising climate-related opportunities and risks • Review of critical policies and material issues • Tracking the Group's sustainability performance metrics	• Chief Executive Officer (Chair) • Group Corporate Sustainability Head • C-Suites and Heads of business segments
Sustainability Council	• Work in concert with the SSC to make judicious decisions and enact strategies aligned with the Group's sustainability goals	• Business unit heads • Operation/Departmental heads • Subject matter experts

Our Sustainability Journey

CORPORATE GOVERNANCE

In the fast-paced and dynamic world of the private sector, corporate governance is fundamental in ensuring transparency, accountability, and ethical practices. Robust risk management practices help companies anticipate and mitigate potential risks, safeguarding shareholders' interests.

Within our Group, the Board plays a crucial role in overseeing risk management practices to maintain a robust and accountable corporate structure. This oversight extends to our Risk Management Committee, which is dedicated to establishing and implementing a comprehensive risk management framework. In recent update, the Board has also endorsed the Group's Tax Governance Statement.

Our commitment to corporate governance aligns with industry best practices and regulatory guidelines. We adopt an Enterprise Risk Management ("ERM") framework consistent with standards such as the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers and Bursa Malaysia's Corporate Governance Guide, and ISO 31000 Risk Management Principles and Guidelines. This adherence to recognised risk management standards ensures transparency and accountability in our operations.

In line with global trends and disclosure recommendations, we identify and address risks associated with the ESG factors. These ESG risks are integrated into our ERM framework alongside corporate, financial, and operational risks. Our ongoing efforts include gradually incorporating stronger ESG considerations into our overall risk management activities, demonstrating our commitment to sustainable business practices.

Furthermore, as part of our commitment to transparency, we report on our risk management approaches and ESG considerations in our annual report, in line with the recommended disclosure guidelines by the Group such as the TCFD and GRI. This ensures that our stakeholders are well-informed about our risk management efforts and our commitment to addressing the challenges of a rapidly changing global landscape.

Corruption risk is identified as part of our risk management activities, and it falls under the broader risk category of 'Integrity and Unethical Behaviour'. This risk category is systematically assessed within each of our business units, where we evaluate risks associated with corruption and fraud. By doing so, we not only acknowledge the importance of combating corrupt practices but also emphasise the need to maintain high ethical standards across all our operations.

To support our commitment in practising good corporate governance, IOIPG has implemented a Whistleblowing Policy aimed at fostering a culture of transparency and accountability within our Group. This policy actively encourages not only our employees but also our valued customers, suppliers, and other stakeholders to come forward and voice genuine concerns related to potential improprieties, improper conduct, or any other malpractices occurring within IOIPG.

This proactive approach to whistleblowing underscores our commitment to upholding the highest standards of integrity, ethics, and corporate responsibility throughout our operations. By providing a platform for individuals to report concerns, we are dedicated to addressing any issues promptly and effectively, ensuring a workplace and business environment that is fair, ethical, and in compliance with all relevant regulations and standards.

ENSURING GOOD GOVERNANCE THROUGH POLICY ENACTMENT

Sustainability governance at IOIPG is augmented by a dynamic set of policies, codes, charters, frameworks and terms of references ("TOR"), which are assessed periodically to ensure that they continue to provide effective guidance on management of ESG-related matters of the Group.

01 Anti-Bribery and Anti-Corruption Policy
02 Anti-Money Laundering and Terrorism Financing Policy
03 Integrity Pledge
04 Whistleblowing Policy
05 IOI Conflict of Interest Disclosure Statement
06 Supplier Code of Conduct
07 Code of Conduct and Business Ethics
08 Code of Conduct and Ethics for Directors
09 Board Diversity Policy
10 Directors and Senior Management Remuneration Framework
11 Policy on Non-Executive Directors' Remuneration
12 Policies and Procedures to Assess the Suitability and Independence of External Auditors
13 Fit and Proper Policy
14 Quality & Environmental Policy
15 Energy Policy
16 Waste Management Policy
17 Group Health and Safety Policy
18 Sustainability Policy Statement
19 Related Party Transactions Policy
20 Group Tax Governance Statement

Please refer to the Group's governance portal at https://www.ioiproperties.com.my/our-company/corporate-governance

STAKEHOLDER ENGAGEMENT

We engage regularly with our stakeholders to sustain growth in the Group's business while meeting operational needs. This allows us to better understand the evolving needs of our customers, guests and business partners and subsequently enables an inclusive decision-making process.

We are aware that executive decisions impact the Group as a corporate entity as well as our stakeholders. Accordingly, we value feedback from our stakeholders as a means to help us manage perceptions and address any shortcomings.

Feedback from different stakeholder groups is generated through various channels and platforms. This provides opportunities for the Group to improve and fine-tune our strategic decision-making process to achieve better outcomes.

We also consistently communicate with and update our internal and external stakeholders on sustainability matters to ensure that best practices are implemented across the organisation at all times.

STAKEHOLDER PRIORITISATION

Effective stakeholder management plays a pivotal role in our commitment to pursue greater sustainability milestones. At IOIPG, we employ a rigorous stakeholder prioritisation matrix as a cornerstone of our sustainability strategy.

This matrix helps us to systematically assess and rank our stakeholders based on their influence, interests, and potential impact on our sustainability initiatives.

Through this approach, we allocate resources and attention where they matter most, ensuring that our sustainability efforts align with the concerns and expectations of those who can influence and benefit from our initiatives.

This method does not only enhance our stakeholder engagement but also strengthens our commitment to transparent, responsible, and effective sustainability practices.

STAKEHOLDER ENGAGEMENT APPROACH

Stakeholders	Area of Interest	Commitment	Engagement Method	Anticipated Outcome
Investors, bankers, analysts, fund managers	• Group financial performance • Business strategies and operational efficiency • Governance stability and sustainability • Risk management	We target sustainable long-term growth and returns by providing customers with the best products and services, rewarding shareholders with sustainable value, fulfilling our duties to the community while safeguarding the environment and contributing towards nation-building.	• Meetings • Annual General Meeting ("AGM") • Financial reports and announcements • Press releases and advertisements	• Share price performance • Return on equity • Shareholder voting outcomes
Customers/ Tenants	• Product affordability and quality • Support services • Engagement opportunities and experience • Safety and security of managed properties	We seek to uphold our brand promise by striving for product and service 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.	• Public engagement events • IOIPG social media platforms • Loyalty programmes (Club IOI) • Digital community engagement platforms • Customer feedback channels and service hotline (IOI Support System, IOI Community) • Customer/tenant satisfaction surveys	• Property Sales & Tenancy Rates • Customer Satisfaction • Complaints and Defects reports
Employees	• Personal and professional capacity-building • Career advancement • Competitive remuneration benefits • Employee health and safety	We seek to retain talent by providing a rewarding career journey for our people through professional and personal development that will help them achieve their goals and realise their full potential. We pride ourselves on promoting a safe and healthy workplace culture that is also open and inclusive.	• Meetings • Trainings, workshops and seminars • Employee performance appraisal • IOIPG internal engagement platforms • Employee engagement activities • Town hall meetings	• Employee Retention • OSH Performance • Training Hours
Business Associates/ Vendors/ Consultants	• Supply chain management • Cost reduction/ savings • Procurement practices • Business ethics and compliances	We maintain strong working relationships with all suppliers, business partners and service providers. 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.	• Meetings • Trainings, workshops and seminars • Performance appraisals	• Procurement Spend • Tender Price & Service Quality • OSH Performance • ESG Compliance

Stakeholders	Area of Interest	Commitment	Engagement Method	Anticipated Outcome
Authorities/ Regulators/ Government Agencies	• Regulatory compliance • Environmental management and compliance • Security and safety management	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.	• Meetings • Emails and letters • Inspections	• Corruption Incidence • Regulatory Compliance • Fines
Media	• Market presence • Reputation • Corporate responsibility	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.	• Press release/Media invites • Meetings • Public events • Networking sessions	• Media coverage • Analyst coverage • Brand Awareness
Residents' Associations/ JMBs	• Security measures for development projects • Facilities management • Community investment	We strive to deliver excellence in products and services to the communities in our developments. We utilise our customer feedback management system and grievance mechanism for continual improvement and to meet the needs of customers and our communities.	• Meetings • Public engagement events • IOIPG social media platforms • Customer feedback channels and service hotline (IOI Support System, IOI Community) • Loyalty programmes (Club IOI)	• Community engagement activities • Social Media Engagement
Local Communities/ Civil Society Organisations	• Economic investments for local welfare • Infrastructure enhancement • Community programmes and events for social development	IOIPG invests in infrastructure, education and welfare to improve community well-being as we continue to build sustainable developments.	• Surveys • Public events • IOIPG social media platforms • Strategic partnerships	• CSR contribution • Community engagement events • Capex for infrastructure development

Our Sustainability Journey

MEMBERSHIP OF ASSOCIATIONS AND EXTERNAL INITIATIVES

IOIPG keeps its finger on the pulse of the markets we operate in through active participation in industry associations, trade events and marketplace dialogues, joining forces with industry peers to advance sustainable practices across the sector.

IOIPG is a participant/member of the following associations.

United Nations Global Compact Network Malaysia & Brunei

OUR PARTICIPATION AND CONTRIBUTION

As a committed participant of the United Nations Global Compact Network Malaysia & Brunei since 14 January 2021, IOIPG adopts the Ten Principles of the United Nations Global Compact. These principles serve as a guiding framework for us, integrated into our overall business strategy, to advance the United Nations Sustainable Development Goals (SDGs).

By aligning our corporate practices with these Ten Principles, we aim to contribute meaningfully to causes such as human rights, labour standards, environmental responsibility, and anti-corruption. We actively participate in network events, workshops, and other initiatives that offer platforms for dialogues on sustainable business practices. We also collaborate with other industry leaders to share knowledge and best practices, thereby raising the bar for social and environmental standards across our sector.

Women's Empowerment Principles

OUR PARTICIPATION AND CONTRIBUTION

Since becoming a supporter of the Women's Empowerment Principles on 20 March 2021, IOIPG has actively supported the advancement women empowerment. Our membership underscores our commitment to create inclusive environments within the workplace, marketplace, and community at large.

By aligning ourselves with these Principles, IOIPG does not only elevate our own standards for diversity but also contribute to a broader societal transformation, reinforcing our overarching corporate social responsibility initiatives.

Climate Governance Malaysia (CGM)

OUR MEMBERSHIP AND CONTRIBUTION

IOIPG has been a Corporate Friend of Climate Governance Malaysia (CGM) since 2021. CGM is a local chapter of Climate Governance Initiative which is a global leaders community on climate change spanning 50 countries. Through this membership, our Board of Directors receive up-to-date information into how effective climate risk management can significantly enhance business resilience and sustainability. It also serves as a platform for discussion among corporate leaders, allowing IOIPG's leadership to share insights about best practices for climate governance and risk management, while empowering our Directors with crucial insights that help transition our business model towards a more climate-resilient and low-carbon economy, helping to fortify our resilience and deepen our commitment to our sustainability goals.

CHAIRPERSON MASTERCLASS SERIES 2023 (June to December 2023)

IOIPG contributed a sponsorship to in the inaugural Chairperson Masterclass Series in 2023, hosted by Climate Governance Malaysia (CGM).

The Masterclass Series aims to foster sound climate governance within corporate boards. It served as an enlightening forum for chairpersons, aimed at deepening their comprehension of climate-related challenges and opportunities, and focused on sharing best practices to fortify business resilience in the face of urgent climate issues. IOIPG's engagement in this event signifies our commitment to proactive climate governance, positioning us at the forefront of sustainable business leadership.

Real Estate and Housing Developers' Association (REHDA)

OUR MEMBERSHIP AND CONTRIBUTION

As a member of REHDA, IOIPG actively contributes to shaping sustainable policy and development within the real estate sector. In collaboration with the CEO Action Network and Climate Governance Malaysia, we contributed to the formulation of the "Towards a Low Carbon Emissions Pathway" policy proposal in 2021. This significant document served as a guide to the government's climate change policy agenda prior to the COP26 summit. Our involvement underscores our commitment to pioneering sustainable practices, both within our industry and on the national stage.

We collaborated with REHDA Institute recently in support of its research initiatives towards a more sustainable development of the property industry in Malaysia. Under this collaboration, IOIPG provided sponsorship for REHDA Institute to conduct research studies for the period 2023/2024 to address pertinent issues in the property industry in the country, especially in the areas of affordable housing and private property development policy.

- Affordable housing
- Private property development policy

This collaboration is in line with IOIPG's social agenda of developing affordable homes in our developments. With the study, we wish that the current market landscape could be better understood by the property industry, and hence we would be able to identify opportunities to contribute positively through our future developments.

ASSESSING AND PRIORITISING MATERIALITY

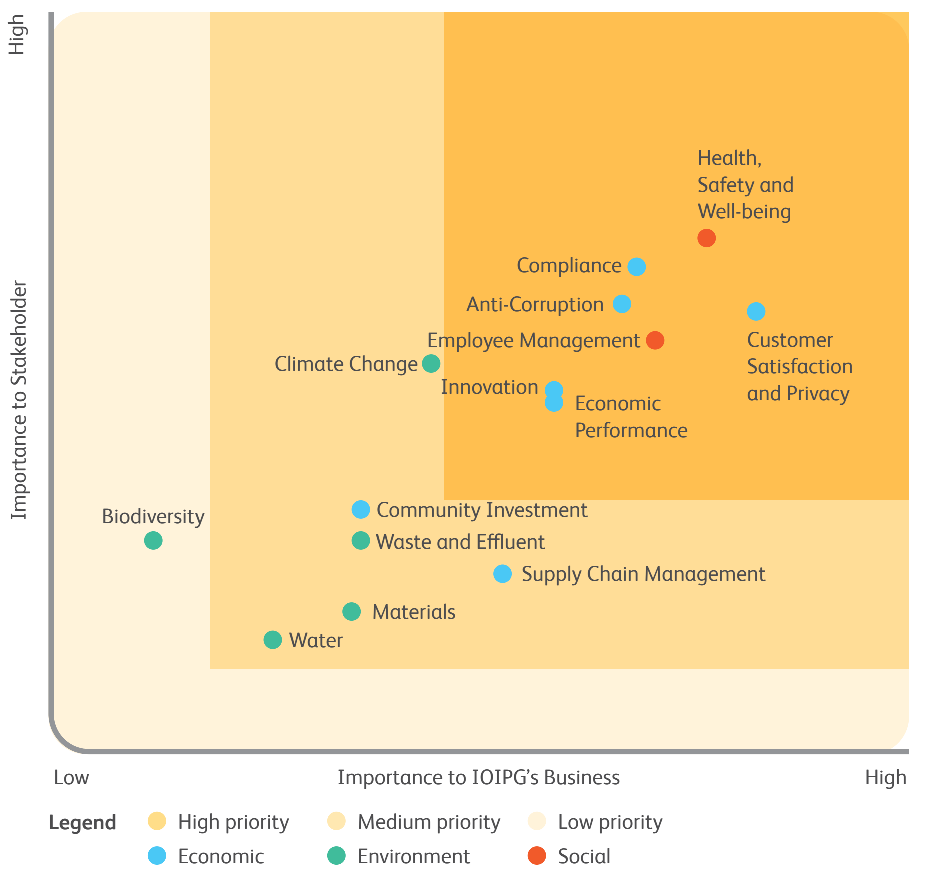
A comprehensive materiality assessment exercise was initiated in August 2021 (FY2022) involving primarily internal stakeholders. These comprised subject matter experts as well as those with active engagement with stakeholders.

The Group's materiality matrix has been retained for FY2023, which was approved by the Sustainability Steering Committee and the Board of Directors.

Nevertheless, the Group has initiated an on-going materiality exercise, adopting the principle of double materiality, with an evolved criteria for determining materiality.

The material assessment exercise includes both internal stakeholders e.g. heads of business segments, business units and department functions, as well as key representatives of external stakeholders. Thus, a comprehensive cross functional population sample size has been developed to solicit educated views towards determining material topics.

IOIPG MATERIALITY MATRIX



Our Sustainability Journey

This includes adopting an integrated reporting or IFRS based perspective to materiality, which is the extent of the impact of a topic on value creation or business performance, supported by a sustainability perspective, which is the extent of a topic's impact on society, environment and the economy (nation's socio-economic progress and development).

Material Sustainability Matters

ECONOMIC PERFORMANCE

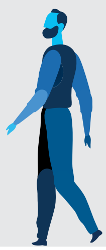
Economic value generated and distributed to the community including the indirect economic impacts that are a result of such distributions.

CUSTOMER SATISFACTION AND PRIVACY

Maintaining meaningful customer relationships, delivering products and services excellence to exceed customer expectations and safeguard customer data privacy to build customer trust and confidence.

MATERIALS

Components used as inputs in our developments, specifically the practice and commitment to responsible sourcing and management of materials.



WASTE AND EFFLUENT

Management of effluent, hazardous and non-hazardous waste disposed from our operations.

COMPLIANCE

Adherence to relevant laws and guidelines governing our business, as well as efforts undertaken in assessing the anticipated environment and social impacts of our activities.

WATER

Consumption and efficiency of water usage from our business operations.

COMMUNITY INVESTMENT

Voluntary community engagement and activities to create a positive social impact.

BIODIVERSITY

Managing the potential impacts of our business on biodiversity.

ANTI-CORRUPTION

Ensuring transparency and guarding against various forms of corruption.

Importantly, the materiality assessment exercise in progress would include external stakeholders with the exercise being extended to customers, suppliers, investors, bankers and other stakeholders from all three business segments.

The Group intends to conclude the assessment exercise within FY2023 and aims to publish the new materiality findings in its website and the subsequent integrated annual report, upon approval by the Sustainability Steering Committee and The Board.

INNOVATION

Using innovation and technology to continually create positive impacts to the environment and well-being of the society. Innovation includes new design, technology, services and processes.

SUPPLY CHAIN MANAGEMENT

Ensuring a robust supply chain that is aligned with our policies and practices in the delivery of quality products and services through the management of the environmental and social impacts of our supply chain.

CLIMATE CHANGE

Management and reduction of greenhouse gas into the atmosphere. This includes the considerations of the impacts of climate change, as well as how the company contributes to achieving global climate-related targets through energy and emissions reductions.

HEALTH, SAFETY AND WELL-BEING

Maintaining a safe work environment and culture through focused and continued investments to anticipate, recognise, evaluate and control hazards arising in or from the workplace that could impair the health and well-being of employees, workers and customers.

EMPLOYEE MANAGEMENT

The overall management and fair treatment of employees including addressing human rights, labour practices, promoting employee growth and development, and being an inclusive employer that embraces diversity at the workplace.

ADVANCING NATIONAL AND GLOBAL GOALS

As a responsible corporate citizen, IOIPG strongly supports Malaysia's implementation of the Twelfth Malaysia Plan ("12MP") as well as the United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals ("SDGs"), with a focus on the UN SDGs that align most significantly with IOIPG's operations. Our UN SDG alignments are highlighted in the relevant sections throughout this report.

IOIPG Sustainability Goals	Material Sustainability Matters
01 Delivering Excellence	• Compliance • Customer Satisfaction and Privacy • Supply Chain Management
02 Caring for the Environment	• Climate Change • Water • Waste & Effluent
03 Creating Value for Our Employees	• Employee Management
04 Developing Sustainable Communities	• Community Investment

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

Our Sustainability Journey

	United Nations Sustainable Development Goals	Twelfth Malaysia Plan
• Anti-Corruption • Innovation	9 Industry, Innovation and Infrastructure 16 Peace, Justice and Strong Institutions	T1, PE2
• Materials • Biodiversity	2 Zero Hunger 6 Clean Water and Sanitation 7 Affordable and Clean Energy 11 Sustainable Cities and Communities 12 Responsible Consumption and Production 13 Climate Action 15 Life on Land 17 Partnerships for the Goals	T1, T3
• Health, Safety and Well-being	3 Good Health and Well-being 4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities 16 Peace, Justice and Strong Institutions	T2, PE1
• Economic Performance	1 No Poverty 4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 11 Sustainable Cities and Communities 14 Life Below Water 15 Life on Land 16 Peace, Justice and Strong Institutions	T1, T2, T3, PE1, PE3

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

GRI 204, 205, 408

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.

MATERIAL TOPICS:

- Technology & Innovation
- Managing Product and Service Quality
- Customer Satisfaction
- Data Privacy and Security
- Market Trends & External Operating Conditions
- Government Policies
- Environmental and Social Compliance
- Anti-Corruption
- Supply Chain Management

UN SDG ALIGNMENT:

Goal 9: Industry, Innovation and Infrastructure

Goal 16: Peace, Justice and Strong Institutions

Within the tapestry of IOI Properties Group Berhad, excellence is not just an aspiration; it is our very essence. It underpins our relentless pursuit to become a trusted partner to all our stakeholders, compelling us to weave quality, reliability, and sustainable growth into the heart of our operations.

We are relentlessly focused on delivering excellence, leveraging technology and innovation to augment the competitive edge of our business model. Our strong intellectual property protection and unwavering integrity safeguards our brand credibility, while we maintain elevated customer satisfaction by being in tune with market trends and adapting to external operating conditions.

To ensure our aspirations are not mere declarations, the Board provides stringent oversight on all key material matters of this sustainability objective, with defined KPIs and targets as a testament to our tangible pursuit of excellence. We proactively manage the impacts of these topics on our business model, steering our operations with agility and responsiveness in strategy to ensure we remain resilient amidst market flux, technological advancements, policy shifts, and evolving customer expectations, to create lasting value for all stakeholders.

TECHNOLOGY & INNOVATION

In today's increasingly digitised and competitive business landscape, technology and innovation are vital in elevating IOIPG's success. These two pillars are central to our ongoing achievements, enabling us to optimise operational efficiency, exceed customer expectations and maintain a competitive business edge.

At IOIPG, we have seamlessly integrated various technologies to streamline our operations and enhance value for our stakeholders. Our Robotic Process Automation ("RPA") automates repetitive tasks, freeing up human resources for more complex, value-added activities and digitally transforming our processes across various departments.

Additionally, we have migrated our Enterprise Resource Planning ("ERP") solution to a cloud-based platform. This ensures scalability and accessibility in our daily operations while enabling continual upgrades of IT equipment across all IOIPG offices to facilitate top-notch technology infrastructure and support.

To boost business and operational efficiency, our Club IOI mobile application offers a unified loyalty programme that supports online and offline sales activities. This includes an improved customer experience for collecting member rewards points, shopping privileges from participating merchants and effortless online parking payments with loyalty discounts.

In FY2023, we successfully introduced the IOI Office Mobile app at PFCC Office Towers and IOI City Tower 2. This strategic integration of mobile technologies not only enhances user experiences, but also boosts our business productivity and lays the foundation for innovative value propositions within IOIPG.

MANAGING PRODUCT AND SERVICE QUALITY

The Group maintains high standards in Product Quality Management, adhering to the ISO 9001:2015 Quality Management System. The Group Quality Management ("GQM") department, operating at the Group level, collaborates closely with all business units and related departments.

Our primary goal is to ensure strict adherence to product and service quality standards while fostering a culture of continuous improvement. Through this collaborative effort, we work beyond compliance, also actively identify and implement innovative ideas to elevate the quality of our products and services. To reinforce this commitment, we conduct an annual internal Quality Management System ("QMS") Audit, specifically tailored for the property development segment, ensuring that our commitment to product quality remains at the forefront of our operations.

Throughout our project lifecycle, we maintain a rigorous focus on ensuring quality at every stage. As a result, our developments have consistently scored 70% and above on the QLASSIC assessment, a testament to our commitment to product quality in delivering excellence.

PROJECT	TYPE	QLASSIC SCORE
Marvela, Bandar Putra Kulai	Double Storey Terrace House	78%
Alanis, Warisan Puteri, Sepang	Serviced Apartment	78%
MI Apartment, Bandar Putra Kulai	Apartment	82%
Strata 2, Bandar Puteri Bangi	Townhouse	79%

Our project quality management approach is structured as follows:

01 Design
Quality Requirements

- We highly value feedback from customers and communities during the design process.
- Our designs prioritise meeting the needs and functions of customers and communities.

02 Pre-construction
Quality System

- We ensure clear communication of project quality requirements to project management teams.
- A stringent pre-selection process is employed to appoint the most suitable consultants and contractors.

03 Construction
Quality Control

- Quality inspections and audits are conducted at all construction stages, from materials received to finishing details.
- Continuous technical training is provided to enhance skills and workmanship.

04 Pre-handover
Quality Assessment

- Quality inspections and assessments are carried out by both internal and external assessors to ensure products adhere to the IOI Quality Standard and Malaysian Construction Industry Standards (CIS 7: 2021).

05 After Sale
Continual Quality Improvement

- We capture homebuyers' feedback, preferences, and expectations through customer satisfaction surveys.
- Valuable inputs from these surveys are evaluated and integrated into future product enhancements, facilitating a cycle of continual quality improvement.

CUSTOMER SATISFACTION

High levels of customer satisfaction for our product and service quality serve as a cornerstone for enhancing our brand reputation and image. This, in turn, results in business continuity, positive word-of-mouth referrals, and effective promotional efforts. Conversely, dissatisfied customers may express their grievances, leading to customer complaints. In today's digital age, these complaints can find a wider audience through social media channels, potentially affecting our Group's branding and overall image. Therefore, maintaining a focus on customer satisfaction is not only vital for our immediate success but also for sustaining a positive long-term market presence.

With the Board oversight and unwavering support in cascading the significance of customer satisfaction, the Group places a paramount emphasis on product and service quality by instituting and implementing stringent quality control, assessment, monitoring, and measurement processes. We actively gather regular feedback from our customers through various channels, including customer satisfaction surveys and via the IOI Support app.

In our pursuit of excellence and commitment to customer-centricity, we conducted a range of surveys to gauge and enhance various aspects of our services. The frequency of these surveys varies depending on their types, ranging from once every month to once every three months. These surveys are vital in understanding customer satisfaction and continuously improving our operations.

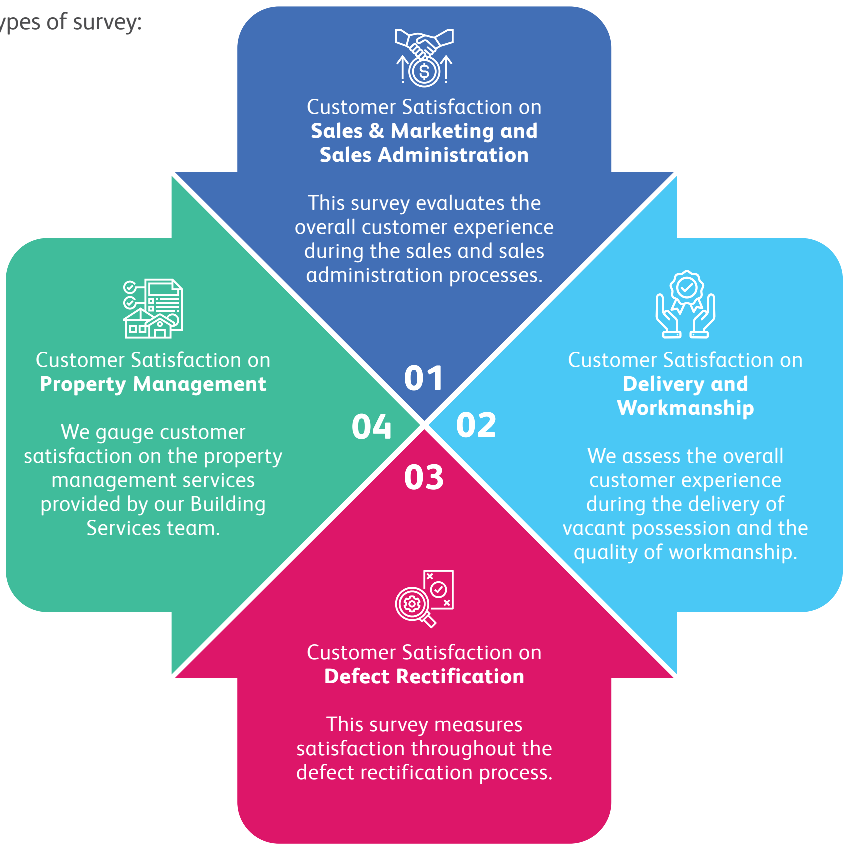
Managing Grievances

At IOIPG, we consider robust stakeholder relations and effective grievance management as vital components in preserving and elevating our brand's credibility. Building trust and confidence begins with listening to our stakeholders, recognising that their feedback holds the key to customer satisfaction, organisational improvement and delivery of excellence.

Feedback, inquiries, and grievances from our stakeholders are captured across various platforms tailored to different stakeholder groups. Feedback received is carefully assessed and channelled to the relevant departments for timely resolution. We attend to non-defect related feedback from homebuyers and emergency complaints, both verbal and written within two days.

In line with our commitment to exemplary product and service quality, we have instituted the IOI Service Standard. This integrated framework incorporates a rigorous customer feedback management system and a grievance mechanism that even extends to human rights-related concerns. Through the IOI Support app, we maintain a vigilant eye on the status and resolution of each complaint, epitomising our commitment to efficient and effective responses.

Types of survey:



Additionally, a whistleblowing mechanism is in place to manage flagged concerns from both internal and external parties anonymously, including those pertaining to human rights, without fear of retribution. This mechanism further reinforces our commitment to brand credibility, as it allows us to address potential issues proactively, thus enhancing stakeholder trust in our governance and operations.

These systems have been put in place not just to meet expectations, but ensuring that IOIPG is exceeding them in a way that solidifies our reputation as a **Trusted.** brand. In FY2023, there were zero cases of human rights violations involving our customers or the community.

Delivering Excellence

In order to improve customer experience, the Group conducted new service training programmes to better equip our frontliners with the necessary skills and knowledge. We organised the IOI Quality & Sales Excellence Awards 2022 celebrating the IOI teams who delivered excellence in product & service quality.

Furthermore, we have established KPIs to assess product and service quality, ensuring this critical parameter is consistently monitored and measured. This proactive approach allows us to swiftly address any issues that may surface, reinforcing our commitment to delivering exceptional products and services to our valued customers.

To uphold the elevated standards of our products and services, we have formulated comprehensive standard operating procedures ("SOPs"). These procedures are instrumental in the selection and appointment of contractors and consultants, ensuring that only capable and qualified professionals are engaged in our projects. This approach underscores our commitment to maintaining the highest levels of quality throughout our operations.

Community Safety & Security

The Group acknowledge the importance and the value of safety and security brings to the community of the developed townships and our managed properties.

Our Auxiliary Police ("AP") team are entrusted to maintain a safe and secure environment for customers, tenants, and guests.

They are equipped with patrol cars as well as leveraging on security technologies such as CCTV surveillance cameras to carry out security duties.

Visitors or customers at our managed buildings may find panic buttons and security escorts available to ensure peace of mind.

The proud award recipients with the Senior Management.

DATA PRIVACY AND SECURITY

Being a property developer and real estate industry, IOIPG handles significant amounts of personal data, particularly customer data. In accordance with the Personal Data Protection Act of 2010 (PDPA), we treat all data as confidential and private and do not disclose it to third parties unless mandated by law or enforcement agencies.

We collect all data with the customer's explicit consent and ensure that they fully understand and are aware of the collection of such data for internal purposes as agreed upon by the customer. To safeguard against breaches of data privacy, the Group is committed to maintain a robust IT security system.

We are committed to ensuring impeccable commitment to data privacy and security. In the last financial year, we have again, achieved zero incidents of breaches, highlighting our effectiveness in safeguarding sensitive information.

	FY2023	FY2022	FY2021
Number of substantiated complaints concerning data breaches	**0**	0	0

MARKET TRENDS & EXTERNAL OPERATING CONDITIONS

Understanding and responding to market trends and external operating conditions is material to IOIPG for several compelling reasons. Firstly, these factors significantly influence consumer behaviour, affecting demand for our products and services and thereby directly impacting our revenue and profitability. Secondly, shifts in the market or in external conditions often necessitate adjustments to our business model, operational strategies, and even our long-term objectives. This could involve modifying pricing structures, adopting new technologies, or re-evaluating supply chain logistics.

The current market landscape of the real estate sector is influenced by a myriad of factors. These include policy changes that may directly impact cost structure and regulatory compliance, increase in interest rates and currency exchange rates affecting financing options, and operating costs. Additionally, we're witnessing shifts in customer demographics and behaviour that require agility in delivery of products and services, as well as management of talent acquisition and retention. The wave of digitalisation and innovation is also reshaping the competitive landscape, compelling businesses to adapt operational strategies to stay resilient. Lastly, a proliferated stakeholder interest and growing focus on environmental issues e.g. climate change and biodiversity have called for a re-evaluation of the importance of green buildings, ecological landscaping as well as other low carbon and climate resilient initiatives that impacts our long-term development planning.

In light of these multifaceted market trends and external operating conditions, IOIPG employs a rigorous process to continually monitor these developments and identify key risks and opportunities arising from these market trends, assess the likelihood and severity of their impacts, and formulate appropriate responses through a holistic approach that involves cross-functional teams and strategic planning. Tools such as data analytics, market research, and stakeholder engagement are instrumental in this monitoring process.

This vigilant stance enables us to adapt and innovate proactively, ensuring that IOIPG remains competitive, and well-poised to meet the challenges and opportunities of the evolving market landscape.

Additional information on IOIPG's market trends and external operating conditions can be found on page 28 of this report.

GOVERNMENT POLICIES

In an ever-changing economic landscape, government policies exert a significant influence on the operations of businesses. The impact of such policies is material to us not only because they directly affect our bottom line, but also because they shape the broader business ecosystem in which we operate, impacting our stakeholders and community partners alike.

Compliance with evolving policies and regulations often necessitates additional financial outlays. This could manifest in multiple forms – from increased administrative burdens to higher labour and operational costs. Consequently, staying abreast of these changes and adjusting our operations accordingly is not just a regulatory requirement but also a financial imperative for the business.

Another crucial aspect to consider is the gestation period required to adjust to new regulatory frameworks. Implementing changes in response to policy shifts may temporarily disrupt operational productivity. This adjustment period is a necessary trade-off for long-term compliance and sustainability.

Specifically, in FY2023, policy alterations such as the introduction of higher electricity tariffs and an upward revision of the minimum wage in Malaysia contributed to an escalation in operating costs.

It is important to note that these policy changes are not solely challenges but also opportunities. Many of these regulatory shifts are designed to expedite the country's move towards a greener, more sustainable economy. The introduction of these new policies have also proven beneficial in helping to increase internal stakeholder buy-in on process improvements that enhance operational efficiency and sustainability.

IOIPG remains vigilant in monitoring shifts in government policies and regulations, taking a proactive approach to enable us to adapt swiftly and responsibly, and ensuring our operations continue to align with evolving economic landscapes and societal expectations.

The Group's development are aligned with The Building and Construction Authority ("BCA") Universal Design Mark in Singapore, the Uniform Building By-Law 34A in Malaysia, and the Codes for Accessibility Design in Xiamen, where applicable with regard to the provision of accessibility and facilities for disabled persons. Aside from ramps and walkways, parking bays and disable-friendly restrooms are conveniently positioned throughout our malls to facilitate wheelchair and stroller access.

ENVIRONMENTAL AND SOCIAL COMPLIANCE

As society becomes increasingly aware of the impact of human activities on the environment and communities, property developers and stakeholders are compelled to prioritise responsible and ethical practices.

On the environmental front, IOIPG has no non-compliance with the laws and regulations. We endeavour to continuously fine-tune procedures to regulatory and statutory requirements to ensure we meet our annual target of zero non-compliance.

Beyond compliance, the Group implements the Environmental Management System (ISO 14001) at the property development segment. This certification serves as a testament to our unwavering commitment to sustainable practices and the proactive steps we take to minimise our environmental impact. By adhering to ISO 14001 standards, we do not only ensure compliance but also demonstrate our dedication to continuous improvement in environmental performance, resource conservation, and the reduction of our ecological footprint.

Conducting Environmental and Social Impact Assessments

A robust Environmental Impact Assessment ("EIA") stands as a pivotal cornerstone for property developers, serving as a comprehensive tool to gauge the projects' potential environmental, ecological and societal consequences. The Group may gain invaluable insights into the environmental implications of its ventures, allowing the Group to make informed decisions that strike a harmonious balance between development and conservation.

This process ensures not only regulatory compliance but also fosters sustainable development practices that resonate positively with stakeholders and the broader community. In FY2023, the Group's business units have conducted environmental and social impact assessments for the prescribed activities. Some of the scope of EIA and SIA includes environmental quality (water, air etc.), ecological assessment, flood mitigation, erosion & sediment control plan, stakeholder perception survey.

ANTI-CORRUPTION

Maintaining integrity and transparency is paramount to fostering trust among stakeholders and ensuring sustainable growth. In addition, raising public awareness about the consequences of corruption in the property industry has been instrumental in fostering a culture of zero-tolerance towards such practices.

In line with the Group's commitment to good governance, IOIPG maintains a strong stance against corruption. This unwavering approach is evident in the Group's Anti-Bribery and Anti-Corruption ("ABC") policy, which is accessible at https://www.ioiproperties.com.my/our-company/corporate-governance

Anti-Corruption Communication and Training

Comprehensive trainings on the new Anti-Bribery And Anti-Corruption Policy across the Group were completed in FY2022. Since then, employees have attended anti-corruption awareness sessions during onboardings or refresher courses. The trainings aim to raise awareness regarding the implications of corruption and strategies to mitigate corruption risks. Additionally, it offers insights into the established protocols and guidelines designed to counteract corruption within IOIPG.

To reinforce our commitment to ethical conduct among employees, we have taken proactive measures in accordance with our ABC Policy. We regularly remind employees about the importance of adhering to this policy, especially regarding the giving and receiving of gifts. To facilitate this, we have deployed informative posters via email to serve as reminders and guidance in maintaining transparency and compliance with our anti-corruption measures.

Throughout FY2023, there are no recorded cases of violations of our ABC Policy or litigation related to corruption involving the Group or its employees. Similarly, there have been no reported incidents of staff being disciplined or dismissed as a result of non-compliance with the established anti-corruption policies. Additionally, there are no occurrences of contract non-renewal with business associates due to the detection of corruption. These underscore the Group's commitment to upholding rigorous ethical standards and fostering a culture of transparency and integrity within its operations.

Preventing Corruption through Due Diligence

In combating anti-corruption, we go beyond adhering to local laws and regulations as we consistently enhance our supply chain management and remain vigilant to potential risks, particularly corruption risk.

We have conducted a comprehensive risk assessment process to identify potential non-compliance risks across the Group's business operations. By undertaking this process, we aim to effectively evaluate and manage risks associated with our suppliers' adherence to policies and standards.

Anti-Corruption Risk Assessment by Segments

IOIPG upholds a zero-tolerance approach against all forms of bribery and corruption and this is consistently communicated to the employees and supply chain. All supply chain will be provided with a copy of the ABC Policy, Whistleblowing Policy and Supplier Code of Conduct and they are required to return a signed Integrity Pledge. This is also a prerequisite to tender for contracts.

The Group has also conducted a timely revision to all contract agreements to incorporate an Anti-Corruption clause, which has been made an integral and mandatory part of all contracts with our supply chain, and have included an annual assessment on existing supply chain in which corruption is one of the areas under assessment.

SUPPLY CHAIN MANAGEMENT

At IOIPG, we understand the significance of a robust and responsible supply chain to safeguard our business operations from ethical quandaries. We are committed to ensuring the responsible management of our supply chain based on the principles of merit, free and fair competition, social and environmental compliance, and support of local vendors.

In particular, local procurement has the potential to greatly stimulate local economies through job creation and business growth.

Accordingly, the Group is committed to promoting local procurement within our supply chain. IOIPG's Supplier Code of Conduct upholds responsible sourcing and employment practices that align with our sustainability commitments. We give 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. Our Contract and Procurement department, in collaboration with the project development team, oversees local procurement.

In FY2023, 99% of our suppliers Group-wide were locally-registered companies with 99.9% of our spendings were on local suppliers. However, our year-on-year performance on this metric is subject to factors such as changes in project scopes, market conditions or local supplier availability.

In addition to prioritising local procurement, we have put in place a structured assessment process to measure our suppliers' performance score against other stringent criteria that includes quality, health and safety, and environmental considerations. 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 the areas of ethics, human rights, employment and labour standards, safety and health, and environment.

The Group utilises a ESG Self-Assessment checklist when dealing with suppliers, contractors and vendors. We are currently in the process of reviewing our supplier assessment procedures to incorporate these considerations.

GRI 301-306

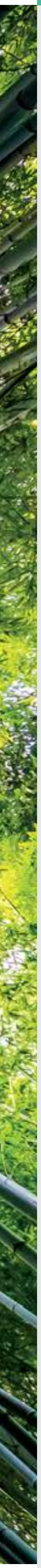
Caring for the Environment

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.

MATERIAL TOPICS:

- Climate Change
- Green Buildings
- Energy and Emissions
- Water
- Waste and Effluents
- Material Consumption
- Biodiversity

Caring for the Environment



UN SDG ALIGNMENT:

Goal 2: Zero Hunger

Goal 6: Clean Water and Sanitisation

Goal 7: Affordable and Clean Energy

Goal 11: Sustainable Cities and Communities

Goal 12: Responsible Consumption and Production

Goal 13: Climate Action

Goal 15: Life on Land

Goal 17: Partnerships for the Goals

At IOIPG, we acknowledge the pressing need to conserve natural resources and ecosystems for the well-being of Mother Earth, driven by our vision to be a ***Trusted.*** *organisation and our mission to safeguard our environment.*

Beyond compliance, we continue to implement proactive measures in embedding sustainability-focused strategies. These include addressing various aspects of material environmental topics such as climate change, biodiversity, waste, water and energy management, material consumption, green building initiatives, amongst others. This strategic approach has contributed to positive outcomes across the Group's business operations in terms of enhanced efficiencies, which led to corresponding financial savings and reputational gains. Though we understand that the full effects of our environmental stewardship efforts will take some time to see results, particularly in contributing to climate change mitigation and adaptation, we are proud to record continuous progress in our efforts and will strive to enhance our contributions to a sustainable environment wherever possible.

CLIMATE CHANGE

The real estate industry plays a significant role in climate change due to its impact on energy consumption, greenhouse gas (GHG) emissions, and natural resource utilisation.

Correspondingly, climate change is a global challenge that impacts the real estate industry. Physical climate events such as extreme weather events, rising sea levels, as well as regulatory changes could potentially create risks and opportunities. By embracing sustainable practices, implementing climate resilient measures, and adhering to the evolving regulations, the real estate industry can mitigate risks, capitalise on opportunities, and contribute to a more sustainable and climate-proof future.

Caring for the Environment

The Group recognises the importance of minimising GHG emissions from group wide operations and strategise to adapt to the potential climate change effects. This could be in the form of optimising energy efficiency, leveraging on renewable energy, and safeguarding natural ecosystems.

To that end, our Group has taken the initiative to develop a comprehensive climate action plan formulated based on our TCFD Roadmap, where plans are crafted to translate our climate-centric priorities into actionable measures. i.e. strengthening internal business practices and engaging the value chain on energy conservation, water conservation, waste minimisation and sustainable materials sourcing.

As a supporter of TCFD, we have expanded the scope of our existing suite of indicators to cover broader business operations, incorporating the recommended TCFD-aligned metrics and targets to ensure effective management of its performance to support the global agenda of limiting the increase in global average temperature and contribute to the achievement of the Nationally Determined Contributions ("NDCs") of the countries where we operate.

Our Climate Journey

2022 Building Foundation

- Enhance internal policies and frameworks addressing climate change
- Integrate climate-related risks into our risk registers
- Enhance climate-related goals, metrics, and data collection, including Scope 3 emissions (from suppliers/contractors/tenants)

2023 Establishing Baselines

- Initiate a pilot project for measuring baseline emissions. Conduct embodied carbon assessments.
- Engage in discussions with key stakeholders (value chain) to introduce climate action and ambition
- Incorporate climate action into the broader business strategy

2024 Accelerating Actions

- Reduce Scope 1, 2, and 3 emissions
- Assess the implications of various climate scenarios on our operations
- Identify both existing and potential effects of climate-related risks and opportunities

2030 Fulfilling Ambitions

- Implement initiatives to continuously reduce carbon emissions
- Persist in advocating for climate action

TCFD Adoption

With the endorsement from the Board, we have progressively executed the strategic actions outlined in the adopted TCFD Roadmap. While we have consistently acknowledged the importance of addressing climate-related risks, the formal adoption of the globally recognised TCFD framework marks a significant step in our commitment to effectively manage these risks and capitalise on associated opportunities. This strategic alignment with the TCFD framework underscores our dedication to industry-leading practices and reinforces our approach to climate risk management.

Our TCFD journey encompasses various stages, beginning with the thorough identification, comprehensive assessment, adept management of climate-related risks and their inherent opportunities within the IOIPG operations. This wide-ranging effort was a collaborative endeavour involving multiple stakeholders, including Group Corporate Sustainability, Group Risk Management, and various other pertinent functions, in conjunction with each of our three business segments. The coordination extended across all facets of our operations, seamlessly integrating strategies with climate objectives into business functions of each facet of our three distinct business segments.

Governance

Group-level

- Enforces the Group's Sustainability Policy and Sustainability Strategic Framework
- Acknowledges the significance of climate change as a key sustainability matter

Kindly refer to IOIPG's FY2023 Materiality Matrix on pages 103 to 105.

Board and Sustainability Steering Committee (SSC)

- Sustain strategic supervision over climate-related risks
- Monitor the implementation of the TCFD Roadmap, which guides IOIPG's efforts in tackling climate-related risks and exploring potential opportunities.

Strategy

Focus Group sessions were undertaken to bring forth anticipations and comprehension of climate concerns and TCFD. Findings indicate a growing request for environmentally friendly products and adherence to ESG standards.

Group's Risk Exposure

- Physical Risks - Such as extreme weather events e.g. storms and floods
- Transition Risks - Complying with regulations, meeting market trends (carbon pricing, energy regulations, construction standards)

Advocate Sustainable Living through Opportunities:

- Improve accessibility and connectivity in residential, business, leisure spaces, and transportation hubs
- Maintain efficient energy practices across both developed and managed properties
- Conserve and promote urban biodiversity through conservation of town parks - ecologically designed urban parks with water body to offer co-benefits of climate change mitigation and adaptation

Risk Management

Implementation of Enterprise 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

Climate Change Risks and Opportunities

> Acknowledges the environmental and climate change-related risks and opportunities associated with our business operations

Kindly refer to Our Operating Environment from pages 38 to 39.

Metrics and Targets

The Group measures and monitors the performances of the following indicators:

- Energy consumption (GJ)
- Water consumption (m^3)
- Carbon emissions (tCO_2) – Scope 1, 2 & 3
- Waste generation (kg)
- Green Spaces (m^2)

The outlined targets for climate-related indicators can be found under Our Energy Consumption.

Caring for the Environment

Accelerating Localised Action for Global Ambitions

In response to the global imperative of limiting the global average temperature increase to 1.5°C, an international trend has emerged, fostering opportunities for transitioning toward a low carbon market, necessitating policy and technological shifts. Anticipating an even greater demand for such endeavours in the foreseeable future, IOIPG aspires to support the national commitments to Paris Agreement, and has proactively embraced diverse low carbon initiatives.

The Group supports the recently launched National Energy Transition Roadmap (NETR) by the Malaysian government. Among the actions we have taken to align our climate change journey to the nation's Net Zero aspirations include Renewable Energy (RE) investment to reduce reliance on fossil fuel generated electricity from the national grid which lowers our carbon footprint. Moreover, we have quantified emissions reduction targets which contributes to the nation's endeavors to reduce national carbon emissions level.

Please refer to "Adopting Renewable Energy" subsection on page 129 for more information on our RE investment.

Please refer to "Our energy consumption" subsection on page 125 for information on short and long term emissions reduction targets.

At the Group level, one of our noteworthy initiatives is the adoption of the Low Carbon Cities Framework ("LCCF") within our property development projects, as well as the National Low Carbon Cities Masterplan. We integrate green features into township and facilities development, prioritise the construction of green buildings, expedite emissions reduction, enhance resource efficiency, provide waste management facilities, and conserve urban biodiversity through dedicated programmes to observe the richness of flora and fauna as well as prioritise valuable (Vulnerable, Near Threatened, Endangered) or local plant species.

Recognising the intricate and enduring nature of climate crisis, we stand committed to continual refinement of our approach as we traverse this journey. Guided by internal IOIPG policies along with global sustainability standards, we anticipate advancing our climate actions to greater heights at the Group level, in support of the long term global and national ambitions to neutralise carbon emissions.

The Group has taken gradual steps to implement specific carbon reduction initiatives within each of our key business units as well as integrating climate adaptation features into our township development, as outlined below:

The Group continues its efforts in energy conservation as part of its approach for decarbonising operations. We have initiated strategic measures aimed at minimising our energy consumption and reducing emissions i.e.

- Implement energy-efficient fixtures such as LED lighting.
- Employ energy-efficient control systems and operational adjustments, such as regulating lighting schedules in parking areas and utilising sensors for energy management.
- Undertake chilled water equipment optimisation initiatives, focusing on cooling towers at IOI Mall Kulai and IOI Mall Puchong, and PFCC chiller retrofit.
- Install solar panels to establish renewable energy system.
- Completed a pilot project to assess the embodied carbon (Scope 3) of our high rise development. It identified the high carbon materials hence enabling the design phase to consider alternative lower carbon materials.

