

Minutes of the Third Annual General Meeting ("2024 AGM") of IGBCR held virtual at the broadcast venue at Matahari 3 & 4, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on Wednesday, 17 April 2024 at 12.30 p.m.

Present at broadcast venue : Board of Directors ("Board" or "Directors") of IGB REIT Management Sdn Bhd (the Manager of IGBCR)
Dato' Seri Robert Tan Chung Meng ("DSRT"), Chairman/Non-Independent Non-Executive Director ("NINED")
Robert Ang Kim Pack, Independent Non-Executive Director ("INED")
Datuk Richard Lee Say Tshin ("DRL"), INED
Raymond Yeoh Cheng Seong ("RYCS"), INED
Tan Lei Cheng, NINED
Elizabeth Tan Hui Ning, Executive Director ("ED")/Chief Executive officer ("CEO")
Tan Mei Sian ("TMS"), ED

: Management of the Manager

Wong Khim Chon ("WKC"), Joint Deputy CEO (Commercial)
Chai Lai Sim ("CLS"), Chief Financial Officer ("CFO")
Tina Chan, Head of Compliance/Company Secretary

Representatives of PricewaterhouseCoopers ("PwC") (the Auditor of IGBCR)

Tan Chin Yee, Engagement Partner

Present remotely

: Unitholders ("UHs") and Proxies

282 UHs/proxies via the Remote Participation and Electronic Voting ("RPEV") facility, as per attendance list

Representatives of MTrustee (the Trustee of IGBCR)

Nurizan Jalil, CEO
Hafizul Bin Hassan, Head of Legal
Khariesha Binti Khalid, Legal Executive

Poll Administrator : Boardroom Share Registrars Sdn Bhd

Independent Scrutineer : Liew Lay Kim, Scrutineer Solutions Sdn Bhd

1.0 Preliminary

DSRT, the Chairman welcomed the UHs for attending the 2024 AGM.

The Chairman then introduced the 2 new Directors, DRL and RYCS, and the rest of the Directors who participated in the 2024 AGM.

2.0 Quorum

The Chairman confirmed that in terms of the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, the required quorum was present.

3.0 Notice 2024 AGM

The Notice 2024 AGM, as sent to UHs' email addresses on 28 February 2024 was taken as read.

4.0 Conduct of the meeting

The Chairman informed that the 2024 AGM was the principal forum for dialogue with UHs. All questions regarding the agenda items to be submitted via the chat box. Those questions would be answered after the agenda items have been presented.

UHs were advised that voting on the ordinary resolution could be done at any time throughout the meeting until the closure of the voting session.

The process of how voting could be done using the RPEV facility. The hotline number for support was shared.

5.0 Proxies

The Chairman informed that in his capacity as Chairman of the meeting, he has been appointed as a proxy by some UHs – 30,000 units or 0.001% of the total issued units of IGBCR – and he will be voting in accordance with their instructions.

6.0 Performance of IGBCR

The Chairman noted that the performance of IGBCR in fiscal year 2023 ("FY23") and the outlook for 2024, as set out in the 2023 Annual Report to be taken as read.

7.0 Agenda items

The Chairman then presented the agenda items of the 2024 AGM as follows:

Item 1

IGBCR's Financial Statements and Reports of the Trustee, the Manager and the Auditor for the year ended 31 December 2023 ("Financial Statements and Reports FY23")

The Financial Statements and Reports FY23 were for discussion and no voting was required.

It was declared that the Financial Statements and Reports FY23 were properly laid before the meeting.

Item 2

Renewal of Recurrent Related Party Transactions Mandate ("RRPT Mandate")

The full text of the ordinary resolution and the explanatory note to the resolution, as set out in the Notice 2024 AGM (reproduced below), were taken as read:

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

The Chairman informed the meeting that the interested related parties and persons connected with them would abstain from voting on the ordinary resolution.

8.0 Questions and Answers ("Q&A") session

Following the presentation of both agenda items, the Chairman declared the commencement of Q&A session, which began with a presentation on the answers to pre-submitted questions by UHs via the corporate enquiry email ([Appendix 1](#)), followed by questions submitted by remote participants at the meeting which were moderated to avoid repetition.

Questions, clarifications and comments submitted via the chat box by remote participants, were addressed by TMS, WKC and CLS ([Appendix 2](#)).

After the questions had been dealt with, the meeting proceeded to vote and was adjourned at 1.00 p.m. for the counting of votes.

9.0 Poll result

Based on the result of the poll, the Chairman declared the ordinary resolution on RRPT Mandate as carried. The poll result ([Appendix 3](#)) will be uploaded on Bursa and made available on IGBCR's website on the same day.

10.0 Close of 2024 AGM

There being no other matters, the Chairman declared the meeting closed at 1.09 p.m. and thanked everyone for their participation.

Signed as a correct record of the proceedings:



DSRT
Board Chairman

Dated: 22 April 2024

Q1. Is IGBCR providing any vouchers to unitholders (“UHs”) participating in today's AGM?

Answer –

IGBCR is pleased to inform that each UH holding at least 100 units in IGBCR and registered for and participating in today's AGM is eligible to an e-voucher by KFC. Such e-vouchers will be issued to all registered and participating UHs by email, within 10 working days from today's AGM.

Q2. Are there any plans by IGBCR to revert to either hybrid or physical annual general meetings (“AGM”)?

Answer –

The decision to continue with a virtual AGM takes into account the ease and flexibility for UHs to participate at today's AGM from a location of your choice, including the comfort of home, without the need to travel and incur costs to participate at an AGM at a physical location.

Having said that, your Directors will evaluate the merits of conducting either a physical or hybrid AGM next year.

Q3. Can the Board please comment on IGBCR's current unit price?

Answer –

Your Board is committed to improving IGBCR's revenue and net property income, and trust that the market will react positively to improved financial results.

UHs would understand that IGBCR's unit price remains subject to amongst others, market forces and industry sentiment, which are beyond the control of your Board.

- Q1. (a) Is it possible to list down the occupancy rate ("OCR") of each property instead of just show us the range?**
- (b) There has been a big improvement this year in the Management Discussion & Analysis. Very relevant and useful information has been included such as the comparative information of IGBCR properties and other similar properties in Klang Valley. However, please improve the OCR information on pages 8-9 by showing the individual property OCR instead of the average of all properties under Mid Valley and Kuala Lumpur City ("KLC")?**

Response (TMS, ED) –

The OCR of each property has been disclosed in the quarterly results overview of IGBCR on the website www.igbcomreit.com. The same can be viewed for the first quarter ended 31 March 2024 ("1Q24") on page 14 of 1Q24 Results Overview (**Appendix 4**), which will be made available on IGBCR's website after-hours trading today.

- Q2. (a) May I know what is IGBCR's future outlook?**
- (b) Will the Board consider giving door gifts such as e-voucher or e-wallets to those participating in this AGM as a token of appreciation?**

Response (TMS, ED and WKC, Joint Deputy CEO) –

(a) The anticipated market outlook for the commercial property sector is set out in the 2023 Annual Report ("AR23") (pages 27 and 28). These challenges will be addressed by continuing to build a strong community among our tenants, and improving our properties to remain relevant, while closely monitoring our costs.

(b) This has been addressed in Appendix 1: Q&A (Investor Relations Enquiry Email).

- Q3. How IGBCR benefit from Artificial Intelligence Information Technology digital centre promoting? Does the assigned new order book to be forming data centre usage of new rental?**

Response (WKC, Joint Deputy CEO) –

IGBCR has tenants who have data centres within the demised premises.

