

Minutes of the Extraordinary General Meeting (EGM) of IGB Berhad (IGB) held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia (Broadcast Venue) on Wednesday, 28 April 2021, at 10.00 a.m.

PRESENT

Board of Directors (Board or Directors)

Tan Lei Cheng (TLC), Chairman/Non-Independent Non-Executive Director
Dato' Seri Robert Tan Chung Meng (DSRT), Group Chief Executive Officer (GCEO)
Lee Chaing Huat, Senior Independent Non-Executive Director (INED)
Daud Mah bin Abdullah @ Mah Siew Whye, INED
Dato' Dr. Zaha Rina binti Zahari, INED
Tan Boon Lee, alternate to DSRT/Deputy GCEO
Tan Mei Sian, alternate to TLC

Management

Chai Lai Sim, Chief Financial Officer
Chow Yeng Keet, Head of Investment
Wong Khim Chon, Head of Group Commercial Property Management
Tina Chan, Group Company Secretary

Members/Corporate Representatives/Proxies

As per summary of attendance list via Remote Participation and Voting (RPV) facility provided by IGB's share registrar, Tricor Investor & Issuing House Services Sdn Bhd (TIIH)

Invitees – Advisers

Hui Weng Yan (HWY), Head, Client Coverage of Hong Leong Investment Bank Berhad (HLIB)
Lee Pui Yun, Assistant Manager, Corporate Finance, HLIB
Pua Kin Joh (PKJ), Director, Corporate Finance, Mercury Securities Sdn Bhd (MSSB)
Sarah Wong, Senior Executive, MSSB
Sr Long Tian Chek, Director, Henry Butcher Malaysia Sdn Bhd (HBM)
Zandra Tan, Partner, Rahmat Lim & Partners (RLP)
Lee Yee Ling, Partner, RLP
Tan Yan Yan, Partner, RLP
Gan Wee Fong, Lead Engagement Partner, PricewaterhouseCoopers (PwC)

1.0 CALL TO ORDER

The Chairman, at 10.00 a.m., commenced the meeting by welcoming the members/proxies who joined the virtual EGM of IGB by webcast, and explained that the purpose of convening the EGM was to provide a forum for shareholders (SHs) to ask questions and to vote the following 3 ordinary resolutions as set out in the Notice of EGM (EGM Notice) contained in the appendix to the Circular to SHs (Circular) dated 13 April 2021:

- (a) Proposed disposals by the subsidiaries and joint venture company of IGB of 10 Subject Properties as set out in the Circular, to MTrustee Berhad, the Trustee for IGB Commercial Real Estate Investment Trust (IGB Commercial REIT) established on 31 March 2021, for a total disposal consideration of RM3,160.5 million to be satisfied via the proposed issuance of 2,307.3 million units in IGB Commercial REIT and the balance via cash (Proposed Disposals);
- (b) Proposed offering of the units in IGB Commercial REIT by IGB comprising the proposed restricted offering of up to 945.0 million units to SHs at a cut-off date to be determined and the proposed institutional offering of at least 282.0 million units to institutional investors and selected investors (Proposed Offering); and
- (c) Proposed admission of IGB Commercial REIT to the Official List of Bursa Malaysia Securities Berhad (Bursa Securities) and the listing of and quotation for 2,307.3 million units on the Main Market of Bursa Securities (Proposed Listing).

Collectively, the Proposed Disposals, Proposed Offering and Proposed Listing referred to as the "Proposals".

The EGM Notice together with the Circular despatched to all SHs on 13 April 2021 was taken as read.

2.0 CONDUCT OF THE MEETING

The Chairman informed the meeting that the resolutions to be considered at the EGM would be put to vote by way of a poll using the online RPV facility, accessible from the start of the meeting until a time announced later, and the poll results would then be verified by Zee Kum Ming of SC Lim, Ng & Co ([Scrutineer](#)).

The Chairman then informed the meeting that she held about 30 open proxies, representing about 11.8% of the total issued shares of IGB.

For the benefit of members/proxies participating remotely, Tricor presented a 2-minute video on the RPV and procedure for remote voting.

3.0 PRESENTATIONS

- 3.1 HWY of HLIB was invited to brief the SHs on the establishment of Commercial REIT and the Proposals, highlighting the salient terms of, the rationale for and effects of the Proposals as well as the approvals/consents obtained and/or required ([Appendix 1](#)).
- 3.2 PKJ of MSSB then presented the Independent Advice Letter, highlighting the salient points that the independent adviser had considered important in arriving at their conclusion and recommendation on the fairness and reasonableness of the Proposed Disposals ([Appendix 2](#)).