The Group recognised the potential impacts from climate change i.e. flooding and hence have designed and developed adaptation features to minimise such risk:

- Our new industrial project - IOI Industrial Park, Banting has assessed flood impacts.
- We comply to development requirements of drainage systems in townships that we built.
- Our Townpark in Bandar Puteri Puchong and Oasis Park in Bandar Puteri Bangi are designed with water bodies to cope with unpredicted rainfall. The trees and landscaping of the parks helps alleviate the urban heat island effect, apart from sequestering carbon.

Looking forward, we plan to perform climate scenario planning in the near future as part of our TCFD Roadmap.

Catalysing Climate Action through Membership Impact

The Group's advocacy towards climate change action is manifested through our climate change-associated memberships and affiliations. This helps promote sustainability, environmental responsibility, and collaboration in addressing climate challenges. Such networks often provide our Group with access to valuable resources, knowledge, and best practices to reduce our carbon footprint, transitioning to cleaner technologies, and complying with regulations.

The following presents an overview of how the Group's participation in global commitments and local memberships contributes to climate change action:

United Nations Global Compact ("UNGC")

The UNGC encourages businesses to adopt responsible and sustainable practices, indirectly aiding climate change mitigation through environmental responsibility, technology adoption, and stakeholder alignment.

IOIPG actively participated in the Malaysia CFO Collective Action Programme, contributed constructive views on the practice of sustainable finance and green projects.

Climate Governance Malaysia ("CGM")

IOIPG participated in the development of the CAN-CGM Policy Paper focused on the Property and Construction Sector, aimed for government review in preparation for COP28. We contributed to the roundtable discussion to assess the potential pathways towards a national net-zero emissions goal for Malaysia by 2050.

Real Estate & Housing Developers' Association ("REHDA")

REHDA representing property developers in Malaysia, actively addresses climate change issues through a multifaceted approach. This encompasses advocating for green building practices, exemplified by their GreenRE rating system, fostering government engagement for supportive policies.

Real Estate Developers' Association of Singapore ("REDAS")

The Group joined REDAS, a leading representative body and dominant voice of the real estate industry in Singapore.

REDAS actively engages regulators, policy makers and stakeholders to promote best practices and to support the growth of a vibrant and progressive real estate industry & businesses in Singapore.

Ultimately, these subscribed participations and memberships also demonstrate our commitment to environmental stewardship, which can enhance the Group's reputation, attract environmentally conscious consumers, and foster partnerships with other organisations working towards similar goals.

Caring for the Environment

GREEN BUILDINGS

The concept of green buildings has gained significant momentum in response to the escalating global concerns surrounding climate change and resource depletion. With a commitment to reducing carbon footprint, conserving energy, and utilising environmentally friendly materials, green buildings are designed to have a positive impact on the planet. The Group has already adopted various low carbon initiatives, including the Low Carbon Cities Framework ("LCCF") in property development projects.

We at IOIPG also strive for the incorporation of more green features in all our township and facility developments. Our key priorities are constructing green buildings, accelerating emissions reduction, strengthening resource use efficiency, improving waste management and ensuring the continued vitality of urban biodiversity through conservation programmes aimed at championing the appreciation of flora and fauna.

Looking to the future, 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. With our strengthened list of metrics to assess and monitor our climate performance, we look forward to further enhancing our climate action plan.

Making Our Townships Greener

We take our goal of reducing the impact of urbanisation on the environment very seriously. Our approach is to incorporate environmentally friendly designs and technologies in order to create sustainable, lower emissions and climate resilient homes and offices. IOIPG has been collaborating with the Subang Jaya City Council ("MBSJ") to adopt LCCF criteria in all of our township developments.

Various active and passive designs have been integrated into our townships to reduce the carbon footprint. Our 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.

These are some of the green, sustainable concepts featured in 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

IOI City Mall Phase 2

Expanding Green Development

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

In Singapore, South Beach and IOI Central Boulevard Towers have obtained the Green Mark Platinum Certification, recognised for sustainable building design and use of environmental-friendly construction materials. Our projects in Xiamen, PRC, also achieved Green Building Certified Evaluation Level 1-star, namely IOI Mall Xiamen, Sheraton Grand Xiamen Jimei, IOI Palm City D3, D4 and D5 residential properties and IOI Palm International Parkhouse.

The latest addition to our list of green buildings is IOI City Mall in Putrajaya and IOI Galleria, Bandar Putra Kulai, of which both received the GBI certification for its eco-friendly designs which focus on renewable energy, heat buildup reduction and an energy-efficient cooling system, among others.

Green Leasing for a Greener Future

We strongly believe that building a sustainable future requires the commitment of all segments of society. Within our sustainability roadmap, the Group promotes green leases for tenants at IOI City Towers. These leases prominently feature provisions related to energy and water efficiency, as well as waste and material management. Detailed information about these clauses can be found in our Tenant Handbook and Sustainable Fit Out Guides, reflecting our commitment to sustainable practices.

Caring for the Environment

ENERGY AND EMISSIONS

Amidst growing environmental apprehensions and the tightening of regulatory measures, a notable drive towards sustainability and energy efficiency has become evident. The real estate sector, in particular, has been undergoing significant transformations to tackle issues related to energy consumption and emissions.

Therefore, the Group is cognisant of the ramifications of energy consumption that, in turn, contributes to climate change.

Energy Policy and Management

Through the Group's Energy Policy, we embrace the adoption of energy-efficient measures and practices that conserve energy in our portfolio of shopping malls, office buildings, hotels and leisure facilities. The policy highlights our commitment as follows:

01 **Demonstrate stewardship in energy management in our properties**

02 **Comply with energy-related regulations**

03 **Embrace renewables energy to minimise emissions**

04 **Employ efficient practices and technologies for better performance**

05 **Cultivate energy conservation culture**

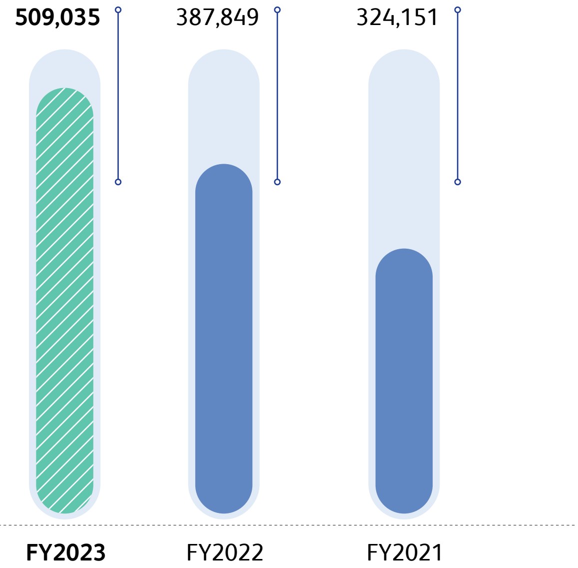
Energy Management Flowchart

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.

Our Energy Consumption

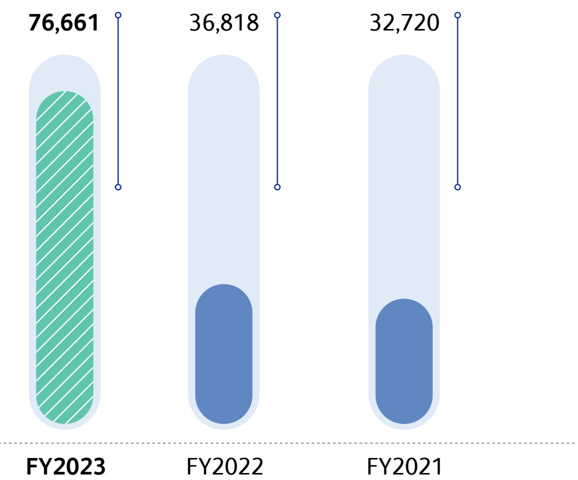
In FY2023, the Group collectively consumed a total of 601,490 GJ of energy. The primary source of energy was purchased electricity from the grid, accounting for 84.6% of the total energy utilised across our business operations.

Total Grid Electricity Consumption (GJ/year)



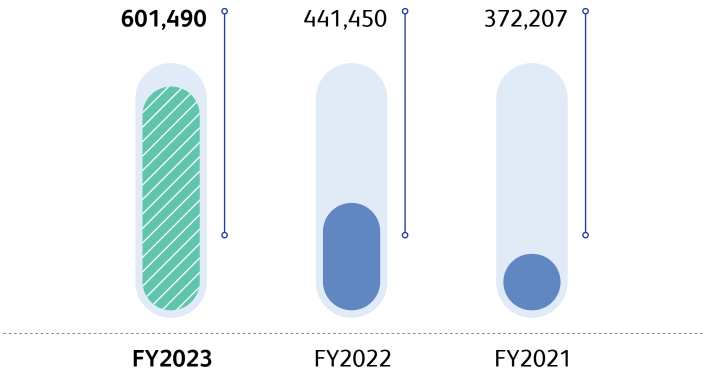
Note:
1. The data include Group-wide operations (Malaysia, Singapore and Xiamen, PRC).
2. Data presented excludes tenants' energy consumption.
3. Data presented are from the total amount of purchased electricity only and obtained from electricity bills or direct meter readings.

Total Fuel Consumption (GJ/year)



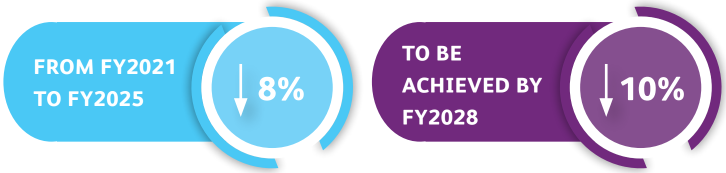
Note:
1. The data include Group-wide operations (Malaysia, Singapore and Xiamen, PRC).
2. Data represents Scope 1 fuel combustion from company vehicles, kitchen usage and diesel generator which exclude tenants' usage.

Total Energy Consumption (GJ/year)



Note:
1. The data presented include Group-wide operations (Malaysia, Singapore and Xiamen, PRC).
2. Data presented are energy consumption from liquefied natural gas, liquefied petroleum gas and solar.

Within the Group's property investment and hospitality & leisure operations, we have established specific targets for reducing energy consumption intensity as below:



Note:
1. The performance against the base year of FY2020.

For FY2023, our property investment as well as hospitality & leisure segments energy consumption intensity has increased from 0.319 GJ/m^2 to 0.375 GJ/m^2. Despite the increase in our energy consumption intensity, we have subscribed to Green Electricity Tariff (GET). This has led to a 45% reduction in fossil fuels generated electricity consumption from the segments. We have also installed solar panels to reduce our reliance on fossil fuel-generated electricity consumption.

Our Carbon Emissions

We are committed to reducing the Group's carbon emissions, and aligned with the emissions reduction targets outlined in the Paris Agreement, as well as in support of the respective Nationally Determined Contributions (NDCs), we have set our goals in realising our emission reduction strategy.

We aim to reduce Scope 2 emissions intensity within our property investment operations:

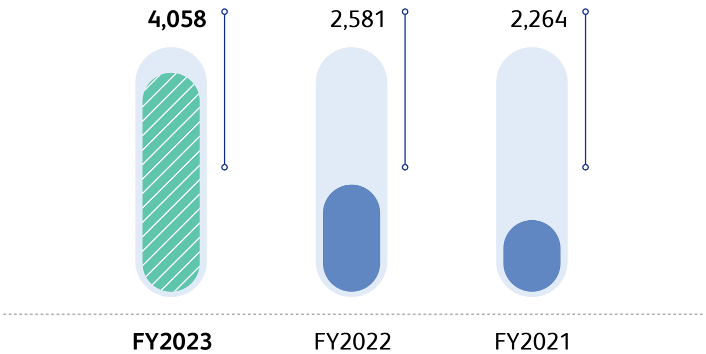
- by 15%: From FY2021 to FY2025, utilising FY2020 as the base year.
- by 18%: From FY2021 to FY2028, utilising FY2020 as the base year.

Caring for the Environment

In FY2023, the Group-wide Scope 2 emissions intensity dropped 31% as compared to FY2022. In relation to our property investment as well as hospitality & leisure segments, the Scope 2 emissions intensity reduced from 0.057 tCO_2/m^2 in FY2022 to 0.043 tCO_2/m^2, which represents a 25% decrease. This is largely contributed by our GET subscription for FY2023, which has helped decrease our carbon emission intensity by 45% compared to a business as usual (BAU) scenario whereby we do not subscribe to GET.

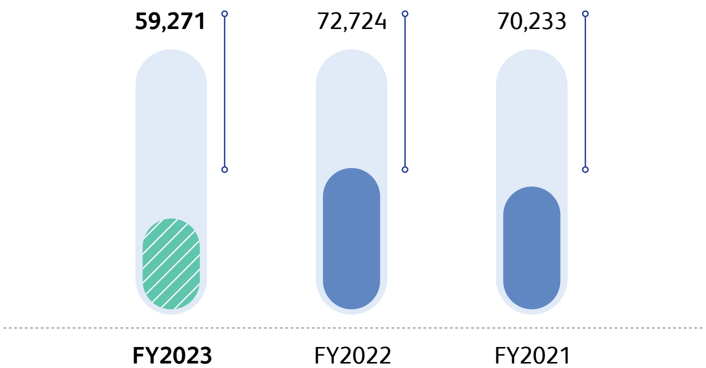
Our calculations of Scope 1, Scope 2 and Scope 3 carbon emissions adhere to the Greenhouse Gas ("GHG") Protocol emission factors, and incorporate the latest publicly available Grid Emissions Factors for Malaysia, Singapore and the People's Republic of China ("PRC").

Total Scope 1 Emissions (tCO_2/year)



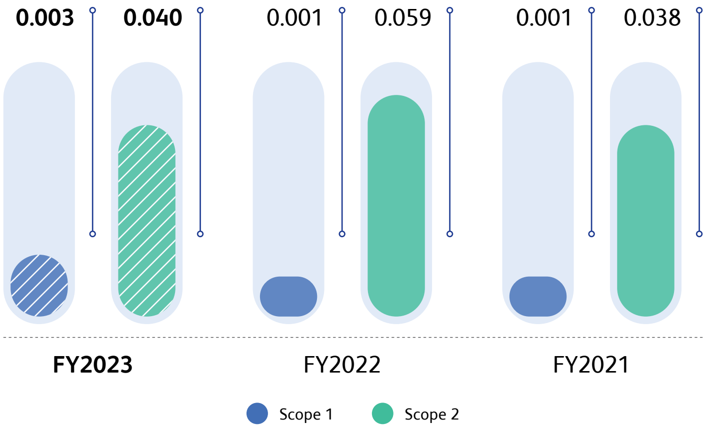
Note:
1. Data includes Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).
2. Scope 1 includes direct carbon emissions from fuel combustion (Petrol, LNG, LPG and Diesel) from company vehicles, kitchen usage and diesel generators.
3. Figures stated may not add up due to rounding of decimals.
4. The emissions for FY2021 has been adjusted to align with the updated emissions accounting method as per the GHG Protocol.
5. There is an exponential increase in our Scope 1 emissions compared to FY2022. This is due to more data made available by business units.

Total Scope 2 Emissions (tCO_2/year)



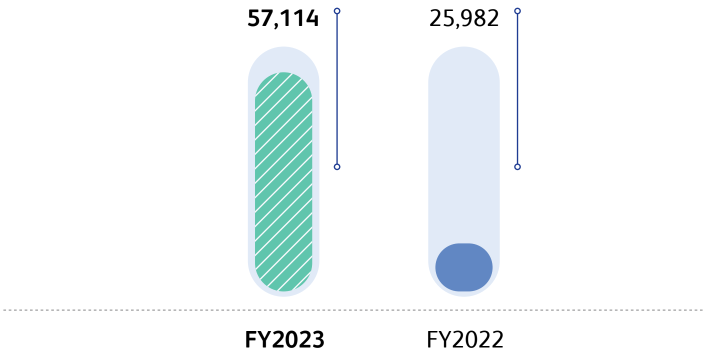
Note:
1. Data includes Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).
2. Carbon emissions data excludes emissions from tenants.
3. The emissions factor used is referring to respective regional grid emission factors.
4. 1 MWh = 3.6 GJ
5. The emissions for FY2022 has been adjusted to align with the updated emissions accounting method as per the GHG Protocol.

Group-wide Scope 1 & Scope 2 Emissions Intensity (tCO_2/m^2)



Note:
1. The emissions intensity for FY2022 has been adjusted to align with the updated emissions accounting method as per the GHG Protocol.

Scope 3 Fuel- and Energy- Related Activities (tCO_2/year)



Note:
1. Figures stated are from tenants' and contractors' purchased electricity consumption.
2. There is an exponential increase in our Scope 3 emissions compared to FY2022. This is due to our expanded fuel- and energy- related activities data collection, as more data is being collected by the various business units across FY2023.

GHG Emissions Reduction Initiatives

The Group acknowledges that the transition to a low carbon economy necessitates strategic funding and investment. In the year of reporting, the invested low carbon initiatives include solar panels and auto irrigation systems.

Total Investment in Climate Change Initiatives

RM1.93 MILLION

Our Energy Reduction Commitment and Initiatives

Throughout FY2023, various initiatives have been undertaken across the Group's operations to support the collective energy-saving and emission-reduction strategy.

Building Management System

Our managed properties are equipped with Building Management System ("BMS") for continuous monitoring of energy consumption. This system incorporates real-time data logging and pre-configured setpoints to instantaneously alert the Facilities Management team on any equipment operation or energy consumption anomalies. This helps expedite the necessary corrective actions required to rectify such anomalies.

Energy Efficiency and Conservation Practices

We are committed to saving energy through various initiatives, including:

Optimising Equipment Efficiency: We strive to maintain peak energy efficiency in all our equipment and machinery, with a special focus on chilled water system.

Controlled Room Temperatures: We maintain optimal room temperatures in our offices and hotels to minimise unnecessary energy consumption.

Lighting Management: We actively promote turning off lights and other electrical devices when they are not in use to conserve energy.

Optimal Chilled Water Temperature

We maintain the temperature of chilled water at an optimal level to ensure energy efficiency while ensuring the comfort of building occupants.

Efficient Centralised Cooling System

Our malls, hotels and office buildings are equipped with a Centralised Cooling System designed to adapt to fluctuations in demand based on operational hours. This dynamic system enhances efficiency by effectively managing cooling requirements and maintaining chiller plants.

Data Centre Cooling Strategy

Our data centre is designed with a strong emphasis on energy efficiency. It operates at a consistent temperature of 22°C-23°C to maintain a lower Power Usage Efficiency ("PUE") ratio, indicating high cooling capacity with minimal energy consumption.

Cooling Tower Infill Replacement

As part of our commitment to energy efficiency, we completed a cooling tower infill replacement project at IOI Mall Kulai in FY2021. This project resulted in estimated annual savings of approximately 473 GJ, equivalent to a reduction of 102 tonnes of CO_2 emissions per year.

Smart Meter Installation

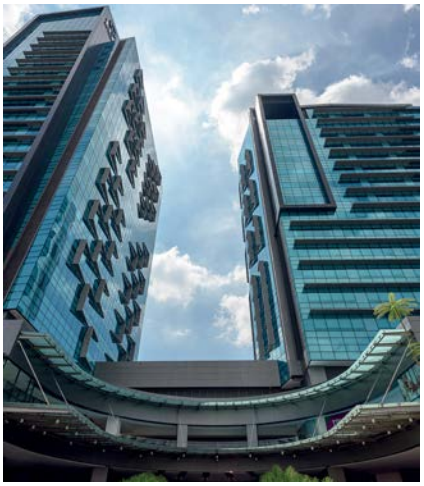
As part of our initiatives to incorporate smart technology, we have installed smart meters for all our new developments. This initiative also encourages self monitoring of electricity consumption.

Caring for the Environment

IOI City Mall

- Installed solar PV system as green alternatives for generating electricity. Generated annual renewable energy of 15,646 GJ. This represents a carbon emissions reduction of 3,390 tonnes of CO_2 per year.
- Completed motion sensor lightings installation for backyard and corridors.
- Services completed for ten (10) units of heat exchangers that resulted in improved heat transfer efficiency of 34~44%.
- Running Thermal Energy Storage (TES) system in centralised chilled water plant, catering for IOI City Tower 1 & 2, Le Méridien Putrajaya Hotel and the mall. The system stores thermal energy during periods of low chilled water demand, optimising the chilled water plant equipment energy efficiency.

PFCC



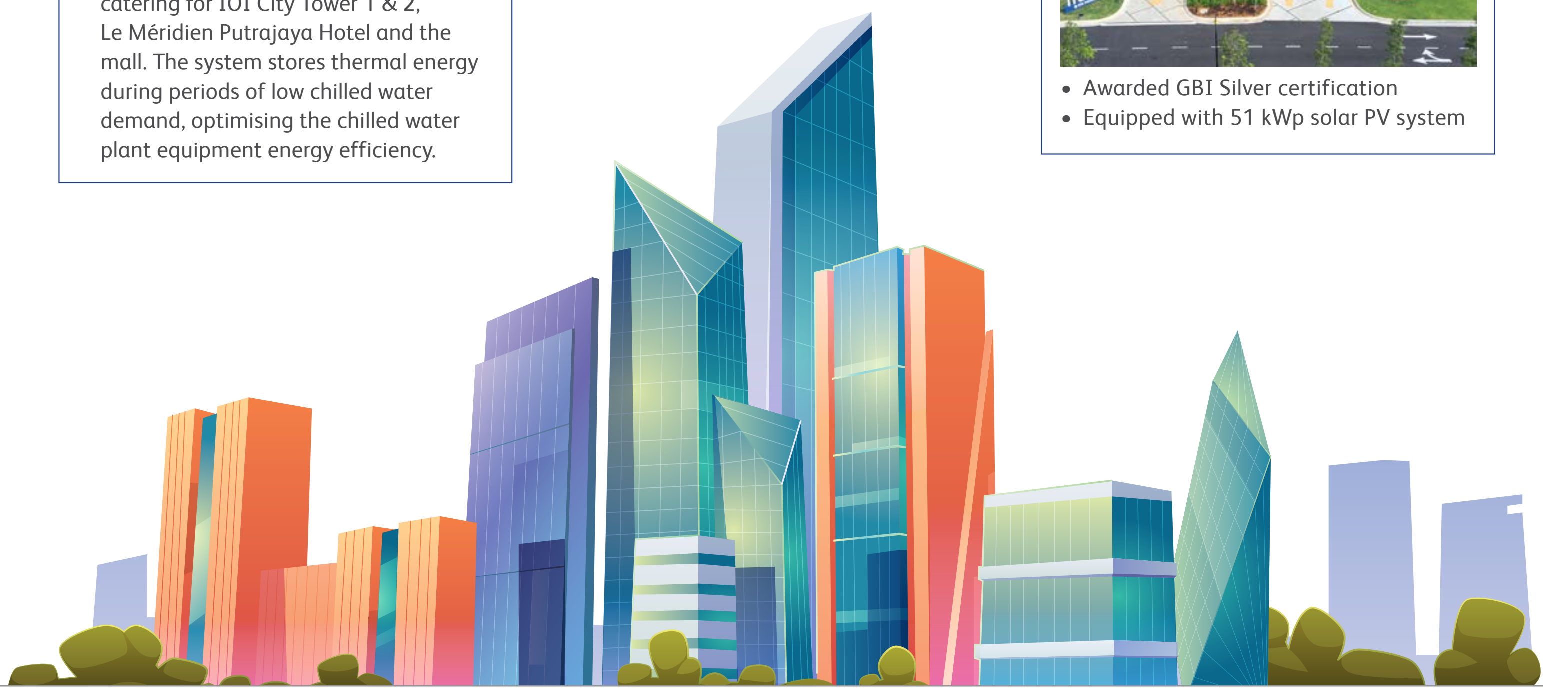
- Completed the replacement of existing brine chillers and ice thermal storage tanks with water cooled chillers coupled with chiller plant automation system for energy saving features.
- Installation of LED lightings for basement carpark and motion sensor lighting for staircases and carpark. Estimated annual energy savings of 300 GJ, which is equivalent to 65 tonnes of CO_2 emissions per year *(Note: Applicable for PFCC T4 and T5)*

IOI Mall Kulai

- Installation of solar PV system.
- Completed the replacement of cooling tower infills. Estimated annual energy savings of 279 GJ, which is equivalent to 60 tonnes of CO_2 emissions per year.

IOI Galleria Kulai

- Awarded GBI Silver certification
- Equipped with 51 kWp solar PV system



Adopting Renewable Energy

The Group aspires to reduce the reliance on fossil fuel-generated electricity by adopting renewable energy sources, notably solar power. We have strategically invested in solar energy generation across selected properties within our portfolio. This investment has not only contributed significantly to overall energy conservation but has also propelled us toward the attainment of our low carbon objectives.

BUSINESS UNITS	INSTALLED CAPACITY (KWP)	ENERGY GENERATED (GJ/YEAR)
IOI City Mall	3,564	15,646
IOI Mall Kulai*	816	3,517
IOI Rio	214	824
IOI Galleria Kulai**	51	148

Note:
* The data presented are the projected figures. The commission was only started in June 2023.
** The data encompasses only 8 months data (November 2022 - June 2023), as the renewable energy system was energised in November 2022.

The solar panels on the rooftop of IOI City Mall in IOI Resort City.

Caring for the Environment

Minimising Carbon Footprint

In FY2023, the Group implemented several impactful initiatives aimed at reducing our carbon footprint and promoting sustainability:

Ecological Landscaping

In FY2023, IOIPG planted a total of 5,218 trees and transplanted a total of 228 trees across our developments. This contributes to carbon sequestration, as part of our efforts to mitigate climate change.

Pedestrian Walkways and Cycling Paths

Our township developments prioritise more sustainable transportation options by having pedestrian walkways and cycling paths. These features are strategically located to encourage residents to walk or cycle to nearby amenities, reducing the reliance on carbon emitting vehicles and hence reduce the carbon footprint of the community.

Electric Vehicles

IOIPG has embraced electric vehicles (EVs) in our efforts to adopt cleaner and more sustainable transportation. We utilise electric motorcycles for our security personnel and provide electric buggies at our golf clubs. Moreover, we have installed 30 electric vehicle charging stations at various locations including IOI Mall Puchong, Puchong Financial Corporate Centre (PFCC), IOI City Mall, and Putrajaya Marriott Hotel, promoting the adoption of EVs among our stakeholders.

Renewable Energy

The adoption of more renewable energy across the Group in the last financial year further underlines our intention to decarbonise. In FY2023, we have commissioned the newly installed solar panels at IOI Galleria Kulai.

The combined contribution of both IOI City Mall and IOI Galleria Kulai amounts to 15,794 GJ, which translates into a substantial reduction of approximately 3,422 tCO_2/year in carbon emissions.

Shared Mobility

We encourage our employees to practise carpooling, which is an effective way to reduce the number of single-occupancy vehicles on the road, leading to lower carbon emissions and reduced traffic congestion. In addition to carpooling, we facilitate shared mobility through the provision of shuttle bus services. These services serve as convenient first and last-mile connectivity within IOI Resort City, linking key locations such as IOI City Mall, Putrajaya Marriott Hotel, Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel and Le Méridien Putrajaya. By offering shuttle bus options, we reduce the environmental impact associated with personal vehicle use.

These initiatives collectively demonstrate our commitment to sustainability with proactive measures to combat climate change while promoting cleaner and more eco-friendly practices across our operations.

Transit Oriented Development (TOD)

In our efforts to help our community reduce carbon footprint, the Stellar Suites, a Transit Oriented Development (TOD) is located 50m away from the Bandar Puteri LRT station. In 16 Sierra, the 16 Sierra Mass Rapid Transit ("MRT") Station was commissioned for operations on 16 March 2023, providing transit connectivity to the key landmarks from Putrajaya, Serdang and north bound towards the city centre of Kuala Lumpur.

More details on TOD from pages 72 to 73 of MD&A.

MRT 16 Sierra

Strategising for Low Carbon Development

In our quest to strategise for long term decarbonisation, IOIPG looks into the life cycle of buildings to explore the alternatives to lowering GHG emissions from the life cycle stages involved. This includes understanding the Scope 1, 2 and 3 emissions of products that we develop and manage. Hence, we may plan accordingly for the choice of materials, construction methods or equipment that could help to optimise the use of the buildings and minimise carbon footprint.

We have concluded a pilot project to assess the embodied carbon of Gems Residences, our high rise development in IOI Resort City. The Carbon Footprint Assessment identified the upfront carbon of the Product stage and Construction Process stage of the life cycle stages.

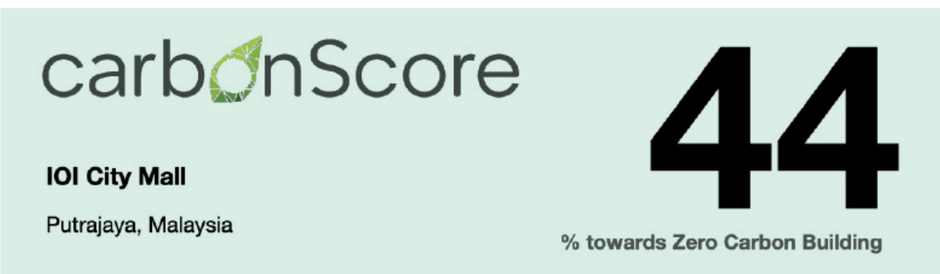
It identified the high carbon materials e.g. concrete, steel, cement, and hence enabling the design phase to consider the alternative lower carbon materials.

The study was conducted in accordance with the methodologies specified by the UK Royal Institution of Chartered Surveyors ("RICS") and the UK Institution of Structural Engineers (IStructE), with respect to the life cycle stages as defined in the EN 15978 standard for building life cycle assessment.

Gems Residences

As assessed, the upfront embodied carbon is 553kg CO_2e per m^2 based on Gross Floor Area (GFA), 1 band below the ideal LETI 2020 Good Design Target.

Moving forward, the Group wishes to assess the embodied carbon of its developed products, as we aspire to support the national ambitions (Malaysia, Singapore and China) to achieve Carbon Neutrality or Net Zero.



IOI City Mall is proud to be the 1st shopping mall picked by Malaysia Green Building Council (MGBC) to assess its Carbon Score.

The MGBC Carbon Score is a comprehensive assessment adopted to measure the carbon footprint of Malaysian buildings, in line with national standards for carbon reporting and management.

The mall scored 44% towards Zero Carbon Building, taking into considerations the CO_2 avoided with the Renewable Energy (RE) generated by solar PV systems, and CO_2 reduced through Energy Efficient (EE) initiatives. The assessment also considered embodied carbon, commuting to/from the building and the building's municipal waste.

Caring for the Environment

OUR WATER CONSUMPTION

Water resources play a crucial role in safeguarding natural ecosystems and biodiversity. The management of water resources and the enhancement of water quality control are essential to ensure the sustainable development of regional economies and societal stability. In aquatic ecosystems, the presence and quality of water could influence the health and diversity of species by affecting the habitat stability and nutrient cycling. Given that, changes in water levels and pollution could harm aquatic life and disrupt these ecosystems.

Water consumption and management in the real estate industry are critical in sustainable development and environmental stewardship. As the demand for water increases due to population growth and urbanisation, managing water resources responsibly becomes increasingly important. With the frequent occurrence of water scarcity and reduced water availability, the Group acknowledges the significant risks associated with water security. This concern holds particular weight in the water stressed regions where we operate, such as Malaysia, the People's Republic of China, and Singapore. It has been projected that future climate may exacerbate the water stress condition.

Our Initiatives in Water Conservation

We are taking comprehensive actions, which encompass the implementation of water management strategies across the Group. This involves engaging key stakeholders, including employees, tenants and customers. Our primary objectives consist of closely monitoring water consumption, recognising potential risks and opportunities, and introducing water conservation projects. These efforts will persist as we strive to attain our established target of reducing water consumption intensity.

Water Consumption Intensity
(FY2020 as baseline)
↓10%

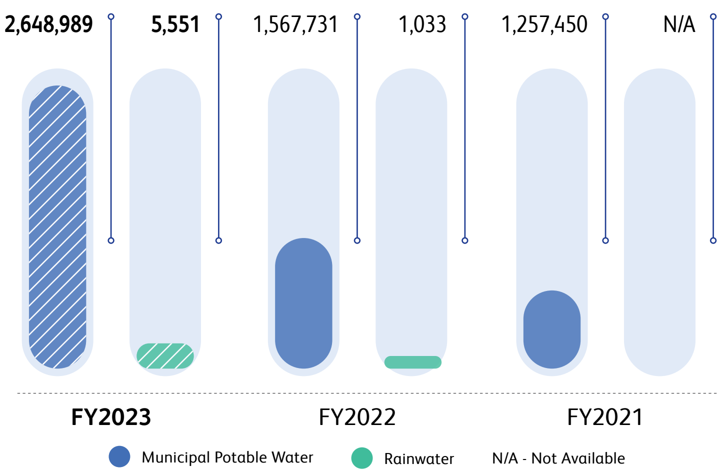
Note: Applicable for property investment operations from FY2021 to FY2025.

In FY2023, our property investment segment's water consumption intensity has increased to 1.66 m^3/m^2 compared to 1.24 m^3/m^2 in FY2022. This is due to the increase in business activities for the segment, hence an increase in the municipal water consumption. Despite the increase in our municipal water consumption, we have also increased the volume of rainwater harvested and utilised.

In FY2023, we harvested 5,551 m^3 rainwater for our Group-wide operations, a practice that aligns with our commitment to sustainability and responsible resource management. The harvested rainwater play a crucial role in reducing our dependence on conventional water sources for landscaping activities, thus contributing to the conservation of municipal water.

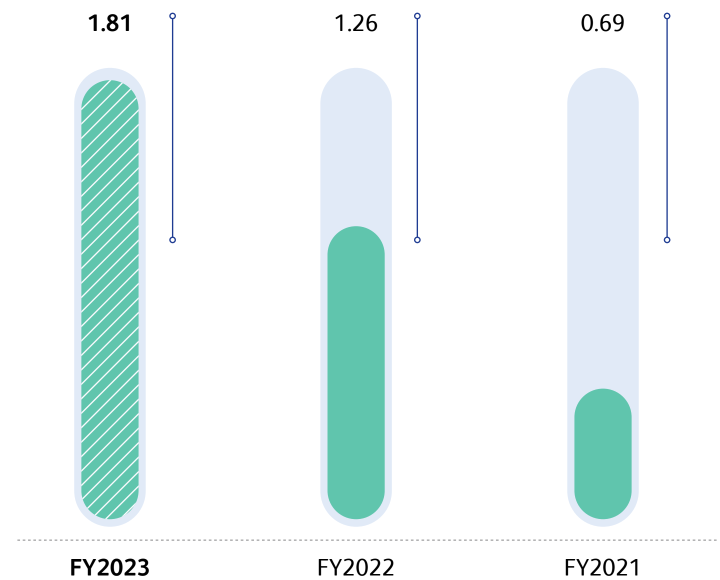
As we continue to implement these water-saving measures and harness rainwater for practical purposes, we are actively reducing our environmental impact while ensuring efficient and responsible water use within our Group's operations. The following details our Group's overall water consumption and its intensity.

Total Water Consumption (m^3/year)



Sourced from Harvested Rainwater
5,551 m^3

Annual Water Consumption Intensity (m^3/m^2)



Note:
1. All data include Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).

Localised Water Action for Sustainable Future

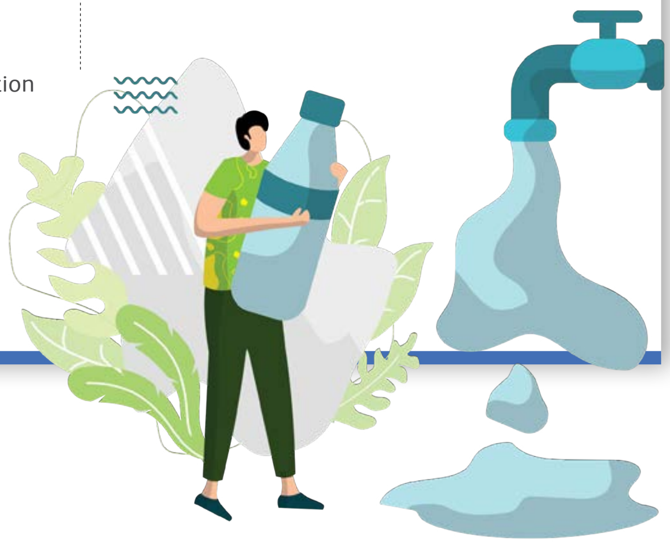
Our dedication lies in mitigating the reduction of water shortage risks by minimising wastage and actively conserving precious water resources. By adopting efficient technologies and sustainable practices, the Group can contribute to water conservation, reduce environmental impact and ensure a more sustainable future.

We have integrated the following proven water conservation initiatives into our business operations:

Water Conservation Measures

We encourage water-saving practices among our employees through various initiatives, including:

- Reducing Pantry and Washroom Wastage: We encourage minimising the wastage of water in pantries and washrooms, emphasising the importance of responsible water use.
- Taps Off When Not in Use: Employees are encouraged to turn off water taps when they are not actively using them to prevent unnecessary water flow.
- Adoption of water efficient fittings such as sanitary fittings and wares designed to minimise water use such as PUB WELS 3-Ticks Water Fittings. (Singapore)
- Deployment of dual water supply urinal and toilet flushing in office towers, utilising both Public Utilities Board (PUB) supplied tap water and reclaimed NEWater to minimise the consumption of potable water. (Singapore)
- Preventing Over-Irrigation: We take measures to avoid over-irrigation wherever possible, ensuring that landscaping and green spaces receive the appropriate amount of water without excess.
- Reducing Cleaning Waste: We promote responsible cleaning practices that minimise water overflow and repeated cleaning, reducing unnecessary water consumption.
- Prompt Leak Repair: To prevent water loss, we prioritise immediate repair of pipe leakages, aiming to minimise the time it takes to address any water-related issues.



Caring for the Environment

Enhanced Faucets for Water Efficiency

As part of our effort to reduce water wastage, we have installed improved basin taps in our managed buildings. These taps are designed with lower flow rates and come equipped with features such as aerators, water sensors, and self-closing mechanisms, all aimed at conserving water.

Utilising Rainwater

We harness rainwater, a readily available renewable resource, for irrigation and cleaning purposes. We've strategically placed tanks throughout our facilities to collect rainwater for these tasks. Additionally, at IOI City Mall, we've constructed eco-toilets that utilise rainwater.

Eco-Friendly Hotel Practices

To promote environmental conservation, our hotel guests can choose not to have their towels and bed linens changed daily. This initiative helps reduce water consumption and detergent usage. We're committed to raising awareness about these benefits at our properties.

WASTE AND EFFLUENTS

Given the nature of the real estate industry, business and operational activities typically generate a substantial amount of waste and effluents that may have environmental impacts if not managed properly.

As we identify the waste streams of our business units across all operating segments, the Group is better able to appropriately manage, treat or dispose of various types of waste. Apart from implementing the Group's Waste Management Policy and the relevant waste segregation or housekeeping procedures (SOPs) in our business operations, we included provision of waste segregation & recycling facilities.

To further enhance our resource management effectiveness, we embrace innovations and digitalisation of work process. These technologies not only improve operational efficiency but also contribute to a more sustainable and environmentally friendly outcomes e.g. reduced waste generation or diverted waste to landfill. Moreover, the Group initiated our internal target of 10% to increase its recycling rate for its managed properties. We remain committed to ensuring that all our business operations adhere to relevant regulations, particularly in the management of scheduled waste.

Puteri Mart is dedicated to transforming fruit peels into environmentally friendly cleaning enzymes, serving as natural and chemical-free cleaning agents. This year, they have successfully upcycled approximately 138kg of fruit peels, producing an impressive 1,116 bottles of these eco-conscious cleaning solutions. These cleaning agents are given away to customers and also used for cleaning at the compound. In FY2023, Palm Garden Golf Club demonstrated its commitment to sustainability by composting more than 23,000kg of garden waste, including leaves and branches. The compost is then used to enrich soil quality at the golf course. Additionally, our dedicated landscape department uses a mulching machine to transform garden waste into soil additives.

We acknowledge the hazardous nature of scheduled waste and its potential adverse impacts on the environment and public health. Consequently, we maintain a vigilant stance in monitoring scheduled waste generated at our operation sites, including substances such as used engine oil. Our operations strictly adhere to the Environmental Quality (Scheduled Wastes) Regulations of 2005.

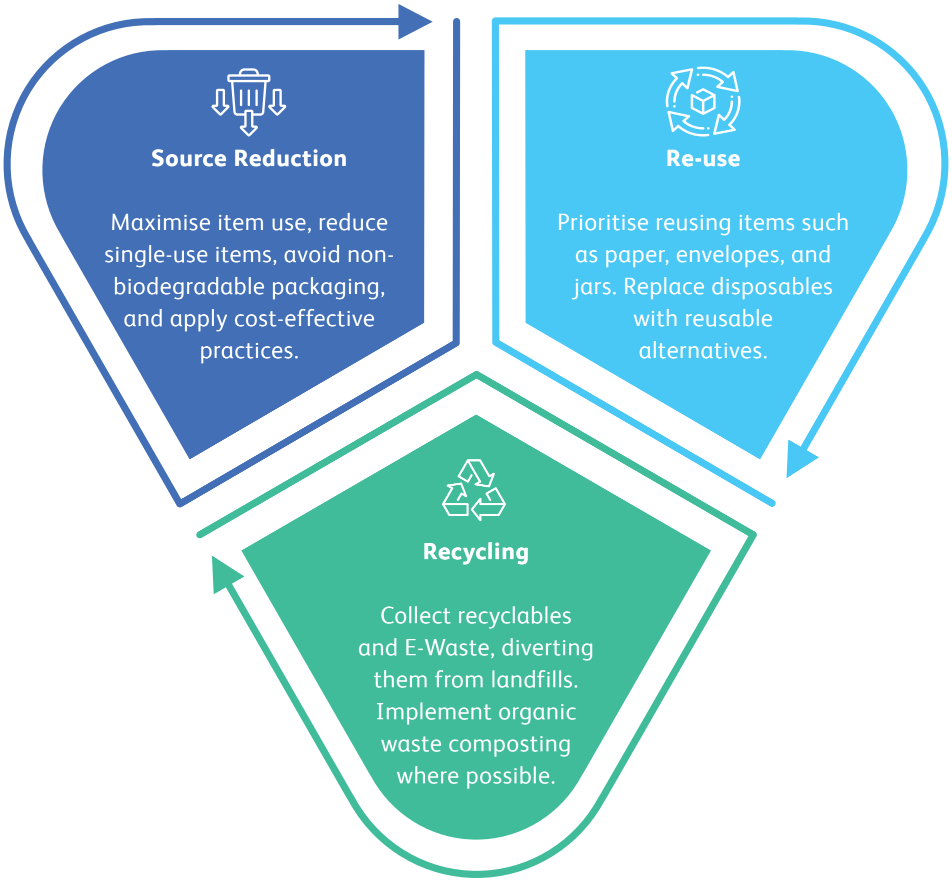
To guarantee the safety of both the environment and public health, we take meticulous care in storing all scheduled wastes appropriately. Additionally, we ensure that only licensed contractors are engaged in the proper collection and disposal of these hazardous materials. This comprehensive approach underscores our commitment to responsible waste management and environmental protection.

Caring for the Environment

Waste Management Policy and Action

We adhere to the '3R - Reduce, Reuse, and Recycle' as a guiding principle in our conservation efforts by reducing waste generation, reusing materials wherever possible, and promoting recycling initiatives.

This commitment is also reflected in our Group's Waste Management Policy, as summarised in the following:



To ensure effective waste management, the Group's Corporate Sustainability Department collaborates with our business units to ensure proper solid waste treatment and management. In our commitment to waste reduction and responsible waste management, the Group conducted "Waste-to-Treasure" campaigns, provides waste segregation bins in managed properties, developed townships and project sites. Our hotels, Putrajaya Marriott Hotel and Le Méridien Putrajaya participated in the Food Bank Malaysia ("FBM") programme under the Ministry of Domestic Trade and Consumer Affairs ("KPDNHEP") to turn approximately 231kg of consumable food into packed cook food to help the needed community. The food processed by the retort machine have a guarantee of hygiene, longer shelf life and can last at least a year.

We have implemented an Environmental Aspect and Impact Register across our operations, integrating waste management into our daily activities. Within this framework:

- Successful waste recycling practices are categorised as "Beneficial Impact".
- In instances of poor waste management, we designate it as a potential source of land contamination.

The importance of these waste management practices in the context of environmental conservation is to reducing the amount of waste that ends up in landfills and repurpose recycled materials for other valuable purposes. This promotes circular economy that helps minimise the need for extracting new raw materials, which, in turn, conserves environmental resources.

Beyond adhering to our Group-wide policy, our key business units also established an effective approach to ensuring proper waste management and monitoring is in place. We collect and monitor waste-related data through various processes, including waste records, a structured waste management procedure, waste estimation, and requests for waste data from contractors. The specific approaches implemented by the Group is outlined below:

Compliance: Strict adherence to government regulations, particularly in waste sorting and recycling.

Annual Waste Audits: To assess and improve waste management strategies, annual waste audits are conducted to identify areas for improvement.

Certifications: Maintaining rigorous standards for waste management through ISO 14001 and Environmental Management System ("EMS").

Stakeholder Campaigns: Annual awareness campaigns target tenants and local communities at our office buildings to educate and engage them in sustainable practices.

Project Site Controls: Effective control of waste disposal is extended to project sites.

Recycling Drive-Through: Implementation of recycling programme that provides convenience to encourage recycling.

Monthly Waste Tracking: Each sales gallery and office maintains a monthly record of general and recycled waste, enhancing accountability and tracking progress.

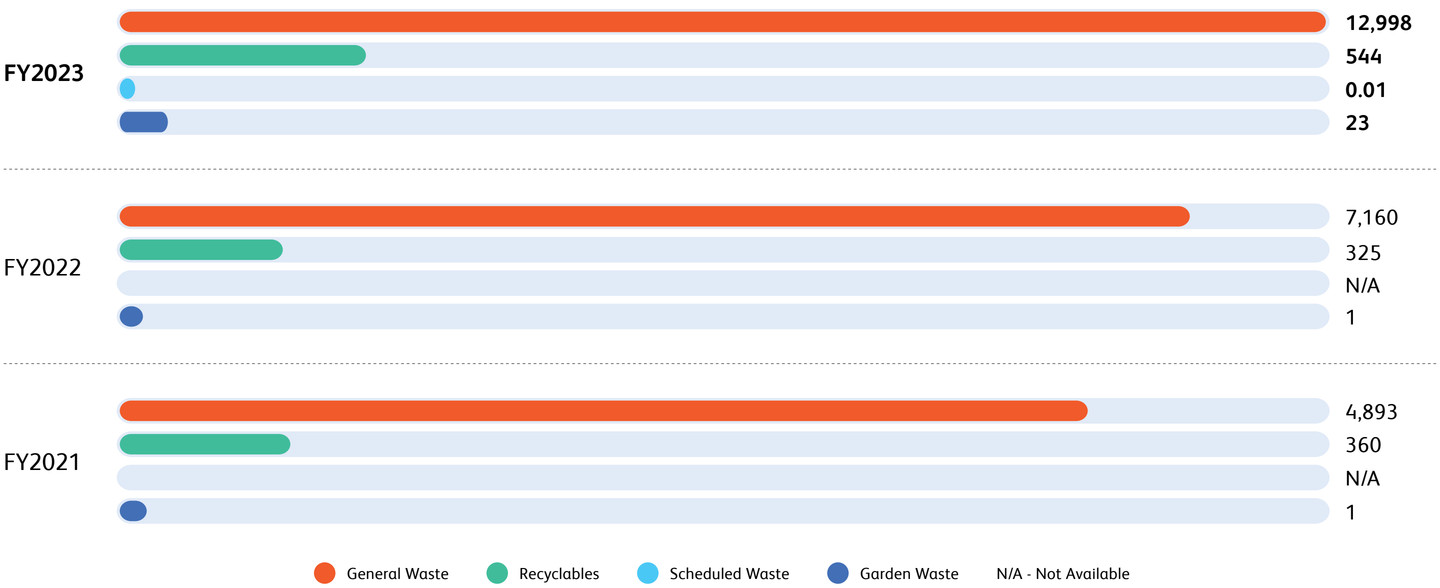
Eco-Friendly Packaging: Promotion of the use of eco-friendly bags and reduced packaging.

Office Cleaner Roles: Dedicated staff within our offices and project sites segregate waste and facilitate the proper transfer to dedicated recycling bins.

Community Clean-Up: An annual "Gotong-Royong" rubbish-cleaning event takes place in property development and public areas.

The following is a summary of the waste generated across the Group's managed properties, showcasing where higher amount of recyclables were segregated for recycling purposes, and substantial increase of garden waste being composted instead of being disposed. The recycling rate maintained at 4%, despite increase of general waste.

Total Waste Generated (tonnes)



Caring for the Environment

Waste Reduction at Source

We strongly advocate for minimising waste generation right at its source. At the corporate office, we have implemented various paper waste reduction initiatives, including:

- **Embracing Paperless Documents**: Advocate the use of digital documents to minimise paper usage.
- **Reducing Email Printouts**: Discourage unnecessary printing of emails.
- **Double-Sided Printing**: Encourage double-sided printing and photocopying to save paper.
- **Precision in Printing**: Print or photocopy only the exact number of copies needed.
- **Limited Paper Supply**: Provide a limited paper supply at common printers and photocopiers to discourage excess use.
- **Digital Accessibility**: Make company policies, administration documents, and application forms available on the Group's intranet to facilitate easy access and reduced reliance on physical copies.