- Q4. The CEO mentioned in her statement on page 14, that the management has allowed tenants to customise their spaces to meet the needs of their employees, and kick-start office operations without incurring significant upfront renovation costs.**

(a) How different is the new lease programme from the existing leasing arrangement?

(b) Has this new programme contributed towards improving OCR of the properties?

Response (WKC, Joint Deputy CEO) –

Traditional lease agreements involved leasing out spaces and allowing tenants to handle renovations or fit-outs themselves. IGBCR has embarked on a new build-to-lease programme where spaces are constructed for tenants based on layout requirements and specific operational needs. This programme has been successful particularly for the KL properties portfolio – that has seen OCR improvements.

- Q5. IGBCR undertook some asset enhancement initiatives ("AEIs") in FY23.**

(a) How much incurred for these AEIs?

(b) What are the key AEIs to be undertaken this year and the amount budgeted for fiscal year 2024 ("FY24")?

Response (WKC, Joint Deputy CEO) –

(a) AEIs in FY23 was about RM2.0 million.

(b) In 2024, our focus on updating the mechanical and electrical (M&E) systems, some of which are outdated, with a budget of RM3.0 million.

- Q6. The utilities expenses have increased by RM7.273 million or 37% compared to the previous year (Statement of Comprehensive Income - page 94)**

(a) What are the reasons for the substantial increase in utilities expenses in FY23?

(b) Will the utilities expenses for FY24 to be similar or higher than FY23?

Response (WKC, Joint DCEO) –

(a) The increase in utilities expenses in FY23 was due to (i) electricity tariff hike and imbalance cost pass-through (ICPT) surcharge; and (ii) more tenants returning to the office, greater needs for air conditioning to maintain comfortable working conditions.

(b) We will do our best to maintain the utilities expenses for FY24.

- Q7. The finance cost has increased by 27% in FY23 vs FY22. However, the total borrowings of IGBCR remained the same for both FY22 and FY23. What are the reason(s) for the substantial increase in finance costs as the interest rate for the medium-term notes (MTN) only increased marginally to 5.53% (FY22: 5.38%).**

Response (CLS, CFO) –

Please refer to note 10 on page 118 of AR23 – the weighted average effective interest rate was disclosed as at year-end. The interest rate has increased from 3.73% (1Q22) to 5.38% (FY22) and 5.53% (FY23).

- Q8. IGBCR issued 30.621 million of new units as payment for management fees for FY23. The issue price of the new units is more than 50% below the net asset value (“NAV”) of IGBCR. As IGBCR has more than RM100 million in cash balance, why aren’t the management fees paid in cash? The issuance of new units at more than 50% discount to the NAV is not favourable to existing IGBCR unitholders. The Board’s comments, please.**

Response (CLS, CFO) –

Please refer to page 97 of AR23, last paragraph on Manager’s management fee – “Pursuant to the Deed, the Manager is entitled to receive the following fees from IGBCR, in the forms of cash, new units, or a combination thereof at the election of the Manager in its sole discretion”.

- Q9. The Mid Valley properties showed improved occupancy from 81% to 99% (page 25 of AR23)**

(a) Which property in Mid Valley recorded an OCR of 76.3% as shown on page 7 of AR23?

(b) Which KLC properties with the lowest and highest OCR?

Response (WKC, Joint Deputy CEO) –

(a) The property with an OCR of 76.3% is The Gardens North Tower as the remaining space is under renovation by a major tenant. Once this tenant completes the fit-out closer to the second half of this year, the OCR will increase to 93.5%.

(b) For KL properties, the lowest OCR as of now is Hampshire Place Office, while the one with the highest OCR is GTower.

- Q10. The KLC properties OCR have not improved further from the 65%-69% recorded in the past 2-3 years. What are the actions taken by the Manager to further improve the OCR of the KLC properties?**

Response (WKC, Joint Deputy CEO) –

The market conditions for KL properties have been challenging. To address this, we continue to engage our existing tenants to ensure renewal rates remain strong. As mentioned earlier, we have taken the initiative to adopt a build-to-lease concept, which has helped improve OCR for KL properties. So far, this initiative has produced positive results.

- Q11. Any plans to acquire new commercial buildings such as university building, international/private school building?**

Response (TMS, ED) –

We continue to seek opportunities that are yield-accretive for our UHs, with a focus on long-term value creation.

- Q12. Any plan to replace outdoor building light system to solar lighting?**

Response (TMS, ED) –

We are currently exploring for each building. As mentioned earlier, we aim to reduce utility expenses to create value and improve cost efficiency.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
3RD ANNUAL GENERAL MEETING
WEDNESDAY, 17 APRIL 2024 AT 12.30 P.M.

Polling Results

RESOLUTION	Vote FOR			Vote AGAINST			TOTAL Vote	
	NO. OF			NO. OF			NO. OF	
	RECORDS	SHARES	%	RECORDS	SHARES	%	RECORDS	SHARES
ORDINARY RESOLUTION I	227	4,627,475	90.7651	34	470,820	9.2349	261	5,098,295



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 17/4/2024



1Q 2024 Results Overview

17 April 2024



Sections



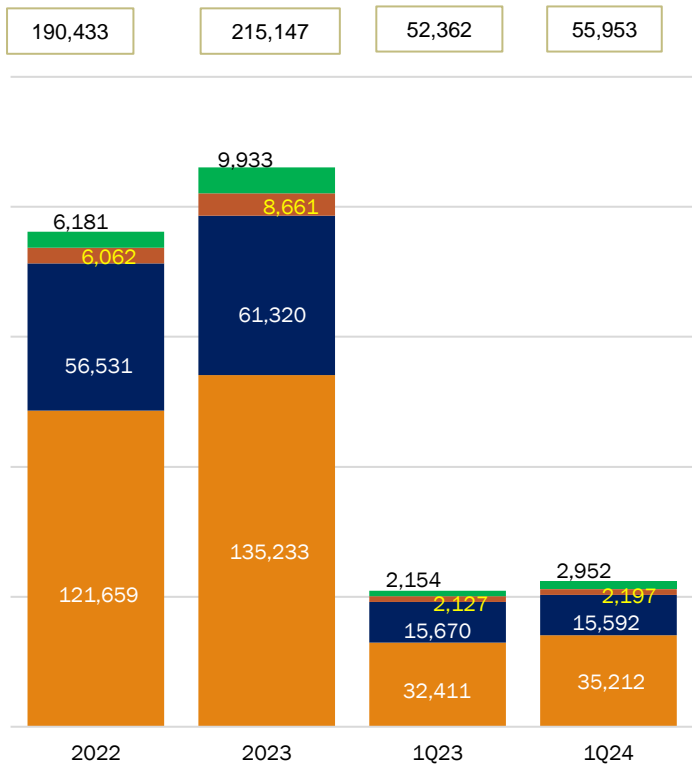
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Section 1 : Financial Overview