4.0 ORDINARY RESOLUTIONS

The Chairman highlighted the following:

- 4.1 The 3 resolutions to be voted at the EGM were ordinary resolutions requiring a simple majority of votes.

- 4.2 The Proposals were subject to and conditional upon the following being obtained:

- (a) approval of Bursa Securities for –
 - (i) the proposed admission of IGB Commercial REIT to the Official List of Bursa Securities;
 - (ii) the Proposed Listing; and
 - (iii) the proposed listing of and quotation of up to 200 million units on the Main Market of Bursa Securities, being the proposed issuance of units for payment of management fees on a staggered basis to IGB REIT Management Sdn Bhd, the Manager of IGB Commercial REIT;
- (b) approval of SHs at today's EGM, for the Proposals;
- (c) approval of the State Authority in respect of the restriction-in-interest endorsed on the strata titles to Gardens North Tower and Gardens South Tower for the transfer of these Subject Properties in favour of the Trustee;
- (d) consent of GTower Sdn Bhd and Mid Valley City Southpoint Sdn Bhd's financiers, in accordance with the terms of the financing arrangement or financing facilities granted to these Vendors, for the proposed disposals of GTower and Southpoint Properties; and
- (e) where required, approval, waiver and/or consent of any other relevant authority and/or party.

The Proposals were inter-conditional on each other and conditional upon the approval from the relevant authorities and/or parties. The consents and approvals were expected to be obtained by the second quarter of 2021.

The Proposals were not conditional upon any corporate exercises undertaken or to be undertaken by IGB.

- 4.3 In view of the interest of the Interested Directors and Interested Major Shareholders as described on pages 47 and 48 of the Circular, the Proposed Disposals were deemed related party transactions. The highest percentage ratio applicable to the Proposed Disposals (save and except for Hampshire Place Office) pursuant to the Main Market Listing Requirements was 5.4% computed based on the audited consolidated financial statements for the year ended 31 December 2020 of IGB. Accordingly, the Interested Directors and Interested Major Shareholders would abstain from voting on ordinary resolution 1 in relation to the Proposed Disposals and they had undertaken to ensure that persons connected with them abstain from voting on the resolution.

5.0 QUESTION AND ANSWER (Q&A) SESSION

The Chairman declared the commencement of the Q&A session, which began with a presentation on the answers to questions submitted by SHs via TIH and the corporate enquiry email first ([Appendix 3](#)), followed by questions submitted by remote participants at the EGM which were moderated to avoid repetition. Questions, clarifications and comments raised by SHs and proxies submitted via the query box by remote participants at the EGM were addressed by advisers ([Appendix 4](#)).

On conclusion of the Q&A session, the Chairman advised SHs and proxies to submit their votes via the RPV facility as the polling process would conclude after 5 minutes, followed by a 20-minute recess for the verification process and thereafter the declaration of the poll results by the Scrutineer. She then declared the meeting adjourned at 10.56 a.m.

6.0 POLL RESULTS

At 11.13 a.m., the Chairman called the meeting to order for the declaration of poll results. The results were displayed on the screen in the Broadcast Venue, and based on the polling results ([Appendix 5](#)), the Chairman announced that the 3 ordinary resolutions as set out below had been carried:

Ordinary Resolution 1

Proposed disposals by the subsidiaries and joint venture company of IGB ("Vendors") of Menara IGB & IGB Annexe, Centrepont South, Centrepont North and Boulevard Properties ("collectively, "MVC Phase 1 Properties"), and Gardens South Tower, Gardens North Tower, Southpoint Properties, Menara Tan & Tan, GTower and Hampshire Place Office (collectively and together with the MVC Phase 1 Properties, "Subject Properties") to IGB Commercial Real Estate Investment Trust ("IGB Commercial REIT"), a real estate investment trust established by IGB, the Sponsor, for a total disposal consideration of RM3,160.5 million to be satisfied via the proposed issuance of 2,307.3 million undivided interest in IGB Commercial REIT ("Consideration Units" or "Units") and the balance via cash ("Proposed Disposals")