We are committed to minimising waste and preserving resources through our digitalisation efforts. Our digital transformation initiatives, including CLUB IOI, IOIPG-PQSH, IOI eMarketplace, Enterprise Content Management ("ECM") systems, and automated payment processes, have significantly reduced our reliance on paper. IOI eMarketplace alone has saved an estimated 81,840 paper documents, and since FY2020, we have discontinued distributing CD-ROMs of our annual reports, resulting in savings of approximately 76,000 CD-ROMS to date.

Furthermore, to promote waste reduction within the broader community, IOI Mall Puchong has introduced the KITACycle recycling centre with a weigh-and-pay system, allowing the public to earn cash by recycling and diverting waste from landfills. We also encourage waste segregation among our employees, tenants, and the public by providing recycling bins in common areas, including sales galleries, all our malls, and our office buildings. These efforts collectively contribute to a more sustainable and environmentally conscious waste management approach.

Recycling Waste with Community

Our Recycling Drive 2023, organised across all townships in the Klang Valley, Johor, and Penang was organised in collaboration with NGOs and recycling partners such as Cenviro, Arus Oil, Generasi Peduli Sampah (GPS), e-Idaman, and SWM Environment aimed to raise awareness about the importance of recycling and promote sustainable practices within the community. A total of 1,967kg of recyclable materials compromising of aluminium, cardboards, e-wastes, papers, plastics, steels and 154.2kg of used cooking oils were collected. Interactive and engaging upcycling activities like candle-making from used cooking oils and moulding/doodling on crushed-glass were also conducted during the event. We have witnessed an overwhelming response from our community, with an incredible display of enthusiasm and dedication towards waste reduction and recycling. Together, we have achieved remarkable milestones, making a positive impact on our environment and creating a more sustainable future for all.

MATERIAL CONSUMPTION

The demand for materials has seen a continuous upward trend, driven by rapid urbanisation, population growth and real estate development. This escalating consumption is putting immense pressure on finite resources. Efficient materials consumption is essential for sustainable development, cost management and minimised environmental impact.

With rising awareness of environmental concerns, there has been a notable shift towards the use of sustainable and eco-friendly materials. Recycled, renewable and low-carbon materials are gaining popularity among builders and developers.

The Group acknowledges the environmental consequences stemming from the production of construction materials and its role in incurring embodied emissions. Since FY2019, we have diligently monitored the utilisation of key construction materials across our projects. Furthermore, we have initiated the assessment of the embodied carbon footprint associated with construction materials used in both our property development and property investment endeavours. This allows us to evaluate the broader carbon life cycle impact of our projects.

Below is a compilation of some of the major construction materials procured by the Group:

MATERIALS	FY2023	FY2022	FY2021
Steel (tonnes)	**6,231**	18,808	11,982
Concrete (m^3)	**123,557**	87,387	72,219
Tiles (m^2)	**215,123**	139,446	103,078
Cement (kg)	**2,738,000**	-	-

Notes:
1. All data include Group-wide business operations (Malaysia, Singapore and Xiamen, PRC).
2. Cement data is not available in FY2021 and FY2022.

Enhanced Building Material Efficiency

We embrace innovative techniques such as system formwork and the incorporation of prefabricated components in the construction of high-rise buildings. Prefabricated components play a pivotal role in advancing material efficiency due to their production in controlled factory settings, which significantly reduces material wastage.

System formwork further reinforces our commitment to sustainability, as it facilitates multiple reuses, and the formwork material itself is recyclable. System formwork is widely applied in constructing high-rise tower blocks exceeding 10 stories, excluding podiums, facility decks, basements, or standalone structures such as guardhouses and refuse centres.

The percentage of system formwork utilisation for ongoing and completed projects in FY2023 is as follows:

PROJECTS	UTILISATION OF SYSTEM FORMWORK (%)
2 Rio Residences	98%*
Aster & Oakleaf	86%**
Arena Residences	98%***
IOI Central Boulevard Towers	100%

Notes:
* For all typical floors, excluding the ground floor and transfer plate.
** For the ground floor and onwards, system formwork is used for columns.
*** For typical floors, system formwork is utilised for all components except for the ground beam and slab.

Apart from system formwork, the Group reuses sawn formwork for casting Reinforced Concrete (RC) structure, extended to 4 to 5 times per use.

Caring for the Environment

Reducing Environmental Footprint

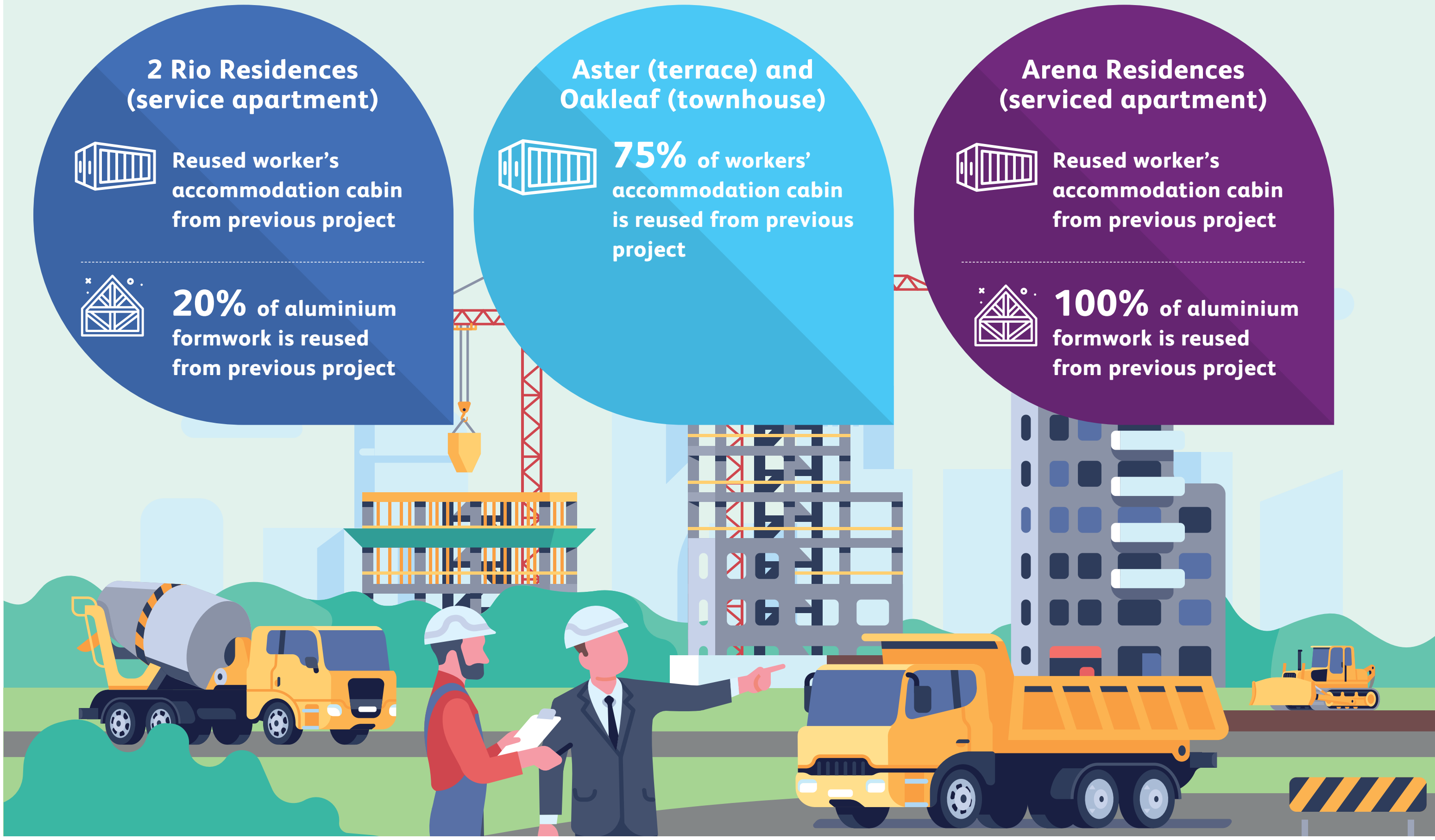
In pursuing low-carbon initiatives, we proactively promote the adoption of eco-friendly materials, which encompass those with a high proportion of recycled content, low levels of volatile organic compounds ("VOCs"), and green-certified materials. This commitment serves to diminish the ecological impact associated with goods and services throughout the entire lifecycle of property development.

Within our property investment segment, we are dedicated to reducing the unnecessary use of draperies and championing the reuse of decorative materials. These initiatives are executed with a steadfast commitment to maintaining service excellence and enhancing the customer experience. As a tangible example, Icescape, an ice-skating rink managed by our Group, features a flooring material crafted entirely from 100% recycled rubber tiles derived from discarded tires. This practice is consistent with IOIPG's Sustainability Policy and Waste Management Policy.

Promoting the Use of Reused and Reclaimed Materials

As the Group acknowledges the importance of sustainability and environmental responsibility, promoting the use of reused and reclaimed materials is one of the strategic approaches. This practice not only conserves valuable resources but also significantly reduces our environmental footprint.

A snapshot of our commitments to advocating the utilisation of reused and reclaimed materials across our Group's business operations is illustrated below.



IOI Central Boulevard Towers:

Concrete waste are upcycled to parking kerbs

Concrete waste used as temporary kerb for lift openings, slab openings to act as toeboard and stop water ingress

Concrete waste are used to make concrete cubes for pile testing at other projects

Caring for the Environment

BIODIVERSITY

As urbanisation continues to expand, biodiversity is a crucial element for maintaining healthy ecosystems and promoting sustainable development. Rich biodiversity not only supports the natural environment but it could also act as nature-based solutions that benefits the society by improving air and water quality, mitigating climate change impacts, and enhancing overall well-being of local community.

Biodiversity offsetting and net gain are gaining traction in the property industry as crucial mechanisms for balancing the loss of natural habitats due to development. At IOIPG, sustainable living continues to be at the heart of everything we do. We remain committed to conserving urban biodiversity by incorporating blue and green features in our developments and the surrounding areas. Not only does this provide our communities with a direct connection to nature, but it also enables them to enjoy a healthier and more sustainable lifestyle in a thriving environment.

Biodiversity Policies and Commitments

In line with our Sustainability Policy Statement, we adhere to international policies, legislations and codes of practice that aim at mitigating the negative impacts of our business operations on biodiversity. These include the National Policy on Biological Diversity, National Landscape Guidelines, Task Force on Climate-related Financial Disclosures and United Nations Sustainable Development Goals ("UN SDGs").

Safeguarding Flora and Fauna

In support of flora and fauna species conservation, a total of 5,218 trees were planted in our township in FY2023.

From this total, 924 species assessed were Near Threatened, Vulnerable or Endangered under the IUCN Red List of Threatened Species. The trees are populated as part of landscaping or within our urban parks.

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

SPECIES	COMMON NAME	STATUS IN IUCN RED LIST
Araucaria excelsa	House Pine	Vulnerable
Chrysalidocarpus lutescens H. Wendl	Yellow Cane Palm	Near Threatened
Dalbergia latifolia	Indian Rosewood	Vulnerable
*Dalbergia oliveri**	Black Rosewood	Endangered
Eucalyptus deglupta	Rainbow Gum	Vulnerable
*Eugenia grandis**	Sea Apple	Vulnerable
Pterocarpus Indicus var. Pendula	Angsana	Endangered
Handroanthus chrysanthus (Jacq.) S.O.Grose	Golden Trumpet Tree	Vulnerable
Handroanthus impetiginosus (Mart. ex DC.) Mattos	Pink Trumpet Tree	Near Threatened
*Hopea odorata**	Merawan Siput Jantan	Vulnerable
Jacaranda mimosifolia D. Don.	Jacaranda	Vulnerable
*Khaya grandifoliola**	Benin Mahogany	Vulnerable
*Terminalia ivorensis**	Black Afara	Vulnerable
Shorea roxburghii	Temak	Vulnerable

* Native to Malaysia

Saving The Trees

Our key priority is to minimise the negative impacts of our operations on biodiversity. Accordingly, we conduct Environmental Impact Assessments ("EIAs") prior to the commencement of all projects which require them. This includes biodiversity and ecological studies, where applicable, for biodiversity within and adjacent to our developments.

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 also set a target to preserve 5% of trees of every valuable species in our developments prior to project commencement. We are working towards providing a conducive habitat within our projects to sustain biodiversity over time. We also prioritise trees that are valuable (Near Threatened, Vulnerable, Endangered) or local species.

Number of trees planted in our developments:
5,218

Number of trees transplated in our townships:
228

In addition, we conserve urban parks and landscaping as part of our 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 run-off, flood mitigation etc.

Caring for the Environment

Urban Biodiversity Highlights

Our approach to urban biodiversity conservation focuses on the incorporation of features that ensure that people, flora and fauna can co-exist in harmony e.g. at Bandar Puteri Town Park, Oasis Park etc.

The Bandar Puteri Town Park is a prime example of our efforts. 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, Bandar Puteri Town Park continues to thrive while being preserved amidst human activities. The park has since added 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.

In effort to conserve the biodiversity in our parks, we document the observed flora and fauna species.

Bandar Puteri Town Park

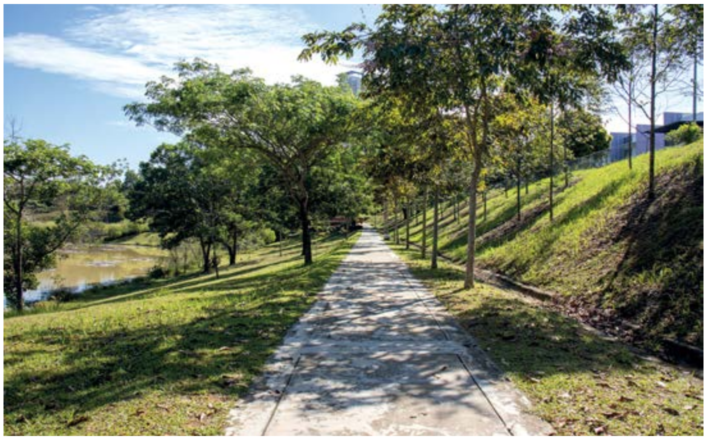
Flora	89 Total Known Species	Valuable Flora Species: Hopea odorata (VU) Khaya senegalensis (VU) Cavanillesia platanifolia (NT) Swietenia mahagoni (NT)
Fauna	128 Total Known Species	Macaca fascicularis (EN) Lutrogale perspicillata (VU)

36 Birds	4 Fishes
1 Amphibians	3 Reptiles
79 Insects	2 Mammals
2 Mollusks	1 Arachnids

Oasis Park

Flora	31 Total Known Species	Valuable Flora Species: Lagerstroemia langkawiensis (EN) Hopea odorata (VU) Eucalyptus deglupta (VU) Khaya senegalensis (VU)
Fauna	62 Total Known Species	Valuable Fauna Species: -

26 Birds	2 Reptiles
33 Insects	1 Arachnids



EcoOasis Parkland

This 3.75-acre park located in the Bandar Puteri Bangi township celebrates our connection with the natural environment. Featuring a recreational playground, a viewing deck overlooking the wetland and boardwalk, the park provides lush communal spaces to the community, apart from being a habitat to some aquatic and terrestrial species.

IOI Resort City Central Park

The 10-acre Central Park development at IOI Resort City (IRC) is currently in progress, including an existing water body. Its lush green landscape includes a lake, boardwalk, pet park as well as recreational and outdoor exploratory facilities, will enable the IRC communities e.g. residents, visitors, hotel guests, mall patrons, office tenants amongst others to get close to nature.

Urban Biodiversity Highlights in Bandar Puteri Town Park

Asian water monitor (Varanus salvator)

Painted Bronzeback (Dendrelaphis pictus)

Smooth-coated otter (Lutrogale perspicillata)

The Lesser Dart (Potanthus omaha)

The-blue-tailed-bee-eater (Merops philippinus)

Leaf-footed Bug Nymphs (Leptoglossus sp.)

Caring for the Environment

Exciting Urban Biodiversity conservation initiatives

Biodiversity Valley

Among the Group's upcoming environmentally focused initiatives is the IOI Kulai Bio-Diversity Valley in Johor, specifically located in Kulai. We have conducted a thorough biodiversity assessment at the designated site in preparation for this project.

The development of the IOI Kulai Bio-Diversity Valley is set to commence in FY2024, and it aims to establish a vital green space within an urban environment. This biodiversity sanctuary will prominently feature wetlands, that will play a crucial role in providing essential ecological benefits in its surroundings.

IOI Central Boulevard Towers Redefining the Concept of Urban Greenery

In our exciting development in Singapore, the IOI Central Boulevard Towers will host a remarkable diversity of flora and fauna across a sprawling 120,000 sq ft space.

This botanical wonderland features carefully selected trees and plants that serve multiple purposes, including preserving biodiversity, cleansing the air of pollutants, cooling the urban landscape, and enhancing overall happiness of the community.

From fragrant, air-purifying plants to trees with natural pollutant-removal abilities, our enchanting micro-habitat seamlessly integrates nature into the heart of the city.

Tenants will have the privilege of immersing themselves in a therapeutic environment thoughtfully designed to nurture their psychological and spiritual well-being.

Trees planted at the tower (including IUCN assessed species*):

- **Neem Tree** *Azadirachta Indica**
- **Leopald Tree** *Caesalpinia Ferrea**
- **Keseru** *Heteropanax Fragans*
- **Angsana** *Pterocarpus Indicus var. Pendula**
- **Fiddle-leaf Fig** *Ficus Lyrata**
- **Fukugi Tree** *Garcinia Subelliptica*

IOI Central Boulevard Towers - Urban Greenery

Community Outreach Programmes

Joining Forces For A Bigger Impact

The Group regularly 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 has helped us gain better insights into the future planning of the park and other green areas in our developments. We have also worked with Sekitar Kita, Water Warriors Universiti Malaya and Iskandar Malaysia City Nature Challenge to promote awareness among the public about biodiversity conservation.

IOI Connects To Earth

Our umbrella campaign aims to promote public awareness on climate change mitigation and adaptation as well as biodiversity conservation. It emphasises capacity building of our employees and local communities through pocket talks, workshops and community programmes.

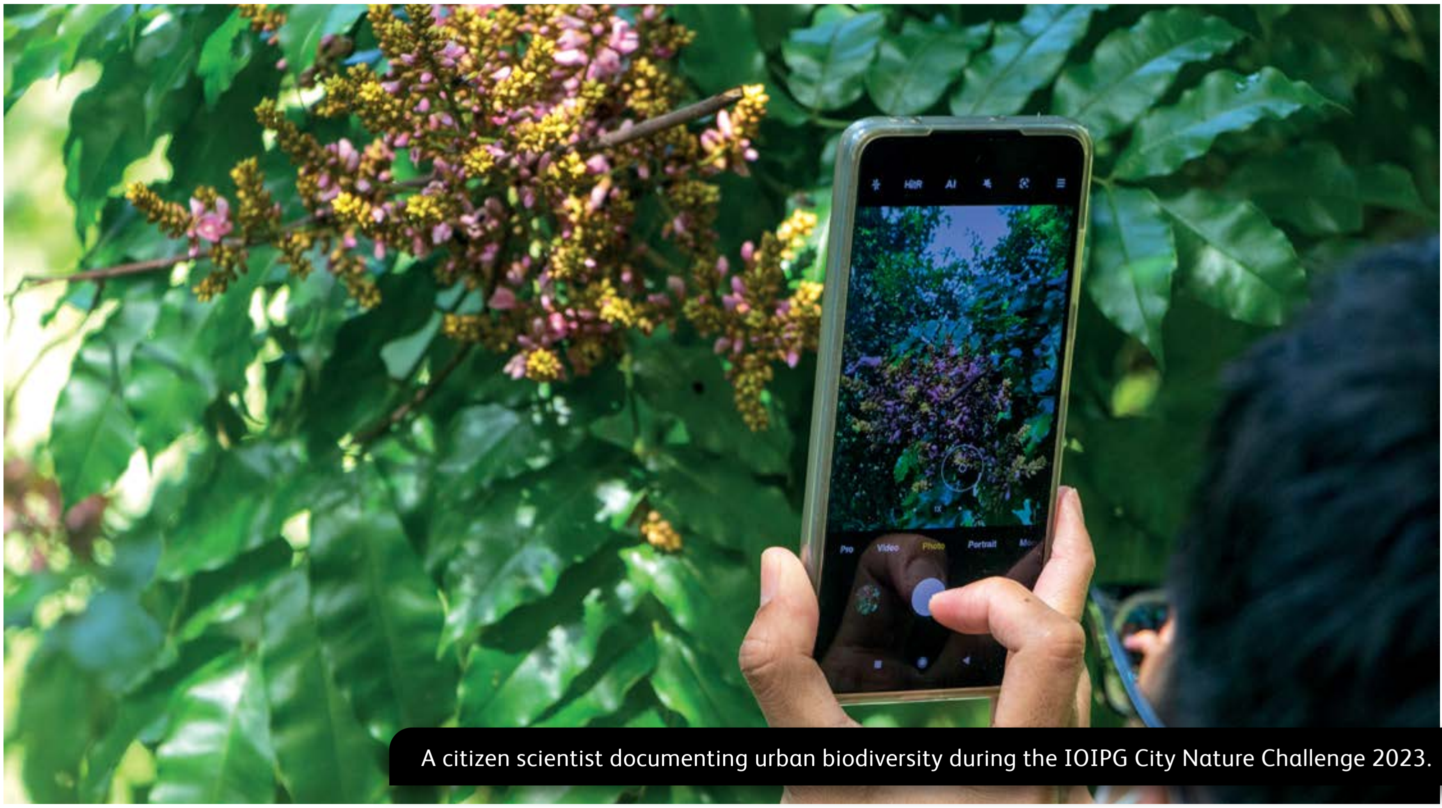
This campaign aims to broaden the basis for an enlightened opinion and responsible conduct by individuals, enterprises and communities in conserving and enhancing the environment. Many of our community investments are directed to the young people in our communities. This campaign is an expansion of the Group's maiden "Nip it! at the source" campaign to minimise waste and reduce the impact of climate change and loss of biodiversity.

These efforts project our Sustainability Strategic Themes of Mindset Change, Young Urbanites and Urban Green to introduce the spirit of sustainability and contribute to the UN SDGs.

IOIPG City Nature Challenge 2023

Our annual IOIPG City Nature Challenge was held from 20 April to 12 May 2023. This global biodiversity initiative encourages people to find, observe and document plants and wildlife in their cities through a competition.

Over 300 participants collectively recorded over 6,000 nature observations and identified approximately 1,700 species in the regions of Malaysia, Singapore, and Xiamen, China. The event supports our Sustainability Goal of Caring for the Environment and Developing Sustainable Communities as we continue our efforts in creating a sustainable community that cares for nature.



A citizen scientist documenting urban biodiversity during the IOIPG City Nature Challenge 2023.

GRI 202, 406-410

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.

MATERIAL TOPICS:

- Talent Management
- Diversity and Equal Opportunity Workplace
- Talent Development and Succession Planning
- Occupational Safety and Health

Creating Value for Our Employees

UN SDG ALIGNMENT:

Goal 3: Good Health and Well-being

Goal 4: Quality Education

Goal 5: Gender Equality

Goal 8: Decent Work and Economic Growth

Goal 10: Reduced Inequalities

Goal 16: Peace, Justice and Strong Institutions

At IOIPG, our employees are the cornerstone of our enterprise. We fervently believe that by fostering a desirable, high-performance, high-integrity, and sustainability-based culture, we cultivate the fertile ground on which our collective success thrives. We see our employees as invaluable partners in our sustainability journey and ardently encourage their participation in this transformative voyage while safeguarding their well-being through an emphasis on creating a healthy, safe, and fair workplace.

To this end, our Board of Directors place an unwavering focus on oversight of material matters such as Talent Management, Talent Development & Succession Planning, Occupational Health & Safety, Diversity & Equal Opportunity Workplace, and Corporate Governance & Anti-Corruption. These areas form the pillars of our organisational culture, bolstering our efforts to establish a work environment that is simultaneously rewarding and growth-oriented. With these efforts in place, we were one of the recipients of the HR Asia Best Companies To Work For In Asia 2022.

In developing talent, we are shaping the future, building robust succession plans that ensure leadership continuity. Through our commitment to occupational health and safety, we embody our belief that our employees' well-being is non-negotiable. In championing diversity and equal opportunity, we build a rich tapestry of perspectives and ideas, while our relentless drive towards impeccable corporate governance and anti-corruption cultivate a work culture where excellence is pursued, integrity is celebrated, and sustainability forms the bedrock of our operations.

It is a journey that defines the Group's promise of being more than an employer; we are a community committed to making a difference. We also actively participate in labour practice-related workshops, initiatives and collaborations to keep abreast of the latest developments and adopt best practices. These participations include workshops on the Employment Act 1955 updates, Handling Misconduct Relating to Absenteeism, and our active participation in the Equality at Work Corporate Community by LEADWOMEN.

TALENT MANAGEMENT

The Group recognises talent as an essential prerequisite for the ongoing and sustainable generation of value. The strategic emphasis on talent extends across the entire spectrum of human capital management, encompassing talent acquisition, engagement, compensation, growth, and career trajectory planning. The overarching objective is to cultivate and retain a high-performing, competent workforce capable of propelling continuous enhancements in both financial and non-financial value generation.

As a member of the Malaysian Employers Federation and an affiliate of the International Organisation of Employees, IOIPG diligently ensures compliance with all pertinent local laws, regulations, and established protocols. Moving forward, the Group intends to enhance its communication and training endeavours in the immediate future, with the purpose of securing endorsement and comprehension from management at all tiers and the broader employee cohort.

Creating Value for Our Employees

Human Rights and Labour Practices

IOIPG adheres to foundational human rights principles as delineated in the company's Code of Conduct and Business Ethics ("CCBE"), alongside the relevant employment laws and industrial practices of Malaysia. The Group has embraced the Ten Principles of the UN Global Compact with a conscientious commitment to human rights and the fight against corruption. These principles underscore the imperative of upholding the rights of all personnel in accordance with mandates set forth in the Malaysia Employment Act, the Universal Declaration of Human Rights, and the National Action Plan within the UN's "Protect, Respect and Remedy" Framework, while also ensuring alignment with statutory obligations. As part of this commitment, IOIPG utilised the human rights self-assessment tool by the International Labour Office (ILO) in FY2022. The assessment intended to benchmark our corporate social policies and practices against the guidance provided in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).

Our CCBE unequivocally prohibits the engagement of child labour, forced labour and any form of modern slavery within all operational facets as well as emphasises compliance with local laws and regulations. The principles of Freedom of Association and Collective Bargaining are respected and applied fairly across all levels. Other labour practices and commitments adopted by the Group include:

Upholding **Equal opportunity and non-discrimination**	Respecting **workers' right to dignity at work**	Supporting a **harassment-free and violence-free workplace**
Ensuring compliance with **Minimum Wage Order 2022** and laws governing **working hours, overtime pay and fair compensation**	Prohibition and prevention of forced labour and all forms of **modern slavery**	Recognition of children's rights and prohibition and **prevention of** child labour
Respecting employees' right to **Wellness, Mental Health and Work-Life Balance**	**Minimum notice period** for changes in terms of duties, work location or other operational changes	Upholding the right to **safe working conditions**

These standards are not only applicable internally but is also extended to our supply chain. The Group meticulously adheres to the Supplier Code of Conduct, a document that articulates our expectations concerning ethical conduct, human rights, labour standards, occupational safety and health, and environmental stewardship.

With a conscientious acknowledgment of the Children's Rights and Business Principles, we have embarked on initiatives to support children's rights. An example of this commitment is our placement of interns and apprentices in various roles to within our businesses to give them a wholesome work experience during the 3 to 6 months period.

The Group's commitment is effectively communicated to our workforce through IOIPG's CCBE, where our policy and steadfast pledge to human rights are explicitly articulated especially during the onboarding of new employees. An annual refresher is in the pipeline, with the adoption of an online learning platform across the Group in FY2024. This policy dissemination has been effectively conveyed to all employees and made available in IOIPG Intranet.

The Group's risk assessment has covered potential human rights risks, including due diligence on labour-related concerns such as child labour and forced labour on new and existing business partners, underscoring the company's profound commitment to addressing these critical issues. Confidential whistleblowing channels are available to both internal and external stakeholders, offering a secure means for anonymously reporting misconduct, lodging grievances, or voicing concerns over regulatory or policy breaches, harassment, human rights violations in good faith without the risk of repercussions. IOIPG pledges to promptly investigate any grievances or concerns brought forward, and keep the Whistleblower informed when the investigation is completed.

In line with this commitment, IOIPG has meticulously formulated a suite of policies and guidelines to effectively manage labour-related matters. These include the Whistleblowing Policy, Anti-Bribery and Corruption Policy, and Grievance guidelines, all of which stand as robust mechanisms for promptly and appropriately addressing labour-related challenges as they emerge.

Additionally, a series of training initiatives are slated for the future, with a specific focus on equipping management personnel to adeptly handle reports or instances of bullying or harassment. Strict disciplinary action will be carried out to anyone within the Group who violates these standards. These disciplinary actions may comprise the possibility of dismissal, and if warranted, legal proceedings or criminal sanctions.

IOIPG is actively addressing the reported harassment cases and remains steadfast in our commitment to safeguarding the rights of individuals, regardless of age, and ensuring there are no instances of forced or compulsory labour or any human rights violations. In FY2023, we had 5 cases which were reported by our employees and in these cases, a statement was taken from the affected staff and an investigation was initiated by the Group People and Culture representatives. The details of the investigation was then shared with the top management team to ensure all required information was captured and appropriate measures were taken. All five accused faced disciplinary action in accordance with applicable laws and policies.

Engaging Employees

In its pursuit of cultivating an exemplary organisational culture, IOIPG actively engages with its workforce through diverse communication channels. This includes the administration of the Voice of Employee Survey, a comprehensive tool used to assess employee engagement at the segment, business unit, and departmental levels. Our communication initiatives empower our staff to articulate their perspectives, provide feedback, and express their aspirations to the leadership team. This commitment for continuous and effective two-way communication fosters a workforce that is well-informed, motivated, and confident in the knowledge that the management values their input. Furthermore, this input is reflected in tangible actions aimed at enhancing our business strategies, driving high performance, and nurturing a conducive organisational culture that promotes recruitment and retention.

Creating Value for Our Employees

IOIPG is equally dedicated to supporting local employment and sourcing as integral components of our socio-economic and environmental sustainability endeavours. Our adherence to the Supplier Code of Conduct within IOIPG includes a commitment to sourcing locally and promoting local employment opportunities.

Recent accolades underscore the success of our efforts. In FY2023, IOIPG received recognition as one of Asia's Best Companies to Work For and was honored with the Graduate Choice Awards in the property and retail mall sector. These achievements reflect the organisation's steadfast commitment to fostering an exceptional working environment and culture, firmly establishing it as a leader in its field.

Voice of Employee Survey

IOIPG consistently organises or sponsors a variety of company events and activities that are not work-related, encompassing social gatherings, festive celebrations, health seminars, and more. These initiatives underscore management's unwavering dedication to promoting a gratifying and well-rounded work-life experience within IOIPG. We encourage our employees to achieve equilibrium between their professional and personal lives by discouraging excessive work hours whenever possible. As a result, we achieved a participation rate of 83% in the FY2023 Voice of Employee Survey, which showed an improvement from the previous survey's 77%.

In FY2023, the Group organised a variety of activities for its employees. Some of the activities include:

- In November 2022, we organised IOIPG Got Talent contest which gave our employees an opportunity to showcase their talents and connect with each other through their hobbies.
- IOIPG's Annual Dinner was organised in IOI Grand Exhibition Hall, Putrajaya for employees in the Central & Northern Region and in Holiday Villa, Johor Bahru for the Southern Region employees.
- In conjunction with Chinese New Year, our colleagues in South Beach, Singapore ushered in the year with a visit from the "God of Wealth" and each received a Prosperity Bag to mark the new year.
- "*Buka Puasa*" event in Le Méridien Putrajaya as part of the annual Associate Reception tradition where all hotel associates are invited to the event along with their family members.
- Associates Appreciation Week was held from 8 to 12 May 2023 in all our hotels in IOI Resort City, Putrajaya and Puchong.

Employee Benefits and Remunerations

IOIPG is committed to cultivating a positive corporate culture, fostering a relaxed and pleasant working environment through continuous enhancements to its human resource management system. The Group is proactive in staying informed about market dynamics and the development of industry peers in the regional market. It diligently updates the company's internal systems and regulations pertaining to compensation, benefits, and career advancement to remain competitive and responsive to evolving trends.

The Group extends a comprehensive array of both monetary and non-monetary benefits to its employees in compliance with national laws. These benefits include various types of paid leave, comprehensive healthcare coverage, and more. Compensation and remuneration packages throughout the Group are tailored to align with employees' job roles, experience, qualifications, performance, and industry standards.

Top 3 winners from the 100 entries to the #DigitalALL Contest that was held in conjunction with International Women's Day. The contest gave our employees a platform to honour women icons in their lives using artificial intelligence tools to create portraits.

Our employees showcasing their talents at IOIPG's Annual Dinner 2022.

For our full-time and part-time employees, the following benefits are provided:

Leave

- Annual
- Calamity
- Medical & hospitalisation
- Examination
- Compassionate
- Marriage
- Paternity
- Maternity
- Prolonged illness

Medical

- Dental and optical benefits
- Medical treatment claims
- Hospitalisation & healthcare insurance
- Group personal accident & group term life insurance
- Health screening
- Maternity expenses subsidy

Reimbursement & Entitlements

- Mileage, toll, and parking reimbursements
- Overtime, business trip & weekend entitlements
- Accommodation & transportation entitlements

Other Benefits

- Employee referral incentives
- Education assistance & examination awards
- Professional bodies annual membership fees
- Staff discounts on property purchase, hotel stay, and F&B outlets
- Flexible work arrangements

Parental Benefits

IOIPG provides parental leave for its male and female employees. Male employees are given 7 days while female employees are given 98 days paid leave.

Financial Year	FY2023	FY2022	FY2021
Number of employees entitled to Parental Leave	**2,042**	1,564	1,382
Number of employees who took Paternity Leave	**71**	53	69
Number of employees who took Maternity Leave	**44**	43	46
*Male Employees' Return to Work Rate (%)	**100%**	98%	83%
*Female Employees' Return to Work Rate (%)	**100%**	93%	91%

* Rate of employees who returned to work after parental leave period.

Creating Value for Our Employees

DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE

At IOIPG, we consider our employees to be our most invaluable assets, and the success of our organisation hinges upon our ability to attract and retain a diverse and highly skilled workforce. We acknowledge and appreciate each employee's unique skills, knowledge, experience, and contributions, all of which are integral to the continued growth and success of our organisation.

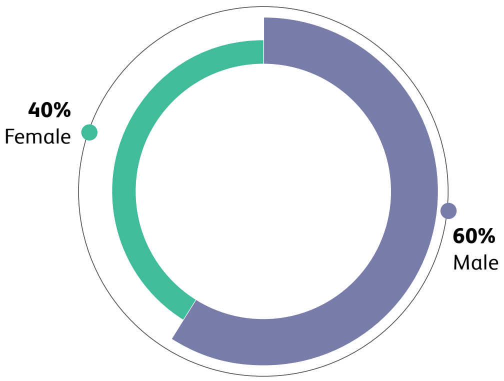
IOIPG wholeheartedly endorses the principles of equal opportunity in employment, firmly rejecting any form of discrimination, whether based on gender, age, ethnicity, religion, sexual orientation, disability, or any other socio-cultural and demographic factors. The sole exception to this approach is our organisation-wide inclination to employ local talent, assuming their qualifications align with the job requirements. IOIPG also offers employment opportunities to underprivileged groups by fostering an inclusive work environment and improving accessibility features at the workplace for our differently-abled employees. In FY2023, 0.04% of our workforce was differently-abled.

Our recruitment processes are rigorously governed to ensure the selection of the most suitable talents from across society. IOIPG's workforce comprises a diverse group of skilled and qualified individuals, representing various ethnicities and demographics. We maintain a well-balanced age distribution among our staff, which not only ensures a sustainable talent pipeline for succession planning but also fulfils other employment requirements.

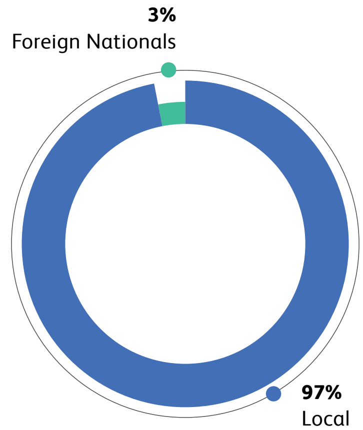
For Board Diversity, refer to pages 205 to 209 in the Corporate Governance section.

Total Workforce

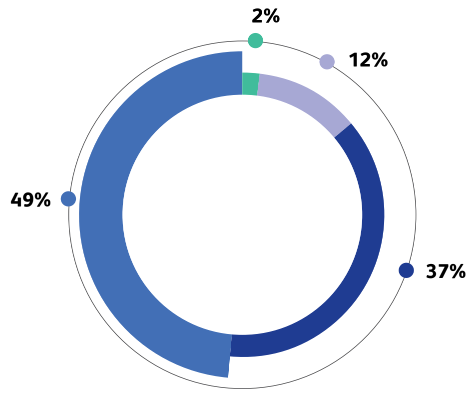
Total **2,647**



Workforce Nationality



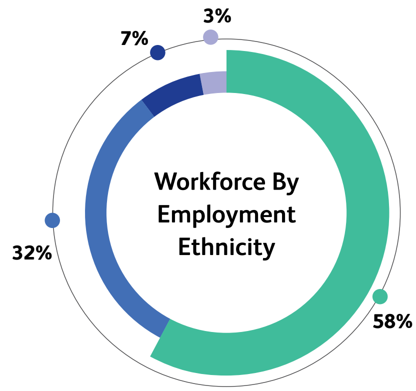
Workforce By Employment Category



Senior Management · Middle Management · Executives* · Non-Executives

* Executive category includes assistant managers.

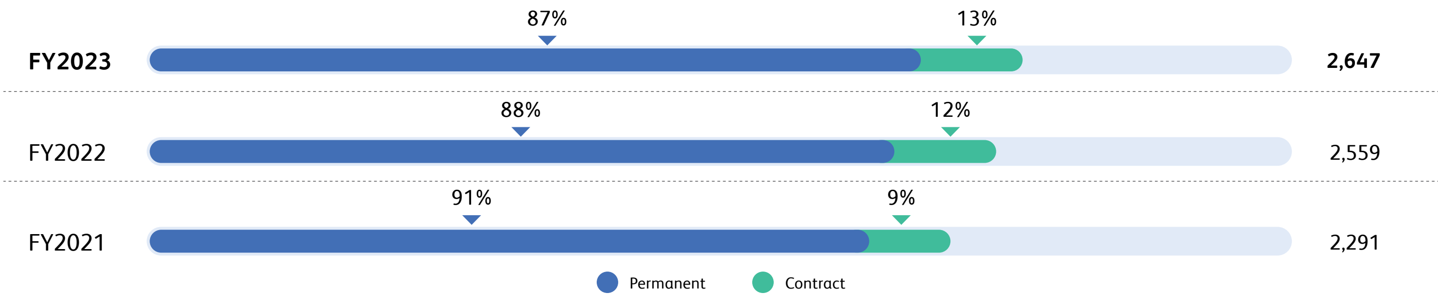
Workforce By Employment Ethnicity



Bumiputera · Chinese · Indian · Others

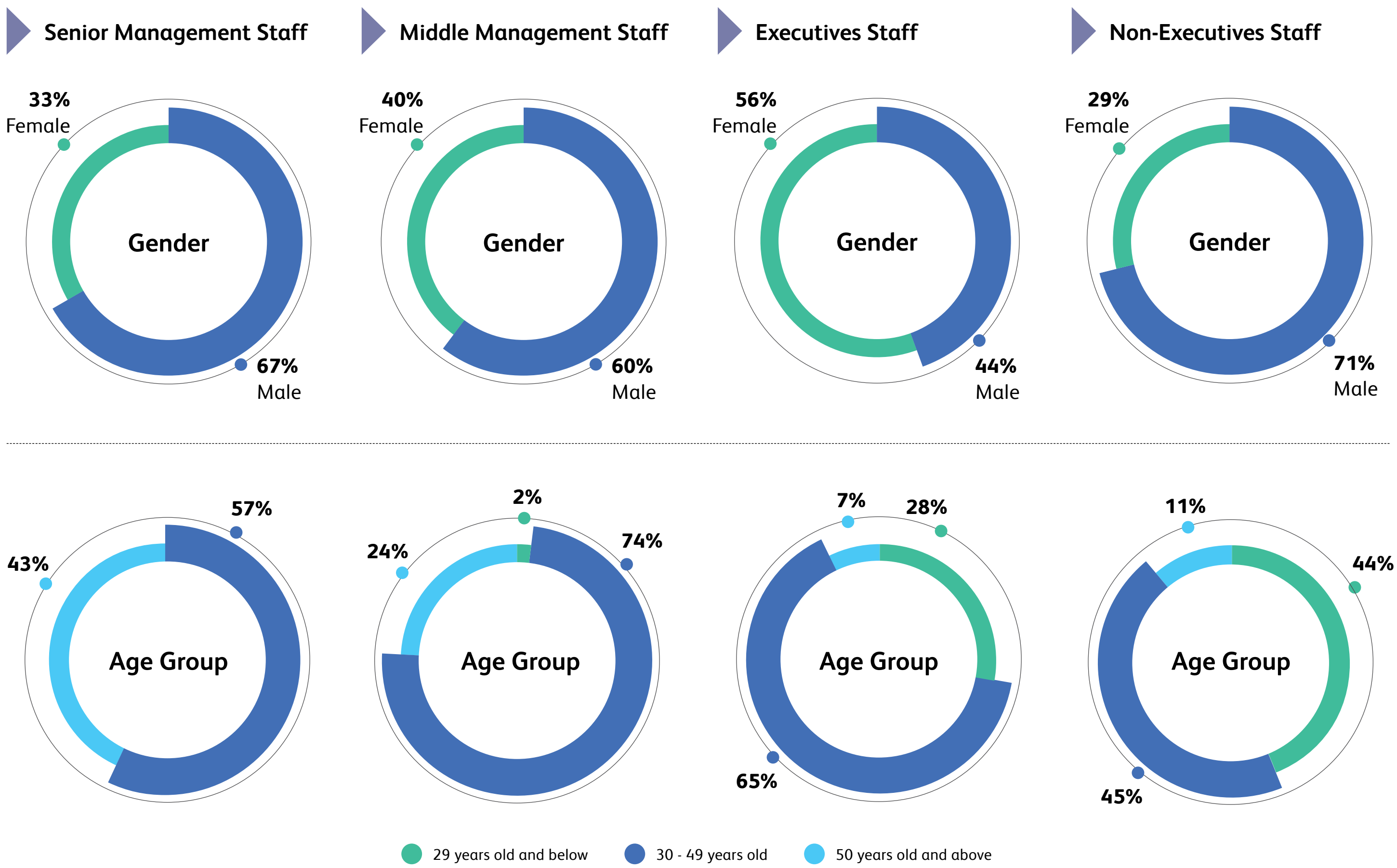
Creating Value for Our Employees

The following presents the breakdown of permanent and contract staff proportions within the Group.



Providing Fair and Equal Employment

IOIPG is committed to upholding the principles of equal employment opportunity and refrains from imposing discriminatory criteria, such as gender, age, or disability, throughout its recruitment processes. Our organisation places stringent controls on the recruitment process to identify and welcome exceptional talent from diverse backgrounds. We extend employment opportunities to individuals irrespective of their geographical location, provided they meet the requisite qualifications specified by the company. Within various roles, including but not limited to officers, admins, executives, analysts, scientists, designers, architects or engineers, IOIPG emphasises competence as the primary criterion in our hiring decisions, aligning with our commitment to the CCBE and IOIPG's Mission and Core Values.



Creating Value for Our Employees

IOIPG's hiring strategy adheres to the following guiding principles:

- Aligning our recruitment strategy with the broader business strategy to attract high-calibre talents possessing the desired competencies and relevant experience, ensuring us to fulfill both our current and future organisational needs.
- Cultivating a robust employer branding approach to effectively attract and retain top talents in the industry.

Our recruitment efforts are overseen by the Head of Group People & Culture, who ensures compliance with our recruitment policy.

IOIPG also places strong emphasis on local hiring, emphasising the importance of nurturing local talent. In certain instances, we have Malaysians holding positions in Singapore and Xiamen to facilitate the transfer of headquarters knowledge and the standardisation of practices, particularly at the management and senior management levels.

Turnover by Employee Category:

	Total number of employee turnover*
Senior Management	9
Middle Management	61
Executives	192
Non-Executives	364

Voluntary Turnover Rate:
23%

* Turnover numbers refers to employees who leave the company voluntarily.

The turnover rate is largely contributed by roles that are in high demand which includes Services, Finance, Sales and IT. Moreover, growth in specific industry segments such as hospitality and retail has further intensify the talent war phenomenon. The strategy in addressing talent attrition begin with the onboarding of new hires. The New Employee Onboarding Programme encompasses a comprehensive introduction to our organisation, including an overview of our diverse business units within the Group, an exploration of our management organisational structure, and a thorough briefing of key corporate policies, such as the Sustainability Policy, Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy, and the Code of Conduct & Business Ethics. Employees also receive in-depth information on critical HR processes and benefits, which includes insights into our performance management system and an introduction to our People & Culture Business partners responsible for specific business segments. Induction into their respective departments is conducted by their respective line managers and Heads of Departments. All our polices are made available to our employees via IOIPG's intranet and translated to the local language, where necessary. All updates to existing policies and incorporation of new policies are communicated globally to our employees.

Creating Value for Our Employees

TALENT DEVELOPMENT AND SUCCESSION PLANNING

Our strategic vision involves nurturing a substantial proportion of young professionals, aligning with the Group's overarching goal of maintaining a sustainable talent pipeline. The company has established a robust Internship Programme aimed at accommodating graduates holding Diplomas and above-level qualifications and also offers internship allowances that surpass prevailing market standards. Additionally, IOIPG actively recruits fresh graduates to fill relevant vacancies within the organisation, thereby supporting graduate placements.

This steadfast commitment has been recognised through the receipt of the Malaysia's Graduate Choice Award for the fifth consecutive year.

In FY2023, a total of 271 interns and apprentices joined various business functions within IOIPG, engaging in internship periods ranging from three to six months. This hands-on experience equips them with valuable insights and skills to kickstart their professional careers.

Talent Development and Capacity Building

Talent development stands as one of IOIPG's paramount priorities. Our approach to learning places a strong emphasis on immediate and actionable application, enriching the learning experience while simultaneously benefitting the organisation. The effects of this approach have a profound and lasting impact, enhancing the skills and capabilities of our employees over time.

Within our organisation, we have established a clear and systematic policy delineating the learning and development process. This policy underscores IOIPG's unwavering commitment to nurturing employees' skills, expertise, and abilities, aligning them with the strategic priorities of the company. We believe it is essential to tailor learning and development opportunities to both the specific needs of the business and the individual requirements of our employees.

Effective Email Writing Through Mastering Grammar

Building Mental Resilience

Creating Value for Our Employees

In line with this philosophy, our Group has invested time and resources to continuously upskill and reskill our workforce, thereby facilitating the growth of our employees to contribute to the organisation's continued prosperity. Our Learning and Development strategy is intricately aligned with our overarching business goals and direction, ensuring that our interventions effectively enhance the organisation's capacity to meet both current and future challenges. The management team is resolute in its commitment to fostering employee development, aligning skillsets with the strategic growth trajectory of the business.

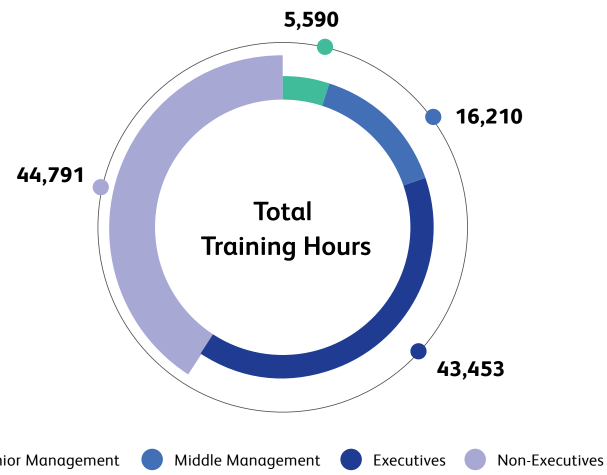
In our view, learning and development encompasses any initiative designed to enhance employees' effectiveness by augmenting, updating, or refining their knowledge and skills. At IOIPG, we firmly believe that learning and development constitute an ongoing, continuous process. We hold the expectation that all employees remain attuned to advancements within their respective areas of expertise.

Our internal employee training initiatives predominantly cover system knowledge and corporate culture assimilation, complemented by proficiency in office system software operation. These endeavours serve to bolster employees' sense of alignment with the company's values and enhance their job-related capabilities through dedicated training.