Financial Summary : 1 Jan to 31 Mar 2024

Revenue

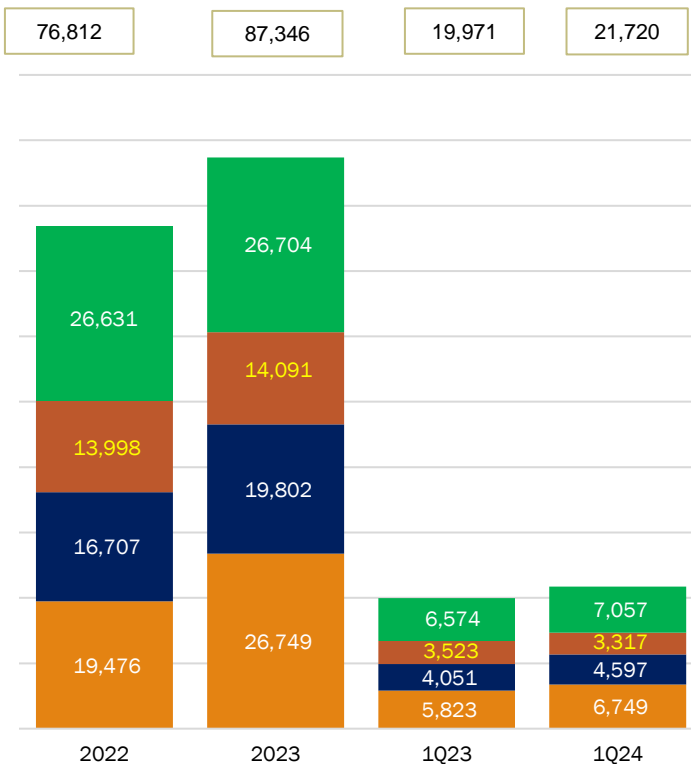
(RM'000)



- Rent Related and Other Income
- Carpark Income
- Service Charges
- Gross Rental Income

Operating Expenses

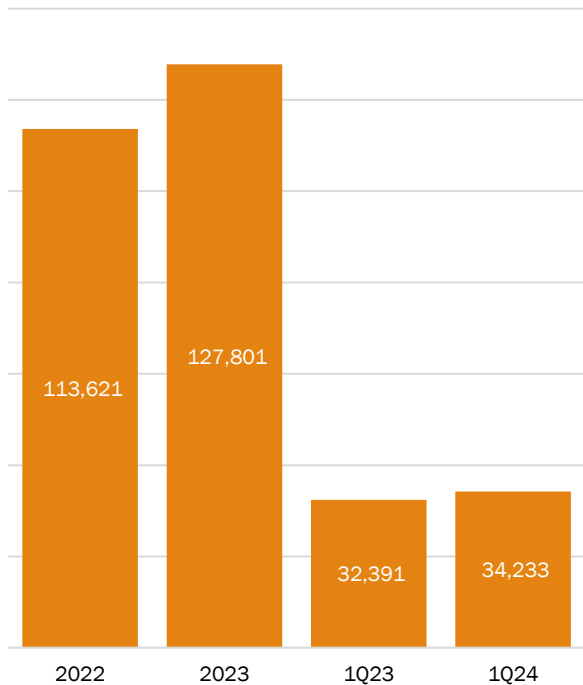
(RM'000)



- Reimbursement Costs and Operating Expenses
- Assessment and Quit Rent
- Maintenance
- Utilities

Net Property Income

(RM'000)



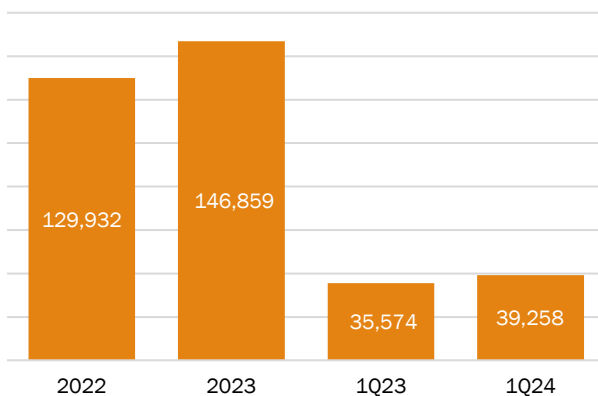
- Net Property Income

Segmental Financial Overview

Mid Valley City

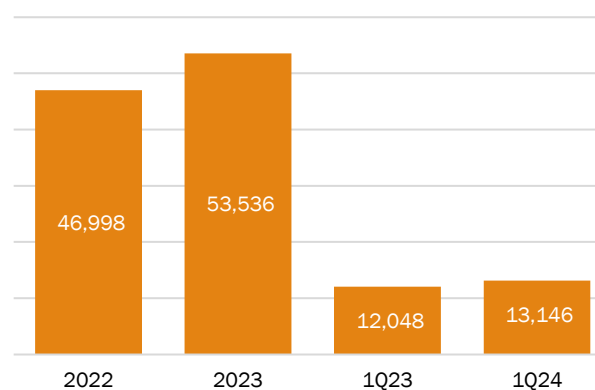
Revenue

(RM'000)



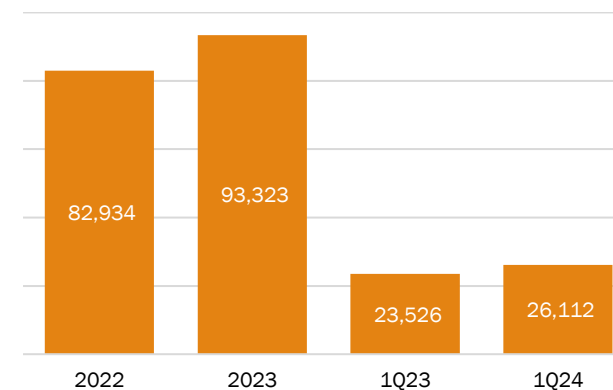
Operating Expenses

(RM'000)



Net Property Income

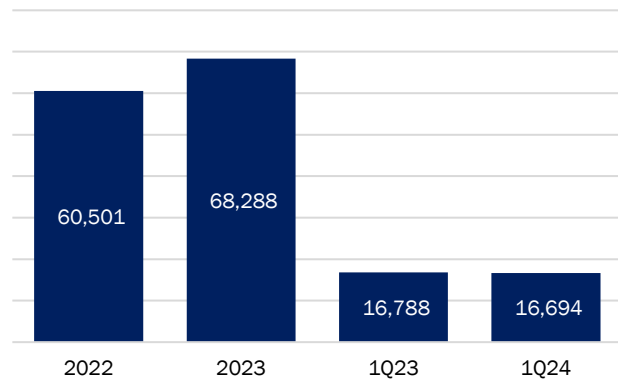
(RM'000)



KL City

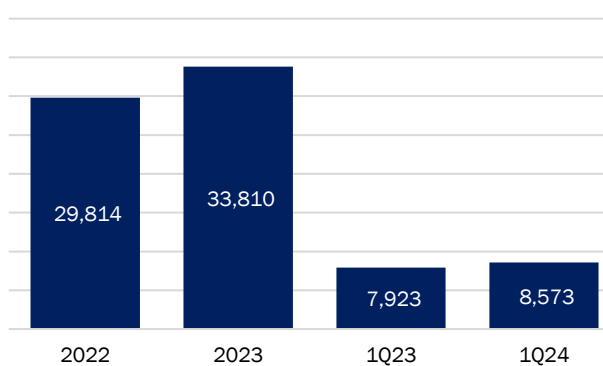
Revenue

(RM'000)



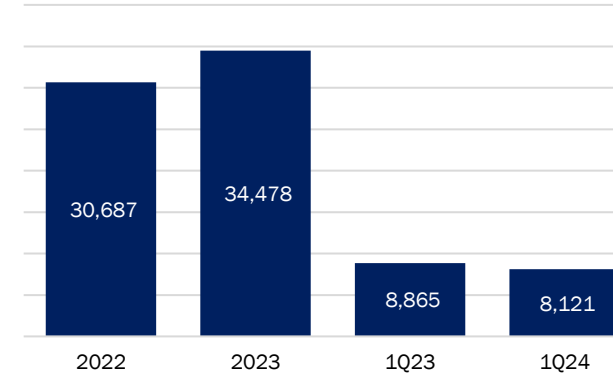
Operating Expenses

(RM'000)