"THAT, subject to the passing of Ordinary Resolutions 2 and 3 as well as contingent upon the approvals of the relevant authorities and/or parties to be obtained (where required), approval be and is hereby given, for the disposals of the Subject Properties by the respective Vendors to IGB Commercial REIT, upon the terms and conditions set out in the respective sale and purchase agreements to be entered into by the respective Vendors (together with Mid Valley City Sdn Bhd, which is wholly owned by IGB, as the registered land proprietor of the lands on which MVC Phase 1 Properties are erected and Mid Valley City Developments Sdn Bhd, which is wholly owned by IGB, as the previous developer of the MVC Phase 1 Properties (save for Boulevard Properties)) and MTrustee Berhad, the trustee of IGB Commercial REIT (on behalf of IGB Commercial REIT) ("Trustee") ("SPAs"), for a total disposal consideration of RM3,160.5 million to be satisfied via the proposed issuance of 2,307.3 million Consideration Units and the balance via cash;

THAT, the board of directors of IGB ("Board") be and is hereby empowered and authorised to determine and at any time following determination, vary, if deemed fit, necessary and/or expedient, any adjustments to be made to the total disposal consideration for any or all of the Subject Properties and the number of Consideration Units and/or composition of cash/Consideration Units to be received in connection with the Proposed Disposals, in such manner as the Board shall in its absolute discretion deem fit or expedient or in the best interests of the Company;

AND THAT, the Board be and is hereby authorised and empowered to give full effect to the Proposed Disposals with full power to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications, adjustments and/or amendments in any manner as may be required/permitted by the relevant authorities or deemed necessary by the Board, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps to execute and deliver and/or cause to be executed and delivered the SPAs, memoranda of transfer in favour of the Trustee, the application(s) for the approval of the relevant state authority in respect of the restriction-in-interest for the transfers of the relevant Subject Properties to the Trustee, licensing and other arrangements in connection with the proposed listing of the Consideration Units and all such other agreements, arrangements, undertakings, indemnities, transfers, extensions, assignments, deeds, confirmations, declarations and/or guarantees to any party or parties as may be deemed necessary and to do all such acts and matters as it may consider necessary to implement, finalise and give full effect to and complete the Proposed Disposals.

Ordinary Resolution 2

Proposed offering of consideration units comprising the proposed restricted offering of up to approximately 945.0 million units to the shareholders whose names appear on the record of depositors at the close of business on an entitlement date to be determined and announced later by the Board ("Entitlement Date") ("Entitled Shareholders") ("Proposed Restricted Offering") and Proposed Offering of at least 282.0 million units to institutional investors and selected investors ("Proposed Institutional Offering") ("Proposed Offering")

“THAT, subject to the passing of Ordinary Resolutions 1 and 3 as well as contingent upon the approvals of the relevant authorities/parties to be obtained (where required), approval be and is hereby given for IGB to undertake and implement the Proposed Offering in the manner set out in **Section 2.3 of Part A** of the circular to Shareholders dated 13 April 2021 (“Circular”);

THAT, the Board be and is hereby empowered and authorised to deal with any fractional entitlements, if any, that may arise from the Proposed Restricted Offering in such manner and on such terms and conditions as the Board shall in its absolute discretion deem fit, necessary and/or expedient or in the best interests of IGB (including, without limitation to disregard such fractional entitlements);

THAT, the Board be and is hereby empowered and authorised to make available for subscription by the institutional investors and selected investors such Units under the Proposed Institutional Offering and to appoint, among others, Hong Leong Investment Bank Berhad as the Joint Bookrunner;

THAT, the proceeds from the Proposed Disposals and the Proposed Restricted Offering of up to approximately 378.0 million Consideration Units (“**ROFS Units**”) be used for the purposes as set out in **Section 4 of Part A** of the Circular, and the Board be authorised with full powers to vary the manner and/or purpose of use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (where required);

AND THAT, the Board be and is hereby authorised and empowered to take all such steps and to do all acts, deeds and things to execute, enter into, sign and deliver for and on behalf of IGB, all such documents as it may deem necessary, expedient and/or appropriate to implement and give full power to fix and vary the entitlement date and time, payment date and/or effective date for the Proposed Offering and assent to and accept any conditions, modifications, variations, arrangements and/or amendments as may be required or imposed or permitted by the relevant authorities/parties and with full power to make any amendments, variations or modifications to the terms and/or conditions of the Proposed Offering, including any amendments to the number of Units to be offered under the Proposed Offering, in any manner as the Board may in its absolute discretion deem fit, necessary, expedient and/or appropriate in the best interests of the Company.”