To further underscore our commitment to learning and development, we have incorporated learning hours into our sustainability targets which contributes to the Key Performance Index.

TRAINING HOUR DATA	FY2023
Total Training Hours	**110,044**
Total Training Spends	**RM1.7 million**
Average Training Hours per Employee	**42 Hours**
Average Training Days per Employee	**5 days**

Total Training Hours by Employee Category



The Group People & Culture Department oversees and facilitates training initiatives across multiple departments as part of our ongoing organisational development efforts. We administer post-training evaluation forms to systematically capture participant feedback, thereby assessing the effectiveness of the training programmes and identifying actionable insights that can be applied to their work roles.

Furthermore, we conduct comprehensive training needs assessments, encompassing the collection of employee training requirements, the integration of personnel insights, and the synthesis of training needs analysis. These findings are meticulously compiled to formulate training plans and allocate resources in alignment with the operational imperatives of the company.

In a proactive step towards enhancing our learning and development capabilities, we are in the process of implementing a New Learning Management System, scheduled for deployment by FY2024. This system overhaul reflects our commitment to accommodating diverse learning styles, incorporating a range of learning modalities such as physical training, virtual training, self-directed learning, gamification, social learning through networked platforms, on-the-job training, mentoring, and reverse mentoring.

In addition to these initiatives, we are strategically channelling focused development interventions towards our High Potentials within the organisation. This concentrated effort is aimed at cultivating a robust talent bench strength and elevating the readiness of potential successors to key roles within the company.

Driving High Performance Culture and Career Growth

IOIPG remains committed to inculcating high performance culture by setting clear objectives, conducting regular performance review, and identifying specific development needs to meet organisational needs and goals. IOIPG continues to recognise employees' performance and potential by adopting a performance based reward philosophy.

In FY2023, 100% of confirmed employees have undergone performance appraisals. Our current appraisal process fosters regular employee reviews, with a minimum of two formal performance conversations annually, ensuring timely feedback is provided to employees.

Additionally, the Group supports the career development of our employees by providing growth opportunities aligning to individual career aspiration. Line managers and business leaders in partnership with Group People & Culture identify relevant development intervention especially in areas that are critical to business' performance.

This is demonstrated through on-the-job training, job rotations, job enhancements, and coaching, where relevant, which assists the organisation in bridging current and future skills sets.

Full Social Performance Data

FINANCIAL YEAR	FY2023	FY2022
General Workforce Data		
Total Workforce	**2,647**	2,367
Turnover Data		
Full-Time Staff Voluntary Turnover Rate (%)	**23%**	24%
Total number of employee turnover by employee category:		
i) Turnover by senior management staff	**9**	N/A
ii) Turnover by management staff	**61**	N/A
iii) Turnover by executive staff	**192**	N/A
iv) Turnover by non-executive staff	**364**	N/A
Breakdown by Gender		
Percentage of female senior management staff	**33%**	43%
Percentage of male senior management staff	**67%**	57%
Percentage of female management staff	**40%**	34%
Percentage of male management staff	**60%**	66%
Percentage of female executive staff	**56%**	54%
Percentage of male executive staff	**44%**	46%
Percentage of female non-executive staff	**29%**	32%
Percentage of male non-executive staff	**71%**	68%
Breakdown by Age Group		
Percentage of senior management staff 29 years old and below	**0%**	0%
Percentage of senior management staff aged 30 - 49 years old	**57%**	57%
Percentage of senior management staff 50 years old and above	**43%**	43%
Percentage of middle management staff 29 years old and below	**2%**	3%
Percentage of middle management staff aged 30 - 49 years old	**74%**	75%
Percentage of middle management staff 50 years old and above	**24%**	22%
Percentage of executive staff 29 years old and below	**28%**	28%
Percentage of executive staff aged 30 - 49 years old	**65%**	65%
Percentage of executive staff 50 years old and above	**7%**	7%
Percentage of non-executive staff 29 years old and below	**44%**	43%
Percentage of non-executive staff aged 30 - 49 years old	**45%**	45%
Percentage of non-executive staff 50 years old and above	**11%**	12%

Creating Value for Our Employees

FINANCIAL YEAR	FY2023	FY2022
General Training Data		
Total training hours as a company	**110,044**	108,276
Total training spends as a company (RM)	**1.7 million**	1.2 million
Average Training Hours Per Employee	**42**	43
Average Training Days Per Employee	**5**	5
Total Training Hours by Employee Category		
Total Training Hours (Senior Management Staff)	**5,590**	N/A
Total Training Hours (Middle Management Staff)	**16,210**	N/A
Total Training Hours (Executives)	**43,453**	N/A
Total Training Hours (Non-Executives)	**44,791**	N/A

N/A - Not Available

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

IOIPG is deeply committed to upholding the safety, health, and well-being of its employees, value chain and the local community. As such, we make safety and health management a top priority in all our business operations and workplaces, taking meticulous measures to ensure a secure environment that safeguards the well-being of our employees, customers, tenants, contractors, and suppliers in line with the Group Health and Safety Policy.

The Group is resolutely dedicated to the annual pursuit of a zero work-related fatality goal for our employees and contractors. We constantly improve our safety and health management systems to ensure we achieve the target. We also adopt industry best practices and designed our safety and health management systems to align with the Occupational Safety and Health Management System ISO 45001 framework.

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. This digital transformation represents a pivotal step forward in our pursuit of a safer and healthier work environment to minimise the risks of injury and achieve zero fatality at our project sites.

This system facilitates the digitalisation of safety and health inspections, streamlining the process significantly. Developed in alignment with the Construction Industry Development Board's (CIDB) Safety and Health Assessment System in Construction ("SHASSIC") practice, IOIPQSH leverages data analytics capabilities to enhance the efficiency and effectiveness of the assessment process, substantially reducing the likelihood of human errors.

The oversight of our Health and Safety Committees within our business operations is vested in the office of the CEO. These committees bear the responsibility for ensuring the Group's strict adherence to all safety and health protocols, aligning with the stipulations of the Occupational Safety and Health Act and its associated regulations.

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

Within our managed buildings, the leadership of the Health and Safety Committee is vested in the respective heads of the managed buildings. The committee is thoughtfully structured to include representatives from both the employer and employee sides, creating a two-way engagement platform that fosters compliance and encourages valuable employee feedback.

To ensure the effective implementation of safety and health practices across the Group, all deliberations and outcomes from the Health and Safety Committees are transmitted to the upper echelons of management for further consideration and consultation.

The responsibilities of the Health and Safety Committees includes:

- 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

Promotion of Employee Health

Our commitment to fostering a productive and innovative work environment drives us to establish facilities that prioritise employee well-being. Central to this endeavour is the creation of a healthy workplace, recognised as a fundamental catalyst for productivity and innovation.

At our headquarters, we have thoughtfully designed and implemented breakout areas tailored for brief meetings. These tranquil spaces not only facilitate meetings but also offer a serene retreat for our employees to take short, rejuvenating breaks from their tasks.

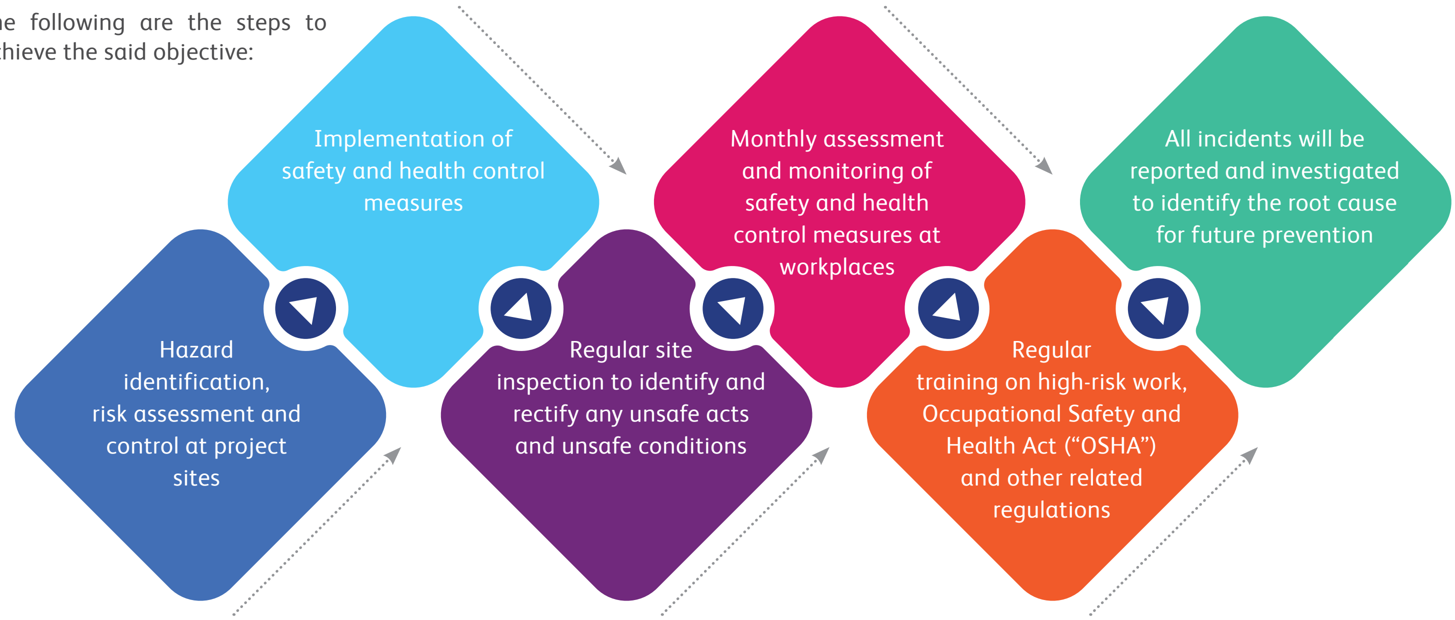
Furthermore, within these breakout zones, we have incorporated exercise stations, promoting an active and health-conscious lifestyle. This provision allows employees to engage in physical workouts, that help with managing stress. To complement this initiative, we have also installed shower facilities, affording employees the opportunity to refresh themselves after their exercise sessions.

At our Xiamen office, we conduct annual employee health examinations, providing our workforce with valuable insights into their health status. This proactive approach underscores our commitment to prioritising the well-being of our team members.

Improving Safety and Health at Project Sites

We endeavour to keep enhancing safety and health management systems, with a primary goal of minimising the risks of injuries and zero fatality at our project sites. As a result of our proactive efforts, our site working personnel have exhibited an increased commitment to improving and elevating Health, Safety, and Environment (HSE) compliance on-site. They willingly adhere to all regulations set forth by the relevant authorities, exemplified by activities such as Site Toolbox Meetings, Site Safety Committee Meetings, safety induction programmes, HSE campaigns, and site walkthroughs. These scheduled programmes are executed to proactively prevent any avoidable accidents.

The following are the steps to achieve the said objective:



Safety and health considerations are integral components of our project contract requirements. We diligently address any instances of non-compliance, taking prompt and appropriate actions in response. In the unfortunate event of an accident, we adhere to a strict protocol wherein all incidents are reported to the Health and Safety Committees. These incidents undergo thorough investigation to pinpoint their root causes, enabling us to take immediate corrective measures and ensure future prevention.

Ensuring Health, Safety and Security at Managed Buildings

The responsibility for the health, safety and well-being of both our employees and the occupants of our managed buildings is of paramount importance to us. In order to fulfill this commitment, we have instituted the following programmes:

- Carry out regular safety and health committee meetings at our managed buildings.
- 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.
- The appointed fire safety services contractors regularly review and inspect the automated fire detection and protection systems at our managed buildings to meet the requirements of the Annual Fire Certificate issued by Bomba.
- Conduct regular internal safety and health inspections at workplaces and common facilities such as the F&B kitchen, chemical storeroom, laundry, and housekeeping area.
- 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.

To uphold strict adherence to our safety and health protocols among our workforce, we consistently organise training sessions 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 compile monthly reports encompassing the following areas: recommendations for enhancement, key programmes aimed at reinforcing safety and health awareness in accordance with legal mandates, statistics related to occupational safety and health, internal and external safety and health inspections or audits, and the status of crisis, emergency, and general and health training programmes.

Creating Value for Our Employees

OSH Training

IOIPG conducts annual OSH training sessions for relevant employees throughout the year. This initiative serves to elevate employees' awareness of safety and health matters while safeguarding their lawful rights and interests. Simultaneously, it allows us to periodically review our policies for any necessary updates.

Commencing in FY2022, it became mandatory for all employees, contractors, and workers to participate in safety and health induction training at project sites.

1,956 number of attendees at OSH training and programmes

Total of **11,502** hours on health and safety training

Health and safety training at the site office.

Here is the list of OSH trainings and programmes conducted in FY2023:

- OSH Act (Amendment) 2022 & FMA (Repeal) 2022
- Understanding OSH Act (Safety & Health Committee) Regulation 1996
- Housekeeping & Workplace Arrangements
- Safety & Health Management System (SHMS) Briefing
- Prevention of Falls
- Fire Safety
- Working at Height & Safety Harness
- Handling of Scheduled Waste
- Grinding Work
- Erection & Dismantling of Scaffold
- Chemical Spill
- Safe use of Electrical handtools
- Protecting worker from Heat stress
- Passenger hoist

OSH Performance

The Group has set a resolute goal of achieving zero work-related fatalities. This goal for both employees and contractors was successfully realised in FY2022 and reaffirmed in FY2023. To continually enhance the Group's overall OSH performance, the Group undergoes rigorous analysis against established OSH targets and relevant industry benchmarks.

We track the frequency rate and number of fatalities and lost time injuries ("LTIFR") across all employees and contractors. The data reflects an overall improvement in Group-wide statistics .We had zero fatalities, compared to the National Fatality Rate at 2.06 per 100,000 workers (most recent data in 2022). The lost time injury frequency rate (LTIFR) was 0.28 in FY2023 among all of our employees and contractors, as compared to 2.22, the National Accident Rate per one thousand workers. (most recent data in 2022)

	FY2023	FY2022	FY2021
Employees (Total number of personnel: 2,647)			
Total manhours	**3,773,430**	3,554,275	3,541,438
Number of fatalities	**0**	0	N/A
No. of lost time injuries	**5**	4	4
Lost time incident rate	**1.33**	1.00	1.13
Contractors (Total number of personnel: 14,509)			
Total manhours	**28,818,875**	18,023,410	15,574,991
Number of fatalities	**0**	0	N/A
No. of lost time injuries	**4**	8	2
Lost time incident rate	**0.14**	0.44	0.13
Group (Total number of personnel: 17,156)			
Total manhours	**32,592,305**	21,577,685	19,116,430
Number of fatalities	**0**	0	N/A
No. of lost time injuries	**9**	12	6
Lost time incident rate	**0.28**	0.55	0.31

N/A - Not Available

GRI 201

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.

MATERIAL TOPICS:

- Economic Values Distributed
- Corporate Responsibility

Developing Sustainable Communities

UN SDG ALIGNMENT:

Goal 1:
No Poverty

Goal 4:
Quality Education

Goal 5:
Gender Equality

Goal 8:
Decent Work and Economic Growth

Goal 11:
Sustainable Cities and Communities

Goal 14:
Life below Water

Goal 15:
Life on Land

Goal 16:
Peace, Justice and Strong Institutions

At IOIPG, our commitment to sustainable growth is incomplete without our dedication to the communities we operate in. Our "Developing Sustainable Communities" goal encapsulates our multifaceted approach to corporate responsibility, aimed at enhancing social well-being through targeted community initiatives. With Board oversight on all material matters pertaining to this goal, we ensure strategic alignment and effective implementation of our community development initiatives.

One of our core objectives is the equitable distribution of economic values generated through our operations. This includes a targeted procurement spend on local businesses, promoting economic uplift and marketplace development within our local communities. Furthermore, we are committed to providing fair wages and statutory benefits to our workforce, a significant portion of whom is hired from the surrounding areas, thereby directly investing in the community's welfare. In doing so, we contribute not only to economic enrichment but also to enhancing the quality of life for community members.

However, our commitment extends beyond mere economic aspects. IOIPG stands firm in ensuring environmental and social compliance across our operations. We are vigilant in our measures to prevent the marginalisation of community members and conserve the natural ecosystems they inhabit. Through a stringent compliance framework, we safeguard against detrimental social and environmental practices that could compromise the integrity of our communities and their nearby ecosystems.

Through strategic community investments, robust employee volunteerism and effective community development programmes, we aim to deliver long-term positive impacts that extend beyond the scope of business, enriching society as a whole.

ECONOMIC VALUES DISTRIBUTED

As a publicly traded enterprise, IOIPG recognises its obligation to sustain business profits so as to deliver sustainable returns for its shareholders. This commitment is harmonised with our ethos of contributing mutual benefits to a broader range of stakeholders, including the local communities where we operate as evidenced by our policy on prioritising procurement spending on local businesses, hiring from the local talent pool, and fulfilling our tax and statutory obligations to regional authorities.

Developing Sustainable Communities

Driving Economic Value

A summary of the economic values distributed by our business is provided below.

	FY2023 RM' mil	FY2022 RM' mil
Payment of interest to financiers	**664.64**	375.27
Employee salaries and benefits	**292.10**	184.18
Taxes paid to government	**233.69**	922.14
Dividend to shareholders and non-controlling interests	**226.76**	113.61

Indirect Economic Development

We are mindful of the need to apportion economic values generated by our business operations to the development and maintenance of community facilities and local landscapes of our surrounding developments as these serve to enhance social interaction and economic progress. Our infrastructure investments are made with sustainability, connectivity and inclusivity in mind, with commercial and retail areas thoughtfully planned with public infrastructures to derive socio-economic multiplier effect for the communities in the townships that we develop.

Widening and reinforcement works for Yongchun County Roads

This financial year, IOIPG Xiamen invested RM141,765 in widening and reinforcing the road in Yongchun County. The road connect the local village to the main road to facilitate the movement of the local community of 2,000 people from their homes to the town. As the road is built on slopes, our work involved protecting the slopes to retain its strength.

Buidling Urban Green Havens

In FY2023, maintenance of the upgraded and refurbished Bandar Puteri Town Park amounted to approximately RM167,000. This brings our total investment for this urban regeneration to RM1.50 million. This comprehensive project involved the addition of various recreational facilities such as playgrounds, fitness stations, and benches, along with substantial upgrades to the walkways and cycling tracks. As part of our commitment to sustainability, we had also incorporated solar-powered lighting throughout the park to reduce our carbon footprint.

Nestled within a bustling township, this lush urban park is designed with thoughtful amenities that provide a serene environment for both residents and visitors from neighbouring areas. It offers a wonderful opportunity to unwind and connect with nature while experiencing the park's diverse biodiversity, which plays a vital role in promoting overall health and well-being.

Furthermore, the installation of solar lighting extends beyond the park itself, encompassing areas such as the security guard cabin, pedestrian pathways, car park entrances, and the walkway connecting Stellar Suites to Puteri Mart and the Townpark.

Please refer to the section Biodiversity on page 142 for more information.

IOIPG has allocated a budget of RM10.00 million to fund the 10-acre IOI Resort City Central Park, situated around a picturesque lake in IOI Resort City, Putrajaya, with a targeted completion in 2024. This expansive park will include a dedicated pet park, providing pet enthusiasts and their furry companions with the opportunity to interact and enjoy a challenging pet obstacle course.

Future plans for the IOI Resort City Central Park encompass the addition of a skate and bike park, basketball, futsal, and badminton courts, giant slides for family enjoyment, a serene boardwalk offering scenic lake views and waterfront activities, a jogging track, and an array of other outdoor exploratory facilities. This park will be accessible to a diverse range of individuals, including residents, visitors, hotel guests, mall patrons, office workers, and golfers within IOI Resort City. Prior to commencing the project, a tree tagging activity was conducted to identify and preserve tree species listed in the IUCN Red List, with preservation sites integrated into the landscape planning for environmental conservation.

For our upcoming project, the IOI Kulai Bio-Diversity Valley, is in the pipeline and is set to commence in FY2024. This biodiverse valley will feature a wetland area, serving as a green oasis within the township's development, contributing to our ongoing commitment to environmental sustainability.

Enabling a safe and conducive learning space

We continue to invest in SJK(C) Shin Cheng for its upkeep and to improve its facilities. In FY2023 alone, we contributed over RM80,000 worth of renovations and mitigation measures to ensure the strength of the slope bordering the school.

We have also invested a cumulative RM270,800 in schools located in Johor, namely - SJK(C) Pei Cheng, SJK (C) Pulai, SJK (C) Jagoh and SK Bandar Putra. The contribution included upgrades to signages, renovations and maintenance costs.

Affordable homes

Besides investing in public facilities that will benefit the community, IOIPG also develops housing that are within the affordability levels of the local community. In FY2023, we launched three projects under the Rumah Mampu Milik Schemes in Johor and Negeri Sembilan. We launched 306 units of townhouses under the Rumah Mampu Biaya C category (Rumah Bandar Cendana) in Kulai, 33 units of double-storey houses under the Rumah Mampu Biaya B category (Meranti) in Segamat and 84 units of terrace houses under the Rumah Mampu Milik Type B (Taman Melia) in Bahau.

CORPORATE RESPONSIBILITY

Aligned with our foundational principles of being a trusted partner to all stakeholders, we remain committed to fulfilling our role as a positive force in society by imparting the constructive values generated by our business model. Beyond conventional corporate social responsibility (CSR) endeavours, IOIPG's engagement with local communities is geared towards fostering sustainability and enduring benefits.

Our dedication to effecting positive and impactful change in the communities where we operate is underpinned by responsible actions and the sustainable management of our operations. We also seek to influence more sustainable lifestyle choices to complement the Group's sustainability direction by anchoring community investment in initiatives aligned to the Group's four Sustainability Strategic Themes of Mindset Change, Inspiring Women, Young Urbanites and Urban Green.

Mindset Change

We are committed to cultivating a culture of sustainability that permeates every layer of our organisation. By shifting to a sustainability-centric mindset, we aim to generate enduring benefits — from enhancing long-term financial viability to positively impacting our employees and surrounding communities. To this end, we invest in educational initiatives that encourage individual and collective responsibility for environmental conservation, ensuring a sustainable legacy for future generations.

Inspiring Women

We are dedicated to fostering gender equality in the workplace, including promoting women into leadership positions, as a cornerstone for building a diverse and resilient community. To further this aim, IOIPG routinely orchestrates events and initiates programmes specifically designed to empower women to break barriers and fulfill their career ambitions.

Urban Green

Aligned with our advocacy for a sustainable way of life, IOIPG is steadfast in its commitment to environmental conservation via our Urban Green initiatives. By integrating features like pocket gardens and communal green spaces within our residential developments, we make a meaningful impact on the well-being of the community and contribute positively to broader societal goals.

Young Urbanites

We recognise that tomorrow's future is in the hands of the younger generation. With this in mind, IOIPG is dedicated to fostering a culture of sustainable living from a young age. We are committed to empowering young individuals to be agents of positive change, contributing actively to the development of sustainable communities.

Community engagement activities carried out in the year under review for our identified Strategic Themes are as follows. These endeavours not only bring about positive outcomes but also nurture robust relationships with the residents.

Developing Sustainable Communities

As contributors to underprivileged communities, our donations and gifts have played a pivotal role in enhancing lives. In FY2023, the Group proactively lent its support to various civil society organisation initiatives spanning areas such as education, social welfare, medical health and the environment. We have distributed RM2.20 million to non-profit organisation this financial year. A few of our major events are captured below:

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.

International Youth Development Virtual Conference 2022

One such partnership is with Universiti Tunku Abdul Rahman (UTAR) to organise this sustainability-themed conference. In this fourth year of co-organising this conference, the collaboration was extended to Guizhou Normal University, reaching a total of 412 participants comprising local and international students.

The conference aimed to enhance a dialogue on ways multi-stakeholders crosscutting partnerships can be leveraged towards the implementation of the SDG 13 (Climate Action) and 17 (Partnership for the Goals).

Themed "Youth and Climate Resilience", IOIPG delivered one of the opening speeches and conducted a plenary session where we shared about the Group's efforts to minimise negative impacts on the environment with IOI City Mall as a case study. We also spoke about the important role youths have as climate leaders of tomorrow and how one of our Sustainability Strategic Themes of Young Urbanites contributes to this.

IOI Foundation – Investing in Our Future

IOI Foundation, formerly known as Yayasan Tan Sri Lee Shin Cheng, is the charitable arm funded entirely by IOI Corporation, IOI Properties Group and the estate of the late Tan Sri Lee. Since its inception in 1994, IOI Foundation has contributed approximately RM62.67 million to various schools, hospitals, welfare homes and charitable bodies, and directly impacted the lives of more than 3,300 students through their scholarships, awards and adoption programme. In FY2023, IOI Foundation made substantial contributions to these causes, totalling RM4.48 million in contributions. In line with this, IOI Foundation has contributed a total of RM5 million to the Universiti Tunku Abdul Rahman Hospital Building Fund which will serve as a teaching hospital for the university and RM1 million to SJK(C) Pei Cheng, Bandar Putra Kulai, Johor for the building of a multi-purpose hall.

A whimsical Christmas with underprivileged children at IOI City Mall.

Student Adoption Programme

In FY2023, IOI Foundation distributed RM199,800 to deserving students through the Student Adoption Programme ("SAP"). To date, the total sum distributed through SAP amounted to RM5.22 million, benefitting more than 1,500 students. The donations are aimed at promoting social inclusion by giving every child equal access to education for a better future.

Scholarship Awards

IOI Foundation 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 FY2023, a total of RM790,000 has been awarded 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, IOI Foundation has awarded more than RM11.19 million to over 337 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 has distributed over RM650,000 to more than 1,500 students. The Awards aim to motivate 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.

Advocating a Circular Economy

Bargain Basement is a social enterprise launched under IOI Foundation 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 aims 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, with more than RM528,000 donated to date. 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.

Bargain Basement outlets are located at IOI City Mall, IOI Mall Puchong, UTAR Kampar and UTAR Sg Long. The UTAR outlets are managed by students at the university under the guidance of the Department of Student Affairs, enabling them to learn real-world business skills by promoting the store, organising stock and attending to customers, among other tasks.

Visit the following websites to participate in the initiative: https://www.carousell.com.my/u/bargainbasement_ioi and https://www.bargainbasement.com.my/store

Bargain Basement opened its fourth outlet in UTAR, Sg Long.

Developing Sustainable Communities

Save the Mangroves, Save Nature

IOIPG's Johor Bahru business unit spearheaded this vital corporate social responsibility initiative at Tanjung Piai National Park. The "Save the Mangroves, Save Nature" event was a collaborative effort with Johor National Parks Corporation and aimed to boost environmental consciousness within the local community, particularly concerning mangrove conservation.

Recognising the manifold contributions of mangrove forests, ranging from being a vibrant habitat for coastal flora and fauna to carbon capture and disaster mitigation, the programme underlined the role these ecosystems play in both climate adaptation and mitigation.

On 12 March 2023, Team IOI, joined forces with students and faculty from MSU College Johor Bahru. The day's activities ranged from seeding new plants and repositioning mature ones to a focused clean-up drive in the mangrove area. National park facilitators guided each group through their respective tasks.

The collective efforts culminated in the planting of 100 mangrove seedlings, the repositioning of 80 mature trees, and the removal of 95 kilograms of litter from the park, marking a significant step forward in IOIPG's commitment to environmental stewardship.

IOIPG employees and MSU students planting mangrove during the event.

Other Community Investment

In addition to our support through the IOI Foundation, the Group has made significant contributions of a total RM76.23 million to various community development activities in FY2023. These contributions reflect our commitment to making a positive impact beyond our core business operations. Our dedication to community development encompasses a wide range of initiatives aimed at improving the well-being and quality of life for the communities we serve.

Type of Investment	Invested Amount (RM' mil)	Total Number of Beneficiaries
Monetary donations and in-kind, excluding venue sponsorships	2.20	561
Venue Sponsorships	1.46	-
Affordable housing allocation	72.05	423
Funds to support community infrastructure (recreational facilities, etc.)	0.39	359
Direct costs for social programmes, including arts and educational events	0.13	412

Employee Volunteerism

The Group places a significant emphasis on employee volunteerism to propel our corporate responsibility endeavours, achieving the dual purpose of fostering closer relationships among colleagues and inspiring individuals to give back to the community. In FY2023, a total of 216 employees collectively devoted 1,617 hours to volunteer activities.

Our employees are actively encouraged to engage in the Group's corporate responsibility programmes whenever feasible. Furthermore, we have additional programmes in the pipeline, including events centred around sustainability and community engagement, aimed at creating a mindset shift towards sustainability stewardship. Additionally, we are planning events that champion diversity, equity, and inclusivity, further solidifying our commitment to social responsibility and community betterment.

Bursa Malaysia Content Index

SUSTAINABILITY MATTERS	INDICATORS	PAGE REFERENCE / EXPLANATION
Anti-corruption	Percentage of operations assessed for corruption-related risks	Delivering Excellence: Preventing Corruption through Due Diligence, Page 115
	Confirmed incidents of corruption and action taken	Delivering Excellence: Anti-Corruption Communication and Training, Page 115
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Developing Sustainable Communities: Corporate Responsibility, Pages 170 to 172
	Total number of beneficiaries of the investment in communities	
Diversity	Percentage of employees by gender and age group, for each employee category	Creating Value for Our Employees: Providing Fair and Equal Employment, Page 155
	Percentage of directors by gender and age group	Corporate Governance Overview Statement, Pages 205 to 206
Energy management	Total energy consumption	Caring for the Environment: Our Energy Consumption, Page 125
Health and safety	Number of work-related fatalities	Creating Value for Our Employees: OSH Performance, Page 165
	Lost time incident rate	
	Number of employees trained on health and safety standards	Creating Value for Our Employees: OSH Training, Page 164
Labour practices and standards	Total hours of training by employee category	Creating Value for Our Employees: Talent Development and Capacity Building, Page 158
	Percentage of employees that are contractors or temporary staff	Creating Value for Our Employees: Diversity and Equal Opportunity Workplace, Page 155
	Total number of employee turnover by employee category	Creating Value for Our Employees: Providing Fair and Equal Employment, Page 156
	Number of substantiated complaints concerning human rights violations	Creating Value for Our Employees: Human Rights and Labour Practices, Page 151
Supply chain management	Proportion of spending on local suppliers	Creating Value for Our Employees: Supply Chain Management, Page 115
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Delivering Excellence: Data Privacy and Security, Page 111
Water	Total volume of water used	Caring for the Environment: Water Consumption, Page 132
Waste management	Total waste generated, and a breakdown of the following: (i) Total waste diverted from disposal (Recycled Waste) (ii) Total waste directed to disposal (General Waste, Scheduled Waste and Garden Waste)	Caring for the Environment: Waste and Effluents, Page 137
Emissions management	Scope 1 emissions in tonnes of CO_2e	Caring for the Environment: Our Carbon Emissions, Page 126
	Scope 2 emissions in tonnes of CO_2e	
	Scope 3 emissions in tonnes of CO_2e	

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
GRI 2: General Disclosures 2021	2-1	Organisational details	About This Report, Page 90
	2-2	Entities included in the organisation's sustainability reporting	About This Report, Page 90
	2-3	Reporting period, frequency and contact point	About This Report, Pages 90 to 91
	2-4	Restatements of information	About This Report, Page 90
	2-6	Activities, value chain and other business relationships	Our Sustainability Journey: Stakeholder Engagement, Pages 100 to 101
	2-7	Employees	Creating Value for Our Employees, Diversity and Equal Opportunity Workplace, Pages 154 to 155
	2-9	Governance structure and composition	Our Sustainability Journey: Sustainability Governance Structure, Page 97
	2-10	Nomination and selection of the highest governance body	Our Sustainability Journey: Sustainability Governance Structure, Page 97
	2-11	Chair of the highest governance body	Our Sustainability Journey: Sustainability Governance Structure, Page 97
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Journey: Sustainability Governance Structure, Page 97
	2-13	Delegation of responsibility for managing impacts	Our Sustainability Journey: Sustainability Governance Structure, Page 97
	2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Journey: Sustainability Governance Structure, Page 97
	2-15	Conflicts of interest	Corporate Governance Overview Statement: Board Leadership and Effectiveness, Page 205
	2-16	Communication of critical concerns	Our Sustainability Journey: Assessing and Prioritising Materiality, Page 103
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement: Board Leadership and Effectiveness, Page 209
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement: Board Leadership and Effectiveness, Page 209
	2-19	Remuneration policies	Corporate Governance Overview Statement: Board Leadership and Effectiveness, Page 212
	2-20	Process to determine remuneration	Corporate Governance Overview Statement: Board Leadership and Effectiveness, Page 213
	2-22	Statement on sustainable development strategy	Advancing National and Global Goals, Pages 106 to 107
	2-23	Policy commitments	Delivering Excellence: Government Policies, Page 113
	2-24	Embedding policy commitments	Delivering Excellence: Government Policies, Page 113
	2-25	Processes to remediate negative impacts	Delivering Excellence, Managing Grievances, Page 110
	2-26	Mechanisms for seeking advice and raising concerns	

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
GRI 2: General Disclosures 2021 (Continued)	2-27	Compliance with laws and regulations	Delivering Excellence: Government Policies, Page 114
	2-28	Membership associations	Our Sustainability Journey: Membership of Associations and External Initiatives, Page 102
	2-29	Approach to stakeholder engagement	Our Sustainability Journey: Stakeholder Engagement, Pages 100 to 101
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Sustainability Journey: Assessing and Prioritising Materiality, Pages 103 to 105
	3-2	List of material topics	
	3-3	Management of material topics	
ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Sustainability Journey: Material Sustainability Matters, Pages 104 to 105
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Developing Sustainable Communities: Economic Values Distributed, Pages 167 to 168
	201-2	Financial implications and other risks and opportunities due to climate change	Delivering Excellence: Market Trends & External Operating Conditions, Page 113
	201-3	Defined benefit plan obligations and other retirement plans	Provided to all employees as per compliance with national laws
MARKET PRESENCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence, Customer Satisfaction, Page 110
	202-2	Proportion of senior management hired from the local community	Creating Value for Our Employees, Diversity and Equal Opportunity Workplace, Pages 154 to 155
INDIRECT ECONOMIC IMPACTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Assessing and Prioritising Material Topics, Page 103
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Developing Sustainable Communities: Economic Values Distributed, Pages 168 to 169
	203-2	Significant indirect economic impacts	Assessing and Prioritising Material Topics: Material Sustainability Matters, Pages 104 to 105
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence: Supply Chain Management, Page 115
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence: Anti-Corruption, Pages 114 to 115
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Delivering Excellence: Preventing Corruption Through Due Diligence, Page 115
	205-2	Communication and training about anti-corruption policies and procedures	Delivering Excellence: Anti-Corruption Communication and Training, Page 114
	205-3	Confirmed incidents of corruption and actions taken	Delivering Excellence: Anti-Corruption Communication and Training, Page 114
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence: Data Privacy and Security, Page 111
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
MATERIALS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Caring For The Environment: Material Consumption, Page 139
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Caring For The Environment: Material Consumption, Page 139
	301-2	Recycled input materials used	Caring For The Environment: Promoting The Use of Reused and Reclaimed Materials, Page 140
	301-3	Reclaimed products and their packaging materials	Caring For The Environment: Promoting The Use of Reused and Reclaimed Materials, Page 140
ENERGY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Caring For The Environment: Energy and Emissions, Page 124
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Caring For The Environment: Our Energy Consumption, Page 125
	302-2	Energy consumption outside of the organisation	Caring For The Environment: Our Energy Consumption, Pages 125 to 126
	302-3	Energy intensity	Caring For The Environment: Our Energy Consumption, Page 125
	302-4	Reduction of energy consumption	Caring For The Environment: Our Energy Reduction Commitment and Initiatives, Pages 127 to 129
	302-5	Reductions in energy requirements of products and services	Caring For The Environment: Our Energy Reduction Commitment and Initiative, Pages 127 to 129

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
WATER AND EFFLUENTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Caring For The Environment: Water Consumption, Page 132
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Caring For The Environment: Localised Water Action for Sustainable Future, Page 132
	303-2	Management of water discharge-related impacts	Caring For The Environment: Localised Water Action for Sustainable Future, Page 133
	303-3	Water withdrawal	Caring For The Environment: Water Consumption, Page 132
	303-5	Water consumption	
BIODIVERSITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Caring For The Environment: Biodiversity, Page 142
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Caring For The Environment: Biodiversity, Pages 144 to 145
	304-3	Habitats protected or restored	Caring For The Environment: Biodiversity, Pages 144 to 145
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Caring For The Environment: Biodiversity, Pages 143 to 144
EMISSIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Caring For The Environment: Our Carbon Emissions, Pages 125 to 126
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Caring For The Environment: Our Carbon Emissions, Page 126
	305-2	Energy indirect (Scope 2) GHG emissions	Caring For The Environment: Our Carbon Emissions, Page 126
	305-3	Other indirect (Scope 3) GHG emissions	Caring For The Environment: Our Carbon Emissions, Page 126
	305-4	GHG emissions intensity	Caring For The Environment: Our Carbon Emissions, Page 126
	305-5	Reduction of GHG emissions	Caring For The Environment: GHG Emissions Reduction Initiative, Page 126

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
WASTE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Caring For The Environment: Waste and Affluents, Page 135
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Caring For The Environment: Waste and Affluents, Page 137
	306-2	Management of significant waste-related impacts	Caring For The Environment: Waste Management Policy and Action, Pages 136 to 137
	306-3	Waste generated	Caring For The Environment: Total Waste Generated, Page 137
	306-4	Waste diverted from disposal	Caring For The Environment: Waste Reduction At Source, Page 137
	306-5	Waste directed to disposal	Caring For The Environment: Waste Reduction At Source, Page 137
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence: Supply Chain Management, Page 115
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Data unavailable. We are presently in the process of revising our supplier assessment procedures to include these considerations
	308-2	Negative environmental impacts in the supply chain and actions taken	
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	Creating Value For Our Employees, Page 149
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Creating Value For Our Employees: Providing Fair and Equal Employment, Pages 155 to 156
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Creating Value For Our Employees: Employee Benefits and Remunerations, Pages 152 to 153
	401-3	Parental leave	Creating Value For Our Employees: Employee Benefits and Remunerations, Page 153
LABOUR/MANAGEMENT RELATIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Creating Value For Our Employees: Human Rights and Labour Practices, Pages 150
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Creating Value For Our Employees: Human Rights and Labour Practices, Page 150
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Creating Value For Our Employees: Occupational Safety and Health, Page 160

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Creating Value For Our Employees: Occupational Safety and Health, Page 161
	403-2	Hazard identification, risk assessment, and incident investigation	Creating Value For Our Employees: Improving Safety and Health at Project Sites, Page 162
	403-3	Occupational health services	Creating Value For Our Employees: Occupational Safety and Health, Page 163
	403-4	Worker participation, consultation, and communication on occupational health and safety	Creating Value For Our Employees: Ensuring Health, Safety and Security at Managed Buildings, Pages 163 to 164
	403-5	Worker training on occupational health and safety	Creating Value For Our Employees: OSH Training, Page 164
	403-6	Promotion of worker health	Creating Value For Our Employees: Promotion of Employee Health, Page 162
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Creating Value For Our Employees: Ensuring Health, Safety and Security at Managed Buildings, Page 163
	403-8	Workers covered by an occupational health and safety management system	Creating Value For Our Employees: Occupational Safety and Health, Page 165
	403-9	Work-related injuries	Creating Value For Our Employees: OSH Performance, Page 165
	403-10	Work-related ill health	No incidents reported
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Creating Value for Our Employees, Talent Development and Capacity Building, Pages 157 to 158
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Creating Value for Our Employees, Talent Development and Capacity Building, Page 158
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Creating Value for Our Employees, Talent Development and Capacity Building, Pages 157 to 158
	404-3	Percentage of employees receiving regular performance and career development reviews	Creating Value for Our Employees, Staff Appraisal and Promotion, Page 159
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Creating Value for Our Employees, Providing Fair and Equal Employment, Page 155
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
NON-DISCRIMINATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Creating Value for Our Employees, Diversity and Equal Opportunity Workplace, Page 154
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There are no incidents have been reported
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence: Environmental and Social Compliance, Page 114
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	We have conducted the social impact assessment on the respective projects, and no critical issues were identified
	413-2	Operations with significant actual and potential negative impacts on local communities	
SUPPLIER SOCIAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Excellence: Supply Chain Management, Page 115
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Data unavailable. We are presently in the process of revising our supplier assessment procedures to include these considerations
	414-2	Negative social impacts in the supply chain and actions taken	

TCFD Content Disclosure Table

GOVERNANCE	
Describe the Board's oversight of climate-related risks and opportunities.	Climate-related topics fall under the purview of the Board of Directors ("Board"), which also oversees the sustainability governance structure. The Board is guided by the Sustainability Policy and the Sustainability Strategic Framework, ensuring the integration of corporate sustainability and responsibility into IOIPG's business strategies, and that the Board considers sustainability-related risks and opportunities. More information can be found in the **Sustainability Governance Structure** section (Page 97) and the TCFD adoption section (Page 119).
Describe the management's role in assessing and managing climate-related risks and opportunities.	The management is actively involved in the Sustainability Steering Committee ("SSC"), which assists the Board in overseeing climate-related risks and opportunities. The SSC's role is to steer IOIPG's sustainability strategy, assess and manage material sustainability matters, and monitor sustainability performance. The SSC is supported by the Sustainability Council, which comprises business unit heads, operation heads and subject matter experts. The SSC also supervises the implementation of the climate actions which guides IOIPG's efforts in tackling connected climate-related risks and exploring opportunities. For more information, please refer to the **Sustainability Governance Structure** section (Page 97).

STRATEGY	
Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	IOIPG conducts materiality assessment to determine our material sustainability matters. This is supported by the creation of focus groups that specifically cover climate issues with a diverse range of stakeholders. Our strategic alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD") framework has also enabled us to reinforce our approach to thoroughly identifying climate-related risks and opportunities. As a result, we were able to identify some climate-related impacts. These included an increasing focus on sustainability and ESG considerations by our customers across the business, which has led to growing demand for more environmentally friendly products and adherence to ESG standards, in a broader shift towards net-zero emissions. More information can be found in the **Climate Change** section on Pages 117 to 118.

TCFD Content Disclosure Table

STRATEGY (CONTINUED)	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Among the key strategic thrusts of our overall strategy is "Sustainable Design Principles", which guides us in integrating green building and township designs into our developments. We have also 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. In addition, the Sustainability Strategic Framework provides the structure through which we can 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. We continue to expedite the developed climate action plan in phases. The Group has continued to adopt 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-minimising initiatives across the business. The Group completed a Carbon Footprint Assessment pilot project to assess the embodied carbon of our high rise residential building. More details on IOIPG's operations-related environmental initiatives can be found throughout the **Caring for the Environment** section from Pages 122 to 140.
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 a scenario analysis in the future to assess climate-related impacts on the organisation's business. Through this exercise, we will provide an overview of our exposure to climate change risks and opportunities.
RISK MANAGEMENT	
Describe the organisation's processes for identifying and assessing climate-related risks.	We conduct materiality assessment to review the validity and priority of our identified material economic, environmental and social ("EES") issues that are important to both internal and external stakeholders. Climate change continues to be a key material issue, as reflected in its prioritisation within the materiality matrix. 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. More information can be found in the **Caring for the Environment: TCFD Adoption** section (Page 119).
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 an environment risk under the ERM framework.
METRICS AND TARGETS	
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 with reference to Global Reporting Initiative ("GRI") Standards 2021. We are also proponents of integrated reporting, subscribing to the Value Reporting Foundation (VRF)'s Integrated Reporting Framework since FY2019. We remain committed to supporting the United Nations Sustainable Development Goals. Since 2022, we continue to adopt the recommendations in the TCFD framework.
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. More information can be found in the **Caring for the Environment: Our Energy Consumption** section (Page 126).
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our climate-related targets focus on greenhouse gas ("GHG") emissions, energy and water consumption, waste generation and the construction materials used.

SASB Content Index

ENGINEERING AND CONSTRUCTION

CODE	DESCRIPTION	PAGE REFERENCE/PERFORMANCE
	ENVIRONMENTAL IMPACTS OF PROJECT DEVELOPMENT	
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Delivering Excellence: Environmental and Social Compliance, Page 114
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Delivering Excellence: Managing Product Quality, Page 112
	WORKFORCE HEALTH AND SAFETY	
IF-EN-320a.1	(1) Total recordable incident rate (TRIR) (2) Total fatality rate for (a) direct employees and (b) contract employee	Delivering Excellence: OSH Performance, Page 165 The data encompasses operations across the Group, including both employees and contractors.
	LIFECYCLE IMPACTS OF BUILDINGS AND INFRASTRUCTURE	
IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Caring for the Environment: Green Buildings, Page 122
	BUSINESS ETHICS	
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	(1) 0 (2) Not applicable.
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Delivering Excellence: Anti-Corruption, Pages 114 to 115 At present, there are no active enforcement measures against anti-competitive practices.

PROPERTY DEVELOPMENT

CODE	DESCRIPTION	PAGE REFERENCE/PERFORMANCE
	ENERGY MANAGEMENT	
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage (2) Percentage grid electricity (3) Percentage renewable, by property subsector	Caring for the Environment: Our Energy Consumption, Page 125
IF-RE-130a.3	Like-for-like percentage change in energy consumption	Total Energy Consumption: 31.4% increase as opposed to FY2022.
	WATER MANAGEMENT	
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage	Caring for the Environment: Water Consumption, Page 132
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Potable Water: 69.2% increase as opposed to FY2022.
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Caring for the Environment: Water Consumption, Page 132
	CLIMATE CHANGE ADAPTATION	
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Refer to TCFD disclosure under Caring For The Environment
	MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS	
IF-RE-410a.3	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	Caring for the Environment: Green Leasing for a Greener Future, Page 123

Steering Success

Our Board, under the leadership of the Chairman, plays a pivotal role in steering us towards success. With the diverse expertise of our Board members, our Board is committed to safeguarding shareholders' interest and promoting transparency. This commitment is reflected in its responsibilities, which encompass defining the Company's strategic direction, upholding accountability, and planning for succession, all of which are instrumental in driving the Group's continued success.