Net Property Income

(RM'000)



Section 2 : Distribution Statement

Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income				
	FY2022 Audited	FY2023	1Q23 Audited	1Q24
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Lease revenue	121,659	135,233	32,411	35,212
Revenue from contracts with customers	68,774	79,914	19,951	20,741
Total Revenue	190,433	215,147	52,362	55,953
Assessment and quit rent	(13,998)	(14,091)	(3,523)	(3,317)
Utilities expenses	(19,476)	(26,749)	(5,823)	(6,749)
Maintenance expenses	(16,707)	(19,802)	(4,051)	(4,597)
Reimbursement costs and other property operating expenses	(26,631)	(26,704)	(6,574)	(7,057)
Property Operating Expenses	(76,812)	(87,346)	(19,971)	(21,720)
NPI	113,621	127,801	32,391	34,233
Changes in fair value on investment properties	-	(2,223)	-	-
Interest Income	2,159	3,204	733	815
Net investment income	115,780	128,782	33,124	35,048
Management Fees	(15,484)	(16,246)	(4,038)	(4,217)
Trustee's fee	(464)	(465)	(114)	(115)
Other trust expenses	(504)	(722)	(78)	(93)
Finance costs	(36,259)	(46,108)	(11,487)	(11,738)
Profit before taxation	63,069	65,241	17,407	18,885
Taxation	-	-	-	-
Total comprehensive income attributable to unitholders	63,069	65,241	17,407	18,885
Distribution Adjustments	16,397	19,064	4,187	4,366
Distributable Income	79,466	84,305	21,594	23,351

Section 3 : Debt Profile

Gearing Profile

	As at 31 Mar 2024 (RM '000)	As at 31 Dec 2023 (RM '000)	As at 31 Dec 2022 (RM '000)	As at 31 Dec 2021 (RM '000)
Medium term notes	850,150	850,190	849,420	848,520
Revolving credit facility	-	3,243	3,239	2,911
Total borrowings	850,150	853,433	852,659	851,431
Cash and cash equivalent	(101,354)	(128,564)	(118,963)	(93,454)
Total net borrowings	748,796	724,869	733,696	757,977
Total unitholders' fund	2,296,228	2,296,062	2,297,663	2,298,545
Net gearing (%)	33	32	32	33
Loan-to-total asset value (%)	26	26	26	26

Section 4 : Statement of Financial Position

Statement of Financial Position as at 31 March 2024

	As at 31 Mar 2024 Unaudited (RM'000)	As at 31 Dec 2023 Unaudited (RM'000)	As at 31 Dec 2022 Audited (RM'000)
Non-current assets	3,161,000	3,161,000	3,161,000
Current assets	113,016	134,903	122,873
TOTAL ASSETS	3,274,016	3,295,903	3,283,873
Non-current liabilities	848,536	848,387	847,791
Current liabilities	129,252	151,454	138,419
TOTAL LIABILITIES	977,788	999,841	986,210
TOTAL UNITHOLDERS' FUND	2,296,228	2,296,062	2,297,663
TOTAL UNITHOLDERS' FUND AND LIABILITIES	3,274,016	3,295,903	3,283,873
No. of Units in circulation ('000 units)	2,373,908	2,365,488	2,334,867
NAV (RM'000)			
Before income distribution	2,319,098	2,378,837	2,377,337
After income distribution	2,296,228	2,296,062	2,297,663
NAV per unit (RM)			
Before income distribution	0.9769	1.0056	1.0182
After income distribution	0.9673	0.9707	0.9841
Closing market price	0.475	0.485	0.545
Market capitalisation ('000)	1,127,606	1,147,262	1,272,503

Section 5 : Portfolio

Snapshot of IGB Commercial REIT

Existing Portfolio of Quality Assets

Market Value ⁽¹⁾:
RM3.2 bil

Total NLA⁽¹⁾:
3.4 mil sq ft

Occupancy
Rate⁽¹⁾: 80.5%

WALE:
1.6 years

Number Of
Tenants⁽¹⁾:
347



Menara IGB & IGB Annexe
Value: RM189 mil



Centrepoint South
Value: RM193 mil



Centrepoint North
Value: RM196 mil



Boulevard Offices and Retail
Value: RM80 mil



The Gardens South Tower
Value: RM396 mil



The Gardens North Tower
Value: RM386 mil



Southpoint Offices & Retail
Value: RM572 mil



Menara Tan & Tan
Value: RM248 mil



GTower
Value: RM723 mil



Hampshire Place Office
Value: RM178 mil

Note: ⁽¹⁾ As at 31 March 2024

Occupancy and Average Rental Rates as at 31 March 2024

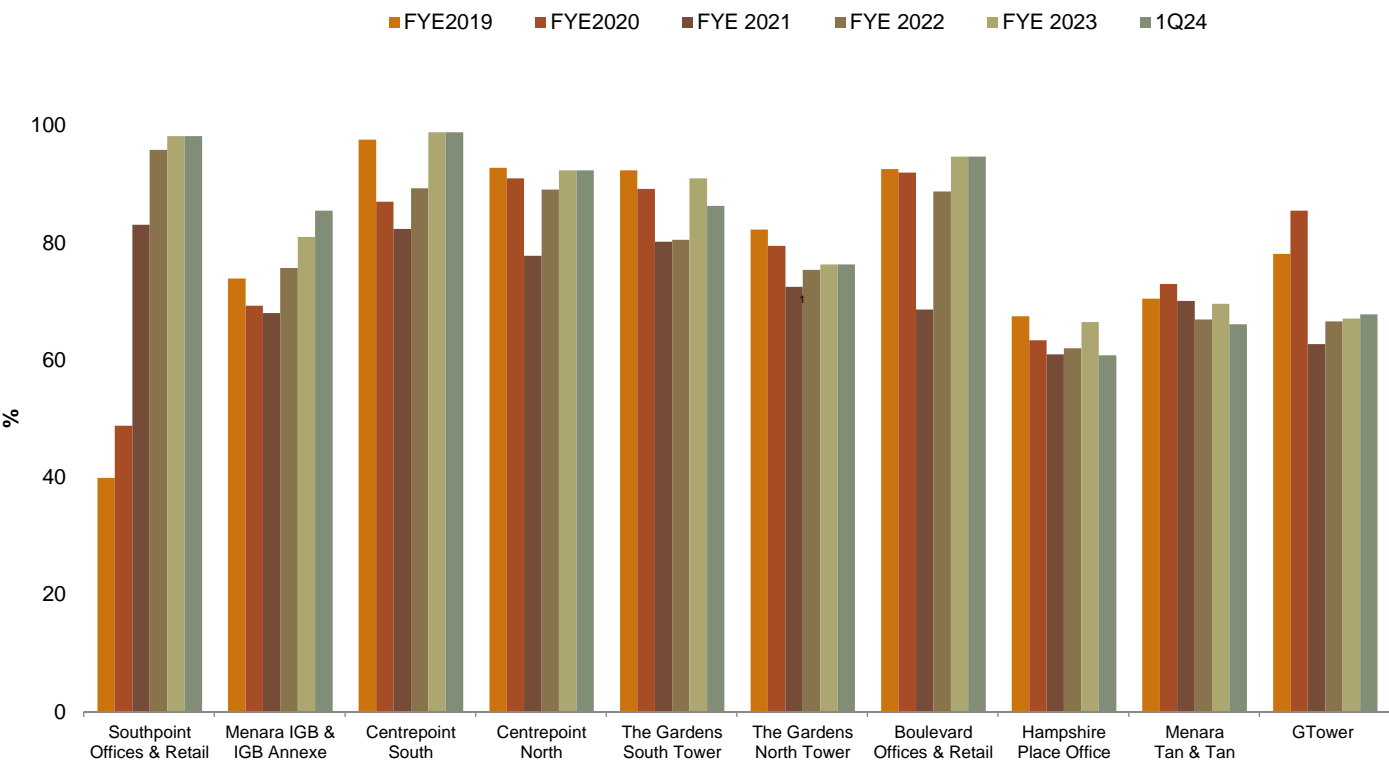
Properties	OCCUPANCY RATE					
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	1Q24
	(%)	(%)	(%)	(%)	(%)	(%)
Mid Valley City						
Southpoint Offices & Retail	39.9	48.8	83.1	95.9	98.2	98.2
Menara IGB & IGB Annexe	73.9	69.3	68.0	75.7	81.0	85.5
Centrepont South	97.6	87.0	82.4	89.3	98.9	98.9
Centrepont North	92.8	91.0	77.8	89.1	92.4	92.4
The Gardens South Tower	92.4	89.2	80.2	80.5	91.0	86.3
The Gardens North Tower	82.3	79.5	72.5	75.4	76.3	76.3
Boulevard Offices & Retail	92.6	92.0	68.6	88.8	94.7	94.7
KL City						
Hampshire Place Office	67.5	63.4	61.0	62.0	66.5	60.8
Menara Tan Tan	70.5	73.0	70.1	66.9	69.6	66.2
GTower	78.1	85.5	62.7	66.6	67.1	67.8