Board of Directors

DATUK TAN KIM LEONG

• Non-Independent Non-Executive Chairman

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

Qualification

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

Relevant 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 FY2023

- 7/8 (88%)

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 IOI Foundation *(formerly known as Yayasan Tan Sri Lee Shin Cheng)*
- Trustee of Platonic Foundation

@ as Independent Director

Board of Directors

LEE YEOW SENG

• Chief Executive Officer

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

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

Relevant 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 FY2023
- 8/8 (100%)

Directorship of other Listed Issuers/Public Companies

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

Public Company
- Director of IOI Properties Berhad

Non-Profit Public Companies
- Trustee of IOI Foundation *(formerly known as Yayasan Tan Sri Lee Shin Cheng)*
- Trustee of IOIPG Foundation Berhad
- Trustee of Platonic Foundation

@ as Non-Independent Non-Executive Director

LEE YOKE HAR

• Non-Independent Non-Executive Director

Gender/Age/Nationality:
Female/51/Malaysian

Date of Appointment:
1 July 2017

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

Relevant 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 on 1 July 2022

Membership of Board Committee(s) in IOIPG
- None

No. of Board Meeting Attended for FY2023
- 8/8 (100%)

Directorship of other Listed Issuers/Public Companies
Listed Issuer
- None

Public Company
- None

Non-Profit Public Company
- None

Board of Directors

DATO' LEE YEOW CHOR

• Non-Independent Non-Executive Director

Gender/Age/Nationality: Male/56/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

Relevant 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
- Chairperson of the Whistleblowing Committee

No. of Board Meeting Attended for FY2023
- 8/8 (100%)

Directorship of other Listed Issuers/Public Companies
<u>Listed Issuers</u>
- Group Managing Director and Chief Executive of IOI Corporation Berhad
- Non-Independent Non-Executive Director of Bumitama Agri Ltd

<u>Public Companies</u>
- Director of IOI Oleochemical Industries Berhad
- Director of Unico-Desa Plantations Berhad
- Director of Dynamic Plantations Berhad

<u>Non-Profit Public Companies</u>
- Trustee of IOI Foundation *(formerly known as Yayasan Tan Sri Lee Shin Cheng)*
- Trustee of Platonic Foundation

DATO' TAN THEAN THYE

- Independent Non-Executive Director

Gender/Age/Nationality:	Date of Appointment:	Length of Tenure as Director (as at 30 June 2023):
Male/69/Malaysian	2 January 2023	6 months

Qualification

- Master of Science in Planning, Universiti Sains Malaysia
- Bachelor of Science in Housing, Building & Planning (Honours), Universiti Sains Malaysia
- Corporate Member of the Malaysian Institute of Planners ("MIP")
- Registered Planner with the Board of Town Planners, Malaysia

Relevant Experience

- 43 years' experience in the property industry
- Head of Property Division in IOI Group from 1990 to 2012 including as Property Director and Executive Director of IOI Properties Berhad
- Managing Director of KLK Land Sdn Bhd from 2013 to 2022, the property division of Kuala Lumpur Kepong Berhad
- Served in Real Estate and Housing Developers' Association Malaysia (REHDA), Selangor Branch committee, Council of MIP and Committee of International Real Estate Federation Malaysia (FIABCI) Malaysian Chapter

Membership of Board Committee(s) in IOIPG

- Member of the Audit Committee
- Member of the Risk Management Committee
- Member of the Nomination and Remuneration Committee

No. of Board Meeting Attended for FY2023

- 4/4 (100%)

Directorship of other Listed Issuers/Public Companies

Listed Issuer

- None

Public Company

- None

Non-Profit Public Company

- None

Board of Directors

DATUK DR TAN KIM HEUNG

• Non-Independent Non-Executive Director

Gender/Age/Nationality: Male/61/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

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

Membership of Board Committee(s) in IOIPG
- Member of the Nomination and Remuneration Committee
- Member of the Whistleblowing Committee

No. of Board Meeting Attended for FY2023
- 8/8 (100%)

Directorship of other Listed Issuers/Public Companies
Listed Issuer
- None

Public Company
- None

Non-Profit Public Company
- Trustee of IOIPG Foundation Berhad

@ as Independent Non-Executive Director

CHAN CHA LIN

• Independent Non-Executive Director

Gender/Age/Nationality:	Date of Appointment:	Length of Tenure as Director (as at 30 June 2023):
Male/62/Malaysian	1 June 2021	2 years 1 month

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

Relevant 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
- Chairperson of the Risk Management Committee
- Member of the Audit Committee
- Member of the Whistleblowing Committee

No. of Board Meeting Attended for FY2023
- 8/8 (100%)

Directorship of other Listed Issuers/Public Companies

Listed Issuer
- None

Public Company
- None

Non-Profit Public Company
- Director of Yayasan Chan Fong Ann

Board of Directors

SHIRLEY GOH

- Independent Non-Executive Director

Gender/Age/Nationality:	Date of Appointment:	Length of Tenure as Director (as at 30 June 2023):
Female/64/Malaysian	1 July 2023	Not applicable

Qualification
- A member of Malaysian Institute of Certified Public Accountants (MICPA)
- A member of Malaysian Institute of Accountants (MIA)

Relevant Experience
- Served in PricewaterhouseCoopers Malaysia ("PwC") for 41 years, of which 24 years were as a Partner
- She has 40 years of extensive experience in providing audit and business advisory services to a diverse range of clients, including local enterprises and conglomerates as well as multinational companies in a variety of industries such as financial services, healthcare, construction, property development & investment, poultry farming, retail, services and others
- She had undertaken numerous advisory assignments including advising her clients on listing requirements of Initial Public Offers (IPOs) on local and overseas exchanges, fund raising exercises, mergers and acquisitions and other corporate restructuring activities
- She had worked with clients with large overseas operations in China, India, Singapore, Vietnam and Indonesia

Membership of Board Committee(s) in IOIPG
- Chairperson of the Audit Committee
- Member of the Risk Management Committee

No. of Board Meeting Attended for FY2023
- Not applicable

Directorship of other Listed Issuers/Public Companies

Listed Issuer
- Independent Non-Executive Director of Malayan Banking Berhad

Public Companies
- Maybank Asset Management Group Berhad
- Maybank Trustees Berhad

Non-Profit Public Company
- None

Additional Information of the Directors:

1. Conflict of Interest ("COI")

   i) Dato' Lee Yeow Chor, Lee Yeow Seng and Lee Yoke Har

   Dato' Lee Yeow Chor, Lee Yeow Seng and Lee Yoke Har ("Affected Directors") are members of the immediate family. They are deemed in COI with IOI Properties Group by virtue of their interests in Malayapine Estates Sdn Bhd ("MESB"), Adawan Development Sdn Bhd ("ADSB") and Aspire Enrich Hotel Sdn Bhd which are involved in similar business of property investment, property development and hospitality, respectively.

   MESB

   MESB owns two (2) plots of leasehold land in Bandar Putara Klang and one (1) plot of freehold land in Bandar Puteri Klang measuring approximately 412 acres and 393 acres respectively (collectively, the "MESB Land") with a remaining gross development value ("GDV") of approximately RM454 million and RM340 million respectively. As at 30 August 2023, approximately 374 acres of Bandar Puteri, Klang have been developed, representing approximately 95% of the intended development of the Bandar Puteri Klang project.

   At present, approximately 380 acres of Bandar Putera Klang are being developed, representing approximately 91% of the intended development of the Bandar Putera Klang project. The remaining landbank in Bandar Putera Klang and Bandar Puteri Klang is expected to be fully developed within the next eight (8) years.

   The development in Bandar Putera Klang comprises mainly a low and medium cost mixed development project which includes inter-alia double and single storey terrace houses and shops, as well as apartments and the remaining parcels for commercial development.

   Notwithstanding that the involvement of the Affected Directors in the Company gives rise to a potential COI situation, such conflict is mitigated because there is no direct competition between the Company and MESB in view that the Company does not have any current development projects within the vicinity of Bandar Puteri Klang and Bandar Putera Klang. Additionally, these projects are ongoing wherein Bandar Putera Klang will be completed by 2026.

   ADSB

   ADSB owns a plot of land in the south coast of Johor measuring approximately 37.7 acres which is adjacent to the causeway connecting Johor Bahru and Singapore ("ADSB Land').

   The ADSB Land was acquired in 2011 for investment purposes for a total consideration of RM80 million. Planning approval and approved building plans had been granted for the development of Parcel 1 of 5.9 acres of serviced apartment and retail shops targeted for the high end market segment, with a GDV of approximately RM740 million and this development known as Wave @ Marina Cove ("Wave Project") had been fully completed in 2018.

   Part of Parcel 3 measuring about 1.7 acres have received planning approval for development of a hotel. Save for the Wave Project, the development components of the remaining ADSB Land comprise mainly high end serviced apartments, retail and shops that have yet to launch at this juncture, while the Fairfield by Marriott (midscale hotel project) has been put on hold.

   Notwithstanding that the involvement of the Affected Directors in ADSB and Company gives rise to a potential COI situation, such conflict is mitigated because there will not be any direct competition between the properly development undertaken on the ADSB Land with the development projects of the Company as the ADSB Land is situated within the Johor Bahru Commercial Business District ("JB CBD") and adjacent to the causeway between Johor Bahru and Singapore, which is not within the vicinity of the other landbank of IOI Properties Group, which are generally inland.

LEE AI LENG

• Independent Non-Executive Director

Gender/Age/Nationality:	Date of Appointment:	Length of Tenure as Director (as at 30 June 2023):
Female/57/Malaysian	2 January 2023	6 months

Qualification
- LLB (Honours) in Law, University of Malaya
- Diploma in Accounting and Finance, Association of Chartered Certified Accountants

Relevant Experience
- Started career in private practice in 1991 after being called to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya
- Group Legal Advisor and as joint Company Secretary in IOI Corporation Berhad from 1994 to 2013. She also served as a member of various management committees which include Group Investment Committee, Credit Committee, Whistleblowing Committee and Group Tender Committee
- Assumed the position of head of Legal of Sime Darby Plantation Berhad in 2014 and was redesignated as Group General Counsel in 2018
- 30 years of experience in plantation and property industries with areas of expertise in corporate and commercial law focusing on domestic and cross-border mergers and acquisitions, joint ventures, capital markets, private debt securities, banking and finance matters as well as property development, real and personal property transactions

Membership of Board Committee(s) in IOIPG
- Chairperson of the Nomination and Remuneration Committee
- Member of the Risk Management Committee
- Member of the Audit Committee

No. of Board Meeting Attended for FY2023
- 4/4 (100%)

Directorship of other Listed Issuers/Public Companies

Listed Issuer
- None

Public Company
- None

Non-Profit Public Company
- None

Additionally, the profile of the development projects differs as follows:-

(a) The Wave Project consists of a high rise high-end mixed development with mainly serviced apartments and retail units, whereas the bulk of the Group's projects in Johor comprise mainly landed development with township/integrated mixed development concept situated inland.

(b Given that the location of the Wave Project is within JB CBD, the project is targeted mainly to the high end market segment with a net average selling price of apartment units at RM400 to RM700 per square foot ("psf"). The high rise developments of the Company are located further away from JB CBD and are priced lower to that of the Wave Project, with net average selling price of apartments at RM350 to RM460 psf and targets purchasers from the mid to high end market segment.

(c) The landed developments of the Company *(namely, the projects within Bandar Putra Kulai and Taman Kempas Utama)* are targeted towards a mixed of affordable and mid-end market segment.

Both MESB and ADSB projects are currently managed by the indirect subsidiaries of the Company pursuant to Management Service Agreements. This arrangement allows the Company to prevent direct competition between the Group's existing projects and any new projects to be launched by MESB and ADSB.

ii) Dato' Tan Thean Thye

Dato' Tan Thean Thye is a Director of Aura Muhibah Sdn Bhd ("AMSB") and Scope Energy Sdn Bhd ("SESB") (both 60:40 owned by KLK Land Sdn Bhd and UEM Land Berhad).

Notwithstanding the common Directorships in AMSB, SESB and the Company, Dato' Tan Thean Thye is not involved in any situations that may give rise to COI with IOI Properties Group as his presence as a director in both AMSB and SESB is to facilitate the joint venture. Prior to Dato' Tan Thean Thye's appointment as an Independent Non-Executive Director of the Company, he had also indicated to the Board that he will be resigning from AMSB and SESB by 31 December 2023.

iii) Chan Cha Lin

Mr Chan Cha Lin is an Executive Director of Gapam Green Resort Sdn Bhd ("GGRSB") which started its property development project in Melaka with land area of 233 acres, focusing at wellness and healthy living concept. Notwithstanding the common Directorship in GGRSB and the Company, Mr Chan Cha Lin is not involved in any situations may give rise to COI with the Group in view of GGRSB's product mix, location, size and scale of operation of GGRSB.

Further, the Audit Committee will continue to evaluate and monitor any potential COI situation of the above disclosures periodically.

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) involved in any situations or has interest in any competing businesses which may give rise to COI with IOI Properties Group.
3. None of the Directors has any conviction for offences within the past five (5) 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 2023.
5. Attendance of Directors

   Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement of this Integrated Annual Report.

Senior Management Team

Chief Executive Officer

Lee Yeow Seng

Group Chief Operating Officer, Property Development

Teh Chin Guan

Chief Operating Officer, Property Development, Southern Region

Lim Beng Yeang

Chief Operating Officer, Property Investment

Chris Chong Voon Fooi

Chief Financial Officer

Melissa Tan Swee Peng

Property Development

Senior General Managers

Ho Kwok Wing

Chung Nyuk Kiong

Senior General Manager Xiamen, People's Republic of China

Steve Wong Wai Leong

General Manager, Singapore

Shawn Chang Si Yang

Head of Group Sales, Marketing and Branding

Nicole Lee Chee Yiing

Property Investment

General Manager, Singapore

Lee Yean Pin (Li Yanping)

Head of Leasing (Offices)

Joanne Ang Cui Xia

Head of Facilities Management

Toh Boon Chiew

Cluster General Manager

- *Four Points by Sheraton, Puchong*
- *Le Méridien, Putrajaya*
- *Putrajaya Marriott Hotel*
- *Palm Garden Hotel, Putrajaya (a Tribute Portfolio Hotel)*

Rasheed Kumar Renoo*

Corporate

Head of Group People & Culture

Bhuvaneswary Kisnasamy

Group Financial Controller

Michelle Shen Yan Chao

Head of Group Corporate Sustainability & Communication

Kristine Ng Mee Yoke

Company Secretary and Head of Corporate Finance

Chee Ban Tuck

Head of Group Quality Management

Steven Su Chan Loong

Head of Group Internal Audit

Jimmy Yee Yoke Seng

* Employment under Marriot International

Profile of Senior Management Team

The management team is headed by Lee Yeow Seng, Chief Executive Officer. He is assisted by the following senior management:-

Teh Chin Guan

Group Chief Operating Officer, Property Development

Gender:	Age:	Nationality:
Male	57	Malaysian

Date of Appointment to Current Position:
1 July 2023

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

Skills and Experience:
Before joining IOI Group's property division, 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 IOI Group on 28 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 as Chief Operating Officer of IOI Properties Group in 2014 after the de-merger of IOI Group, 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.

Following the appointment of the Group Chief Operating Officer on 1 July 2023, Mr Teh Chin Guan is now responsible for the Property Development segment of Malaysia, Group Sales, Marketing & Branding, Group Quality Management and Group People & Culture.

Lim Beng Yeang

Chief Operating Officer, Property Development, Southern Region

Gender:	Age:	Nationality:
Male	61	Malaysian

Date of Appointment to Current Position:
1 July 2018

Qualification:
- Bachelor of Science in Housing Building & Planning (Honours) 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

Chris Chong Voon Fooi

Chief Operating Officer, Property Investment

Gender:	Age:	Nationality:
Male	44	Malaysian

Date of Appointment to Current Position:
1 July 2023

Qualification:
- Bachelor of Arts in International Business Administration (Honours) from Northumbria University of Newcastle

Skills and Experience:
Mr Chris Chong Voon Fooi is responsible for Property Investment segment in Malaysia.

He has more than 24 years of experience in shopping mall development and management. Prior to joining IOI Properties Group, 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 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.

In July 2023, Mr Chris Chong was appointed as the Chief Operating Officer, Property Investment.

Melissa Tan Swee Peng

Chief Financial Officer

Gender:	Age:	Nationality:
Female	50	Malaysian

Date of Appointment to Current Position:
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 26 years of experience in the financial, property and banking industries. Apart from overseeing financial and corporate related matters for IOI Properties Group. She is also responsible for the overall coordination of sustainability and digital transformation initiatives for the Group and keeps abreast of latest changes to regulatory and best practices in Environmental, Social and Governance (ESG) reporting.

Prior to joining IOIPG as Chief Financial Officer ("CFO") on 1 June 2022, she was the CFO of Eco World International Berhad ("EWI") overseeing all financial and corporate matters of EWI group including financial reporting, corporate finance, investor relations, sustainability and performance and risk management. She also successfully implemented a Medium Term Note Programme to facilitate the growth of EWI's expansion into the foreign property markets.

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 EWI on Bursa Malaysia Securities Berhad and spearheaded the implementation of several major corporate transactions involving acquisitions, joint-venture arrangements and equity fund raising.

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 two Islamic finance awards, namely the Perpetual Deal of the Year and Musharakah Deal of the Year in 2014.

From 2001 to 2006, she was with the Corporate Finance Department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad, and was involved in various corporate transactions specialising in mergers and acquisitions, take-overs and equity fund raising activities. Upon her graduation in 1997, Melissa started her career with the Internal Audit Department of Sunway Holdings Berhad (now known as Sunway Berhad).

Profile of Senior Management Team

Ho Kwok Wing

Senior General Manager

Gender:	Age:	Nationality:
Male	57	Malaysian

Date of Appointment to Current Position:
1 July 2018

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 segment in IOI Resort City. Under his portfolio, he had successfully completed the IOI City Mall (Phases 1 & 2), IOI City Towers, Le Méridien Hotel, Conezión mixed development, The Clio Residences, Par3 Residence, and township infrastructures. The projects under construction now are Moxy Hotel and 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 in 2012 as a General Manager.

Chung Nyuk Kiong

Senior General Manager

Gender:	Age:	Nationality:
Male	60	Malaysian

Date of Appointment to Current Position:
1 July 2017

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 ("PRC")

Gender:	Age:	Nationality:
Male	49	Malaysian

Date of Appointment to Current Position:
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 25 years of experience in property and construction industry spanning Malaysia and PRC. He has been based in PRC for 15 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.

Profile of Senior Management Team

Shawn Chang Si Yang

General Manager, Singapore

Gender:	Age:	Nationality:
Male	57	Singaporean

Date of Appointment to Current Position:
1 October 2022

Qualification:
- Bachelor's Degree in Quantity Surveyor & Building Economics from Heriot Watt University Scotland

Skills and Experience:
Mr Shawn Chang Si Yang is appointed as the General Manager for Property Development segment in IOI Properties Singapore in October 2022.

His extensive 30 years of experience in the real estate and property industry, coupled with his diverse skill set, demonstrates a deep understanding of the entire property development lifecycle. His involvement in various aspects of property development, from land acquisition to property management and maintenance, highlights his comprehensive expertise in the field.

Mr Shawn Chang Si Yang's in-depth knowledge and extensive experience in real estate, particularly for residential and commercial development, are valuable assets in the industry. His ability to apply robust and proactive controls from a clear baseline is indicative of his expertise in project management and programme development.

Nicole Lee Chee Yiing

Head of Group Sales, Marketing & Branding

Gender:	Age:	Nationality:
Female	41	Malaysian

Date of Appointment to Current Position:
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, Corporate Strategy & 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 the Sunway Group in PRC, among other responsibilities. She was appointed to the corporate office as a senior manager of 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 relocated to Switzerland in 2018 to fulfil her family responsibility. She has since relocated back to Malaysia and joined IOI Properties Group in 2022.

Lee Yean Pin (Li Yanping)

General Manager, Singapore

Gender:	Age:	Nationality:
Female	49	Singaporean

Date of Appointment to Current Position:
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 15 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 Urban Redevelopment Authority (URA) before joining IOI Properties Group in March 2012.

For the first 10 years in IOI Properties Group, she was responsible for overall planning, execution, design, construction, and coordination of the Group's development projects in Singapore. She was involved in the property development, from identifying and evaluating investment opportunities, land acquisition to project completion and sales/ leasing. The Group's projects she has managed included condominium projects and mixed-use developments in Singapore.

She currently oversees IOI Properties Group's investment property portfolio in Singapore, including leasing and property management of IOI Central Boulevard Towers and other IOI joint venture projects such as South Beach, Sentosa Seascape and Cape Royale.

Profile of Senior Management Team

Rasheed Kumar Renoo

Cluster General Manager
- *Four Points by Sheraton, Puchong*
- *Le Méridien, Putrajaya*
- *Putrajaya Marriott Hotel*
- *Palm Garden Hotel, Putrajaya (a Tribute Portfolio Hotel)*

Gender:	Age:	Nationality:
Male	56	Malaysian

Date of Appointment to Current Position:
1 June 2021

Qualification:
- Diploma in Business Management from Universiti Teknologi Malaysia

Skills and Experience:
Mr Rasheed Kumar Renoo has continuously improved 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.

Joanne Ang Cui Xia

Head of Leasing (Offices)

Gender:	Age:	Nationality:
Female	45	Malaysian

Date of Appointment to Current Position:
1 January 2021

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 17 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.

Toh Boon Chiew

Head of Facilities Management

Gender:	Age:	Nationality:
Male	56	Malaysian

Date of Appointment to Current Position:
19 August 2019

Qualification:
- Bachelor Degree in Mechanical Engineering (Honours) from University of Newscastle, Australia

Skills and Experience:
Mr Toh Boon Chiew is responsible for the facilities management of property investment.

He has more than 32 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.

Profile of Senior Management Team

Bhuvaneswary Kisnasamy

Head of Group People and Culture

Gender:	Age:	Nationality:
Female	48	Malaysian

Date of Appointment to Current Position:
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 Bhuvanes Kisnasamy's career spans over 21 years with experience in various industries such as oleochemicals, environmental, biotechnology, property, and hospitality.

Ms Bhuvanes Kisnasamy 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 role in 2014.

Before joining IOI Properties Group, Ms Bhuvanes Kisnasamy 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 Intergrated Properties & Sunway REIT and as a Regional People & Organisation Partner in Novozymes, a biotechnology company.

Michelle Shen Yan Chao

Group Financial Controller

Gender:	Age:	Nationality:
Female	41	Malaysian

Date of Appointment to Current Position:
1 March 2021

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 19 years of experience in auditing and finance in Property Development, Property Investment and Hospitality & Leisure 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.

Kristine Ng Mee Yoke

Head of Group Corporate Sustainability & Communication

Gender:	Age:	Nationality:
Female	56	Malaysian

Date of Appointment to Current Position:
25 May 2016

Qualification:
- Bachelor of Arts (Honours) Degree from University of Malaya

Skills and Experience:
Ms Kristine Ng Mee Yoke is responsible for the strategic management of sustainability across the various business segments of the Group; and currently oversees the Group's Corporate Communication function.

She has more than 28 years of experience in the property industry, holding various senior and general management positions with expertise in the areas of sustainability management, 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.

Profile of Senior Management Team

Chee Ban Tuck

Company Secretary and Head of Corporate Finance

Gender:	Age:	Nationality:
Male	57	Malaysian

Date of Appointment to Current Position:
1 July 2021

Qualification:
- Member of Malaysian Institute of Accountants and Chartered Institute of Management Accountants

Skills and Experience:
Mr Chee Ban Tuck is currently responsible for the treasury and corporate finance functions in addition to company secretarial functions in IOI Properties Group.

He has over 25 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.

Steven Su Chan Loong

Head of Group Quality Management

Gender:	Age:	Nationality:
Male	47	Malaysian

Date of Appointment to Current Position:
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 24 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 S P Setia 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 S P Setia as the General Manager of Group Quality Management. During this tenure, he was responsible for the 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.

Jimmy Yee Yoke Seng

Head of Group Internal Audit

Gender:	Age:	Nationality:
Male	47	Malaysian

Date of Appointment to Current Position:
1 July 2015

Qualification:
- Member of 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 23 years of external and internal auditing experience. Prior to joining IOI Properties Group in 2015, he was attached to a few public listed companies in various industries, where he was responsible for the internal audit and enterprise risk management functions.

Notes:
1. Mr Teh Chin Guan and Ms Melissa Tan Swee Peng are directors of certain associate and joint venture companies ("JVCs") in which the Company has indirect interest. They were nominated by the Company to act as directors of such JVCs pursuant to shareholders' agreements. In view thereof, the appointments of the senior management personnel as directors of the JVCs do not pose a real conflict of interest to the Group.
2. Save as disclosed above, none of the above senior management members has:
   (a) any directorship in public companies and listed issuers;
   (b) any family relationship with any directors and/or major shareholders of the Company;
   (c) any conflict of interest (including competing business) with the Group;
   (d) any conviction for offences (other than traffic offences) within the past five (5) years; and
   (e) 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 Company's Board of Directors (the "Board") during the financial year ended 30 June 2023 ("FY2023"). 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 2023/2024.

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.

During 2023, we continued to reinforce our culture and values through:-

- Regular Town Hall sessions to ensure a high level of communication across the Group;
- Continued focus on senior leadership development and role-modelling to send consistent messages on our values; and
- Ongoing review and monitoring of risk profile as part of each internal audit review.

We will continue to evaluate 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"):-

Board leadership and effectiveness

Effective audit and risk management

Integrity in corporate reporting and meaningful relationship with stakeholders

How Our Governance Supports the Delivery of Our Strategy

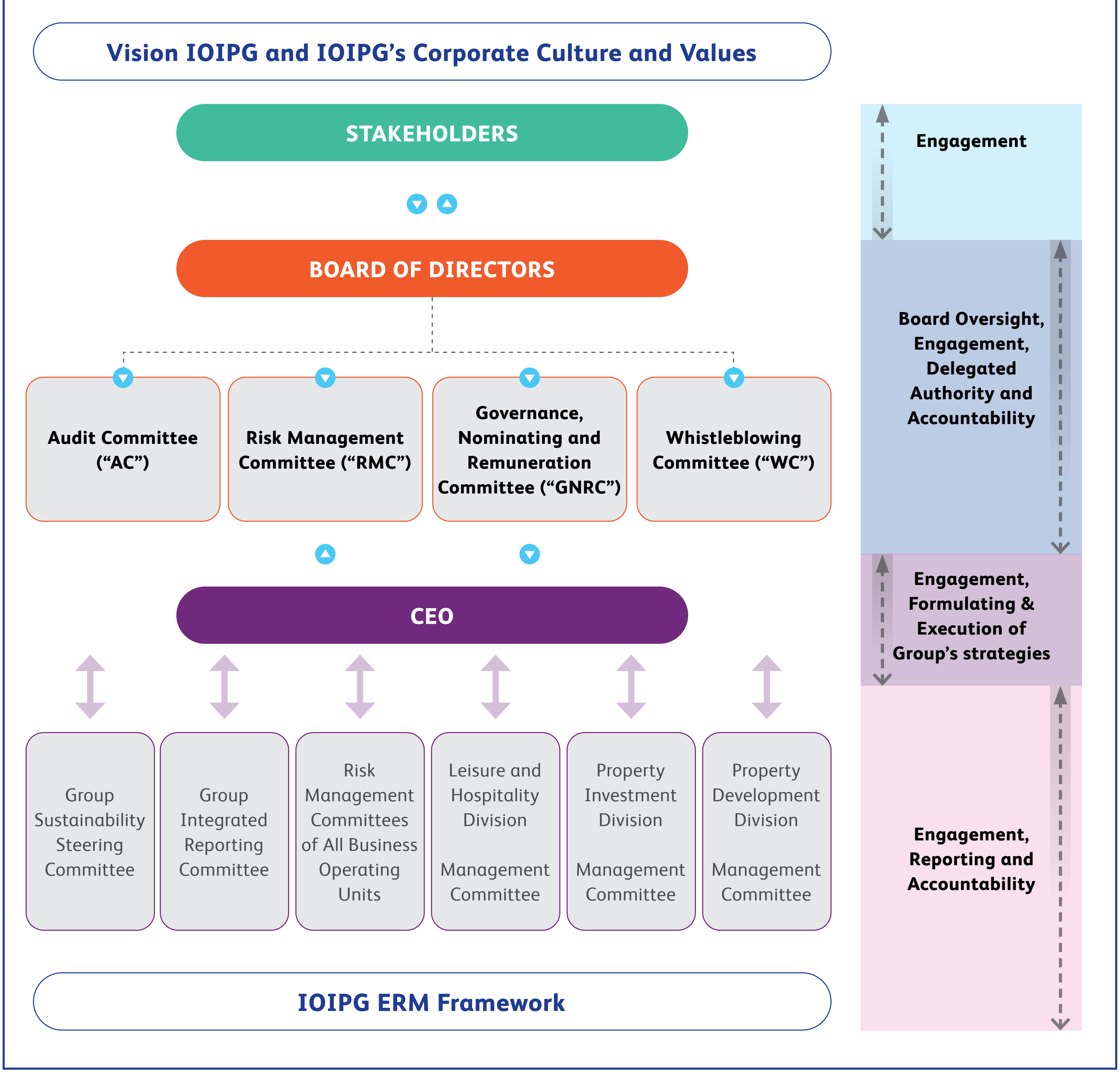
The Board is responsible for setting and reviewing the Group's strategy and policies, overseeing risk and CG, and monitoring progress towards meeting the Group's objectives and annual plans. It is accountable to the Group's shareholders for the proper conduct of the business and its long-term success, and represents the interests of all stakeholders. The Board spends considerable time in assessing whether any proposed action aligns with the strategy and future direction of the business.

Sustainability is a fundamental pillar of our strategic planning and decision-making process. The leadership team, including the Chief Executive Officer ("CEO"), Group Chief Operating Officer ("COO"), COOs and Chief Financial Officer ("CFO"), plays a central role in shaping the Group's strategy. This strategy is developed, examined, and ultimately approved by the Board, following a process that encourages robust discussion and critical evaluation. This ensures that sustainability considerations are woven seamlessly into our overarching corporate objectives.

The role of the Board is to create long-term sustainable value for the benefit of the Company'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 ("ERM") Framework
- The way we report to our stakeholders

GOVERNANCE FRAMEWORK



Corporate Governance Overview Statement

ADOPTION OF CG CODE

During FY2023, the Company was in full compliance with all applicable principles and practices of the CG Code, save for:-

- Practice 5.2 *(At least half of the Board comprises independent directors. For large companies, the Board comprises a majority independent directors)*
- Practice 5.9 *(The Board comprises at least 30% women Directors)*
- Practice 8.2 of the CG Code *(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 our corporate website at https://www.ioiproperties.com.my/investors-media/reports. 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 continuously seeks further improvements to the effectiveness of the Board.

The Company 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 currently comprises nine (9) Directors with a wide range of knowledge and experience from a variety of sectors which enables them to provide effective oversight, strategic guidance, constructive challenge, and to examine management's proposals on strategy and empower the CEO to implement the strategy approved by the Board.

Effective operation of the Board relies on clarity of the various roles and responsibilities of the individual Board members. There is a formal division of responsibilities between the Board and the leadership team, promoting clear lines of accountability and oversight.

Non-Independent Non-Executive Chairman
Datuk Tan Kim Leong
Leads the Board & is responsible for its overall effectiveness

Non-Independent Non-Executive Directors ("NEDs")
Provide constructive challenge to the executives

Senior Independent Director (vacant)
Supports the Chairman in matters of governance & Board performance, & serves as an intermediary for other Directors

Independent Non-Executive Directors ("INEDs")
Provide constructive challenge to the executives

CEO
Lee Yeow Seng
Delegated responsibility for day-to-day management of the business & implementation of the Group's strategy

Group COO
(Property Development)
Teh Chin Guan

COO
(Property Development, Southern Region)
Lim Beng Yeang

COO
(Property Investment)
Chris Chong Voon Fooi

Oversees the success of business units through the development and implementation of the Group's strategies

CFO
Melissa Tan Swee Peng
Provides financial leadership & supports in the development and implementation of the Group's strategy

Following the retirement of Dato' Voon Tin Yow, the former CEO, on 1 July 2023, Mr Lee Yeow Seng, the Executive Vice Chairman ("EVC") had been redesignated as the CEO.

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 including sustainability strategy.

The Board has a schedule of matters specifically reserved for its decision and has approved the written Terms of Reference of four (4) Board Committees to which it has delegated specific responsibilities to those Board Committees. These Board Committees except WC are chaired by an INED, while WC is chaired by a NED, focusing on specific areas of the Board's responsibilities. The Terms of Reference of each of the Board Committees are also available on our corporate website. These Terms of Reference are also subject to review as and when the need arises from relevant changes or updates in the regulatory reporting requirements.

During FY2023, INEDs of the Company led by the Non-Independent Non-Executive Chairman met in private sessions numerous times without the presence of the EVC and CEO. The private discussions were focused on the objective assessment of management's ideas and proposals.

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 the Directors.

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.

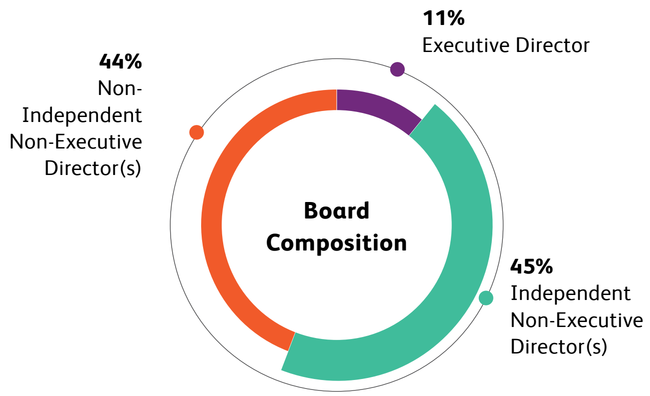
Board's Independence

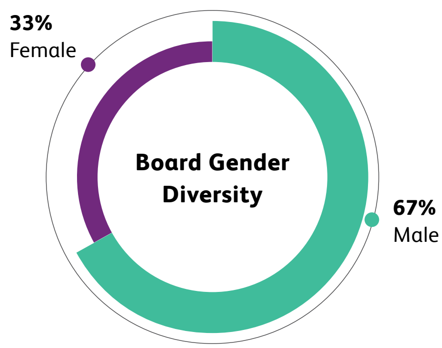
The balance of Directors on the Board ensures that no individual or small group of Directors can dominate the decision-making process and that the interests of shareholders are protected. The Board considers each of the Company's current INEDs to be independent in character and judgement that could provide 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 or her own beliefs and viewpoints in order to support the ultimate goal 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.

We continue to monitor and note the potential conflicts of interest that each Director may have and recommend to the Board whether these should be authorised and if any conditions should be attached to such authorisations. The Directors are regularly reminded of their continuing obligations in relation to conflict of interest and are required to confirm their declaration of interests at least once annually. This helps us to consider whether each of them continues to be independent.

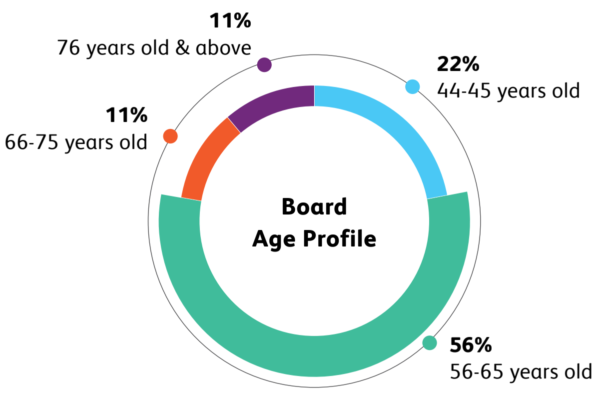
Board Composition (as of 30 August 2023)

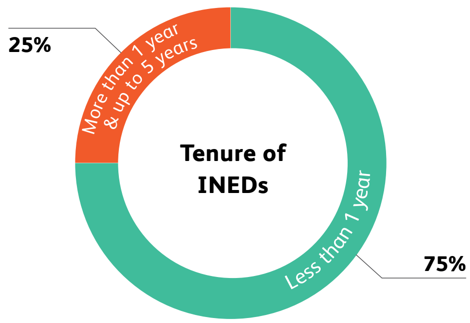
How our Board brings a wide range of experience, skills and backgrounds which complement the Group's strategy.





Corporate Governance Overview Statement





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 Company's Board skills matrix
- Tenure
- Diversity
- Time commitment, character, professionalism and integrity

The GNRC also takes into account factors including:-

- Relevant guidelines/legislative requirements in relation to the 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 on our corporate website at https://www.ioiproperties.com.my/our-company/corporate-governance under "Board Appointment" section.

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 Company 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 FY2023.

Congruent with the Board selection process, upon the GNRC's review and recommendation, the Board had on 23 June 2023 approved IOIPG's Fit and Proper Policy with new amendments on the enhancements to the fit and proper criteria (in light of the Listing Requirements' revised criteria for Director's independence) as well as the GNRC's assessment process.

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.

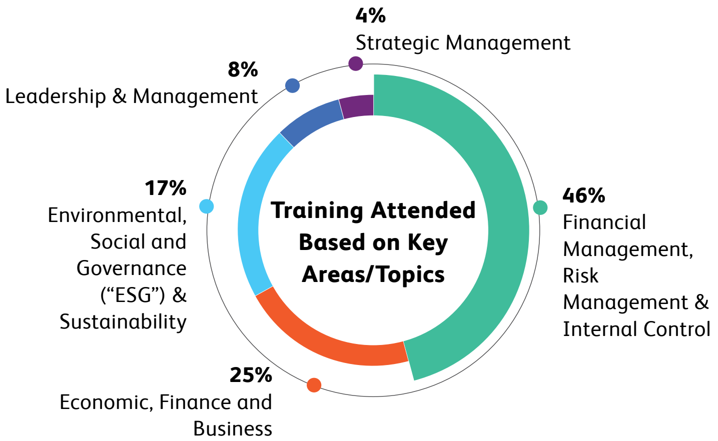
Every new Director is required to attend an induction programme to receive information about all aspects of the Group's operations, both local and abroad, including briefings with key members of Senior Management. The CEO and Company Secretary are responsible for delivering the programme covering the 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 had been identified by the GNRC for deliberation. During FY2023, GNRC had successfully sourced and recruited additional two (2) INEDs with backgrounds and qualifications relevant to the Group's business and property industry. Subsequent thereto, GNRC had recently recruited another INED with accounting qualifications to lead the AC.

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.

Board Development

To enable the Directors to continue in contributing effectively to the Board and Board Committee meetings, Directors are regularly provided opportunities to participate in training and development and they can also request specific training that they may consider necessary or useful. The diagramme below shows the key learning areas/topics attended by the Company's Directors:-



The details of training attended by Directors in FY2023 can be found on our corporate website https://www.ioiproperties.com.my/our-company/corporate-governance under "Board Development" section.

Diversity

The Company had established a Board Diversity Policy, which supports the GNRC in its approach to succession planning.

The Board Diversity Policy can be found on our corporate website at https://www.ioiproperties.com.my/our-company/corporate-governance under "Policies, Codes and Framework" section.

Corporate Governance Overview Statement

An overriding principle is that all appointments to the Board will be based on 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, whilst keeping gender diversity in mind. IOIPG does not specify a target for gender diversity in the Board composition. As at 30 June 2023, women Directors constitute 25% of the Board composition, resulting from the appointment of an additional female INED in January 2023. Demonstrating our ongoing commitment, we have continued to strengthen the Board diversity with the appointment of another female INED on 1 July 2023.

The Board will, through the GNRC, continue to review its size, diversity, composition as well as its effectiveness from time to time.

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 that it 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:-

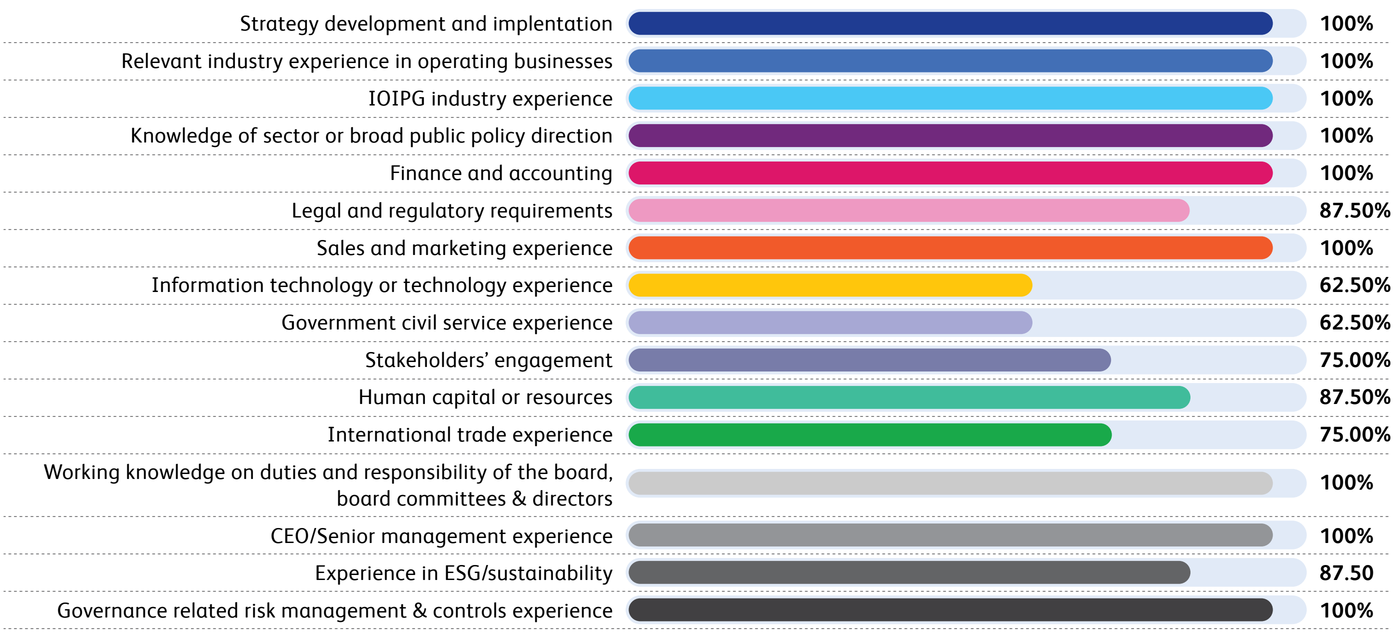
- recruiting and managing based on an individual's competence and performance
- respecting the unique attributes that each individual brings to the workplace
- fostering an inclusive and supportive culture to enable people to develop their full potential
- providing the opportunity for employees to develop skills and experience through training and mentoring programme

Further information on IOIPG's employees' diversity is included in the Sustainability Report which is also available on our corporate website at https://www.ioiproperties.com.my/investors-media/reports.

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"). By linking this skills matrix to the Group's strategic direction, we create a dynamic and forward-looking approach to the Board composition. This, in turn, supports our ongoing efforts in refreshment and succession planning for our INEDs. The ultimate goal is to cultivate a diverse and well-rounded Board that can adapt to the changing landscape of our industry and help drive the Group's future success. In FY2023, the Board Skills Matrix Assessment was conducted through self-rating questionnaires to gain an understanding of whether our Directors possess the skills, knowledge, competence and experience necessary to meet the needs of the Group. The insights from our latest Board Skills Matrix Assessment are as depicted below:-

Board Skills Matrix



The above results demonstrate alignment of the Board's responsibilities with the current mix of skills of the Directors. The high-powered Board of the Company comprises luminaries from the property industry, legal, risk management, medical, accounting and finance backgrounds. Based on the latest Board Skills Matrix Assessment, 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 Company. 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.

Board Evaluation

To strengthen the independence and effectiveness of the Board performance evaluation, we will appoint an external independent professional or expert to carry out the Board performance evaluation once every three (3) years, starting from 2018. We continue to focus on the themes highlighted in our previous reviews. In addition to the Board Skills Matrix Assessment, the Board through the GNRC had conducted an annual internal Board effectiveness evaluation, which covered the following areas:

- 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 (considering whether each Director continues to contribute effectively and show commitment towards their role)

Corporate Governance Overview Statement

The Board evaluation process comprises the following steps:

01 Completion of questionnaires on effectiveness of the Board and its Committees and individual Directors

02 Collation of results and preparation of findings and actions

03 Deliberations in the GNRC and Board meetings

04 Key areas identified and action plan prepared and approved by the Board

The results of the Board evaluation were then presented to the Board and the Board noted the findings and areas that necessitated further improvements. Board members had provided feedback not only on the areas of assessment but also on areas that the Board could improve on moving forward. With reference to the actions identified and delivered from the 2022 external Board evaluation findings, in FY2023, the GNRC reviewed the composition of the Board and its Committees. The GNRC will continue to ensure Senior Management pipeline and talent management are in place for critical roles.

In overall, it is an effective Board with active participation and purposeful deliberations to achieve optimal outcome.

Meeting Attendance in FY2023

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 FY2023, through their attendance at the meetings as set out in the table below:-

	Board	AC	RMC	GNRC	WC
Number of meetings held in year					
Executive Director					
Lee Yeow Seng	8/8 (100%)	-	-	-	-
NEDs					
Datuk Tan Kim Leong ●	7/8 (88%)	-	-	-	-
Datuk Dr Tan Kim Heung	8/8 (100%)	#3/3 (100%)	#1/1 (100%)	4/4 (100%)	2/2 (100%)
Dato' Lee Yeow Chor ●	8/8 (100%)	-	-	-	2/2 (100%)
Datuk Lee Say Tshin *(Retired on 31 December 2022)*	4/4 (100%)	3/3 (100%)	1/1 (100%)	2/2 (100%)	-
Lee Yoke Har	8/8 (100%)	-	-	-	-
Dato' Tan Thean Thye *(Appointed on 2 January 2023)^*	4/4 (100%)	3/3 (100%)	1/1 (100%)	2/2 (100%)	-
Chan Cha Lin ●	8/8 (100%)	6/6 (100%)	2/2 (100%)	*2/2 (100%)	2/2 (100%)
Lee Ai Leng ● *(Appointed on 2 January 2023)^*	4/4 (100%)	3/3 (100%)	1/1 (100%)	2/2 (100%)	-

● Chairperson or Committee Chairperson
Reflects the attendance prior to resignation as the member of the AC and RMC respectively on 2 January 2023
^ Reflects the attendance at Board and Committee meetings upon appointment as INED
* Reflects the attendance prior to resignation as the member of the GNRC on 2 January 2023

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.

Board Activities in FY2023

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 activities and priorities for FY2023 are summarised as follows:-

Principal matters considered by the Board in FY2023

Strategic Matters	Governance, Assurance & Risk Management	Financial & Management Performance
Business plan and sensitivity analysis of the Group	Year-end governance report, sustainability report, AC report, RMC report, Statement on Risk Management and Internal Control, and Share Buy-Back Statement	Quarterly results announcements
CEO operational and financial updates	Annual Board, Board Committees, Individual Directors and key executive's evaluation and effectiveness and INED's independence	Audited Financial Statements
Group overall business strategy and Group performance	Risk management and internal control	The Group's annual budget, forecasts, key performance targets and indicators
Dividend decision	Bonus payment of the EVC and CEO	Summary findings and results of audit for financial statements of the Group from external auditors
Sustainability material matters	Recommendation of Directors' fees and benefits payable	Recurrent related party transactions
Unsold inventories strategy	Recommendation of Directors standing for re-election at the AGM	Group's internal audit reports
Business outlook and market trends	Proposed appointment of INEDs	Review and approval of Operating Budget FY2023
Update on the proposed issuance of Euro Medium-Term Note	Recommendation for re-appointment of external auditors	Appointment of PricewaterhouseCoopers PLT to perform limited review on the Group's quarterly reporting
Joint land tender	Risk summary for business and supporting units of the Group	Ernst & Young Consulting's Information Technology audit findings
Policy on property purchase discount for IOI Corporation Berhad Group's employees	Group's Business Continuity Management Framework	CFO strategic priorities for the Group and its milestone deliverables
	Management staff attrition report of the Group	Head of Group Sales, Marketing and Branding strategic priorities for the Group and its milestone deliverables
	Changes to the composition of Board and Board Committees	
	Board agenda for financial year 2022/2023	
	External Quality Assessment Review Findings	

Corporate Governance Overview Statement

Looking ahead to FY2024

During FY2024, the Board will focus on:-

- Business growth opportunities, and adapt to changes in the business environment
- Board and Senior Management succession planning
- Sustainability oversight
- Digitalisation Transformation Plan

GNRC Activities in FY2023

The GNRC's Terms of Reference, which are published on our corporate website, include all matters required by the CG Code.

During FY2023, the GNRC focused on Board succession plans over the short and medium term and the succession pipeline for Senior Management roles. This included a review of internal talent and establishing bespoke development plans for high-potential employees, ensuring we retain and motivate key talent and can meet the future needs of the business. Appointments are always based on merit and we continue to challenge our external search consultants where necessary, to ensure that diversity is always considered when drawing up candidate shortlists.

An internal review of the GNRC effectiveness was conducted during the year. Its findings concluded that the GNRC remained effective with a good mix of perspectives and backgrounds. They included a recommendation that more time should be allocated to talent development and succession plans.

Key highlights of the GNRC's activities and priorities for FY2023 are summarised as follows:-

GNRC Activities & Priorities in FY2023

Strategic	Governance	Remuneration	Nomination
Oversight of Board and Senior Management succession	Annual Board, Board Committees, Individual Directors and key executive's evaluation and effectiveness	Review of Directors' fees and benefits payable	Review and recommendation of Directors standing for re-election at the AGM
Succession planning update for critical Senior Management positions of the Group	Review of INED's independence	Review of bonus payment for the EVC and CEO	Review and recommendation of retention of INEDs
Proposed GNRC Agenda for FY2023	Review the findings and recommendations on 2023 Board Effectiveness Evaluation (BEE)		Review of Board and Board Committees Composition
	Review of the proposed amendments to the Fit and Proper Policy		Review of proposed appointment of additional INEDs
	Review of CG Overview Statement and CG report		
	Review of Terms of Reference of GNRC		

Directors Remuneration

The Company had 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. This has been documented in writing as the Remuneration Policy and Procedures for Directors and Senior Management, a copy of which is available on our corporate website.

Each of the Directors (except Executive Director) 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)
Board of Directors	
- Base fee *(for all Directors including Chairperson)*	125,000
- Board Chairperson's fee	110,000
Audit Committee (AC)	
- AC Chairperson's fee	45,000
- AC Member's fee	35,000
Risk Management Committee (RMC)	
- RMC Chairperson's fee	35,000
- RMC Member's fee	20,000
Governance, Nominating and Remuneration Committee (GNRC)	
- GNRC Chairperson's fee	35,000
- GNRC Member's fee	15,000
Whistleblowing Committee (WC)	
- WC Chairperson's fee	7,500
- WC Member's fee	5,000

The GNRC is responsible for determining the level and make-up of the Senior Management's and CEO's remuneration. The determination of NED's remuneration is a matter for the Board, depending on any additional responsibilities taken. The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiary companies during FY2023 are disclosed in our CG Report 2023 under Practice 8.1 of the CG Code.

Looking ahead to FY2024

During FY2024, the GNRC will continue to focus on:-

- Succession planning for Board and Senior Management critical roles in the Group
- Reviewing Board size, composition and diversity against a skills matrix to ensure that the Board and its Committees have and maintain the skills needed to deliver the Group's strategic priorities
- Reviewing Board Charter, and updating governance trends

EFFECTIVE AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

For the Board to determine that the Company'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 Company's external auditors, 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.

Corporate Governance Overview Statement

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 FY2023, 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's 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 employees, 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 had, on 15 September 2023, adopted the Tax Governance Statement of the Group outlining our approach in managing and complying with tax-related matters. A copy of the said Statement is available on our corporate website.

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. The CFO is responsible for oversight of tax responsibilities, with support from the Head of Group Tax.

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 Anti-Bribery and Anti-Corruption Policy (the "Policy") 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. The Group is currently in good standing regarding Policy compliance, and there are no significant violations occurred up to the present date.

The Policy can be found on our corporate website at https://www.ioiproperties.com.my/corporate-governance under "Policies, Codes and Framework" section.

Whistleblowing

The Company had 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 and 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.