Properties	AVERAGE RENTAL RATE					
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	1Q24
	RM psf	RM psf	RM psf	RM psf	RM psf	RM psf
Mid Valley City (7 Subject Properties)	6.48	6.45	6.49	6.40	6.61	6.68
KL City (3 Subject Properties)	5.44	6.12	5.87	5.64	5.62	5.52

Resilient and Well Balance Portfolio

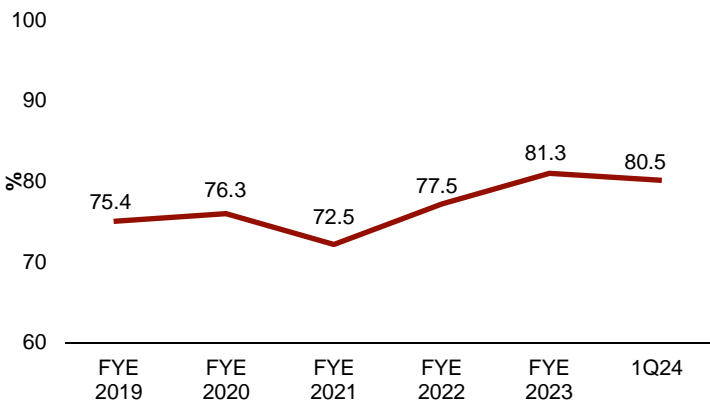
Resilient Occupancy Rate

Historical Occupancy Rates of the Subject Properties



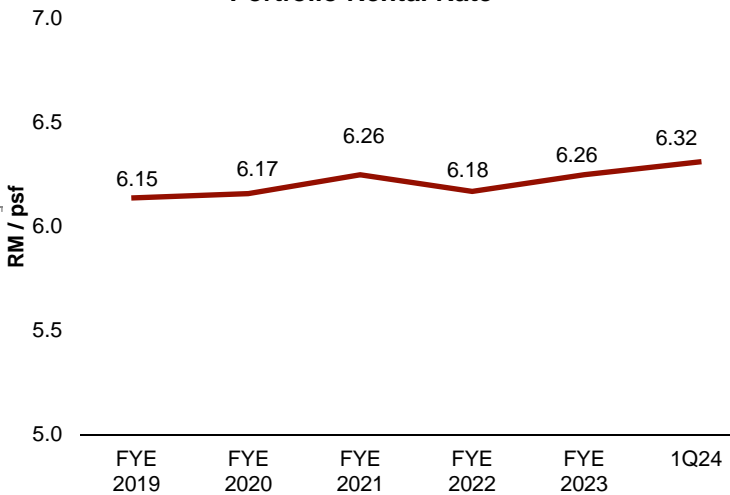
Portfolio Occupancy Rate Trend

Portfolio Occupancy Rate



Portfolio Rental Rate Trend

Portfolio Rental Rate

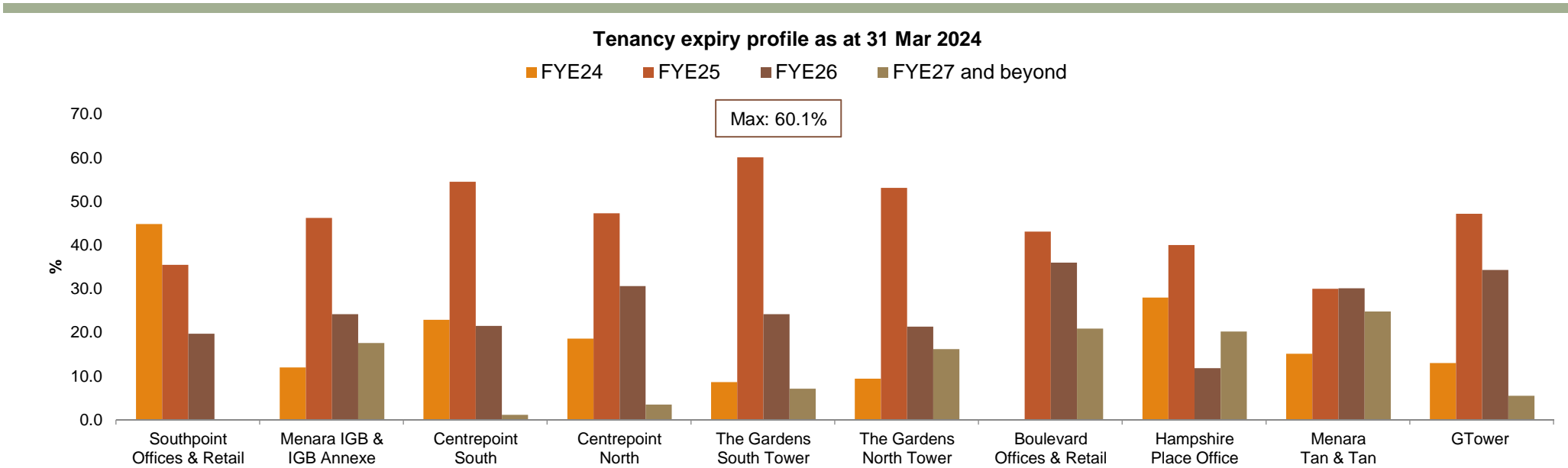


Resilient and Well Balance Portfolio

Visible and Well-Spread Tenancy Terms providing Stable Cash Flows