The Whistleblowing Policy together with Whistleblowing Report Form are made available on our corporate website at https://www.ioiproperties.com.my/whistleblowing-policy.

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 Company 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 Board recognises the importance of listening to and understanding the views of its key stakeholders. This is due to their influence on the business and impact on IOIPG's operations and organisational strategy. The Board recognises that not every decision it makes will yield favorable outcomes for all stakeholders. A fundamental principle guiding our decision-making process is to carefully weigh the often-divergent interests of our stakeholders while keeping in mind the Group's mission, core values, and strategic priorities. This approach ensures that the Board's decisions remain consistent and aligned with the Group's best interests.

The Group conducts a variety of engagement initiatives including direct meetings and community dialogues, to learn about the needs of these groups. The Company also participated in various forums and 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.

All financial results and media releases that we announced to the market via the Bursa Link announcements platform are posted on our corporate website, of which the relevant webpage have been recently upgraded for easier access at https://www.ioiproperties.com.my/investors-media/announcement.

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.

Our financial quarterly results and annual report 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 our corporate website, https://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.

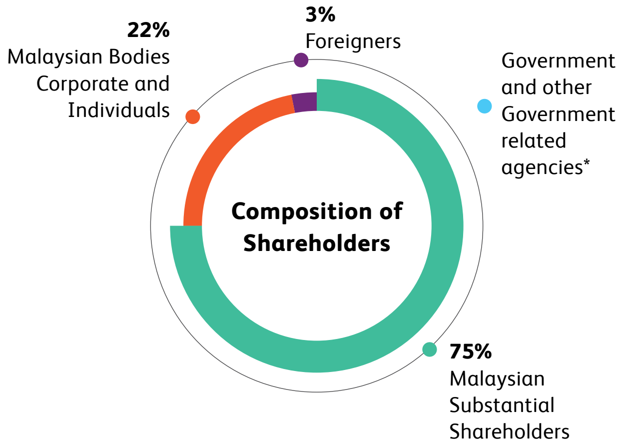
The Group has been authorised by shareholders to place shareholder communications (such as the Notice of AGM and the Annual Report) on the corporate website in lieu of sending paper copies to shareholders (unless specially requested). While the Company recognises and respects that some shareholders may 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 six (6) times a year at:-

- Our quarterly and full year results announcement and any accompanying dividend payment
- Through our AGM

The IOIPG Investor Relations team acts as the main point of contact for investors throughout the year. Through the team, the Company 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.

Composition of Shareholders (as of 30 August 2023)



* Negligible

This CG Overview Statement was approved in accordance with the resolution of the Board dated 15 September 2023.

Audit Committee Report

The Board of IOIPG is pleased to present its report on the Audit Committee ("AC") for FY2023.

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 (2) separate Board Committees, i.e. Audit Committee and Risk Management Committee.

A MEMBERS

The AC consists of four (4) members, all of whom are Independent Directors who satisfy the "independence" requirements contained in the Listing Requirements of Bursa Malaysia. The composition of our AC is as detailed below. The biography of each of the following members of the AC is set out in the Board of Directors section:

Shirley Goh
Chairperson
Independent Non-Executive Director
(Appointed on 1 July 2023)

Dato' Tan Thean Thye
Member
Independent Non-Executive Director
(Appointed on 2 January 2023)

Chan Cha Lin
Member
Independent Non-Executive Director
(Redesignated from Member to Chairman on 8 November 2022 and redesignated from Chairman to Member on 1 July 2023)

Lee Ai Leng
Member
Independent Non-Executive Director
(Appointed on 2 January 2023)

The composition of the AC complies with Paragraph 15.09 of the Listing Requirements of Bursa Malaysia by virtue of the following:-

- All the AC members are Independent Non-Executive Directors
- All the AC members are financially literate and have the relevant experience and capabilities necessary to discharge their duties and responsibilities effectively
- Shirley Goh is a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). Therefore, Shirley Goh is deemed to meet the specific requirement of having recent and relevant accounting experience
- None of the AC members is an alternate director

Shirley Goh is a former audit partner of PricewaterhouseCoopers PLT ("PwC"), the external auditors of the Company, and she retired from PwC on 30 June 2020. Pursuant to Practice 9.2 of the Malaysian Code on Corporate Governance ("CG Code"), Shirley Goh had observed a cooling-off period of three (3) years before being appointed as the Chairperson of the AC. Save for the foregoing, none of the AC members are former key audit partners of the Group.

The Chief Executive Officer, Group Chief Operating Officer, Chief Financial Officer, Chief Operating Officers, Group Financial Controller and the Company's internal auditors are permanent invitees to the AC meetings to provide their input, advice and clarification on pertinent agenda items. When necessary, the respective Heads of Department or Business Units are invited to provide clarification to the AC on specific matters related to their areas of responsibility.

The Company's external auditors were also invited to the AC meetings to present their annual audit plan and findings on the audit of financial statements, as well as other matters deemed relevant. A recurring agenda item is dedicated to enabling 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

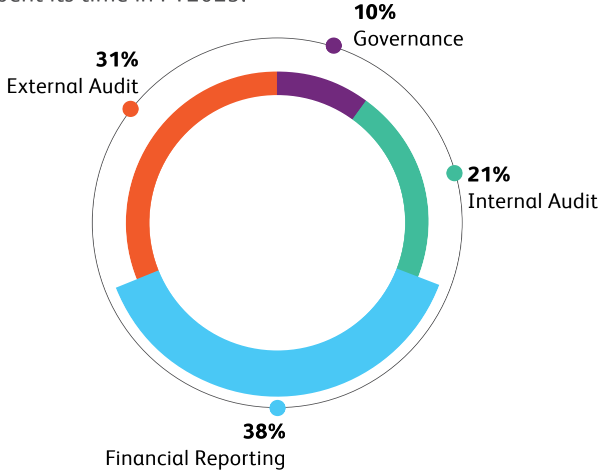
The AC operates under a written Terms of Reference containing provisions that address requirements imposed by Bursa Malaysia. The full Terms of Reference of the AC is posted on the Corporate Governance section of the Company's website at https://www.ioiproperties.com.my/corporate-governance. It can also 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 and monitoring the financial reporting process and integrity of the Group's interim and annual financial statements, as well as reviewing the significant financial reporting judgements
- Evaluating the independence, objectivity, and effectiveness of external auditors and its audit process, taking into account of the relevant regulatory requirements
- 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 FY2023

The diagramme below provides an overview of how the AC spent its time in FY2023:



D SUMMARY OF WORK OF OUR AC

The AC Report provides an overview of the work carried out during FY2023, 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 works and the main matters that the AC considered during FY2023 were described below:

1. Financial reporting

During the year in review, the AC focused on monitoring the quality and integrity of the Group's financial reporting and ensuring suitable accounting policies were adopted and applied consistently.

The AC monitored the financial reporting processes for the Group, through the reports tabled by the management. The unaudited quarterly financial results and audited financial statements of the Group were reviewed by the AC prior to recommendation for the Board's 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 audited financial statements, except for the adoption of the new MFRSs, Amendments to MFRS and Interpretations Committee Interpretations that are effective for the Group, details of which are disclosed in Note 4 to the audited financial statements.

During FY2023, the AC was briefed on the scope of the PwC's audit plan taking into consideration the operation environment and associated risks. In addition, the AC was also briefed on the enhanced Sustainability Reporting Framework issued by Bursa Malaysia, particularly the new financial and non-financial disclosures required to be made as part of Sustainability Reporting.

The key audit risks identified by PwC during their risk assessment were briefed to the AC and management. These include, among others, risk of fraud due to management override of controls, risk of fraud in revenue recognition in all revenue streams, compliance with loan covenants, net current liabilities position of the Group, borrowings or liquidity assessment of the Group, and fair value of investment properties. For all the mentioned areas, the AC received findings from PwC and considered management's comments prior to reaching its conclusion.

The AC's role is also to assess whether the judgements or estimations made by management in preparing the financial statements are reasonable and appropriate.

During FY2023, 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 of the Group's ability to meet short-term borrowings 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) assessment on the ability of the Group to repay its borrowings obligations in the next twelve (12) months as the Group is in net current liabilities position.

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.

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, availability of committed debt facilities and expected covenant headroom. The AC undertook an in-depth examination of management's scenario analysis, placing particular emphasis on the Group's cash flow forecasts and financial standing over the next five (5) years. This scrutiny was directed towards assessing the Group's capacity to achieve its growth objectives, while executing its business plan and maintaining adherence to loan covenants.

The AC is satisfied that the going concern basis of preparation remained appropriate.

3. Internal audit

The Internal Audit function provides independent and objective assurance that the internal control system in place for the Group is adequate and effective to meet its defined goals and objectives, and that governance processes are effective. In addition, the Internal Audit function also provides advisory services to add value and improve the operations of the Group.

The Head of Group Internal Audit, who is a member of the Institute of Internal Auditors (IIA) Malaysia, reports functionally to the AC. The AC approved the annual Internal Audit plan, which takes into consideration the results of previous audits, both external and internal, the views of management and principal risks of the Group. The AC also reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit function during the year.

Internal Audit Department adopts a risk-based approach taking into consideration the Group's Enterprise Risk Management Framework in conducting the audits.

A total of fifty-nine (59) audit assignments [including ten (10) special audit assignments and twenty-three (23) 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 in Malaysia's, Singapore's and People's Republic of China ("PRC")'s operations. Audit reports were tabled to the AC on a quarterly basis, which consist of audit findings, and agreed management action plans and timeline to address the audit findings. In addition, the status on the implementation of the management action plans through follow-up audit reviews were also tabled.

At each meeting, the AC considered the results of the audits undertaken and the management's response to matters raised, including time taken to resolve such matters.

The tasks, responsibilities, and goals of the AC and internal auditors are closely intertwined in many ways. As such, the significance of the internal audit 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 FY2023 in assuring that the mechanisms for corporate accountability were well-established and functioning as expected.

The Internal Audit function undertook a review from External Quality Assessment Review ("EQAR") conducted by the Institute of Internal Auditors Malaysia. The primary objective of the EQAR was to evaluate the internal audit activities' conformance with the Internal Audit and the Institute of Internal Auditor's Code of Ethics.

In order to enhance the competencies of the internal auditors in Information Technology ("IT") related audit, the Group had engaged an external IT consultant to assist the Internal Audit function to perform a review on the IT General Controls (ITGC), IT Application Controls (ITAC) and Understanding of Cybersecurity specifically for certain application systems which are critical to our business. The AC had received the audit observations including the relevant recommendations and management response.

Total costs incurred for the Internal Audit function of the Group for FY2023 was RM1,667,408 (FY2022: RM1,120,934). The increase in the Internal Audit function cost was mainly attributable to staff-related costs arising from the increase of headcount and establishment of an audit team in PRC during FY2023.

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.

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. During FY2023, the AC met privately two (2) times with PwC without management presence to ensure that they continue to receive full corporation from management, be provided full access to all records, documents and other supporting data required and have no restrictions imposed on the method and extend of their work.

PwC were present at the AC meetings to ensure full communication of audit related matters 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 that 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 concluded that the effectiveness of the external audit process remains strong.

5. External Auditors' re-appointment review

During FY2023, 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
- Whether the audit team has the requisite skills and expertise including industry knowledge
- Effectiveness of communications between management and the audit team
- Robustness of the audit, including the audit team's ability to provide a clear and understandable explanation on auditing and accounting matter that arise during the course of their audit

(i) Auditors' effectiveness

In assessing the effectiveness of the external auditors, the AC also considered the following:

- the quality of presentations to the AC;
- the relevant technical insights provided to the Group;
- key audit findings, including their robustness and perceptiveness in handling of key accounting and audit judgements; and
- their demonstration of a clear understanding of the Group's business and key risks.

On the basis of the above, the AC is satisfied with the effectiveness of the external auditors.

(ii) Independence and objectivity

The AC reviews the works undertaken by PwC and assesses its independence, objectivity and performance on an annual basis. In doing so, it takes into account the relevant professional and regulatory requirements and the relationship with the auditors 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 annually assesses 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 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 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 scope of services performed and 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 FY2023 are set out in Note 8 to the audited financial statements.

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.

In addition, PwC will not be engaged to perform non-audit work unless the non-audit work has been pre-approved by the AC.

(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 RM1,112,000 for FY2023 (FY2022: RM1,022,000) was appropriate and that an effective audit could be conducted for such a fee.

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 (which has indicated its willingness to continue in office) as external auditors of the Company be put forward to shareholders at the AGM to be held on 2 November 2023.

6. Other matters considered by the AC

The AC also:

(i) Received a briefing from PwC on climate reporting and climate-related financial impact.
(ii) Reviewed the Statement on Risk Management and Internal Control.
(iii) Reviewed the internal audit assurance report relating to existing recurrent related-party transactions.
(iv) Reviewed related-party transactions.
(v) Received and reviewed update on litigations of the Group.
(vi) Reviewed the Policy on Property Purchase Discount for IOI Corporation Berhad Group's Employees.
(vii) Received and reviewed the Transparency Report of PwC Malaysia.
(viii) Discussed dynamic AC agenda for 2022/2023.
(ix) Received a summary of all whistleblowing reports received during the year and concluded that the response to each report by management was appropriate.

E ATTENDANCE

Number of Meetings and Details of Attendance

Six (6) meetings were held during FY2023. The attendance record of each member was as follows:

Members	Total Number of Meetings	Number of Meetings Attended
Datuk Lee Say Tshin *(retired on 31 December 2022)*	3	3
Datuk Dr Tan Kim Heung *(resigned on 2 January 2023)*	3	3
Dato' Tan Thean Thye *(appointed on 2 January 2023)*	3	3
Chan Cha Lin	6	6
Lee Ai Leng *(appointed on 2 January 2023)*	3	3

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
Shirley Goh *(appointed on 1 July 2023)*	2	2
Dato' Tan Thean Thye	2	2
Chan Cha Lin	2	2
Lee Ai Leng	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 Governance, Nominating and Remuneration Committee ("GNRC"), annually reviews the terms of office and performance of the AC and its members through an effectiveness evaluation exercise. The GNRC 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 during FY2023.

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.

Looking ahead to 2024

In addition to its routine business, the AC has three (3) focus areas for FY2024:

- Provides oversight and guidance on sustainability assurance activities, and also to assess the adequacy of internal controls related to sustainability data collection, reporting, and disclosure.
- Regulatory developments, mainly those in relation to climate change/carbon management.
- IT systems and controls over financial management, financial accounting and reporting.

This AC Report was approved in accordance with the resolution of the Board dated 15 September 2023.

Risk Management Committee Report

The Board of IOIPG is pleased to present the Group's report on the Risk Management Committee ("RMC") for the financial year ended 30 June 2023 ("FY2023").

The RMC was established on 15 September 2017 to assume the role of overseeing risk management framework and policies of the Group pursuant to step-up practice 10.3 of CG Code.

A MEMBERS

The RMC's membership comprises four (4) members and the biography of each member of the RMC is set out in the Profile of Directors section:

Chan Cha Lin
Chairperson
Independent Non-Executive Director

Lee Ai Leng
Member
Independent Non-Executive Director
(Appointed on 2 January 2023)

Dato' Tan Thean Thye
Member
Independent Non-Executive Director
(Appointed on 2 January 2023)

Shirley Goh
Member
Independent Non-Executive Director
(Appointed on 1 July 2023)

The Chief Executive Officer ("CEO"), Group Chief Operating Officer, Chief Operating Officers, Chief Financial Officer, Group Financial Controller 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 https://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.

Risk Management Committee Report

C OUR RISK MANAGEMENT GOVERNANCE FRAMEWORK

An overview of the Group's risk management governance structure along with the key responsibilities within it is outlined in the diagramme below:-

Board of Directors (the "Board")

The Board has overall responsibility to ensure that appropriate risk management and internal control systems, designed to identify, manage and mitigate risks which may impact the achievement of the Group's objectives are in place. The Board also ensure an appropriate risk appetite has been set and consider how the Group's longer-term viability may be impacted by the crystallisation of one or more of these risks.

RMC and Audit Committee ("AC")

The RMC supports the Board in the risk management process through ongoing monitoring and evaluation of the risk environment and the controls in place to manage those risks, in addition to the consideration of emerging risks which may impact the Group in the future. Regular updates on changes in the principal or emerging risks are provided to the RMC and the Board.

While, the AC, with the support of Group Internal Audit Function, oversees and monitors the effectiveness of the integration of governance process with performance-focused risk management and internal control at each level of the Company across all operations.

Executive Leadership

Executive Leadership is responsible for the effective operation of internal controls designed to manage and mitigate the principal risks and uncertainties. The 3-Lines of defence model ensures accountability for risk management is embedded into processes and procedures. The Group Risk Management Team (GRMT) which comprised senior leadership, and is chaired by the CEO supports the RMC. Other key management committees and teams that support risk management includes Group Sustainability Steering Committee, and the quality management, safety, health and environment teams.

The 1st line of defence

Operational management is responsible for risk identification, managing the internal control environment and monitoring changes in the risk profile of the Group.

The 2nd line of defence

Group functional teams ensure the first line is operating as designed, manage performance reviews, internal control verifications and facilitate risk assessments. This includes risk management, quality management, safety, health & environment, legal and financial control functions.

The 3rd line of defence

Group Internal Audit function with other external assurance providers perform reviews which give independent assurance over the operation of the internal control framework, risk management systems and governance processes.

D SUMMARY OF WORK OF THE RMC

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. In order to gain a comprehensive understanding of the risks facing by the business, the RMC periodically receives the Group's key risk summary reports, detailing the Group's top risks with a risk summary for the respective business and supporting units, and highlighting risk exposures and threats. These risk reports, listing imminent and emerging risks (including climate change related risk) along with appropriate mitigation strategies, enable the RMC to assess the appropriateness of management's action plans and ensure that the Group's long term values and objectives are achieved. By following these practices and staying vigilant, the Group can enhance its ability to remain resilient in the face of various risks and continue its operations successfully. The RMC formally reviews its principal Group business and supporting units risks every six (6) months.

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.

Emerging risks are considered as part of the risk assessment process and are identified through horizontal scanning, continuous dialogue with the business and keeping abreast of market and industry changes. A summary of new risks which are identified through this process is presented to the RMC and Board for assessment and these risks continue to be monitored as part of our ongoing risk management processes.

As part of continuous improvement efforts, the Group's Risk Management Charter had been discontinued as the Group already has the Risk Management Policy in place which remains as the most comprehensive source of guidance in terms of the wide-ranging risk management activities and processes of the Group.

In addition, the RMC also:

(a) Deliberated the Business Continuity Management (BCM) framework of the Group;

(b) Monitored the risks arising from material shortages, labour shortages and inflation; also ensured health and safety risks are being effectively managed across the Group;

(c) Reviewed risk treatment plans covering financial risks (for instance, fluctuation in interest rate and currency rate) and non-financial risks which could have a significant impact to our business, particularly the financial position of the Group in terms of profitability, solvency, liquidity and compliance (i.e. failure to meet funding requirements for loan repayment may result in inability to sustain the business operations or repay facilities as they fall due);

(d) Visited IOI Central Boulevard Towers, and attended briefing on Marina View project to examine their risk factors with a more hands-on approach for an effective oversight role over Singapore projects; and

(e) Deliberated the risk registers pertaining to Xiamen (Property Investment) to assess the safety issue and method to be adopted relating to equipment hazards in amusement park.

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.

The RMC remains satisfied that the Group's internal controls and risk management processes continue to operate effectively, and that corrective actions are being taken where necessary.

Details relating to "Our Operating Environment" and "Statement on Risk Management and Internal Control are reported on pages 24 to 39, and pages 227 to 233, respectively.

Risk Management Committee Report

E ATTENDANCE

Number of Meetings and Details of Attendance

Two (2) meetings were held during FY2023. The attendance record of each member was as follows:

Members	Total Number of Meetings	Number of Meetings Attended
Chan Cha Lin	2	2
Lee Ai Leng *(appointed on 2 January 2023)*	1	1
Dato' Tan Thean Thye *(appointed on 2 January 2023)*	1	1
Datuk Lee Say Tshin *(retired on 31 December 2022)*	1	1
Datuk Dr Tan Kim Heung *(resigned on 2 January 2023)*	1	1

One (1) meeting was held subsequent to FY2023 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
Lee Ai Leng	1	1
Dato' Tan Thean Thye	1	1
Shirley Goh *(appointed on 1 July 2023)*	1	1

Besides the above, two (2) private sessions between the RMC and the Senior Manager of Risk Management were held without the presence of management during FY2023.

LOOKING AHEAD TO FY2024

- Ongoing monitoring of the Group's principal and emerging risks.
- Reviewing the Terms of Reference of the RMC.
- 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 15 September 2023.

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. Essentially, the Statement outlines the nature and key components of risk management and internal controls within the Group as well as the institutionalisation into the business operations to achieve the Group's strategic objectives.

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 as opposed to eliminate, 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 can only provide reasonable but not absolute assurance against fraud, material misstatement or loss. Nonetheless, all efforts have been taken to provide reasonable assurance that significant risks which impact the Group's strategies and objectives are within levels appropriate to the Company's business as approved by the Board.

The Board acknowledges its responsibility to review and monitor the adequacy, effectiveness and integrity of the Group's internal control systems and risk management framework, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. 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.

1) Risk Management Committee (RMC)

The RMC provides oversight, direction and counsel over the key risk areas of the Group. The RMC assists the Board to, among others:

- Oversee the establishment and implementation of a risk management framework and assess 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; and
- Review and recommend risk management strategies and policies for the Board's approval.

Please refer to the RMC Report on pages 223 to 226 of this Annual Report for more details.

2) Audit Committee (AC)

The AC supports the Board in monitoring the Group's risk exposures, as well as the design and operating effectiveness of the underlying risk management and internal controls systems. The AC assists the Board to, among others:

- Review reports by the external auditors of any control issues identified during their audit-related and non-audit related works and discuss with the external auditors on the scope of their respective reviews and findings;
- Fulfil its responsibilities, particularly in the areas relating to the accounting and management controls, financial reporting and business ethics policies of the Group;
- Periodic reviews of the strengths and weaknesses of the overall internal controls system and action plans to address the risk of the weaknesses or to improve the assessment process; and
- Periodic reviews of the key business risks, and control measures to mitigate or reduce such risks.

Please refer to the AC Report on pages 216 to 222 of this Annual Report for more details.

Statement on Risk Management and Internal Control

RISK MANAGEMENT CULTURE

The Chief Executive Officer ("CEO") has the ultimate responsibility and accountability for ensuring that risks are managed across the Group. The 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 effective mitigation of the risks impacting or likely to impact the Group and its achievement of its objectives and strategies. 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.

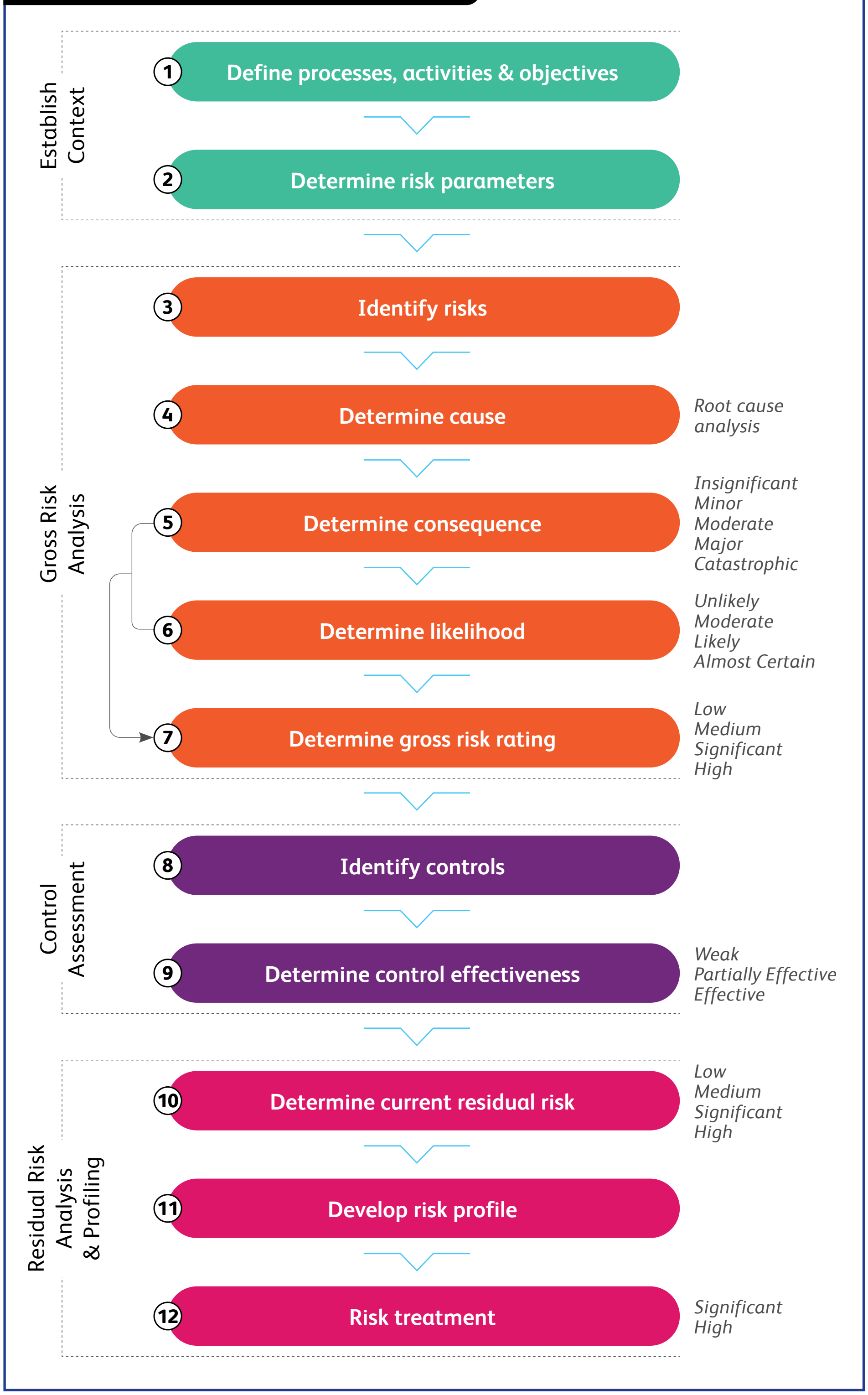
RISK MANAGEMENT FRAMEWORK

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 Diagramme 1 on the Risk Management Process used by the Group.

Diagramme 1: Risk Management Process



Statement on Risk Management and Internal Control

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 informed 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 Diagramme 2 on the Risk Rating Matrix used by the Group.

- Create an environment where staff are assigned specific roles and assume responsibility for managing the risks they are responsible for as well as carry out mitigation plans as agreed;
- Provide relevant and timely information across clear reporting structures and level of authority; and
- Provide feedback to management on the adequacy and effectiveness of controls in place 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 and protects value for its shareholders and to be able to link risk mitigation or opportunity enhancement towards achieving the Group's performance targets. The Group operates within an established ERM framework with clearly defined policies and guidelines that are approved by the Board.

Diagramme 2: Risk Rating Matrix

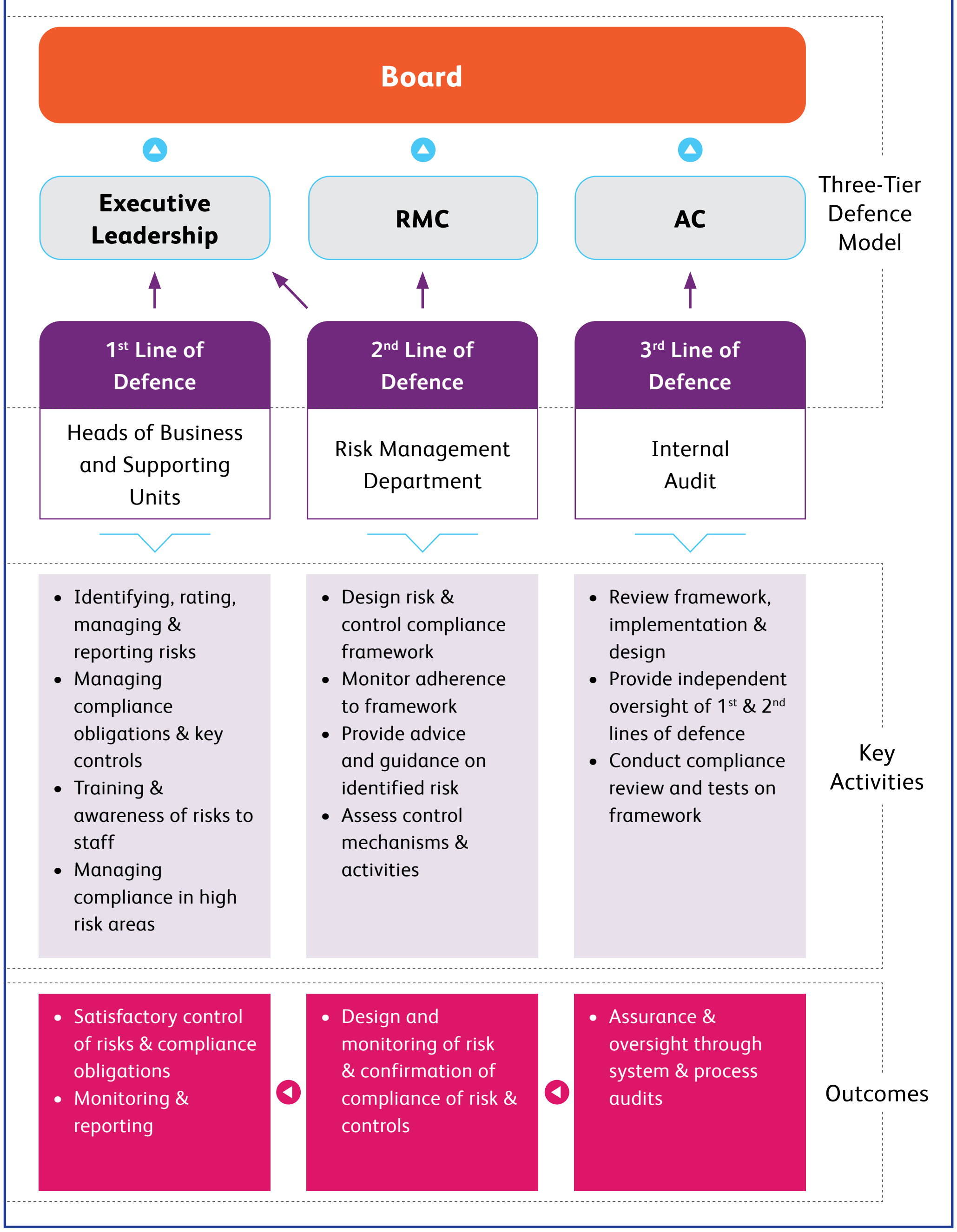
		IMPACT				
		Insignificant	**Minor**	**Moderate**	**Major**	**Catastrophic**
LIKELIHOOD	Almost Certain	Medium	Significant	High	High	High
	Likely	Medium	Significant	Significant	High	High
	Moderate	Low	Medium	Medium	Significant	High
	Unlikely	Low	Low	Low	Medium	Significant

Statement on Risk Management and Internal Control

THREE-TIER DEFENCE MODEL

Under the Group's Three-Tier Defence model, the Group protects itself from threats with relevant guidelines on risk reporting and disclosure.

Diagramme 3: Three-Tier Defence Model



1st Line of Defence – 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 1st Line of Defence 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.

2nd Line of Defence – 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 1st Line of Defence and adequate risk-related information is reported throughout the Group.

3rd Line of Defence – 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 1st and 2nd Lines of Defence 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 reinforce 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 2023 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. Management may choose to transfer all or part of a certain risk to other parties via:-
  (i) Transferring an entire business process to another party as is the case with sub-contracting and outsourcing arrangements;
  (ii) Sharing the business process with another party as is the case with partnerships and joint venture arrangements; and
  (iii) Retaining the process and transferring the legal and financial risks as is the case with insurance arrangements and the use of certain treasury/financial products.
- **Eliminate the risk** is applied when a risk is deemed to be reducible to an acceptable level if the activity is terminated. The Group may choose this route for risks that could have major or catastrophic impact on its businesses.
- **Accept the risk** is applied when the residual risk is low. Factors to consider for risks of such nature would be:-
  (i) Adequacy of current controls;
  (ii) Quality and quantity of information on the controls;
  (iii) Likelihood and consequences of the risk occurring; and
  (iv) The cost of additional controls.

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.

Statement on Risk Management and Internal Control

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.
- The Group takes a serious view of its legal and ethical responsibilities. It has taken steps to ensure compliance with internal controls, as well as relevant laws and regulations that govern the business and operations of the Group.
- 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 CEO and Heads of Business and Supporting Units.

The Head of Risk Management reports to the RMC, and ensures that the ERM framework is implemented in all the Business and Supporting Units throughout the Group.

The Head of Group Internal Audit 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.

The Group's annual internal audit plan is reviewed and approved by the AC, where the planned internal audits' achievement is monitored every quarter. Audit findings are presented to the AC every quarter for their review and deliberation before it is tabled at Board meetings.

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.

Statement on Risk Management and Internal Control

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; and/or
- 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, Group COO, 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, Group COO, COOs and CFO that the Group's risk management and internal control systems, in all material aspects, were operating adequately and effectively. The Board recognises that the risk management and internal controls system, however well-designed, can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud. The Board, having taken into consideration the assurance from the Management and input from relevant assurance providers, is of the view that the Group's risk management and internal control system in place for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report, is generally adequate and effective to safeguard the interest of shareholders and assets of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 22 September 2023.

Statement of Directors' Interests

In the Company and its Related Corporations as at 30 August 2023
(Based on the Register of Directors' Shareholdings)

	No. of Ordinary Shares			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
The Company				
Datuk Tan Kim Leong	33,125	*	80,937 [1]	*
Lee Yeow Seng	71,315,900	1.30	3,616,063,741 [2]	65.67
Dato' Lee Yeow Chor	6,837,500	0.12	3,616,455,116 [3]	65.68
Datuk Dr Tan Kim Heung	45,978,000	0.84	-	-
Lee Yoke Har	6,973,318	0.13	65,500 [4]	*
Chan Cha Lin	20,321,600	0.37	121,730,700 [5]	2.21
Dato' Tan Thean Thye	7,999	*	-	-
Lee Ai Leng	180,740	*	-	-
Shirley Goh	-	-	-	-
Ultimate Holding Company Vertical Capacity Sdn Bhd				
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 her spouse, Lor Ching San under Section 59(11)(c) of the Act.
5 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 2023, the details of shareholdings of our senior management team are as follows:

		No. of Ordinary Shares			
	Name	Direct	%	Indirect	%
1.	Teh Chin Guan	-	-	-	-
2.	Chris Chong Voon Fooi	-	-	-	-
3.	Lim Beng Yeang	-	-	-	-
4.	Melissa Tan Swee Peng	-	-	-	-
5.	Ho Kwok Wing	-	-	-	-
6.	Chung Nyuk Kiong	-	-	-	-
7.	Steve Wong Wai Leong	-	-	-	-
8.	Shawn Chang Si Yang	-	-	-	-
9.	Nicole Lee Chee Yiing	-	-	-	-
10.	Lee Yean Pin (Li Yanping)	-	*	-	-
11.	Rasheed Kumar Renoo	-	-	-	-
12.	Joanne Ang Cui Xia	1,000	*	-	-
13.	Toh Boon Chiew	-	-	-	-
14.	Bhuvaneswary Kisnasamy	-	-	-	-
15.	Michelle Shen Yan Chao	-	-	-	-
16.	Kristine Ng Mee Yoke	17,500	*	-	-
17.	Chee Ban Tuck	-	-	-	-
18.	Steven Su Chan Loong	-	-	-	-
19.	Jimmy Yee Yoke Seng	-	-	-	-

Note:
* Negligible

Other Information

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

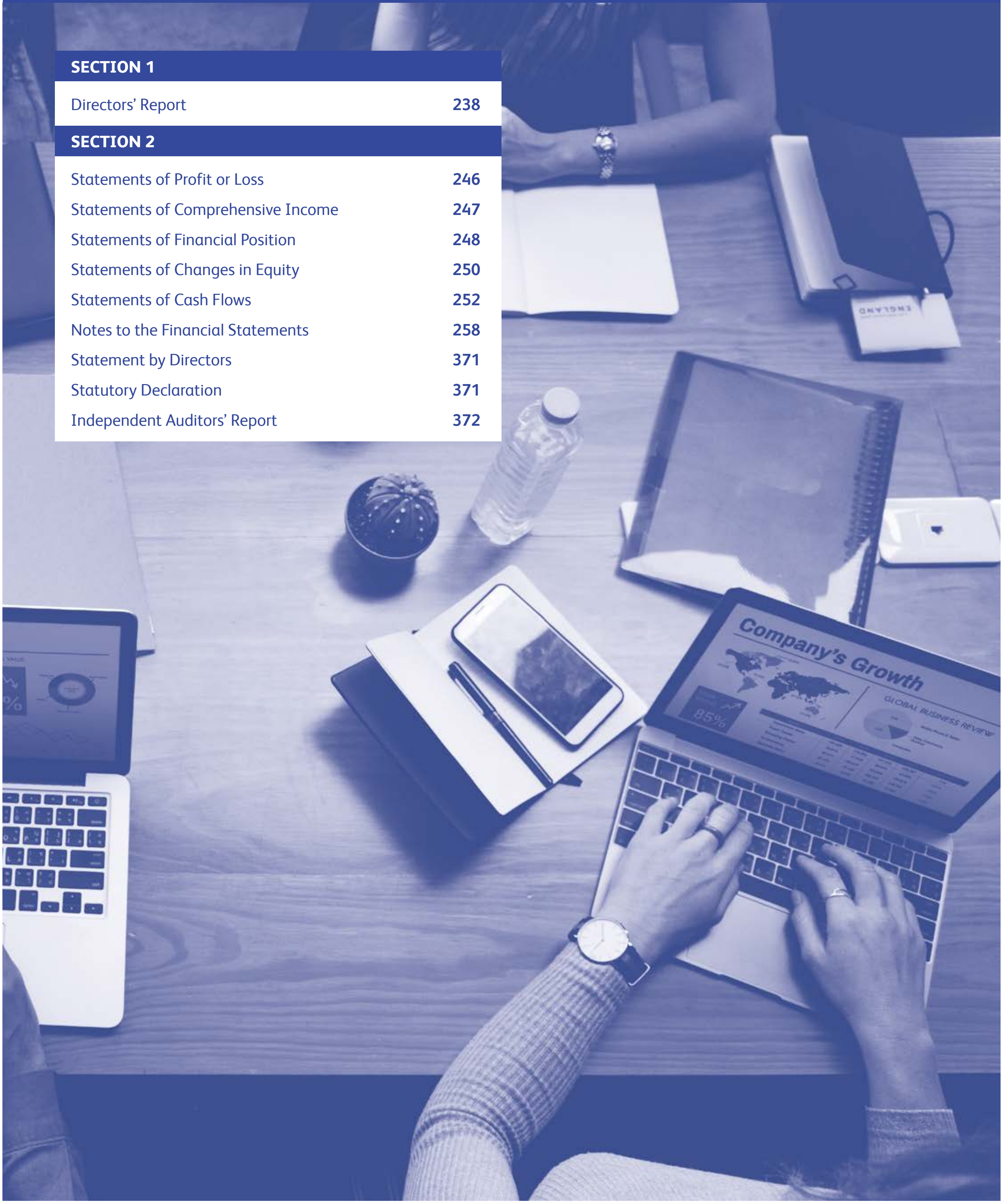
There were no material contracts entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 30 June 2023 or entered into since the end of the previous financial year.

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 2023 are as follows:-

Fees	Company (RM)	Group (RM)
Audit Fees	168,000	1,403,000
Non-Audit Fees	86,000	500,000
Total	**254,000**	**1,903,000**

Financial Reports



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 2023.

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 2023 are as follows:

	Group RM'000	Company RM'000
Profit for the financial year	1,400,359	143,853
Attributable to:		
Owners of the Company	1,393,016	143,853
Non-controlling interests	7,343	-
	1,400,359	143,853

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 2022:	
First and final single tier dividend of 4.0 sen per ordinary share, paid on 2 December 2022	220,246

On 28 August 2023, the Board of Directors have declared an interim single tier dividend of 5.0 sen per ordinary share amounting to RM275,307,269 in respect of the financial year ended 30 June 2023. The dividend will be payable on 29 September 2023 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 15 September 2023.

The Directors do not recommend any payment of final dividend in respect of the current financial year.

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 (Retired on 31 December 2022)
Chan Cha Lin
Dato' Tan Thean Thye (Appointed on 2 January 2023)
Lee Ai Leng (Appointed on 2 January 2023)
Shirley Goh (Appointed on 1 July 2023)

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 2023 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 2022/ Date of appointment*	Acquired	Disposed	As at 30 June 2023
The Company				
Direct Interest				
No. of ordinary shares				
Datuk Tan Kim Leong	13,125	33,871#	13,871	**33,125**
Lee Yeow Seng	69,298,100	2,017,800	-	**71,315,900**
Dato' Lee Yeow Chor	6,837,500	-	-	**6,837,500**
Datuk Dr Tan Kim Heung	26,606,000	19,372,000	-	**45,978,000**
Chan Cha Lin	20,321,600	-	-	**20,321,600**
Lee Yoke Har	6,973,318	-	-	**6,973,318**
Dato' Tan Thean Thye*	7,999	-	-	**7,999**
Lee Ai Leng*	180,740	-	-	**180,740**
Indirect Interest				
No. of ordinary shares				
Datuk Tan Kim Leong	80,937	-	-	**80,937**
Lee Yeow Seng	3,616,063,741	-	-	**3,616,063,741**
Dato' Lee Yeow Chor	3,616,455,116	-	-	**3,616,455,116**
Chan Cha Lin	121,730,700	-	-	**121,730,700**
Lee Yoke Har	107,500	-	2,000	**105,500**
Datuk Dr Tan Kim Heung	10,000,000	-	10,000,000	**-**
Ultimate Holding Company				
Vertical Capacity Sdn. Bhd. ("VCSB")				
Direct Interest				
No. of ordinary shares				
Lee Yeow Seng	662,076,993	-	-	**662,076,993**
Dato' Lee Yeow Chor	192,215,901	-	-	**192,215,901**

Transmission of shares

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' 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	1,195	1,194
Salaries and bonuses	18,705	134
Defined contribution plan	2,062	-
Estimated monetary value of benefits-in-kind	307	-
	22,269	1,328

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 2023 amounted to RM50,000,000 and RM83,000 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:

(a) 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

(b) 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

As at the date of this report, the Directors are not aware of any circumstances:

(a) 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;

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(c) 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.

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 eight (8) 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.;
6. Xiamen Palm City Sports Technology Co. Ltd.; and
7. Xiamen Palm City Hotel Management 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 2023.