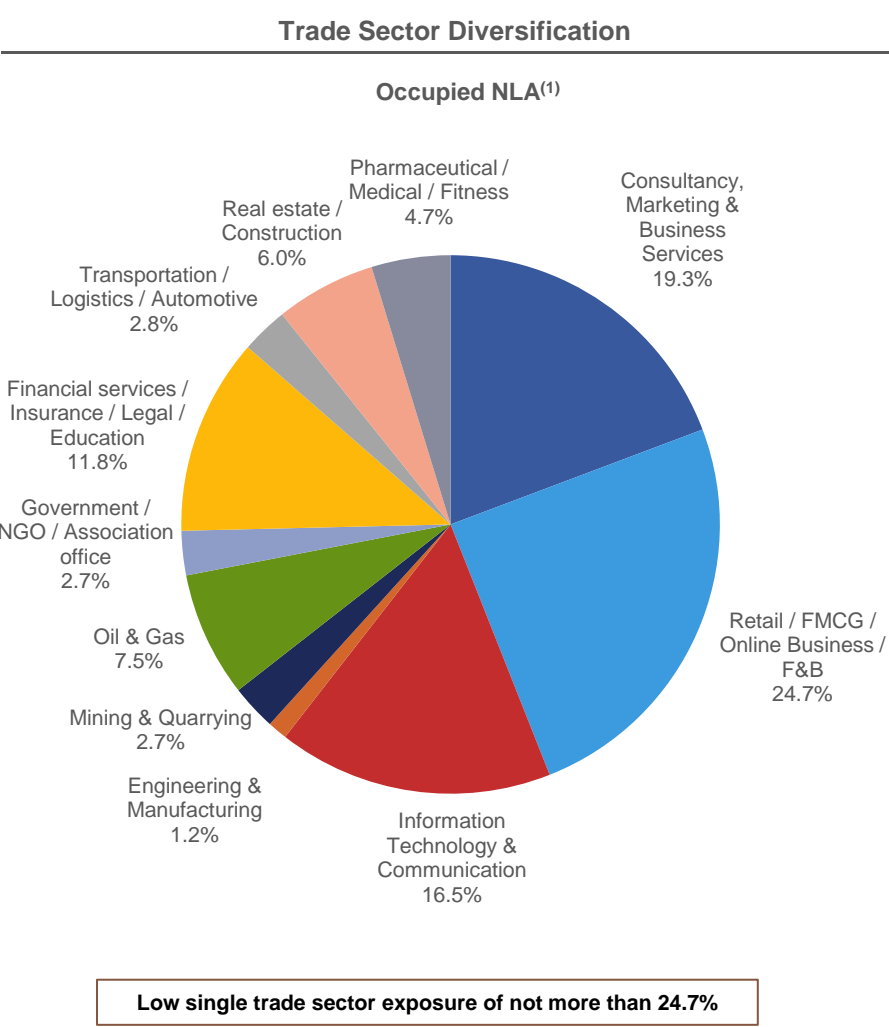
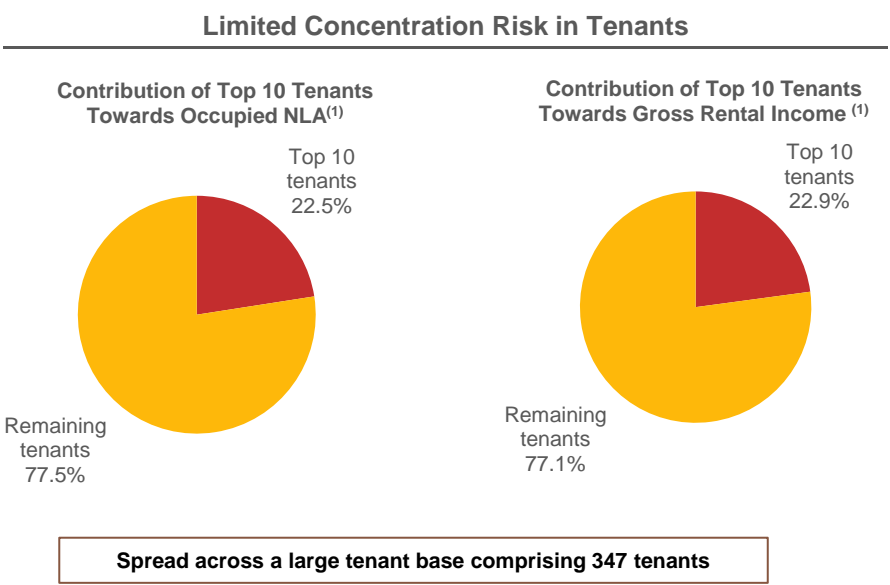
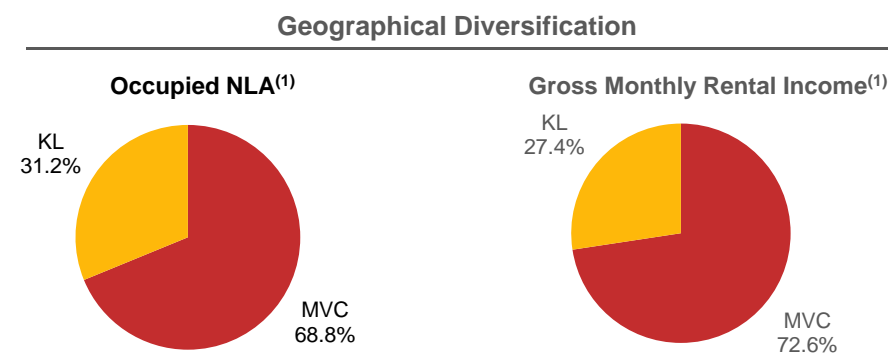
Tenancy Expiry Profile		Expired Tenancies and Renewal Rates		
FYE	By NLA (%)	FYE	NLA of Expired Tenancies (sq ft)	Renewal Rates (%)
2024	20 *	2019	855,032	63.0
2025	46	2020	1,080,421	66.3
2026	25	2021	812,950	78.0
2027 and beyond	9	2022	1,115,787	85.0
		2023	803,040	75.0
		2024	823,306	33.0 *

* As at 31 March 2024



Resilient and Well Balance Portfolio

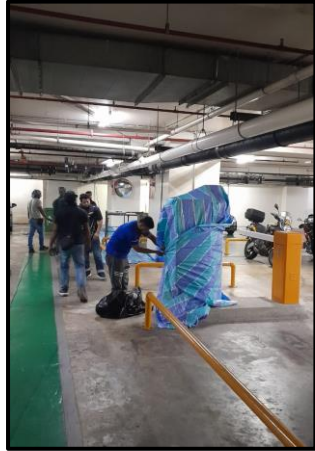
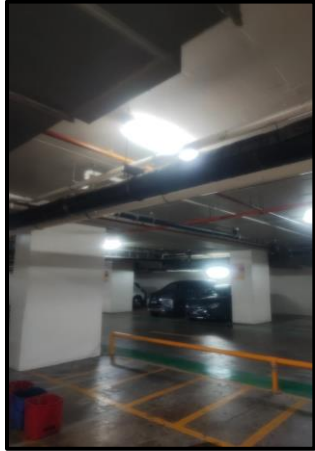
Diversified Income Stream



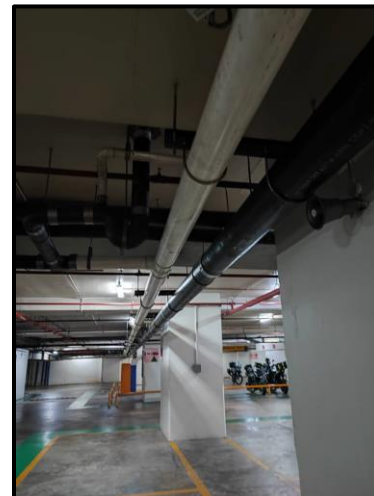
Note: ⁽¹⁾ As at 31 March 2024

GTower

Replacement of Cast Iron Sewerage Pipe at Basement 1 – Completed on 17 March 2024



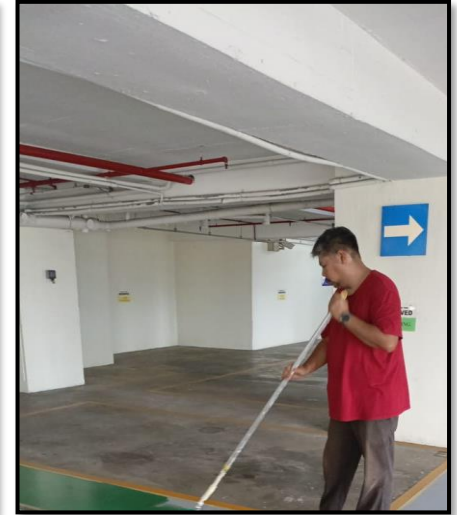
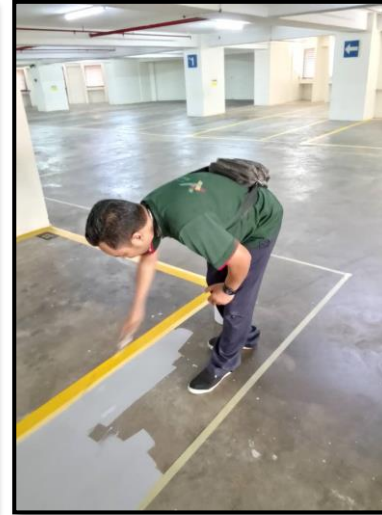
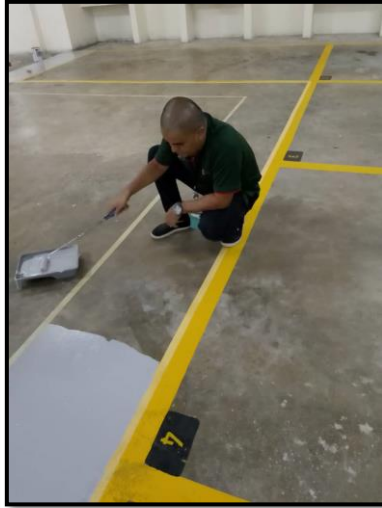
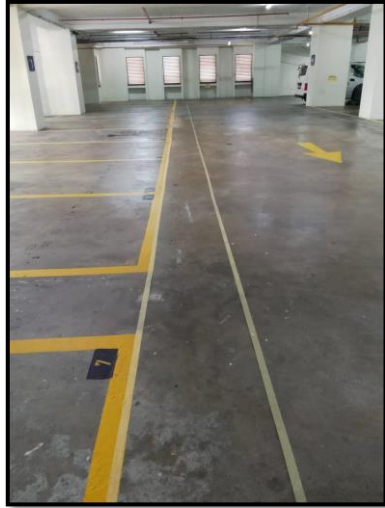
BEFORE



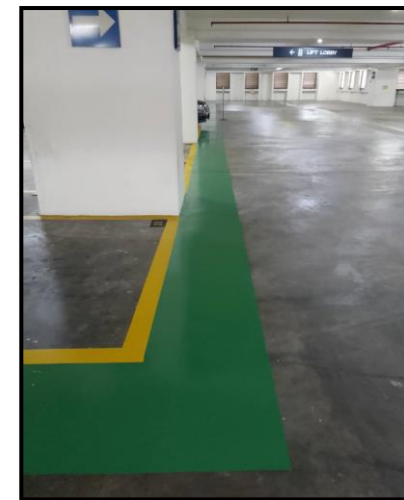
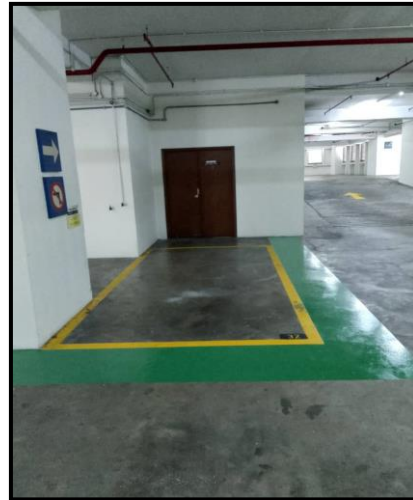
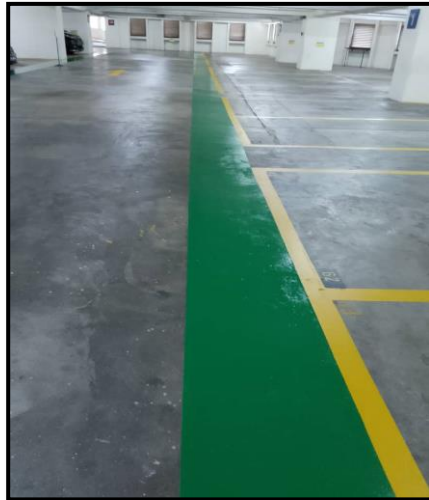
AFTER

Menara Tan & Tan

Painting Works of Walking Pathway from Level CP1 to CP5 – Completed on 23 March 2024



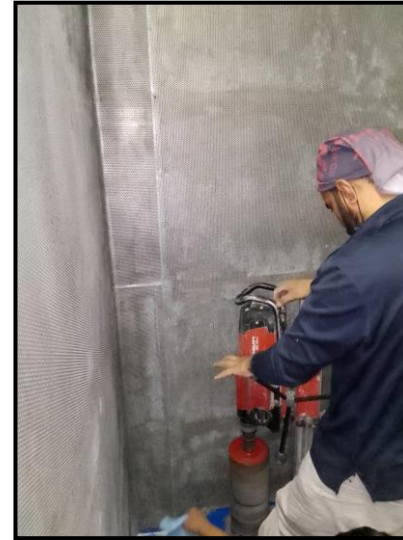
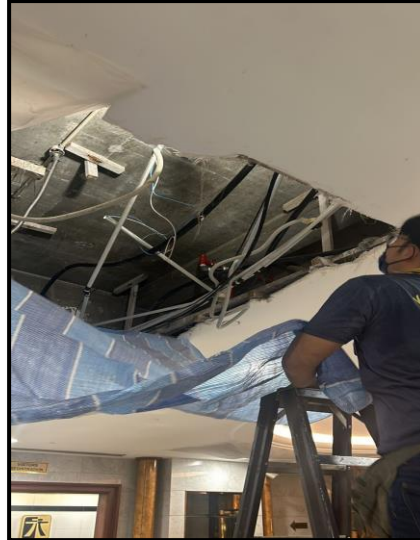
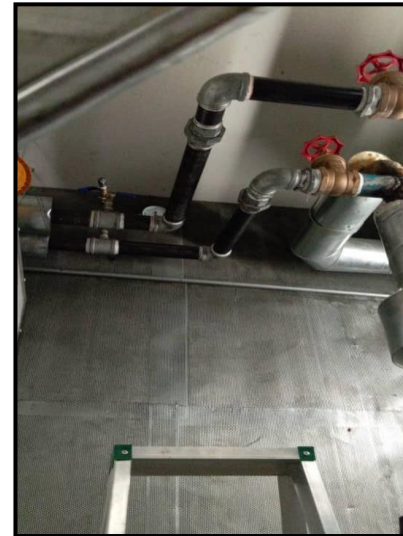
BEFORE