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 during the financial year until the date of this report are as follows:

Shirley Goh (Chairperson) (Appointed on 1 July 2023)
Chan Cha Lin (Redesignated from Member to Chairman on 8 November 2022 and redesignated from Chairman to Member on 1 July 2023)
Dato' Tan Thean Thye (Appointed on 2 January 2023)
Lee Ai Leng (Appointed on 2 January 2023)
Datuk Dr Tan Kim Heung (Resigned on 2 January 2023)
Datuk Lee Say Tshin (Retired on 31 December 2022)

RISK MANAGEMENT COMMITTEE

The Directors who serve as members of the Risk Management Committee during the financial year until the date of this report are as follows:

Chan Cha Lin (Chairman)
Dato' Tan Thean Thye (Appointed on 2 January 2023)
Lee Ai Leng (Appointed on 2 January 2023)
Shirley Goh (Appointed on 1 July 2023)
Datuk Dr Tan Kim Heung (Resigned on 2 January 2023)
Datuk Lee Say Tshin (Retired on 31 December 2022)

Directors' Report

NOMINATION AND REMUNERATION COMMITTEE

The Directors who serve as members of the Nomination and Remuneration Committee during the financial year until the date of this report are as follows:

Lee Ai Leng (Chairman) (Appointed on 2 January 2023)
Dato' Tan Thean Thye (Appointed on 2 January 2023)
Datuk Dr Tan Kim Heung (Redesignated from Chairman to Member on 2 January 2023)
Chan Cha Lin (Resigned on 2 January 2023)
Datuk Lee Say Tshin (Retired on 31 December 2022)

WHISTLEBLOWING COMMITTEE

The Directors who serve as members of the Whistleblowing Committee during the financial year until the date of this report 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
Chuan Kar Wai*	Masaya Ohta^
Chung Nyuk Kiong	Por Seng Guan^
Dato' Lee Yeow Chor	Shen Yan Chao
Dato' Voon Tin Yow^	Sew See Huat*
Goh Jin Aik*	Soichiro Kanada*
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	1,112	168
Member firms of PricewaterhouseCoopers International Limited	291	-
Firms other than member firms of PricewaterhouseCoopers International Limited	124	-

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

DATUK TAN KIM LEONG
Director

22 September 2023

Statements of Profit or Loss

For the Financial Year Ended 30 June 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	7	**2,593,083**	2,590,332	**252,293**	368,878
Cost of sales		**(1,497,693)**	(1,517,084)	**-**	-
Gross profit		**1,095,390**	1,073,248	**252,293**	368,878
Other operating income		**818,231**	232,304	**6,080**	42,082
Marketing and selling expenses		**(75,663)**	(60,745)	**(30)**	(19)
Administration expenses		**(241,200)**	(179,122)	**(4,612)**	(3,803)
Other operating expenses		**(320,467)**	(138,137)	**(110,526)**	(874)
Operating profit	8	**1,276,291**	927,548	**143,205**	406,264
Share of result of an associate		**4,340**	2,124	**-**	-
Share of results of joint ventures		**292,485**	164,741	**-**	-
Profit before interest and taxation		**1,573,116**	1,094,413	**143,205**	406,264
Interest income	10	**49,494**	42,962	**4,684**	5,670
Interest expense	11	**(2,823)**	(34,602)	**(4,092)**	(15,456)
Profit before taxation		**1,619,787**	1,102,773	**143,797**	396,478
Taxation	12	**(219,428)**	(414,704)	**56**	(310)
Profit for the financial year		**1,400,359**	688,069	**143,853**	396,168
Profit attributable to:					
Owners of the Company		**1,393,016**	686,735	**143,853**	396,168
Non-controlling interests		**7,343**	1,334	**-**	-
		1,400,359	688,069	**143,853**	396,168
Earnings per ordinary share attributable to owners of the Company					
Basic earnings per share (sen)	13	**25.30**	12.47		
Diluted earnings per share (sen)	13	**25.30**	12.47		

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

Statements of Comprehensive Income

For the Financial Year Ended 30 June 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the financial year	**1,400,359**	688,069	**143,853**	396,168
Other comprehensive income that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	**680,390**	186,662	**-**	-
Net change in cash flow hedge reserve	**(10,494)**	131,154	**-**	-
Other comprehensive income for the financial year	**669,896**	317,816	**-**	-
Total comprehensive income for the financial year	**2,070,255**	1,005,885	**143,853**	396,168
Total comprehensive income attributable to:				
Owners of the Company	**2,062,341**	1,004,366	**143,853**	396,168
Non-controlling interests	**7,914**	1,519	**-**	-
	2,070,255	1,005,885	**143,853**	396,168

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

Statements of Financial Position

As at 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	15	**3,296,239**	3,054,120	**-**	-
Land held for property development	16	**5,607,379**	9,076,819	**-**	-
Investment properties	17	**18,364,466**	15,778,422	**-**	-
Goodwill on consolidation	18	**11,472**	11,472	**-**	-
Investment in subsidiaries	19	**-**	-	**19,224,459**	19,089,783
Investment in an associate	20	**54,973**	53,673	**-**	-
Interests in joint ventures	21	**4,230,457**	4,390,152	**-**	-
Deferred tax assets	22	**187,902**	197,614	**-**	-
		31,752,888	32,562,272	**19,224,459**	19,089,783
CURRENT ASSETS					
Property development costs	23	**5,124,648**	568,462	**-**	-
Inventories	24	**2,413,539**	3,051,666	**-**	-
Derivative financial assets	34	**-**	7,785	**-**	-
Trade and other receivables	25	**365,731**	723,214	**58**	318
Contract assets	26	**184,002**	177,756	**-**	-
Amounts due from subsidiaries	19	**-**	-	**-**	544
Current tax assets		**71,834**	59,130	**23,513**	23,225
Short term funds	27	**-**	735,444	**-**	-
Deposits with financial institutions	28	**953,621**	510,576	**-**	186,732
Cash and bank balances	29	**1,757,776**	1,105,064	**36,273**	341,806
		10,871,151	6,939,097	**59,844**	552,625
TOTAL ASSETS		**42,624,039**	39,501,369	**19,284,303**	19,642,408

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

Statements of Financial Position

As at 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	30	**18,514,233**	18,514,233	**18,514,233**	18,514,233
Reserves	31	**815,210**	145,885	**-**	-
Retained earnings		**11,402,981**	10,232,646	**671,584**	747,977
Reorganisation debit balance		**(8,440,152)**	(8,440,152)	**-**	-
Equity attributable to owners of the Company		**22,292,272**	20,452,612	**19,185,817**	19,262,210
Non-controlling interests	19	**148,287**	157,958	**-**	-
TOTAL EQUITY		**22,440,559**	20,610,570	**19,185,817**	19,262,210
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	32	**2,829,300**	3,330,735	**-**	-
Lease liabilities	33	**1,509**	1,882	**-**	-
Trade and other payables	35	**52,961**	55,936	**-**	-
Deferred tax liabilities	22	**736,955**	668,428	**-**	-
Amount due to a subsidiary	19	**-**	-	**77,252**	12,582
		3,620,725	4,056,981	**77,252**	12,582
CURRENT LIABILITIES					
Borrowings	32	**15,034,584**	13,485,923	**-**	-
Lease liabilities	33	**2,302**	1,257	**-**	-
Trade and other payables	35	**1,441,728**	1,116,533	**1,053**	964
Contract liabilities	26	**36,208**	101,999	**-**	-
Amounts due to subsidiaries	19	**-**	-	**20,181**	366,652
Current tax liabilities		**47,933**	128,106	**-**	-
		16,562,755	14,833,818	**21,234**	367,616
TOTAL LIABILITIES		**20,183,480**	18,890,799	**98,486**	380,198
TOTAL EQUITY AND LIABILITIES		**42,624,039**	39,501,369	**19,284,303**	19,642,408

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

Statements of Changes in Equity

For the Financial Year Ended 30 June 2023

	Attributable to owners of the Company							
Group	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	Total equity RM'000
As at 1 July 2022	**18,514,233**	**135,391**	**10,494**	**(8,440,152)**	**10,232,646**	**20,452,612**	**157,958**	**20,610,570**
Profit for the financial year	**-**	**-**	**-**	**-**	**1,393,016**	**1,393,016**	**7,343**	**1,400,359**
Exchange differences on translation of foreign operation	**-**	**679,819**	**-**	**-**	**-**	**679,819**	**571**	**680,390**
Net change in cash flow hedge (Note 31.2)	**-**	**-**	**(10,494)**	**-**	**-**	**(10,494)**	**-**	**(10,494)**
Total comprehensive income	**-**	**679,819**	**(10,494)**	**-**	**1,393,016**	**2,062,341**	**7,914**	**2,070,255**
Changes in equity interests in a subsidiary	**-**	**-**	**-**	**-**	**(2,435)**	**(2,435)**	**(11,073)**	**(13,508)**
Dividend paid (Note 14)	**-**	**-**	**-**	**-**	**(220,246)**	**(220,246)**	**(6,512)**	**(226,758)**
Total transactions with owners	**-**	**-**	**-**	**-**	**(222,681)**	**(222,681)**	**(17,585)**	**(240,266)**
As at 30 June 2023	**18,514,233**	**815,210**	**-**	**(8,440,152)**	**11,402,981**	**22,292,272**	**148,287**	**22,440,559**
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 a subsidiary	-	-	-	-	-	-	(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)
As at 30 June 2022	18,514,233	135,391	10,494	(8,440,152)	10,232,646	20,452,612	157,958	20,610,570

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

Statements of Changes in Equity

For the Financial Year Ended 30 June 2023

Company	Attributable to owners of the Company		
	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 July 2022	**18,514,233**	**747,977**	**19,262,210**
Profit for the financial year/Total comprehensive income	**-**	**143,853**	**143,853**
Dividend paid (Note 14)	**-**	**(220,246)**	**(220,246)**
Total transactions with owners	**-**	**(220,246)**	**(220,246)**
As at 30 June 2023	**18,514,233**	**671,584**	**19,185,817**
As at 1 July 2021	18,514,233	461,932	18,976,165
Profit for the financial year/Total comprehensive income	-	396,168	396,168
Dividend paid (Note 14)	-	(110,123)	(110,123)
Total transactions with owners	-	(110,123)	(110,123)
As at 30 June 2022	18,514,233	747,977	19,262,210

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**1,619,787**	1,102,773	**143,797**	396,478
Adjustments for:					
Bad debts written off		**341**	63	**-**	-
Depreciation of property, plant and equipment	15	**63,243**	49,742	**-**	-
Dividend income	7	**-**	-	**(252,293)**	(368,878)
Fair value gain on investment properties	17	**(716,773)**	(48,924)	**-**	-
Gain on:					
- disposal of a subsidiary	19.1	**-**	(85,982)	**-**	-
- disposal of property, plant and equipment		**(325)**	(68)	**-**	-
- redemption of redeemable preference shares in subsidiaries	19.1	**-**	-	**-**	(27,425)
- subscription of redeemable preference shares in subsidiaries	19.1	**-**	-	**-**	(4,546)
Impairment losses on:					
- receivables		**14,907**	3,585	**-**	-
- interests in subsidiaries		**-**	-	**99,695**	-
- property, plant and equipment	15	**34,859**	-	**-**	-
- investment properties	17	**93,418**	-	**-**	-
Interest expense	11	**2,823**	34,602	**4,092**	15,456
Interest income	10	**(49,494)**	(42,962)	**(4,684)**	(5,670)
Property development costs written down	23	**-**	171,215	**-**	-
Property, plant and equipment written off	15	**172**	94	**-**	-
Investment properties written off	17	**233**	-	**-**	-
Inventories written down		**18,545**	-	**-**	-
Reversal of impairment losses on receivables	25	**(3,150)**	(2,297)	**-**	-
Share of result of an associate		**(4,340)**	(2,124)	**-**	-
Share of results of joint ventures		**(292,485)**	(164,741)	**-**	-
Net foreign currency translations (gain)/loss		**(1,947)**	(5,170)	**7,575**	866
Operating profit/(loss) before working capital changes		**779,814**	1,009,806	**(1,818)**	6,281

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

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating profit/(loss) before working capital changes (continued)		**779,814**	1,009,806	**(1,818)**	6,281
Changes in working capital:					
- Property development costs		**(338,968)**	(15,312)	**-**	-
- Inventories		**801,083**	942,184	**-**	-
- Contract assets		**(6,246)**	(15,033)	**-**	-
- Trade and other receivables		**357,113**	(301,766)	**260**	15,577
- Contract liabilities		**(65,791)**	(84,683)	**-**	-
- Trade and other payables		**262,148**	52,684	**89**	39
Cash generated from/(used in) operations		**1,789,153**	1,587,880	**(1,469)**	21,897
Tax paid		**(233,694)**	(922,137)	**(232)**	(120)
Tax refunded		**329**	28,550	**-**	-
Net cash generated from/(used in) operating activities		**1,555,788**	694,293	**(1,701)**	21,777

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		**6,750**	-	**252,293**	368,878
Interest received		**40,064**	33,600	**4,684**	5,415
Proceeds from disposal of:					
- property, plant and equipment		**760**	168	**-**	-
- a subsidiary		**-**	101,592	**-**	-
Additional investments in subsidiaries	19.1	**-**	-	**-**	(341,873)
Redemption of redeemable preference shares of a joint venture	21.2	**418,068**	194,309	**-**	-
Redemption of redeemable preference shares of subsidiaries	19.1	**-**	-	**3,700**	217,222
Redemption of redeemable preference shares of an associate		**3,040**	-	**-**	-
Repayment from joint ventures		**416,531**	180,952	**-**	-
Repayment to non-controlling interests in a subsidiary		**-**	(2,157)	**-**	-
Additions to:					
- property, plant and equipment	15.2	**(166,526)**	(1,521,967)	**-**	-
- land held for property development		**(180,484)**	(3,788,663)	**-**	-
- investment properties		**(714,294)**	(406,476)	**-**	-
Equity contribution to subsidiaries		**-**	-	**(144,133)**	-
Advances to joint venture		**-**	(37,467)	**-**	-
Advances to subsidiaries		**-**	-	**-**	(823)
Repayments from subsidiaries		**-**	-	**544**	284
Net cash (used in)/generated from investing activities		**(176,091)**	(5,246,109)	**117,088**	249,103

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Consideration paid for acquisition of additional shares from non-controlling interests	19.1	**(9,008)**	-	**-**	-
Redemption of redeemable preference shares of a subsidiary issued from non-controlling interests	19.1	**(4,500)**	-	**-**	-
Advances from subsidiaries		**-**	-	**248,609**	886,041
Payment of lease interest		**(148)**	(84)	**-**	-
Payment of lease liabilities		**(1,855)**	(1,682)	**-**	-
Interest paid		**(664,638)**	(375,273)	**(4,791)**	(15,921)
Dividend paid	14	**(220,246)**	(110,123)	**(220,246)**	(110,123)
Dividend paid to non-controlling interests		**(6,512)**	(3,489)	**-**	-
Banking facilities fees paid		**(48,791)**	(16,599)	**-**	-
Drawdown of borrowings		**1,699,791**	5,900,661	**-**	-
Repayment of borrowings		**(1,801,497)**	(357,297)	**-**	-
Proceeds from issuance of preference shares to non-controlling interests in subsidiaries		**-**	1,746	**-**	-
Repayment to subsidiaries		**-**	-	**(631,224)**	(958,593)
Net cash (used in)/generated from financing activities		**(1,057,404)**	5,037,860	**(607,652)**	(198,596)
Net increase/(decrease) in cash and cash equivalents		**322,293**	486,044	**(492,265)**	72,284
Cash and cash equivalents at beginning of financial year		**2,351,084**	1,848,208	**528,538**	456,254
Effect of exchange rate changes		**38,020**	16,832	**-**	-
Cash and bank balances		**2,711,397**	2,351,084	**36,273**	528,538
Less: Cash and cash equivalents not available for use	29	**(29,017)**	-	**-**	-
Cash and cash equivalents at end of financial year	36	**2,682,380**	2,351,084	**36,273**	528,538

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2023

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 2022	**3,139**	**16,816,658**
Cash flows:		
Drawdown of borrowings	**-**	**1,699,791**
Repayment	**-**	**(1,801,497)**
Banking facilities fees paid	**-**	**(48,791)**
Interest paid	**-**	**(664,638)**
Payment of lease interest	**(148)**	**-**
Payment of lease liabilities	**(1,855)**	**-**
Non-cash changes:		
Foreign currency translation differences	**249**	**1,154,628**
Interest expense capitalised (Note 11)	**-**	**666,575**
Banking facilities fee capitalised (Note 11)	**-**	**38,483**
Interest expense	**148**	**2,314**
Amortisation of facilities fees	**-**	**361**
New leases (Note 15.2)	**2,278**	**-**
At 30 June 2023	**3,811**	**17,863,884**
At 1 July 2021	2,369	11,010,111
Cash flows:		
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)	-
Non-cash changes:		
Foreign currency translation differences	45	251,800
Interest expense capitalised	-	343,785
Banking facilities fee capitalised (Note 11)	-	24,952
Interest expense	84	34,316
Amortisation of facilities fees	-	202
New leases (Note 15.2)	2,407	-
At 30 June 2022	3,139	16,816,658

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)

Company	Amounts due to subsidiaries RM'000
At 1 July 2022	**379,234**
Cash flows:	
Advances from subsidiaries	**248,609**
Repayment to subsidiaries	**(631,224)**
Interest paid	**(4,791)**
Non-cash changes:	
Foreign currency translation differences	**7,575**
Interest expense	**4,092**
Equity contribution	**93,938**
At 30 June 2023	**97,433**
At 1 July 2021	402,898
Cash flows:	
Advances from subsidiaries	886,041
Repayment to subsidiaries	(958,593)
Interest paid	(15,921)
Non-cash changes:	
Foreign currency translation differences	866
Interest expense	15,456
Equity contribution	48,487
At 30 June 2022	379,234

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

Notes to the Financial Statements

30 June 2023

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, Lebuh 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.

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 2022:

- Amendments to MFRS 3 'Reference to the Conceptual Framework'
- Annual Improvements to MFRS 1 'Subsidiary as First-time Adopter'
- Annual Improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
- Amendments to MFRS 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"

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.

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 2023. 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 2023:

- 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 101 and MFRS Practice Statement 2
- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 "Non-current Liabilities with Covenants"

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 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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.

5.5 Property development cost and inventories written down

Property development cost and inventories are stated at lower of cost and net realisable value. The Group recognised property development costs and inventories 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 has written down inventories by RM18,545,000 (2022: Nil). In the previous financial year, the Group recognised a write-down on property development costs amounting to RM171,215,000. These write downs 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.

5.6 Impairment of non-financial assets

The Group reviewed its non-financial assets for indication of impairment and where such indications exist, the Group performed impairment assessment to determine recoverable of the cash generating units ("CGU"). The recoverable amount is the higher of respective CGU's fair value less costs to sell and VIU. The valuation of the Group's CGU was appraised by independent registered valuers and involves significant estimates and judgements in determining the fair value. The VIU was prepared based on approved cashflow projection. The projection reflects management's expectation of future cash inflow and outflow from the CGU and discounting them at the appropriate rate. Significant judgement and estimates are involved in determine the cashflow and discount rate. During the financial year, the Group and the Company have recognised impairment losses on property, plant and equipment, investment properties and investment in subsidiaries. The key assumptions and sensitivity analysis of the respective CGUs are disclosed in Note 15, Note 17 and Note 19.3.

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.

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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.4 Joint ventures (continued)

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.

6.1.5 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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.5 Associates (continued)

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.

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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.2 Property, plant and equipment and depreciation (continued)

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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases (continued)

(a) Accounting by lessee (continued)

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.

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 consist 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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.11 Share capital (continued)

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.

6.11.5 Earnings per share

<u>Basic earnings per share</u>

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.

<u>Diluted earnings per share</u>

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

6.15 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.15 Employee benefits (continued)

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.

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.

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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.20 Foreign currencies (continued)

6.20.3 Group companies (continued)

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.

6.21 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 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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.1 Financial assets (continued)

(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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

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.

6.21.3 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

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.

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.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.22 Impairment of financial assets and financial guarantee contracts (continued)

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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

7 REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers (Note 7.1)	**2,259,418**	2,335,018	**-**	-
Revenue from other sources				
- Lease income	**333,665**	255,314	**-**	-
- Dividend income	**-**	-	**252,293**	368,878
Total revenue	**2,593,083**	2,590,332	**252,293**	368,878

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	
	2023 RM'000	2022 RM'000
Primary geographical markets		
Malaysia	**1,927,198**	1,727,448
People's Republic of China	**301,805**	607,570
Singapore	**30,415**	-
Revenue from contracts with customers	**2,259,418**	2,335,018
Major products and service lines		
Revenue from property development		
- Ongoing development properties	**617,173**	459,670
- Completed development properties	**1,263,348**	1,642,245
	1,880,521	2,101,915
Revenue from property investment		
- Car park	**49,718**	31,411
- Service charge	**68,143**	55,428
- Recoverables	**39,055**	22,094
	156,916	108,933
Revenue from hospitality and leisure		
- Hotel operations	**160,441**	84,752
- Leisure activities	**48,664**	28,342
	209,105	113,094
Others		
- Management fees	**10,321**	6,999
- Others	**2,555**	4,077
	12,876	11,076
Revenue from contracts with customers	**2,259,418**	2,335,018

7 REVENUE (CONTINUED)

7.1 Disaggregation of revenue from contracts with customers (continued)

	Group	
	2023 RM'000	2022 RM'000
Timing of revenue recognition		
- Over time	**698,192**	526,174
- Point in time	**1,561,226**	1,808,844
Revenue from contracts with customers	**2,259,418**	2,335,018

Revenue from contracts with customers of the Group includes RM97,503,000 (2022: RM154,033,000) that was included in contract liabilities at the beginning of the reporting period.

8 OPERATING PROFIT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit has been arrived at after charging:				
Auditors' remuneration - statutory audit				
- PricewaterhouseCoopers PLT	**1,112**	1,022	**168**	201
- Member firms of PricewaterhouseCoopers International Limited	**291**	213	**-**	-
- Firms other than member firms of PricewaterhouseCoopers International Limited	**124**	140	**-**	-
Non-audit services				
- PricewaterhouseCoopers PLT	**500**	440	**86**	5
- Firms other than member firms of PricewaterhouseCoopers International Limited	**133**	142	**-**	-
Bad debts written off	**341**	63	**-**	-
Depreciation of property, plant and equipment (Note 15)	**63,243**	49,742	**-**	-
Impairment losses on:				
- investment in subsidiaries	**-**	-	**99,695**	-
- receivables	**14,907**	3,585	**-**	-
- property, plant and equipment (Note 15)	**34,859**	-	**-**	-
- investment properties (Note 17)	**93,418**	-	**-**	-

8 OPERATING PROFIT (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit has been arrived at after charging: (continued)				
Management fees to:				
- a subsidiary	**-**	-	**931**	547
- an affiliate	**5,383**	4,623	**-**	-
Property, plant and equipment written off (Note 15)	**172**	94	**-**	-
Investment properties written off (Note 17)	**233**	-	**-**	-
Inventories written down	**18,545**	-	**-**	-
Property development costs*	**1,162,707**	1,278,957	**-**	-
Realised loss on foreign currency translations	**-**	-	**622**	-
Unrealised loss on foreign currency translations	**8,794**	900	**7,575**	866

* The cost of inventories of the Group recognised as an expense during the financial year amounted to RM817,307,000 (2022: RM838,539,000) was included in property development costs of the Group.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit has been arrived at after crediting:				
Bad debts recovered	**-**	10	**-**	-
Dividend income from subsidiaries in Malaysia	**-**	-	**252,293**	368,878
Gain on disposal of:				
- property, plant and equipment	**325**	68	**-**	-
- a subsidiary	**-**	85,982	**-**	-
Fair value gain on short term funds	**22,535**	4,722	**-**	2,998
Fair value gain on investment properties (Note 17)	**716,773**	48,924	**-**	-
Management services income from affiliates	**596**	876	**-**	-
Property project management services from:				
- affiliates	**2,467**	757	**-**	-
- a joint venture	**1,257**	-	**-**	-

8 OPERATING PROFIT (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit has been arrived at after crediting: (continued)				
Reversal of impairment losses on receivables	**3,150**	2,297	**-**	-
Realised gain on foreign currency translations:				
- redemption of redeemable preference shares of subsidiaries	**-**	-	**-**	27,425
- subscription of redeemable preference shares in subsidiaries	**-**	-	**-**	4,546
- others	**10,741**	331	**6,080**	5,763

9 STAFF COSTS

The staff costs of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and others	**267,216**	167,133	**1,328**	1,396
Defined contribution plan	**24,887**	17,051	**-**	-
	292,103	184,184	**1,328**	1,396

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from:				
- Deposits with financial institutions	**15,564**	7,751	**1,568**	807
- Short term funds	**2,706**	8,139	**-**	4,672
- Joint ventures	**9,858**	9,527	**-**	-
- Housing development accounts	**4,608**	2,435	**-**	-
- Current accounts	**15,073**	12,087	**3,116**	191
- Stakeholders	**838**	1,541	**-**	-
- Others	**847**	1,482	**-**	-
	49,494	42,962	**4,684**	5,670

11 INTEREST EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses on:				
- Borrowings	**2,314**	34,316	**-**	-
- Lease liabilities	**148**	84	**-**	-
- Subsidiaries	**-**	-	**4,092**	15,456
Amortisation of banking facilities fee	**361**	202	**-**	-
	2,823	34,602	**4,092**	15,456

The Group's total interest expense and facilities fees charged by the banks of RM666,575,000 and RM38,483,000 (2022: RM343,785,000 and RM24,952,000) 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 4% (2022: 2%) per annum.

12 TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current year tax expense				
- Malaysian income taxation	**154,997**	149,087	**205**	306
- Foreign taxation	**41,129**	202,885	**-**	-
- Deferred taxation (Note 22)	**84,719**	23,638	**-**	-
	280,845	375,610	**205**	306
Prior years				
- Malaysian income taxation	**(2,291)**	(1,582)	**(261)**	4
- Foreign taxation	**(53,051)**	46,935	**-**	-
- Deferred taxation (Note 22)	**(6,075)**	(6,259)	**-**	-
	(61,417)	39,094	**(261)**	4
Tax expense/(income)	**219,428**	414,704	**(56)**	310

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	**1,619,787**	1,102,773	**143,797**	396,478
Tax calculated at the Malaysian tax rate of 24%	**388,749**	264,666	**34,511**	95,155
Tax effects in respect of:				
Non-allowable expenses	**38,140**	78,025	**28,080**	3,627
Non-taxable income	**(13,289)**	(13,952)	**(62,386)**	(98,476)
Different tax rates arising from fair value gain from real property investments	**(103,596)**	(21,006)	**-**	-
Different tax rates arising from gain on disposal of a real property subsidiary	**-**	(11,265)	**-**	-
Different tax rates in foreign jurisdictions	**24,343**	122,074	**-**	-
Different tax rate arising from prosperity tax	**-**	929	**-**	-
Unutilised tax losses and unabsorbed capital allowances not recognised in loss-making subsidiaries	**19,501**	1,960	**-**	-
Utilisation of previously unrecognised tax losses and capital allowances	**(1,697)**	(960)	**-**	-
Tax incentives and allowances	**(68)**	(4,813)	**-**	-
Share of post-tax results of an associate	**(1,042)**	(510)	**-**	-
Share of post-tax results of joint ventures	**(70,196)**	(39,538)	**-**	-
	280,845	375,610	**205**	306
(Over)/Under provision in prior years	**(61,417)**	39,094	**(261)**	4
Tax expense/(income)	**219,428**	414,704	**(56)**	310

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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.

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	
	2023 RM'000	2022 RM'000
Profit attributable to owners of the Company	**1,393,016**	686,735

The adjusted weighted average number of ordinary shares for the computation of earnings per ordinary share is arrived at as follows:

	Group	
	2023 '000	2022 '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)	**25.30**	12.47

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no securities issued by the Group that are dilutive in nature.

14 DIVIDENDS

Dividends declared and paid by the Company are as follows:

	Company	
	2023 RM'000	2022 RM'000
First and final single tier dividend in respect of financial year ended 30 June 2022 of 4.0 sen per ordinary share, paid on 2 December 2022	**220,246**	-
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
	220,246	110,123

On 28 August 2023, the Board of Directors have declared an interim single tier dividend of 5.0 sen per ordinary share amounting to RM275,307,269 in respect of the financial year ended 30 June 2023. The dividend will be payable on 29 September 2023 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 15 September 2023.

15 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Golf course development expenditure RM'000	Plantation expenditure RM'000
2023			
At Cost			
At beginning of financial year	130,454	75,876	4,044
Additions	13,830	-	-
Transfer from investment properties (Note 17)	-	-	-
Transfer to land held for property development (Note 16)	(1,581)	-	-
Transfer to property development costs (Note 23)	-	-	-
Written off	-	-	-
Disposals	-	-	-
Expirations of lease contracts	-	-	-
Foreign currency translation differences	-	-	-
Reclassifications	31,679	156	-
At end of financial year	174,382	76,032	4,044

Group	Golf course development expenditure RM'000	Plantation expenditure RM'000
2023		
Less: Accumulated Depreciation		
At beginning of financial year	17,852	732
Current year depreciation charge	1,604	167
Written off	-	-
Disposals	-	-
Expirations of lease contracts	-	-
Foreign currency translation differences	-	-
At end of financial year	19,456	899
Less: Accumulated Impairment		
At beginning of financial year	-	-
Current year impairment	-	-
At end of financial year	-	-

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
958,352	88,665	15,038	95,614	1,370,068	649,858	3,387,969
6,207	11,559	3,050	15,489	2,278	196,718	249,131
-	8,569	-	-	5,835	17,091	31,495
-	-	-	-	-	-	(1,581)
-	-	-	-	-	(62,182)	(62,182)
-	(1,122)	(25)	(2,343)	-	-	(3,490)
(35)	-	(941)	(2,023)	-	-	(2,999)
-	-	-	-	(610)	-	(610)
(109)	-	187	(82)	118,238	6,758	124,992
288,634	4,962	-	149	-	(325,580)	-
1,253,049	112,633	17,309	106,804	1,495,809	482,663	3,722,725

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
147,291	59,754	11,333	64,838	32,049	333,849
23,174	8,224	1,559	9,526	18,989	63,243
-	(1,039)	(26)	(2,253)	-	(3,318)
-	-	(878)	(1,686)	-	(2,564)
-	-	-	-	(610)	(610)
19	-	45	(31)	994	1,027
170,484	66,939	12,033	70,394	51,422	391,627
-	-	-	-	-	-
34,859	-	-	-	-	34,859
34,859	-	-	-	-	34,859

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Golf course development expenditure RM'000	Plantation expenditure RM'000
2022			
At Cost			
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)
At end of financial year	130,454	75,876	4,044

Group	Golf course development expenditure RM'000	Plantation expenditure RM'000
2022		
Less: Accumulated Depreciation		
At beginning of financial year	16,253	602
Current year depreciation charge	1,599	130
Written off	-	-
Disposals	-	-
Foreign currency translation differences	-	-
At end of financial year	17,852	732

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

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2023 RM'000	2022 RM'000
Carrying Amount		
Freehold land	**174,382**	130,454
Golf course development expenditure	**56,576**	58,024
Plantation expenditure	**3,145**	3,312
Buildings and improvements	**1,047,706**	811,061
Plant and machinery	**45,694**	28,911
Motor vehicles	**5,276**	3,705
Furniture, fittings and equipment	**36,410**	30,776
Right-of-use assets	**1,444,387**	1,338,019
Construction-in-progress	**482,663**	649,858
	3,296,239	3,054,120

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 4% and 9% (2022: 3% and 11%) per annum respectively. Changes in input would not have significant impact to the carrying amounts of the assets.

During the financial year, the Group has recognised an impairment loss of RM34,859,000 (2022: Nil) in related to a carpark component based on the approved cash flow projections using a value in use method. The impairment is mainly attributable to the construction of additional car park bays for the future development of the mall and surrounding areas. The key assumption applied in the cash flow projections for current financial year is pre-tax discount rate of 8.5% (2022: Nil). Changes input would not have significant impact to the carrying amounts of the assets.

Included in additions to property, plant and equipment of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM73,490,000 and RM6,837,000 (2022: RM29,941,000 and Nil) respectively.

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

15.1 Right-of-use assets

Group	Leasehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Total RM'000
2023				
At Cost				
At beginning of financial year	1,361,870	7,265	933	1,370,068
Additions	-	2,211	67	2,278
Transfer from investment properties	5,835	-	-	5,835
Expirations of lease contracts	-	(610)	-	(610)
Foreign currency translation differences	117,799	439	-	118,238
At end of financial year	1,485,504	9,305	1,000	1,495,809
Less: Accumulated Depreciation				
At beginning of financial year	26,894	4,482	673	32,049
Current year depreciation charge	17,134	1,784	71	18,989
Expirations of lease contracts	-	(610)	-	(610)
Foreign currency translation differences	797	197	-	994
At end of financial year	44,825	5,853	744	51,422
Carrying amount	1,440,679	3,452	256	1,444,387

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
2022				
At Cost				
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
Less: Accumulated Depreciation				
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
Carrying amount	1,334,976	2,783	260	1,338,019

Included in right-of-use assets is a balance of RM1,279,966,000 related to the 99 years leasehold land acquired in the previous financial year for the development as a hotel property.

15.2 Additions to property, plant and equipment

	Group	
	2023 RM'000	2022 RM'000
Additions	**249,131**	1,554,315
Financed by lease liabilities	**(2,278)**	(2,407)
Interest expenses capitalised	**(73,490)**	(29,941)
Facilities fees capitalised	**(6,837)**	-
Total cash outflow	**166,526**	1,521,967

16 LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
2023				
At Cost				
At beginning of financial year	**2,888,674**	**4,149,623**	**2,038,522**	**9,076,819**
Additions	**70,303**	**-**	**266,694**	**336,997**
Transfer from property, plant and equipment (Note 15)	**1,581**	**-**	**-**	**1,581**
Transfer from/(to) property development costs (Note 23)	**573**	**(3,640,362)**	**(343,919)**	**(3,983,708)**
Foreign currency translation differences	**-**	**161,163**	**14,527**	**175,690**
At end of financial year	**2,961,131**	**670,424**	**1,975,824**	**5,607,379**
2022				
At Cost				
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
At end of financial year	2,888,674	4,149,623	2,038,522	9,076,819

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 RM100,832,000 and RM331,000 (2022: RM124,217,000 and RM16,186,000) respectively.

During the financial year, land held for property development's addition includes accruals of RM52,576,000 arising from the acquisition of a freehold land.

Included in the Group's addition for land held for property development are deposit paid in the previous financial years of RM2,774,000 as disclosed in Note 25.2.

Included in land held for property development of the Group are plantation land of RM563,176,000 (2022: RM689,812,000), 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 RM318,632,000 (2022: RM316,642,000) 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
2023			
At beginning of financial year	**4,759,270**	**11,019,152**	**15,778,422**
Additions	**98,069**	**963,725**	**1,061,794**
Write-off	**(233)**	**-**	**(233)**
Transfer to property, plant and equipment (Note 15)	**(8,569)**	**(22,926)**	**(31,495)**
Fair value adjustments	**722,944**	**(6,171)**	**716,773**
Impairment loss	**-**	**(93,418)**	**(93,418)**
Foreign currency translation differences	**-**	**932,623**	**932,623**
At end of financial year	**5,571,481**	**12,792,985**	**18,364,466**
2022			
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
At end of financial year	4,759,270	11,019,152	15,778,422

Included in the above are:

	Group	
	2023 RM'000	2022 RM'000
At fair value:		
Freehold land and buildings	**5,571,481**	4,245,910
Leasehold land and buildings	**813,625**	835,135
	6,385,106	5,081,045
At cost:		
Investment properties under construction	**11,979,360**	10,697,377
At end of the financial year	**18,364,466**	15,778,422

17 INVESTMENT PROPERTIES (CONTINUED)

Movements in investment properties under construction during the financial year are mainly additions and foreign currency translation differences of RM1,025,863,000 and RM947,963,000 (2022: RM599,422,000 and RM230,667,000) respectively. The construction of IOI City Mall-Phase 2, Malaysia was completed and commenced operations in the current year, whereas the construction of IOI Mall Xiamen, China was completed and commenced operations in the previous financial year. The completed assets have been reclassified from investment properties under construction to completed investment properties and measured at fair value.

Included in additions to investment properties of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM334,670,000 and RM12,830,000 (2022: RM184,917,000 and RM8,766,000) respectively.

Right-of-use assets included in investment properties are leasehold land and buildings amounting to RM12,792,985,000 (2022: RM11,019,152,000).

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	Group	
	2023 RM'000	2022 RM'000
Rental income	**333,665**	255,314
Direct operating expenses	**186,013**	125,600

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, 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.

The fair value adjustments recognised in the current financial year are mainly attributable to the successful completion of Phase 2 of IOI City Mall, which has significantly enhanced income and cost synergies across the entire operation of the mall. The fair value adjustments for the previous financial year were 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.

During the financial year, an impairment loss of RM93,418,000 is recognised in profit or loss based on valuation by independent registered valuer which was based on receipts of contractual rentals, expected future market rentals, current market yields, maintenance requirements and approximate capitalisation rates under the investment method. The underlying cause for the impairment reflects the challenging market conditions in PRC. The key assumptions applied in the valuation for current financial year is yield rate of 3.5% (2022: Nil). A 25 basis points movement in yield rate of the asset would increase or decrease the impairment loss by approximately RM9,663,000 (2022: Nil).

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:

Investment method

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

Comparison method

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* 2023 RM'000	2022 RM'000
Term and reversion yield	Higher term and reversion yield rates, lower fair value	**446,304**	334,909
Price per square foot	Higher price per square foot, higher fair value	**61,100**	60,800

* Changes in term and reversion yield rates by 50 basis points (2022: 50 basis points) and price per square foot by 10% (2022: 10%) are used as these are the key inputs subjected to changes in market conditions.

The fair value measurements as at 30 June 2023 and 30 June 2022 are as follows:

Group	Valuation methodology	Fair value RM'000	Significant unobservable inputs: Term yield %	Reversion yield %	Price per sq foot RM/psf
2023					
Completed investment properties					
Malls	Investment method	**4,399,045**	**3.00 - 6.50**	**3.50 - 7.00**	**-**
Office buildings	Investment method	**1,221,800**	**4.75 - 6.00**	**5.25 - 6.00**	**-**
Others	Comparison method	**462,900**	**-**	**-**	**50 - 430**
	Investment method	**151,261**	**2.50 - 6.00**	**2.75 - 7.50**	**-**
	Cost method	**150,100**	**-**	**-**	**3 - 350**
		6,385,106			
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			

18 GOODWILL ON CONSOLIDATION

	Group	
	2023 RM'000	2022 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	
	2023 RM'000	2022 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 recoverable amount of the CGUs based on value-in-use is not sensitive to any changes in assumptions.

19 SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
At Cost		
Unquoted shares in Malaysia (Note 19.1)	**14,922,040**	14,925,740
Unquoted shares outside Malaysia (Note 19.1)	**3,707,123**	3,707,123
Equity contribution (Note 19.2)	**1,170,958**	932,887
	19,800,121	19,565,750
Less: Accumulated impairment losses (Note 19.3)	**(575,662)**	(475,967)
	19,224,459	19,089,783

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.

2023

During the financial year, the following changes in the investments in subsidiaries were effected:

Incorporation of new subsidiaries

IOI (Xiamen) Properties Co. Ltd., an indirect subsidiary of the Company, had on 5 August 2022 incorporated a wholly-owned subsidiary known as Xiamen Palm City Hotel Management Co. Ltd. ("XPCHM") in Xiamen, the People's Republic of China with a total registered capital of RMB70 million. XPCHM's intended principal activity is provision of hotel, hospitality services, property leasing and management.

Mayang Development Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 20 April 2023 incorporated a wholly-owned subsidiary known as Conezion Management Sdn. Bhd. ("CMSB") under the Companies Act 2016 with 2 ordinary issued shares. CMSB's intended principal activity is provision of office facility management services.

Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
Property Skyline Sdn. Bhd. ("PSSB")	RPS at a redemption price of RM1.00 each	3,700	3,700

The above redemption of shares was redeemed at RM3,700,000 by cash.

Additional acquisition of shares

During the financial year, the Group acquired 10% equity interest in Jutawan Development Sdn. Bhd. ("JDSB"), an indirect subsidiary of the Company for a consideration of RM9,008,000 and redeemed redeemable preference shares of RM4,500,000 from a non-controlling interest.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2022

In the previous 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.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2022 (continued)

Disposal of a subsidiary (continued)

Details of the disposal were as follows:

	Note	At date of disposal 2022 RM'000
Non-current asset		
Land held for property development	16	26,898
Current asset		
Other receivables		128
Current liabilities		
Other payables		10
Current tax liabilities		118
		128
Net assets		26,898
Total disposal proceeds		112,880
Gain on disposal of a subsidiary		85,982

The total disposal proceeds included a deposit of RM7,902,000 received by the Group in the financial year 2021 and an amount of RM3,386,000 remitted to the Director General of Inland Revenue by the acquirer.

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

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2022 (continued)

Subscription of additional shares (continued)

Company	Type of shares	No. of shares '000	Amount RM'000
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)

19.2 Equity contribution

Equity contribution represents capital contribution to subsidiaries for their working capital and repayment of borrowing costs. Included in equity contribution is an amount of RM93,938,000 (2022: RM48,487,000) in relation to interest expense borne on behalf of subsidiary.

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. Based on the assessments performed, impairment loss amounting to RM99,695,000 (2022: Nil) was recognised during the financial year.

19.4 Amounts due from/(to) subsidiaries

The amount due from subsidiaries in the previous financial year represented payments made on behalf, which were unsecured, non-interest bearing and repayable upon demand.

During the financial year, the non-current amount due to a subsidiary represents interest expense borne on behalf of subsidiary and is not repayable within the next 12 months.

The non-current amount due to a subsidiary in the previous financial year represented advances which were unsecured, bore interest ranging from 5.04% to 5.08% per annum, which was subsequently settled by dividend received during the financial year.

The current amounts due to subsidiaries represent advances and payments made on behalf, which are unsecured, bear interest ranging from 3.40% to 4.15% (2022: 1.67% to 2.10%) per annum, except for RM2,574,000 (2022: RM56,652,000), which is non-interest bearing and is payable upon demand in cash and cash equivalents.

19.5 Material non-controlling interests

As at 30 June 2023, the total non-controlling interests are RM148,287,000 (2022: RM157,958,000), of which RM99,619,000 (2022: RM98,698,000), and RM24,997,000 (2022: RM24,452,000) 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.

19 SUBSIDIARIES (CONTINUED)

19.5 Material non-controlling interests (continued)

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Proportion of ordinary shares held by non-controlling interests (%)	**45.1%**	45.1%	**30.1%**	30.1%
Summarised statements of comprehensive income:				
Revenue	**124,757**	35,965	**40,753**	9,521
Profit/(Loss) and total comprehensive income/(loss) for the financial year	**2,042**	(966)	**11,781**	846
Profit/(Loss) and total comprehensive income/(loss) attributable to non-controlling interests	**921**	(436)	**3,546**	255
Dividend paid to non-controlling interests	**-**	-	**3,000**	3,000
Summarised statements of financial position:				
Current assets	**290,970**	298,690	**65,365**	52,316
Current liabilities	**(70,427)**	(41,677)	**(20,229)**	(9,736)
Non-current assets	**838**	1,543	**31,138**	31,913
Non-current liabilities	**-**	(39,217)	**-**	-
Net assets	**221,381**	219,339	**76,274**	74,493
Summarised cash flows:				
Cash flows generated from/(used in) operating activities	**43,048**	(36,141)	**9,987**	(2,426)
Cash flows generated from/(used in) investing activities	**368**	100	**198**	(19)
Cash flows (used in)/generated from financing activities	**(16,886)**	33,309	**(4,948)**	2,404
Net increase/(decrease) in cash and cash equivalents during the financial year	**26,530**	(2,732)	**5,237**	(41)
Cash and cash equivalents at beginning of the financial year	**4,781**	7,513	**3,038**	3,079
Cash and cash equivalents at end of the financial year	**31,311**	4,781	**8,275**	3,038

There was a dividend of RM3,512,000 (2022: RM489,000) paid to immaterial non-controlling interests during the financial year.

20 ASSOCIATE

	Group 2023 RM'000	Group 2022 RM'000
Unquoted shares, at cost	**23,601**	23,601
Redeemable preference shares, at cost	**2,192**	5,232
Share of post-acquisition results and reserves	**29,180**	24,840
	54,973	53,673

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:

(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 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 current financial year, the associate has redeemed total shares of 9,500,000 (2022: Nil) for RM9,500,000 (2022: Nil) from its 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. 2023 RM'000	GLM Emerald Industrial Park (Jasin) Sdn. Bhd. 2022 RM'000
Assets and liabilities		
Total current assets	**28,692**	19,807
Total non-current assets	**144,815**	149,802
Total current liabilities	**(1,082)**	(1,245)
Total non-current liabilities	**(635)**	(635)
Results		
Revenue	**27,874**	13,701
Profit and total comprehensive income for the financial year	**13,561**	6,638

There was no dividend paid by the associate in both the financial years.

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	
	2023 RM'000	2022 RM'000
Net assets as at 30 June	**171,790**	167,729
Share of net assets of the Group/Carrying amount in the statement of financial position	**54,973**	53,673
Share of profit of the Group	**4,340**	2,124

21 JOINT VENTURES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	**409,755**	409,755
Redeemable preference shares ("RPS") (Note 21.2)	**2,676,541**	3,094,609
Share of post-acquisition results and reserves	**1,115,753**	471,125
	4,202,049	3,975,489
Amounts due from joint ventures (Note 21.3)	**28,408**	414,663
	4,230,457	4,390,152

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.

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
2023		
Non-current:		
Non-current assets	8,462,822	5,340
Current:		
Cash and cash equivalents	234,986	55,930
Other current assets	41,776	3,965,255
Total current assets	276,762	4,021,185
Total assets	8,739,584	4,026,525
Non-current:		
Financial liabilities (excluding trade and other payables and provisions)	3,923,356	1,332,898
Other liabilities (including trade and other payables and provisions)	134,780	-
Total non-current liabilities	4,058,136	1,332,898
Current:		
Other liabilities (including trade and other payables and provisions)	115,122	86,029
Total current liabilities	115,122	86,029
Total liabilities	4,173,258	1,418,927
Net assets	4,566,326	2,607,598

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
2022		
Non-current:		
Non-current assets	7,745,894	4,890
Current:		
Cash and cash equivalents	188,280	12,238
Other current assets	33,440	4,286,529
Total current assets	221,720	4,298,767
Total assets	7,967,614	4,303,657
Non-current:		
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
Current:		
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
Total liabilities	3,872,203	1,677,652
Net assets	4,095,411	2,626,005

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
2023		
Revenue	**572,216**	**1,232,899**
Depreciation and amortisation	**54,989**	**-**
Interest income	**3,269**	**91**
Interest expense	**(165,325)**	**(53,692)**
Profit before taxation	**101,355**	**392,524**
Taxation	**(16,306)**	**-**
Profit and total comprehensive income for the financial year	**85,049**	**392,524**
2022		
Revenue	917,413	104,141
Depreciation and amortisation	53,652	-
Interest income	103	6
Interest expense	(52,970)	(34,007)
Profit before taxation	244,504	39,025
Taxation	(36,919)	-
Profit and total comprehensive income for the financial year	207,585	39,025

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
2023		
Net assets:		
As at 1 July 2022	**4,095,411**	**2,626,005**
Profit for the financial year	**85,049**	**392,524**
Movement in share capital	**-**	**(643,177)**
Foreign currency translation differences	**385,866**	**232,246**
As at 30 June 2023	**4,566,326**	**2,607,598**
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**	**1,764,925**
Share of post-acquisition results and reserves	**981,809**	**(72,011)**
Total interests in joint ventures	**2,278,596**	**1,694,939**
2022		
Net assets:		
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
As at 30 June 2022	4,095,411	2,626,005
Interest in joint ventures as at year end	49.9%	64.9%

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: (continued)

	Scottsdale Properties Pte. Ltd. RM'000	Pinnacle (Sentosa) Pte. Ltd. RM'000
2022		
Net assets: (continued)		
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
Total interests in joint ventures	2,043,610	1,744,795

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.

	2023 RM'000	2022 RM'000
Unquoted shares, redeemable preference shares and share of post-acquisition results and reserves	**228,514**	224,976
Amounts due from joint ventures	**28,408**	376,771
Total interests in joint ventures	**256,922**	601,747
Share of joint ventures' profits and total comprehensive income	**(5,095)**	35,790

There was a dividend of RM6,750,000 (2022: Nil) paid by an immaterial joint venture during the financial year.

21 JOINT VENTURES (CONTINUED)

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 RM418,068,000 (2022: RM194,309,000).

21.3 Amounts due from joint ventures

The non-current amounts due from joint ventures 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 amounted to RM28,408,000 (2022: RM376,771,000) which is interest bearing at rate ranging from 2.40% to 4.88% (2022: 2.00%) per annum.

22 DEFERRED TAXATION

	Group	
	2023 RM'000	2022 RM'000
At beginning of financial year	**(470,814)**	(453,248)
Recognised in the profit or loss (Note 12):		
- Current year	**(84,719)**	(23,638)
- Prior years	**6,075**	6,259
	(78,644)	(17,379)
Foreign currency translation differences	**405**	(187)
At end of financial year	**(549,053)**	(470,814)

22 DEFERRED TAXATION (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets	**187,902**	197,614
Deferred tax liabilities	**(736,955)**	(668,428)
	(549,053)	(470,814)

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	
	2023 RM'000	2022 RM'000
At beginning of financial year	**(470,814)**	(453,248)
Recognised in profit or loss (Note 12):		
Temporary differences on:		
- Capital allowances	**2,830**	(7,249)
- Fair value adjustment on investment properties	**(72,565)**	1,686
- Profit from sales of development properties	**(2,463)**	1,558
- Accruals and provisions	**(372)**	6,605
- Development properties	**1,076**	2,154
- Unabsorbed capital allowances	**1,952**	1,282
- Unrealised profits	**(8,651)**	(22,958)
- Unutilised investment tax allowance	**(1,976)**	-
- Unutilised tax losses	**759**	3,384
- Other deductible temporary differences	**766**	(3,841)
	(78,644)	(17,379)
Foreign currency translation differences	**405**	(187)
At end of financial year	**(549,053)**	(470,814)

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	
	2023 RM'000	2022 RM'000
Deferred tax assets		
Accruals and provisions	**21,151**	21,544
Profit from sales of development properties	**59,856**	62,133
Unutilised tax losses	**8,707**	8,012
Unabsorbed capital allowances	**10,999**	9,047
Unrealised profits	**48,574**	57,225
Unutilised investment tax allowance	**38,981**	40,957
Other deductible temporary differences	**8,170**	7,185
Deferred tax assets (before off-setting)	**196,438**	206,103
Off-setting	**(8,536)**	(8,489)
Deferred tax assets (after off-setting)	**187,902**	197,614
Deferred tax liabilities		
Fair value adjustment on investment properties^	**286,687**	214,393
Capital allowances	**111,483**	114,313
Profit from sales of development properties	**831**	645
Development properties*	**346,490**	347,566
Deferred tax liabilities (before off-setting)	**745,491**	676,917
Off-setting	**(8,536)**	(8,489)
Deferred tax liabilities (after off-setting)	**736,955**	668,428

* Comprises mainly of deferred tax adjustments on temporary differences arising from land held for property development, property development costs and inventories.

^ 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 amounts at the reporting date.

22 DEFERRED TAXATION (CONTINUED)

The following are the unutilised tax losses and unabsorbed capital allowances for which deferred tax assets have not been recognised, at gross:

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses	**456,845**	382,854
Unabsorbed capital allowances	**54,441**	54,249
	511,286	437,103

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	
	2023 RM'000	2022 RM'000
Tax losses:		
- Expiring within the next 10 years	**493,124**	416,237

The unutilised tax losses of the Malaysian subsidiaries will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unutilised 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
2023					
At Cost					
At beginning of financial year	**198,298**	**3,443**	**809,798**	**(443,077)**	**568,462**
Costs incurred	**-**	**-**	**860,436**	**-**	**860,436**
Transfer (to)/from land held for property development (Note 16)	**(573)**	**3,640,362**	**343,919**	**-**	**3,983,708**
Transfer from property, plant and equipment (Note 15)	**-**	**-**	**62,182**	**-**	**62,182**
Transfer to inventories	**(4,328)**	**-**	**(197,550)**	**-**	**(201,878)**
Foreign currency translation differences	**-**	**161,162**	**35,976**	**-**	**197,138**
Recognised as part of cost of sales in profit or loss	**-**	**-**	**-**	**(345,400)**	**(345,400)**
Completed projects	**(62,469)**	**-**	**(279,949)**	**342,418**	**-**
At end of financial year	**130,928**	**3,804,967**	**1,634,812**	**(446,059)**	**5,124,648**
2022					
At Cost					
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	-
At end of financial year	198,298	3,443	809,798	(443,077)	568,462

In the previous financial year, included in recognised as part of cost of sales in profit or loss was property development costs written down of RM171,215,000.

Included in costs incurred in property development of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM157,583,000 and RM18,485,000 (2022: RM4,710,000 and Nil).

24 INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At Cost:		
- Completed development properties	**1,435,811**	3,048,197
- Others	**3,223**	3,469
	1,439,034	3,051,666
At Net Realisable Value:		
- Completed development properties	**974,505**	-
	2,413,539	3,051,666

Inventories which comprised RMB246,272,000 (2022: Nil) equivalent to RM158,649,000 (2022: Nil) are subject to liens pending disputes resolution.

25 TRADE AND OTHER RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Trade receivables (Note 25.1)	**104,324**	96,670
Other receivables, deposits and prepayments (Note 25.2)	**252,016**	607,456
Lease receivables	**2,003**	12,938
Contract costs (Note 25.3)	**7,388**	6,150
	365,731	723,214

	Company	
	2023 RM'000	2022 RM'000
Other receivables, deposits and prepayments (Note 25.2)	**58**	318

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.1 Trade receivables

	Group	
	2023 RM'000	2022 RM'000
Trade receivables	**115,248**	103,801
Less: Accumulated impairment losses	**(10,924)**	(7,131)
	104,324	96,670

(a) Included in trade receivables of the Group are amounts due from affiliates of RM5,972,000 (2022: RM5,418,000) 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 (2022: 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	
	2023 RM'000	2022 RM'000
At beginning of financial year	**7,131**	7,619
Charge for the financial year	**6,985**	1,844
Reversal	**(3,150)**	(2,219)
Written off	**(33)**	(113)
Foreign currency translation differences	**(9)**	-
At end of financial year	**10,924**	7,131

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.2 Other receivables, deposits and prepayments

	Group	
	2023 RM'000	2022 RM'000
Other receivables	**172,306**	549,830
Less: Accumulated impairment losses	**(13,167)**	(5,319)
	159,139	544,511
Deposits	**39,266**	37,790
Prepayments	**53,611**	25,155
	252,016	607,456

	Company	
	2023 RM'000	2022 RM'000
Other receivables	**2**	264
Deposits	**4**	4
Prepayments	**52**	50
	58	318

In the previous financial year, included in deposits of the Group was an amount of RM2,774,000 paid for new land acquisitions. This amount has been reclassified to land held for property development in current year.

Included in the other receivables are the Goods and Services Tax and Value Added Tax receivable amounting to RM119,477,000 (2022: RM486,783,000).

(a) The reconciliation of movements in provision for impairment losses on other receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
At beginning of financial year	**5,319**	3,656
Charge for the financial year	**7,922**	1,741
Reversal	**-**	(78)
Foreign currency translation differences	**(74)**	-
At end of financial year	**13,167**	5,319

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.3 Contract costs

	Group	
	2023 RM'000	2022 RM'000
Cost to obtain a contract	**7,388**	6,150

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, RM30,226,000 (2022: RM26,102,000) 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	
	2023 RM'000	2022 RM'000
Contract assets		
- Property development contracts	**144,298**	143,686
- Stakeholder sums	**39,704**	34,070
	184,002	177,756
Contract liabilities		
- Property development contracts	**(36,208)**	(101,999)
	147,794	75,757

(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 (2022: up to 24 months).

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	
	2023 RM'000	2022 RM'000
Balance as at 1 July	**41,687**	(76,724)
Net property development revenue recognised	**617,173**	459,670
Net progress billing during the financial year	**(551,576)**	(338,729)
Foreign currency translation differences	**806**	(2,530)
Balance as at 30 June	**108,090**	41,687

(c) The movement of stakeholder sums

	Group	
	2023 RM'000	2022 RM'000
Balance as at 1 July	**34,070**	52,765
Additions	**23,919**	7,344
Amount transferred to trade receivables	**(18,285)**	(26,039)
Balance as at 30 June	**39,704**	34,070

(d) Unsatisfied performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2023 RM'000	2022 RM'000
Revenue from property development activities		
- Within one year	**494,262**	557,048
- More than one year	**124,169**	31,424
	618,431	588,472

27 SHORT TERM FUNDS

	Group	
	2023 RM'000	2022 RM'000
Investments in fixed income trust funds in Malaysia	-	735,444

Investments in fixed income trust funds included in previous financial year represented 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 were 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with financial institutions	**953,621**	510,576	-	186,732

As at 30 June 2023, the effective interest rates of the Group's and of the Company's short term deposits range from 0.50% to 4.30% and Nil per annum (2022: 0.09% to 3.66% and 0.35% to 1.50% 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) RM246,299,000 (2022: RM117,459,000) 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) RMB16,108,000 (2022: RMB24,443,000), equivalent to approximately RM10,377,000 (2022: RM16,042,000) 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.

(iii) RMB36,709,000 (2022: Nil), equivalent to approximately RM23,648,000 (2022: Nil), held under the Current Account and RMB8,335,000 (2022: Nil), equivalent to approximately RM5,369,000 (2022: Nil), held under the Housing Developers (Project Account) Rules, Fujian Province, Administration of Pre-sale of Commodity Premises Regulations (Revised), in PRC, are subject to liens pending disputes resolution.

30 SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid-up:				
Ordinary shares with no par value				
At beginning/end of financial year	**5,506,145**	**18,514,233**	5,506,145	18,514,233

31 RESERVES

	Group	
	2023 RM'000	2022 RM'000
Foreign currency translation reserve (Note 31.1)	**815,210**	135,391
Cash flow hedge reserve (Note 31.2)	**-**	10,494
	815,210	145,885

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	
	2023 RM'000	2022 RM'000
At beginning of financial year	**10,494**	(120,658)
Fair value (loss)/gain on derivatives	**(8,507)**	137,651
Reclassifications from profit and loss		
- Interest rate differences	**(165)**	(3,677)
- Foreign exchange rate differences	**(1,822)**	(2,822)
	(1,987)	(6,499)
At end of financial year	**-**	10,494

32 BORROWINGS

	Group 2023 RM'000	Group 2022 RM'000
Non-current liabilities		
Unsecured		
Term loans	**1,469,300**	1,440,735
Sukuk Murabahah	**1,360,000**	1,890,000
	2,829,300	3,330,735
Current liabilities		
Unsecured		
Term loans	**14,504,584**	13,116,178
Revolving credit	**-**	19,745
Sukuk Murabahah	**530,000**	350,000
	15,034,584	13,485,923
Total borrowings	**17,863,884**	16,816,658

The range of contractual interest rate per annum as at 30 June 2023 for borrowings are as below:

	Group 2023	Group 2022
Term loans	**2.36% to 5.50%**	1.46% to 4.70%
Revolving credit	**3.10% to 4.01%**	3.10%
Sukuk Murabahah	**3.90% to 5.05%**	3.90% to 5.05%

The Group has incurred higher interest expense principally due to the significant hike in interest rates during the financial year. The increase has resulted in a technical breach of the interest cover ratio (ICR) covenant on certain borrowings of the Group which has resulted in the borrowings of RM8,581,545,000 being reclassified to current liabilities as at 30 June 2023, as required by MFRS 101 'Presentation of Financial Statements'. Subsequent to the financial year end, the Group has obtained the approval from the lenders to reduce the threshold for ICR covenant and has reinstated these borrowings to non-current liabilities accordingly. The facilities remain available from the banks.

32 BORROWINGS (CONTINUED)

The maturity profile of borrowings is as follows:

	Fixed interest rate					Floating interest rate					
Group	< 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	Total RM'000
2023											
Unsecured:											
Term loans denominated in:											
- Ringgit Malaysia ("RM")	-	-	-	-	-	268,310	-	-	-	-	268,310
- Singapore Dollar ("SGD")	-	-	-	-	-	12,792,297	1,378,451	-	-	-	14,170,748
- Renminbi ("RMB")	1,428,516	-	-	-	-	15,461	18,682	72,167	-	-	1,534,826
	1,428,516	-	-	-	-	13,076,068	1,397,133	72,167	-	-	15,973,884
Sukuk Murabahah denominated in:											
- RM	530,000	160,000	1,000,000	200,000	-	-	-	-	-	-	1,890,000
	1,958,516	160,000	1,000,000	200,000	-	13,076,068	1,397,133	72,167	-	-	17,863,884

	Fixed interest rate					Floating interest rate					
Group	< 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	Total RM'000
2022											
Unsecured:											
Term loans denominated in:											
- RM	-	-	-	-	-	-	10,587	72,636	44,669	134,480	262,372
- SGD*	-	-	-	-	-	12,043,205	-	-	631,920	-	12,675,125
- 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.

33 LEASE LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Non-current liabilities		
Due later than 1 year	**1,509**	1,882
Current liabilities		
Due not later than 1 year	**2,302**	1,257
	3,811	3,139

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	
	2023 RM'000	2022 RM'000
Short-term leases	**367**	703
Leases of the low-value assets	**424**	329
	791	1,032

34 DERIVATIVE FINANCIAL ASSETS

The Group's derivative financial assets are as follows:

	Group	
	2023 RM'000	2022 RM'000
Derivative designated in hedging relationship		
Current assets		
- IRS as cash flow hedge on a SGD denominated borrowing	**-**	7,785
	-	7,785

34 DERIVATIVE FINANCIAL ASSETS (CONTINUED)

The details of the IRS are set out as below:

Commencement/ Maturity date	Contract/Notional amount 2023 RM'000	2022 RM'000	Interest rate
3 December 2018/ 8 March 2023	-	1,579,800	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	-	631,920	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	-	947,880	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	-	1,579,800	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	-	385,471	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.

During the financial year, the Group recognised a loss of RM8,507,000 from the derecognition of interest rate swap that has expired on 8 March 2023.

35 TRADE AND OTHER PAYABLES

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current				
Trade payables (Note 35.1)	**52,961**	55,936	**-**	-
Current				
Trade payables and accruals (Note 35.1)	**1,075,645**	905,151	**-**	-
Other payables and accruals (Note 35.2)	**366,083**	211,382	**1,053**	964
	1,441,728	1,116,533	**1,053**	964

35 TRADE AND OTHER PAYABLES (CONTINUED)

35.1 Trade payables and accruals

	Group	
	2023 RM'000	2022 RM'000
Trade payables	**363,481**	288,146
Accruals	**589,571**	545,733
Deposits	**175,554**	127,208
	1,128,606	961,087

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 RM211,815,000 (2022: RM178,712,000). The retention monies are repayable upon expiry of the defect liability period up to 24 months (2022: up to 24 months).

35.2 Other payables and accruals

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Other payables	**134,904**	48,469	**4**	13
Accruals	**231,179**	162,913	**1,049**	951
	366,083	211,382	**1,053**	964

Included in the other payables are the Goods and Services Tax and Value Added Tax payable amounting to RM2,110,000 (2022: RM521,000).

36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of financial year comprise:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short term funds (Note 27)	**-**	735,444	**-**	-
Deposits with financial institutions (Note 28)	**953,621**	510,576	**-**	186,732
Cash and bank balances (Note 29)	**1,728,759**	1,105,064	**36,273**	341,806
	2,682,380	2,351,084	**36,273**	528,538

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 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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	
	2023 RM'000	2022 RM'000
Affiliates		
Management services income	**596**	876
Property project management services	**2,467**	757
Rental income	**4,725**	4,635
Sales of plant and landscaping services	**516**	618
Sales of palm products	**32,317**	58,251
Agency fees expense	**(2,077)**	(2,904)
Management fee	**(5,383)**	(4,623)
Rental expenses	**(122)**	(219)
Joint ventures		
Interest income	**9,858**	9,527
Property project management services	**1,257**	-
Dividend income	**6,750**	-

	Company	
	2023 RM'000	2022 RM'000
Subsidiaries		
Dividend income	**252,293**	368,878
Interest expense	**(4,092)**	(15,456)
Management fees	**(931)**	(547)

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 2023 are disclosed in Notes 19.2, 19.4, 21.3 and 25.1 to the financial statements.

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

37.3 Key management personnel compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors				
Fees	**1,195**	1,280	**1,194**	1,280
Salaries and bonuses	**18,705**	13,505	**134**	116
Defined contribution plan	**2,062**	1,449	**-**	-
Estimated monetary value of benefits-in-kind	**307**	241	**-**	-
	22,269	16,475	**1,328**	1,396
Officers				
Fees	**3**	-	**-**	-
Salaries and bonuses	**7,433**	6,513	**-**	-
Defined contribution plan	**839**	770	**-**	-
Estimated monetary value of benefits-in-kind	**166**	79	**-**	-
	8,441	7,362	**-**	-
	30,710	23,837	**1,328**	1,396

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 2023 and 30 June 2022.

38 CAPITAL MANAGEMENT (CONTINUED)

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	
	2023 RM'000	2022 RM'000
Borrowings (Note 32)	**17,863,884**	16,816,658
Less: Cash and cash equivalents (Note 36)	**(2,682,380)**	(2,351,084)
Net debt	**15,181,504**	14,465,574
Equity	**22,292,272**	20,452,612
Gearing ratio	**0.68**	0.71

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 was in technical breach of the interest cover ratio covenant ("ICR") for certain borrowings of the Group at the end of the financial year, as defined by MFRS 101 'Presentation of Financial Statements' as disclosed in Note 32 to the financial statements. Subsequent to the financial year end, the Group has obtained the approval from the lenders to reduce the threshold for ICR covenant.

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.

39.1 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 FINANCIAL INSTRUMENTS (CONTINUED)

39.1 Foreign currency risk (continued)

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 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 2023, 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net monetary assets/(liabilities) denominated in				
- USD	**211**	416	**94**	117
- SGD	**59,036**	211,174	**(94,903)**	186,972
Increase/(Decrease) in profit or loss if the currency had strengthened by 5% (2022: 5%)				
- USD	**11**	21	**5**	6
- SGD	**2,952**	10,559	**(4,745)**	9,349
Net exposure	**2,963**	10,580	**(4,740)**	9,355

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 2023, hence sensitivity analysis is not presented.

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. This IRS has expired on 8 March 2023.

As at 30 June 2023, after taking into account the effect of IRS, the borrowings of the Group of RM14,545,368,000 (2022: RM7,962,784,000) are at floating interest rates.

As at 30 June 2023, the net amounts due to subsidiaries of the Company of RM17,607,000 (2022: RM322,582,000) 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 RM72,727,000 (2022: RM39,814,000). 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 RM88,000 (2022: RM1,613,000).

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.

<u>Policies and procedures</u>

(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.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.1 Risk management approach (continued)

(i) Property (continued)

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.

(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 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

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.

(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.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

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.

	Property development		Property investment		Hospitality & leisure and others		Total	
Group	RM'000	%	RM'000	%	RM'000	%	RM'000	%
2023								
Malaysia	**138,998**	**94%**	**19,653**	**90%**	**12,931**	**86%**	**171,582**	**93%**
Asia (excluding Malaysia)	**9,384**	**6%**	**2,200**	**10%**	**2,089**	**14%**	**13,673**	**7%**
	148,382	**100%**	**21,853**	**100%**	**15,020**	**100%**	**185,255**	**100%**
2022								
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%

The following table provides information about the Group's and 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 2023 which are grouped together as they are expected to have similar risk nature.

		Past due			
Group	Not past due RM'000	Less than 90 days RM'000	Between 91 to 120 days RM'000	More than 120 days RM'000	Total RM'000
2023					
Trade and other receivables	**118,769**	**26,632**	**1,404**	**62,541**	**90,577**
Contract assets	**184,002**	**-**	**-**	**-**	**-**
Amounts due from joint ventures	**28,408**	**-**	**-**	**-**	**-**
	331,179	**26,632**	**1,404**	**62,541**	**90,577**
Individual impairment	**-**	**-**	**-**	**(24,091)**	**(24,091)**
Net total	**331,179**	**26,632**	**1,404**	**38,450**	**66,486**

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 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 which are grouped together as they are expected to have similar risk nature.

Group	Not past due RM'000	Past due: Less than 90 days RM'000	Past due: Between 91 to 120 days RM'000	Past due: More than 120 days RM'000	Total RM'000
2022					
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)
Net total	763,284	17,104	-	14,383	31,487

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 2023 and 30 June 2022 which are grouped together as they are expected to have similar risk nature.

	Company 2023 RM'000	Company 2022 RM'000
Not past due		
Trade and other receivables	**6**	268
Amounts due from subsidiaries	**-**	544
Net total	**6**	812

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 2023, the Group's current liabilities exceed its current assets by RM5,691,604,000 primarily due to:

(i) A reclassification of certain borrowings of totalling RM8,581,545,000 to current liabilities, as disclosed in Note 32 to the financial statements; and

(ii) Contractual repayment of certain borrowings of RM6,453,039,000 which are due within the next 12 months.

Subsequent to the financial year end, the Group has put in place the following financing measures to ensure that it meets its financial obligations when they fall due:

(i) The Group has obtained approval from the lenders to reduce the threshold for ICR covenant and has reinstated these borrowings to non-current liabilities accordingly.

(ii) The Group has undertaken new loans of SGD1,534,000,000 (equivalent to RM5,295,982,000) with maturity period of 5 years to partially refinance a short term loan of SGD1,632,473,000 (equivalent to RM5,635,950,000) used to finance the land acquisition in Singapore. The remaining balance was repaid using internally generated funds.

(iii) The Group has undertaken a new loan of RMB350,000,000 (equivalent to RM225,470,000) with a maturity period of 3.5 years to partially refinance term loans of RMB405,000,000 (equivalent to RM260,901,000) used to finance development projects in China. The remaining balance of RMB55,000,000 (equivalent to RM35,431,000) was repaid from internally generated funds.

(iv) The repayment for the remaining outstanding borrowings of RM530,000,000, which is contractually due within the next 12 months will come from internally generated funds.

Based on the above financing plans, the Directors are of the opinion that the Group's exposure to liquidity risk is appropriately mitigated.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

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 2023, the Group has undrawn debt facilities of RM18,392,143,000 (2022: RM9,115,559,000).

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 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

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
2023						
Financial liabilities						
Trade and other payables*	**1,439,618**	**52,961**	**-**	**-**	**-**	**1,492,579**
Borrowings#	**15,268,282**	**1,640,350**	**1,096,142**	**201,993**	**-**	**18,206,767**
Lease liabilities	**2,421**	**1,339**	**36**	**28**	**19**	**3,843**
	16,710,321	**1,694,650**	**1,096,178**	**202,021**	**19**	**19,703,189**
2022						
Financial liabilities						
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
	14,896,113	974,407	595,469	1,711,039	342,620	18,519,648

* Includes retention monies of RM211,815,000 (2022: RM178,712,000) which are repayable within the normal operating cycle i.e. upon expiry of the defect liability period of up to 24 months (2022: up to 24 months).

The technical breach of ICR as stated in Note 32 has resulted the repayment obligation of certain borrowings to be reclassified as current liabilities. Subsequent to the financial year end, the Group has obtained the approval from the lenders to reduce the threshold for ICR covenant and has reinstated these borrowings to its original repayment profile of more than 12 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
2023						
Financial liabilities						
Amounts due to subsidiaries	**20,817**	**77,252**	**-**	**-**	**-**	**98,069**
Trade and other payables	**1,053**	**-**	**-**	**-**	**-**	**1,053**
	21,870	**77,252**	**-**	**-**	**-**	**99,122**
2022						
Financial liabilities						
Amounts due to subsidiaries	373,159	13,221	-	-	-	386,380
Trade and other payables	964	-	-	-	-	964
	374,123	13,221	-	-	-	387,344

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.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(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).

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.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group	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	Total fair value RM'000	Carrying amount RM'000
2023										
Financial assets										
Amortised costs										
- Amounts due from joint ventures	-	-	-	-	-	**28,408**	-	**28,408**	**28,408**	**28,408**
Financial liabilities										
Financial liabilities carried at amortised costs										
- Borrowings	-	-	-	-	-	**17,771,279**	-	**17,771,279**	**17,771,279**	**17,863,884**
- Trade and other payables	-	-	-	-	-	**52,961**	-	**52,961**	**52,961**	**52,961**
	-	-	-	-	-	**17,824,240**	-	**17,824,240**	**17,824,240**	**17,916,845**

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	Carrying amount
	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	RM'000	RM'000
2022										
Financial assets										
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
Financial liabilities										
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)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	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	RM'000	RM'000
2023										
Financial liabilities										
Financial liabilities carried at amortised costs										
- Amount due to a subsidiary	**-**	**-**	**-**	**-**	**-**	**77,252**	**-**	**77,252**	**77,252**	**77,252**
	-	**-**	**-**	**-**	**-**	**77,252**	**-**	**77,252**	**77,252**	**77,252**
2022										
Financial liabilities										
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

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
Group			
2023			
Trade and other receivables, net of goods and services tax, value added tax, non-refundable deposits and prepayments	**185,255**	**-**	**185,255**
Amounts due from joint ventures	**28,408**	**-**	**28,408**
Deposits with financial institutions	**953,621**	**-**	**953,621**
Cash and bank balances	**1,757,776**	**-**	**1,757,776**
	2,925,060	**-**	**2,925,060**
2022			
Trade and other receivables, net of goods and services tax, value added 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
	2,232,655	743,229	2,975,884

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
Company			
2023			
Trade and other receivables, net of prepayments	**6**	**-**	**6**
Cash and bank balances	**36,273**	**-**	**36,273**
	36,279	**-**	**36,279**
2022			
Trade and other receivables, net of prepayments	268	-	268
Amount due from a subsidiary	544	-	544
Deposits with financial institutions	186,732	-	186,732
Cash and bank balances	341,806	-	341,806
	529,350	-	529,350

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
Group			
2023			
Borrowings	**17,863,884**	**-**	**17,863,884**
Trade and other payables*	**1,492,579**	**-**	**1,492,579**
Lease liabilities	**3,811**	**-**	**3,811**
	19,360,274	**-**	**19,360,274**
2022			
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
Company			
2023			
Trade and other payables	**1,053**	**-**	**1,053**
Amounts due to subsidiaries	**97,433**	**-**	**97,433**
	98,486	**-**	**98,486**
2022			
Trade and other payables	964	-	964
Amounts due to subsidiaries	379,234	-	379,234
	380,198	-	380,198

* Excludes goods and services tax and value added tax.

40 COMMITMENTS

40.1 Capital commitments

	Group	
	2023 RM'000	2022 RM'000
Authorised capital expenditure not provided for in the financial statements		
- Contracted		
Additions of land held for property development	**-**	81,359
Additions of property, plant and equipment	**341,349**	177,354
Additions of investment properties	**702,813**	1,197,192
	1,044,162	1,455,905

40.2 Operating lease commitments

40.2.1 The Group as lessor

The future minimum rental income receivable under operating leases contracted for as at end of reporting period but not recognised as receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
Rental income:		
Not later than one (1) year	**291,078**	264,379
One (1) year to two (2) years	**194,348**	182,644
Two (2) years to three (3) years	**76,797**	100,161
Three (3) years to four (4) years	**14,378**	40,302
Four (4) years to five (5) years	**7,721**	23,093
More than five (5) years	**30,045**	98,023
	614,367	708,602

40 COMMITMENTS (CONTINUED)

40.2 Operating lease commitments (continued)

40.2.1 The Group as lessor (continued)

The future minimum unsatisfied performance obligation from non-lease component such as service charges to be received as at end of reporting period are as follows:

	Group	
	2023 RM'000	2022 RM'000
Service charge:		
Not later than one (1) year	**62,478**	67,807
One (1) year to two (2) years	**46,509**	53,085
Two (2) years to three (3) years	**20,304**	29,880
Three (3) years to four (4) years	**4,092**	10,735
Four (4) years to five (5) years	**1,953**	3,624
More than five (5) years	**951**	5,877
	136,287	171,008

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 nineteen (19) years (2022: one (1) to twenty (20) years).

41 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

There was no significant event during the financial year.

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.

42 SEGMENTAL INFORMATION (CONTINUED)

2023	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
Revenue						
External	1,880,521	490,581	209,105	12,876	-	2,593,083
Inter-segment	-	5,620	-	212,676	(218,296)	-
Total revenue	1,880,521	496,201	209,105	225,552	(218,296)	2,593,083
Results						
Segment operating profit/(loss)	497,670	202,621	(22,686)	28,735	-	706,340
Inventories written down	(18,545)	-	-	-	-	(18,545)
Impairment loss on property, plant and equipment	-	(34,859)	-	-	-	(34,859)
Impairment loss on an investment property	-	(93,418)	-	-	-	(93,418)
Fair value gain on investment properties	-	716,773	-	-	-	716,773
Share of result of an associate	4,340	-	-	-	-	4,340
Share of results of joint ventures	250,119	53,083	(10,717)	-	-	292,485
Profit before interest and taxation	733,584	844,200	(33,403)	28,735	-	1,573,116

2023	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
Assets					
Operating assets	13,869,575	19,183,629	2,712,209	637,184	36,402,597
Interest in an associate	54,973	-	-	-	54,973
Interests in joint ventures	1,958,688	1,763,239	508,530	-	4,230,457
Segment assets	15,883,236	20,946,868	3,220,739	637,184	40,688,027
Liabilities					
Segment liabilities	6,468,869	9,204,203	1,568,606	43,427	17,285,105
Other information					
Capital expenditure	361,322	1,100,754	185,246	600	1,647,922
Depreciation and amortisation	11,115	7,777	44,203	148	63,243
Non-cash items other than depreciation and amortisation	24,362	(576,301)	(32)	(22,572)	(574,543)

42 SEGMENTAL INFORMATION (CONTINUED)

The Group's operating assets excluded short term funds of RM711,183,000 (2022: RM735,444,000). The short term funds are not directly associated with its segment operations.

Included in the Group's share of results of joint ventures is reversal of write down value of a development properties in Singapore of RM304,299,000.

2022	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
Revenue						
External	2,101,915	364,247	113,094	11,076	-	2,590,332
Inter-segment	-	6,059	-	140,662	(146,721)	-
Total revenue	2,101,915	370,306	113,094	151,738	(146,721)	2,590,332
Results						
Segment operating profit/(loss)	911,815	160,929	(29,194)	6,289	-	1,049,839
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
Profit before interest and taxation	858,530	282,080	(52,486)	6,289	-	1,094,413

2022	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
Assets					
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
Liabilities					
Segment liabilities	6,447,024	7,623,205	1,524,392	36,489	15,631,110
Other information					
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)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit or loss		
Profit before interest and taxation	**1,573,116**	1,094,413
Interest income	**49,494**	42,962
Interest expense	**(2,823)**	(34,602)
Profit before taxation	**1,619,787**	1,102,773
Taxation	**(219,428)**	(414,704)
Profit after taxation	**1,400,359**	688,069
Assets		
Segment assets	**40,688,027**	37,979,348
Unallocated corporate assets	**1,936,012**	1,522,021
Total assets	**42,624,039**	39,501,369
Liabilities		
Segment liabilities	**17,285,105**	15,631,110
Unallocated corporate liabilities	**2,898,375**	3,259,689
Total liabilities	**20,183,480**	18,890,799

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
2023				
Revenue from external customers by location of customers	**2,263,218**	**299,450**	**30,415**	**2,593,083**
Segment operating profit/(loss)	**740,971**	**(14,814)**	**(19,817)**	**706,340**
Non-current assets^	**12,688,896**	**1,333,574**	**17,502,636**	**31,525,106**
2022				
Revenue from external customers by location of customers	1,957,932	632,400	-	2,590,332
Segment operating profit/(loss)	735,570	333,168	(18,899)	1,049,839
Non-current assets^	11,031,844	1,369,268	19,537,411	31,938,523

^ 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.

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows:

Name of Company	Effective Group Interest 2023 %	2022 %	Principal Activities
Direct Subsidiaries			
Boulevard View Pte. Ltd.* *(Incorporated in Singapore)*	**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
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.* *(Incorporated in Singapore)*	**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
IOIPG Capital 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 and cultivation of plantation produce
Novel Vortex Limited** *(Incorporated in the British Virgin Islands)*	**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# *(Incorporated in Hong Kong)*	**100.0**	100.0	Investment holding

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	2023 %	2022 %	Principal Activities
Direct Subsidiaries (continued)			
Progressive View Pte. Ltd.* *(Incorporated in Singapore)*	**100.0**	100.0	Investment holding
Resort Villa Development Sdn. Bhd.	**100.0**	100.0	Property investment and 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
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, provision of management services and investment holding
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
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

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 2023 %	Effective Group Interest 2022 %	Principal Activities
Subsidiaries of IOI Properties Berhad (continued)			
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.	**99.9**	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
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, property investment and provision of management services
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

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 2023 %	2022 %	Principal Activities
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 Mayang Development Sdn. Bhd.			
Conezion Management Sdn. Bhd.	**100.0**	-	Provision of office facility management services
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**	100.0	Property investment, provision of hotel and hospitality services
Boulevard Development Pte. Ltd.* *(Incorporated in Singapore)*	**100.0**	100.0	Property development
Subsidiaries of Property Skyline Sdn. Bhd.			
Nice Frontier Sdn. Bhd.	**99.9**	99.9	Property development, cultivation of plantation produce and property investment
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

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 2023 %	Effective Group Interest 2022 %	Principal Activities
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.# *(Incorporated in the People's Republic of China)*	**99.9**	99.9	Business management, property management and procurement of construction materials
IOI (Xiamen) Properties Co. Ltd.# *(Incorporated in the People's Republic of China)*	**99.9**	99.9	Property development, property investment and provision of hotel and hospitality services
Prime Joy Investments Limited# *(Incorporated in Hong Kong)*	**99.9**	99.9	Investment holding
Subsidiary of Prime Joy Investments Limited			
Xiamen Double Prosperous Real Estate Development Co. Ltd.# *(Incorporated in the People's Republic of China)*	**99.9**	99.9	Property development and property management services
Subsidiary of Xiamen Double Prosperous Real Estate Development Co. Ltd. ("XDP")			
Xiamen Palm Kaiyue Real Estate Development Co. Ltd.#@ *(Incorporated in the People's Republic of China)*	**99.9**	-	Property development, property management and car park management
Subsidiary of Premier Landmark Limited			
Shenzhen IOI Property Development Co. Ltd.# *(Incorporated in the People's Republic of China)*	**100.0**	100.0	Property development and property investment

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 2023 %	Effective Group Interest 2022 %	Principal Activities
Subsidiaries of IOI (Xiamen) Properties Co. Ltd. ("IOIXP")			
Xiamen Palm City Management Services Co. Ltd.# *(Incorporated in the People's Republic of China)*	**99.9**	99.9	Provision of management services
Xiamen Palm Kaiyue Real Estate Development Co. Ltd.#@ *(Incorporated in the People's Republic of China)*	**-**	99.9	Property development, property management and car park management
Xiamen Palm City Hotel Management Co. Ltd.# *(Incorporated in the People's Republic of China)*	**99.9**	-	Provision of hotel, hospitality services, property leasing and management
Subsidiary of IOI (Xiamen) Business Management Co. Ltd.			
Xiamen Palm City Sports Technology Co. Ltd.# *(Incorporated in the People's Republic of China)*	**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.#	**32.0**	32.0	Property development and operation of oil palm estate
Joint Venture of IOI Consolidated (Singapore) Pte. Ltd.			
Scottsdale Properties Pte. Ltd.# *(Incorporated in Singapore)*	**49.9**	49.9	Investment holding
Joint Venture of IOI Land Singapore Pte. Ltd.			
Seaview (Sentosa) Pte. Ltd.# *(Incorporated in Singapore)*	**49.9**	49.9	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)

Name of Company	Effective Group Interest 2023 %	2022 %	Principal Activities
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.# *(Incorporated in Singapore)*	**64.9**	64.9	Property development

Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.

* Audited by member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT.

** The subsidiary is not required by their local laws to appoint statutory auditors.

@ Disposal of 60% equity interest under the sale of shares agreement from IOIXP to XDP with effect from 19 July 2022.

44 AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2023 were authorised for issue by the Board of Directors on 22 September 2023.

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 246 to 370 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 2023 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	**DATUK TAN KIM LEONG**
Director	Director

22 September 2023

Statutory Declaration Pursuant to Section 251(1) of the Companies Act 2016

I, Tan Swee Peng, 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 246 to 370 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 22 September 2023	)	Tan Swee Peng

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2023 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 246 to 370.

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
1. Revenue recognition from property development activities Total revenue recognised for the Group on sale of development properties amounted to RM1,880.5 million for financial year ended 30 June 2023, of which RM617.2 million relates to ongoing projects. 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. Given the nature of property development projects, we focused on this area as significant estimates and judgements are required in: • Determining the extent of property development costs accruals to reflect work performed up to the reporting date; • Determining the estimated total property development costs to completion; and • Determining the common costs allocation basis to the project phases from the total budgeted common costs attributable to the respective property development projects. *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)*	We have performed the following procedures: • 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"; • Tested samples of actual sales of development properties to signed sales and purchase agreements; • Tested the key controls in respect of the budgeting process of total property development costs; • Tested key controls over monitoring of costs incurred for work performed to date; • Assessed the reasonableness of samples of total budgeted 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; • Sighted samples of revisions 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; • Assessed the reasonableness of allocation of total budgeted common costs to the project phases by comparing the budget to the approved master layout plan; • 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 • 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. Based on our work done, we did not identify any material exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
2. Fair value of completed investment properties As at 30 June 2023, the Group's completed investment properties, which are carried at fair value, amounted to RM6,385.1 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. 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. *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)*	**External valuations** We obtained and read the valuation reports, performed by the independent external valuers, provided by management. Based on these reports, we discussed the valuation methodologies and assumptions used in the valuation with the independent external valuers and management. 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. **Valuation methodologies** We carried out the following procedures to assess the inputs underpinning the valuation of the properties: Investment method • Agreed rental rates, rental periods and net lettable area 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; • Benchmarked the term yield and reversion yield used by the valuers to comparable properties; and Comparison method • 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. We challenged the valuers on certain key inputs and estimates used in consideration of the current market condition. We have also assessed the sensitivity analysis prepared by management on the yields and price per square foot underpinning the valuation, where applicable. Based on the above procedures performed, we did not identify any material exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
3. Assessment of the Group's ability to meet short term borrowings obligations As at 30 June 2023, the Group had a net current liability position of RM5,691.6 million. RM8,581.5 million was reclassified to current liabilities as at 30 June 2023 as a result of the Group's technical breach on interest cover ratio ("ICR") covenant on certain borrowings. Subsequent to the financial year end, the Group has since obtained approvals from the lenders to reduce the threshold for ICR covenant, where the Group has since met them. The facilities remain available from the banks. As the Group is currently in a net current liability position, we focused on the actions and measures taken by the Group to meet their borrowings obligations in the next 12 months. *Refer to Note 39.4 (Financial Instruments – Liquidity and Cash Flow Risk)*	We performed the following procedures: • Reviewed the borrowings covenants workings of the Group as at 30 June 2023; • Reviewed the approval letters from the banks on the reduction in the threshold of the ICR covenant ratio; • Reviewed the latest correspondences with the banks on the status of the refinancing of the short term borrowings due in the next 12 months; • For borrowings which have been refinanced, reviewed the relevant agreements and drawdown notices; • Reviewed the adequacy of undrawn debt facilities in which the Group can raise from its existing facilities; and • Reviewed the appropriateness of disclosures in the financial statements in relation to the Group's liquidity risk management. 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 borrowings obligations.

We have determined that there are no key audit matters to report for the Company.

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 other contents of the 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.

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)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

(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

SOO HOO KHOON YEAN
02682/10/2023 J
Chartered Accountant

Kuala Lumpur
22 September 2023

Group's Material Properties

DEVELOPMENT PROPERTIES

Location	Tenure	2023 Remaining Land Area (Acres)	Usage	Year of Acquisition	Carrying Amount as at 30 June 2023 RM'000
MALAYSIA					
Klang Valley					
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	**2,091,464**
Bandar Puteri Bangi Various parcels of land in Beranang Mukim of Ulu Langat Selangor Darul Ehsan	Freehold	204	On-going mix development	2013	**555,631**
Warisan Puteri, Sepang Various parcels of land in Mukim of Dengkil Dengkil, Sepang Selangor Darul Ehsan	Freehold and 99 years leasehold	159	On-going mix development and future development land	2012	**341,570**
Bandar Puteri, Puchong Various parcels of land in Puchong, Petaling Selangor Darul Ehsan	Freehold	142	On-going mix development	1990	**294,469**
16 Sierra, Puchong South Various parcels of land in Dengkil, Sepang Selangor Darul Ehsan	99 years leasehold	163	On-going mix development and future development land	2001 and 2002	**281,933**
IOI Industrial Park, Banting Various parcels of land in Daerah Kuala Langat, Selangor Darul Ehsan	Freehold	325	On-going industrial development	2017	**228,802**
Negeri Sembilan Darul Khusus					
Bandar IOI, Bahau Various parcels of land in Mukim of Rompin, Jempol Negeri Sembilan Darul Khusus	Freehold	776	On-going mix development and future development land	1990 and 2014	**183,116**

Group's Material Properties

DEVELOPMENT PROPERTIES (CONTINUED)

Location	Tenure	2023 Remaining Land Area (Acres)	Usage	Year of Acquisition	Carrying Amount as at 30 June 2023 RM'000
MALAYSIA					
Johor Darul Takzim					
Bandar Putra Kulai Various parcels of land in Senai Kulai, Johor Bahru Johor Darul Takzim	Freehold	3,474	On-going mix development and future development land	1988 and 2012	**311,436**
Bandar IOI, Segamat Various parcels of land in Mukim Sungai Segamat Mukim Pagoh, District of Segamat Johor Darul Takzim	Freehold	1,272	On-going mix development and future development land	2014	**286,890**
iSynergy Various parcels of land in Senai, Kulai Johor Bahru Johor Darul Takzim	Freehold	265	On-going commercial development	2015	**236,489**
Taman Plentong Various parcels of land in Plentong Johor Darul Takzim	Freehold	16	On-going mix development and future development land	2011 and 2013	**238,150**
Various parcels of land in Mukim of Pulai Johor Darul Takzim	Freehold	16	Future development land	2013	**194,426**
Taman Kempas Utama Various parcels of land in Tebrau Johor Bahru Johor Darul Takzim	Freehold	29	On-going mix development	2006	**170,605**
Various parcels of land in Nusa Jaya, Johor Johor Darul Takzim	99 years leasehold	7	Future development land	2013	**159,813**
A parcel of land in Kulai Jaya Johor Darul Takzim	Freehold	404	Future development land	2014	**147,884**
OVERSEAS					
The Republic of Singapore					
Marina View Residences Lot No. 483K and 484N Town Subdivision 30 at Marina View Singapore	99 years leasehold	1 (part of)	On-going mix development	2021	**4,655,725**

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 2023 RM'000
RETAILS					
IOI City Mall Lebuh IRC IOI Resort City Putrajaya	Freehold	1,482	4-storey shopping mall together with car park	8	**2,125,552^**
IOI City Mall (Phase 2) Lebuh IRC IOI Resort City Putrajaya	Freehold	1,018	6-storey shopping mall together with car park	1	**1,235,475^**
IOI 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	2	**789,145**
IOI Mall Bandar Puchong Jaya Puchong Selangor Darul Ehsan	Freehold	641	3-storey shopping mall together with car park	26	**465,000**
IOI Mall (new wing) Bandar Puchong Jaya Puchong Selangor Darul Ehsan	Freehold	261	4-storey shopping mall together with car park	14	**253,000**
OFFICES					
IOI Central Boulevard Towers within Marina Bay area Opposite Telok Ayer Market Singapore	99 years leasehold	1,292	Integrated mixed development including office towers and retail podium	*	**11,819,621**
IOI City Tower 1 and IOI City Tower 2 Lebuh IRC IOI Resort City Putrajaya	Freehold	967	2 blocks of purpose-built office building together with car park	8	**366,200**
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	14	**138,700**

Group's Material Properties

INVESTMENT PROPERTIES (CONTINUED)

Location	Tenure	Net Lettable Area ('000 sq ft) (Approximately)	Usage	Age of Building (Years)	Carrying Amount as at 30 June 2023 RM'000
OFFICES					
PFCC Towers 4 and 5 Bandar Puteri Puchong Selangor Darul Ehsan	Freehold	504	2 blocks of purpose-built office building together with car park	9	**244,000**
Conezion IOI Resort City Putrajaya	Freehold	925	Stratified shop and office lots together with car park	6	**317,000**
One IOI Square and Two IOI Square IOI Resort City Putrajaya	Freehold	434	2 blocks of purpose-built office building together with car park	20	**155,900**
IOI Business Park, 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	*	**159,740**
OTHERS					
Lot PT 92 Pekan Bukit Bisa Sepang Selangor Darul Ehsan	Freehold	-	A parcel of commercial land	N/A	**370,000**
Bungalow (Beverly Row) IOI Resort City Putrajaya	Freehold	268	37 units of residential bungalow	18-26	**120,000**

* The investment properties are currently under construction.
^ Included purpose-built car park which classified as property, plant and equipment with carrying amount of RM531,039,000.

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 2023 RM'000
MALAYSIA						
Klang Valley						
IOI Palm Garden Golf Club IOI Resort City Putrajaya	Freehold	146	171	18-hole golf course and club house	11	**195,214**
Le Méridien Putrajaya IOI Resort City Putrajaya	Freehold	37 (part of)	326	353-room hotel	7	**172,210**
Putrajaya Marriott Hotel IOI Resort City Putrajaya	Freehold	16 (part of)	1,521	488-room hotel	20	**147,583**
Four Points by Sheraton Puchong Bandar Puteri Puchong Selangor Darul Ehsan	Freehold	8 (part of)	242	249-room hotel	8	**97,549**
Palm Garden Hotel IOI Resort City Putrajaya	Freehold	3	130	151-room hotel	30	**70,693**
OVERSEAS						
The People's Republic of China						
Sheraton Grand Hotel Jimei District Xiamen, Fujian Province	40 years leasehold	7 (part of)	*	370-room hotel	*	**345,407**
The Republic of Singapore						
Marina View Hotel Lot No.483K and 484N Town Subdivision 30 at Marina View Singapore	99 years leasehold	2 (part of)	*	350-room hotel	*	**1,523,095**

* The hotels are currently under construction.

Shareholders Information

As at 30 August 2023

Type of shares : Ordinary shares
Voting rights : One vote per shareholder on a show of hands
One vote per ordinary share on a poll
Number of shareholders : 22,068

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of holders	Total holdings	%
1 - 99	1,428	43,781	*
100 - 1,000	5,064	2,969,461	0.05
1,001 - 10,000	11,109	45,227,588	0.82
10,001 - 100,000	3,797	111,415,699	2.02
100,001 - 275,307,267	668	1,335,631,873	24.26
275,307,268 and above	2	4,010,856,973	72.85
Total	22,068	5,506,145,375	100.00

* Negligible

LIST OF TOP 30 SHAREHOLDERS

(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	24.16
3.	Vertical Capacity Sdn Bhd	569,652,700	10.35
4.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	394,793,232	7.17
5.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	247,163,985	4.49
6.	AnnHow Holdings Sdn Bhd	102,338,400	1.86
7.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for AIA Berhad*	76,538,000	1.39
8.	CIMB Group Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for DBS Bank Limited*	60,113,750	1.09
9.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	39,088,950	0.71
10.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2 – Wawasan*	39,000,000	0.71
11.	Citigroup Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for UBS AG Singapore*	34,234,931	0.62
12.	Lai Ming Chun @ Lai Poh Lin	30,000,000	0.54

Shareholders Information

As at 30 August 2023

	Name	No. of shares held	%
13.	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Datuk Dr Tan Kim Heung*	28,480,700	0.52
14.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	24,139,600	0.44
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Rickoh Holdings Sdn Bhd*	20,119,999	0.37
16.	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Rickoh Holdings Sdn Bhd*	18,011,244	0.33
17.	Citigroup Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for Citibank New York*	17,500,000	0.32
18.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Chan Cha Lin*	17,321,600	0.31
19.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad*	16,838,656	0.31
20.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)*	15,228,300	0.28
21.	Koon KM Holding Sdn Bhd	13,300,000	0.24
22.	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account-UBS AG Singapore for Annhow Holdings Sdn Bhd*	10,940,000	0.20
23.	Lee Yeow Seng	10,096,700	0.18
24.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Lai Ming Chun @ Lai Poh Lin*	10,000,000	0.18
25.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	9,546,828	0.17
26.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Datuk Dr Tan Kim Heung*	9,372,000	0.17
27.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (Aham AM)*	9,290,300	0.17
28.	Kumpulan Bina Daya Electrick Sdn Bhd	8,784,500	0.16
29.	Cartaban Nominees (Asing) Sdn Bhd *SSBT Fund J724 for SPDR Portfolio Emerging Markets ETF*	8,504,762	0.15
30.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Annhow Holdings Sdn Bhd*	8,397,900	0.15
	Total	4,895,208,078	88.91

Shareholders Information

As at 30 August 2023

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Name of substantial shareholders	No. of ordinary shares held			
	Direct	%	Indirect	%
Lee Yeow Seng	71,315,900	1.30	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	418,515,832	7.60	-	-

* 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 Eleventh Annual General Meeting ("**11th AGM**") of IOI Properties Group Berhad (the "**Company**") will be held at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Thursday, 2 November 2023 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 2023 and the Reports of the Directors and Auditors thereon. *Note B1*

2 To re-elect the following Directors retiring pursuant to Article 97 of the Company's Constitution:

(i) Dato' Tan Thean Thye **Resolution 1**
(ii) Lee Ai Leng **Resolution 2**
(iii) Shirley Goh **Resolution 3**

3 To re-elect Dato' Lee Yeow Chor retiring by rotation pursuant to Article 91 of the Company's Constitution. **Resolution 4**

4 To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,360,000 for the financial year ending 30 June 2024 payable quarterly in arrears after each month of completed service of the Directors during the financial year. **Resolution 5**

5 To approve the payment of Directors' benefits (other than Directors' fees) of up to an aggregate amount of RM280,000 for the period from 3 November 2023 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016. **Resolution 6**

6 To re-appoint PricewaterhouseCoopers PLT, the retiring Auditors for the financial year ending 30 June 2024 and to authorise the Directors to fix their remuneration. **Resolution 7**

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 8**

8 To transact any other business of which due notice shall have been given.

By Order of the Board,

Chee Ban Tuck (SSM PC 202208000217) (MIA 24078)
Company Secretary

Putrajaya
4 October 2023

Notice of Annual General Meeting

Notes

A. Appointment of Proxy

1 Only shareholders whose names appear in the Record of Depositors and Register of Members as at **26 October 2023** shall be eligible to participate and vote at the 11th 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 11th 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/ioipropertiesagm2023 or email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 11th 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 Companies Act 2016 (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 those resolutions. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia, all resolutions shall be put to vote by way of a poll.

B. 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 2023 ("FY2023")

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 extend an invitation to shareholders, allowing them the chance to pose questions and offer feedback concerning the Directors' Report, Audited Financial Statements and the Group's performance.

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 Resolutions 1 to 4 – Re-election of Retiring Directors

Dato' Tan Thean Thye, Lee Ai Leng and Shirley Goh, who retire in accordance with Article 97 of the Company's Constitution, as well as Dato' Lee Yeow Chor who retires 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 11th AGM.

No individual is seeking election (other than re-election of Directors) as Director at the 11th AGM of the Company. The re-election of Directors will be individually voted on by shareholders.

Detailed profile of each retiring Director, including their career history, competencies and experience can be found in the "Board of Directors" section of the Integrated Annual Report 2023.

Each of the Directors standing for re-election has undergone a performance evaluation and has provided his/her annual declaration on his/her fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group.

Each of the Independent Non-Executive Directors ("**INEDs**") has met the independence criteria in the Listing Requirements of Bursa Malaysia and has also given to the Company an annual confirmation of his/her independence and as of the latest practicable date, the Company did not receive any notification from them that there has been a subsequent change of circumstances which affected their independence. Having regard to the confirmations as well as the actual contributions that each of the INEDs has made, the Nomination and Remuneration Committee ("**NRC**") and the Board of Directors (the "**Board**") concluded that each of the INEDs to be independent.

Upon the NRC'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/her commitment to the role and continues to be an effective and valuable member of the Board.

Based on foregoing, the NRC had recommended for the retiring Directors to be re-elected at the 11th AGM and the Board had endorsed the NRC's recommendations. The retiring Directors had abstained from deliberations on their re-election at the Board meeting.

Lee Yoke Har, a Non-Independent Non-Executive Director who has diligently served on the Company's Board since 2017, has informed the Company that she has decided not to seek re-election as a Director at the 11th AGM. As a result, Lee Yoke Har will retire from her role as a Director of the Company following the conclusion of the 11th AGM.

Save for conflict of interest information referred to in the footnote of the "Board of Directors" section, there is no other information that needs to be disclosed pursuant to the Listing Requirements nor are there other matters that need to be brought to the attention of shareholders in respect of the Directors who stand for re-election at the 11th AGM.

3. **Ordinary Resolutions 5 and 6 – Directors' fees and benefits payable**

The NRC and the Board have reviewed the Directors' fees, taking into account fee levels and trends for similar positions in the market, as well as time commitment required from the Directors. The payment of Directors' fees (inclusive of Board Committees' fees) for the financial year ending 30 June 2024 ("**FY2024**") 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, amongst 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.

4. **Ordinary Resolution 7 – 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 Board. The Board had endorsed the AC's recommendation. The representatives of PwC will be participating at the 11th AGM.

Shareholders should note that, in practice, the amount of Auditor's remuneration for FY2024 cannot be determined at the beginning of the financial year. This is because Auditor's remuneration for any given year varies, in particular, by reference to the scope and extent of the audit work which is undertaken during that year. In order to be able to charge the amount of Auditor's remuneration as operating expenses for FY2024, shareholders' approval to delegate the authority to the Directors to fix the Auditor's remuneration for FY2024 is required at the AGM.

5. **Ordinary Resolution 8 – Proposed Renewal of Existing Share Buy-Back Authority**

Ordinary Resolution 8 is to seek a renewal of the authority granted at the 10th AGM of the Company held on 8 November 2022, which will lapse at the conclusion of the 11th AGM to be held on 2 November 2023. 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 FY2023.

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 4 October 2023.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy and/or representative to participate and vote at the 11th 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 11th AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 11th 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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IOI PROPERTIES GROUP BERHAD
Company Registration No. 201301005964 (1035807-A)
(Incorporated in Malaysia)

IOI PROPERTIES
Trusted.

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 Phone No.	Full Address/Email Address		

and/or (delete as appropriate)

Full Name (in block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile Phone No.	Full Address/Email Address		

or failing him/her, the Chairman of the Eleventh Annual General Meeting ("11th AGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the 11th AGM of the Company which will be held at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia on **Thursday, 2 November 2023** 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 re-elect Dato' Tan Thean Thye as a Director				
2.	To re-elect Lee Ai Leng as a Director				
3.	To re-elect Shirley Goh as a Director				
4.	To re-elect Dato' Lee Yeow Chor as a Director				
5.	To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,360,000 for the financial year ending 30 June 2024 payable quarterly in arrears after each month of completed service of the Directors during the financial year				
6.	To approve the payment of Directors' benefits (other than Directors' fees) of up to an aggregate amount of RM280,000 for the period from 3 November 2023 until the next Annual General Meeting of the Company				
7.	To re-appoint PricewaterhouseCoopers PLT, the retiring Auditors for the financial year ending 30 June 2024 and to authorise the Directors to fix their remuneration				
8.	Proposed Renewal of Existing Share Buy-Back Authority				

Dated this ________ day of ____________________2023

No. of Shares held : ____________________

____
Signature of Shareholder/Common Seal

CDS A/C No. : ____________________

Notes:

1 Only shareholders whose names appear in the Record of Depositors and Register of Members as at **26 October 2023** shall be eligible to participate and vote at the 11th 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 11th 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/ioipropertiesagm2023 or email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 11th 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 Companies Act 2016.

Personal Data Privacy

By submitting an instrument appointing proxy and/or representative to participate and vote at the 11th 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 11th AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 11th 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
Malaysia

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IOI PROPERTIES GROUP BERHAD
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Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City,
62502 Putrajaya, Malaysia.