AFTER

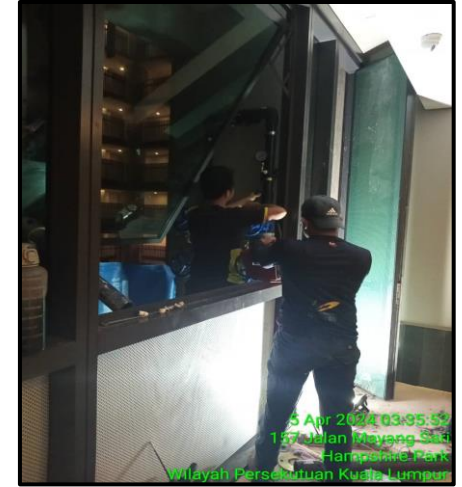
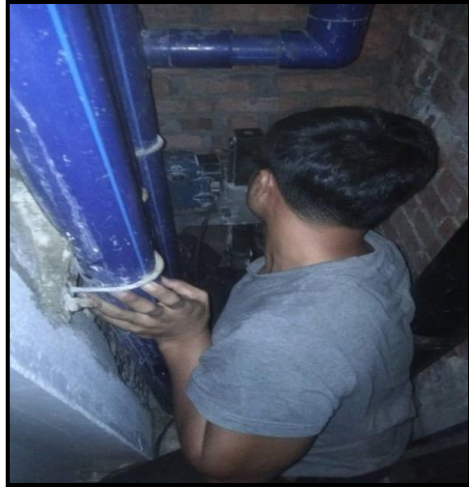
Menara Tan & Tan

Enhancement of the Air Conditioning System in Reception area, Control Room and Ground Floor Car Park Lift – In Progress



Hampshire Place Office

Replacement of Main Cold Water Plumbing System for All Riser Pipes – In Progress

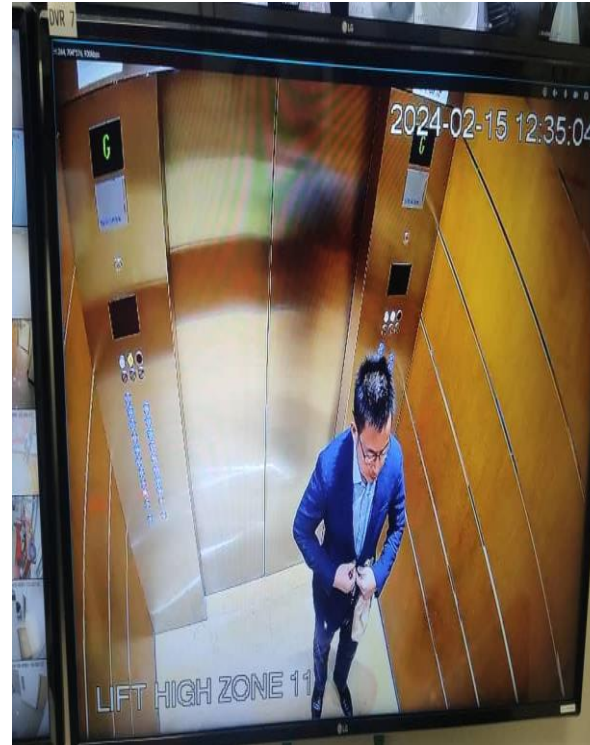


The Gardens South Tower

High Zone Lifts CCTV & Access Card Upgrading - Completed in January 2024



BEFORE



AFTER



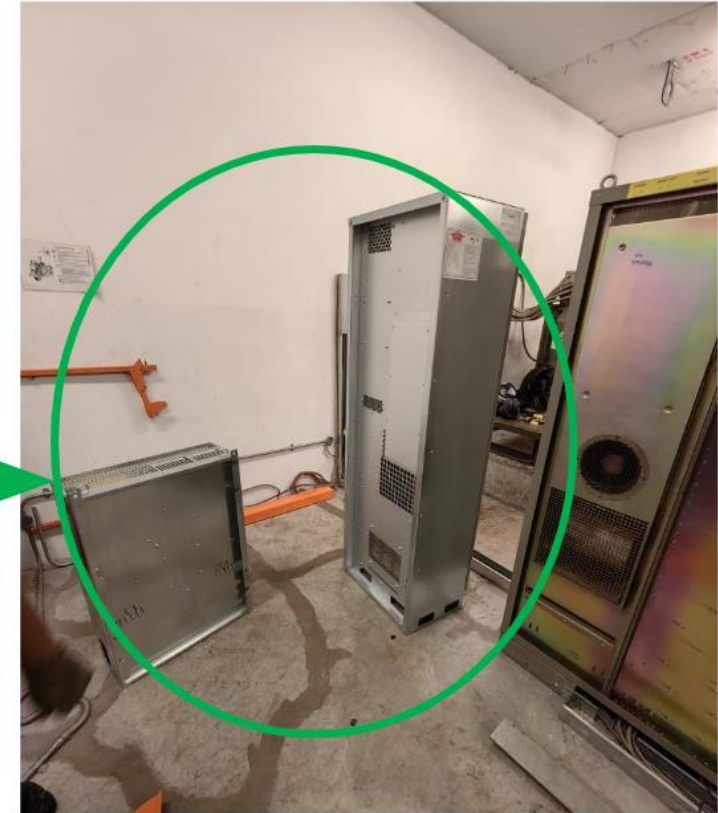
AFTER

The Gardens South Tower

New Lift Inverter Drive for Service Lift - Completed in March 2024



OLD INVERTER (in red circle) , NEW INVERTER (in green circle)



NEW INVERTER

The Gardens South Tower

New wallpaper at Level 21 & 22 - Completed in March 2024



BEFORE



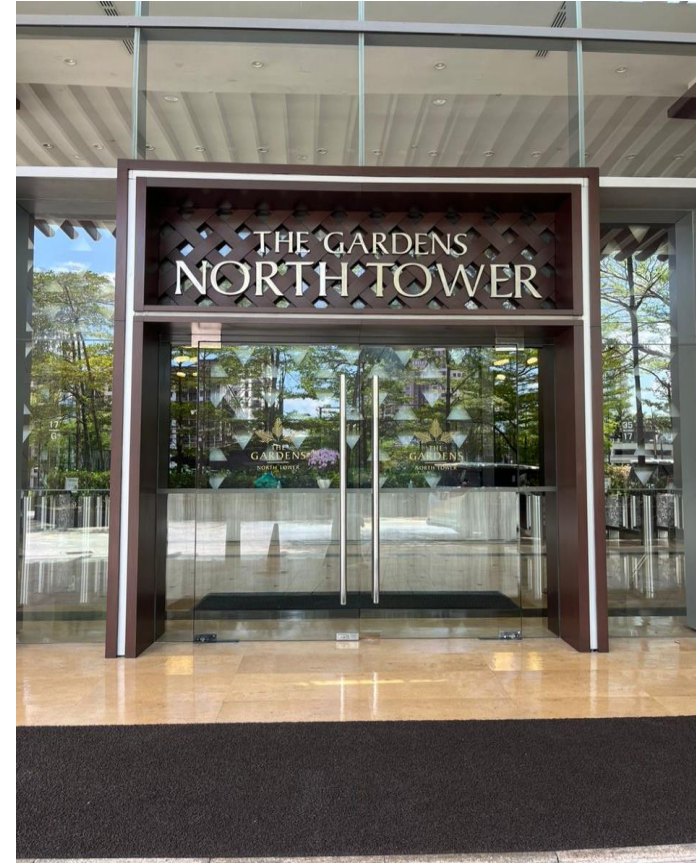
AFTER

The Gardens North Tower

Revarnish Timber Finishes at Ground Floor Main Entrance - Completed in March 2024



BEFORE



AFTER