Ordinary Resolution 3

Proposed listing of and quotation for 2,307.3 million units on the Main Market of Bursa Securities (“**Proposed Listing**”)

“THAT, subject to the passing of Ordinary Resolutions 1 and 2 as well as contingent upon the approvals of the relevant authorities/parties to be obtained (where required), approval be and is hereby given to IGB for the listing of and quotation for 2,307.3 million Consideration Units on the Main Market of Bursa Securities;

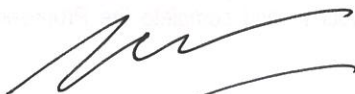
AND THAT, the Board be and is hereby authorised and empowered to complete and to do all such steps and to do all acts, deeds and things (including approving, modifying and executing all documents) as it may consider necessary, expedient and/or appropriate in connection with the Proposed Listing with full power to give effect or assent to any conditions, modifications, variations and/or amendments in any manner as may be required/permitted by the relevant authorities/parties or otherwise deemed by the Board to be in the best interests of the Company.”

The Chairman informed the meeting that the results of the poll would be announced to Bursa Securities and posted on IGB’s website as soon as practicable after the meeting.

7.0 END OF MEETING

There being no other business, the Chairman thanked all for their active remote participation in the EGM, and declared the meeting closed.

Signed as a correct record



Tan Lei Cheng
Chairman

Dated: 28 April 2021



IGB Berhad

Extraordinary General Meeting

Establishment of IGB Commercial REIT and the Proposals (Proposed Disposals, Proposed Offering and Proposed Listing)

28 April 2021

Principal Adviser



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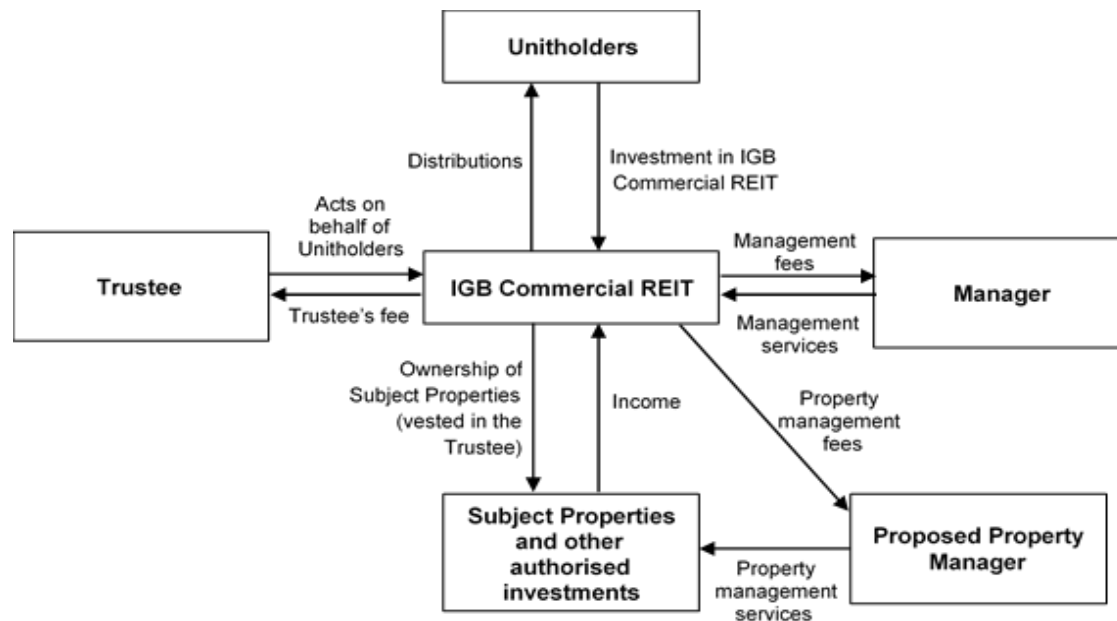
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OVERVIEW



ESTABLISHMENT OF IGB COMMERCIAL REIT

- IGB Commercial REIT has been established with the principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate primarily used for commercial purposes in Malaysia and overseas. The proposed initial size of IGB Commercial REIT upon the Proposed Listing is 2,307.3 million Units
- The structure of IGB Commercial REIT and the key relationships between IGB Commercial REIT, the Manager, the Trustee, the Proposed Property Manager and the Unitholders are as illustrated below:



Step 1: Establishment of IGB Commercial REIT by IGB

Step 2: The Proposed Disposals entail the disposals of the 10 Subject Properties by IGB and other vendors to the Trustee (on behalf of IGB Commercial REIT) at a total disposal consideration of RM3,160.5 million, to be satisfied via the following:

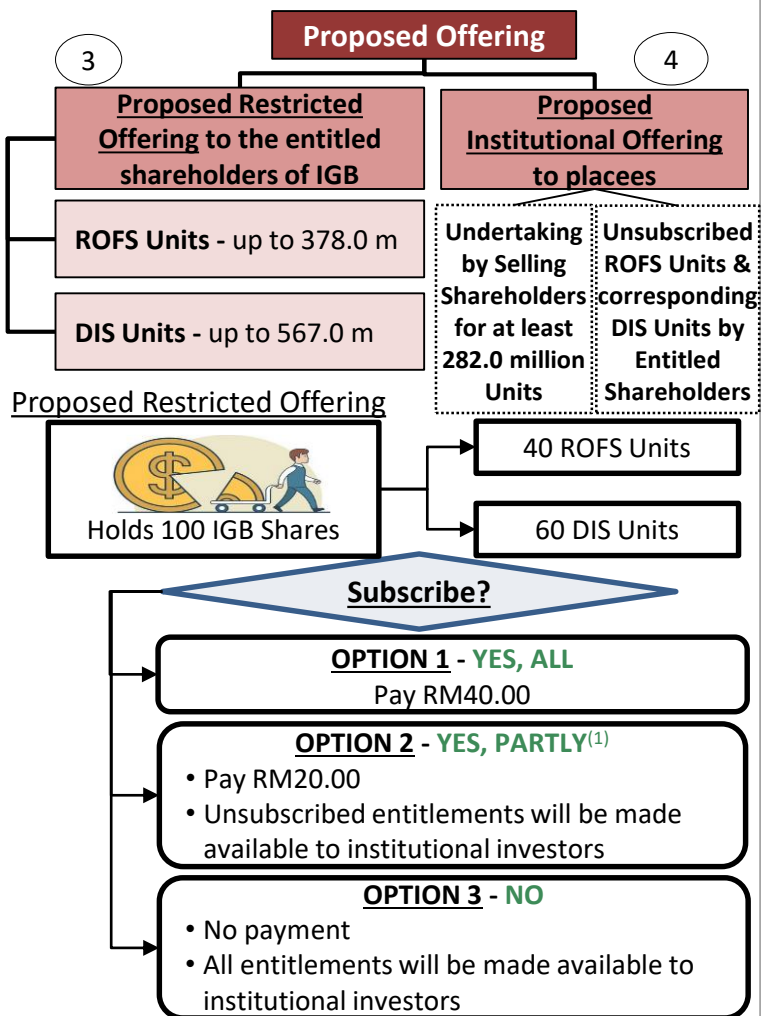
- (i) issuance of 2,307.3 million Consideration Units by IGB Commercial REIT at an issue price of RM1.00 per Unit; and
- (ii) cash consideration of RM853.2 million to be funded from the issuance of medium term notes under a medium term note programme and bank borrowings.

The details of the total disposal consideration and the mode of settlement for each of the Subject Properties are as follows:

| Subject Properties | Valuation ⁽¹⁾ | Total Disposal Consideration | Mode of settlement | |
|-------------------------|--------------------------|------------------------------|---------------------|--------------------|
| | | | Consideration Units | Cash Consideration |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Menara IGB & IGB Annexe | 188,900 | 188,900 | 135,600 | 53,300 |
| Centrepont South | 190,500 | 190,500 | 136,700 | 53,800 |
| Centrepont North | 196,500 | 196,500 | 139,200 | 57,300 |
| Boulevard Properties | 78,000 | 78,000 | 58,900 | 19,100 |
| Gardens South Tower | 391,500 | 391,500 | 284,600 | 106,900 |
| Gardens North Tower | 382,100 | 382,100 | 286,900 | 95,200 |
| Southpoint Properties | 573,500 | 573,500 | 417,300 | 156,200 |
| Menara Tan & Tan | 239,100 | 239,100 | 174,500 | 64,600 |
| GTower | 739,800 | 739,800 | 542,100 | 197,700 |
| Hampshire Place Office | 180,600 | 180,600 | 131,500 | 49,100 |
| Total | 3,160,500 | 3,160,500 | 2,307,300 | 853,200 |

(1) Appraised by the Independent Property Valuer as at 31 December 2020.

Step 3: IGB shall then undertake a proposed offering comprising the following:



3 Proposed Restricted Offering of up to approximately 945.0 mil Units:

- proposed restricted offer for sale of up to 378.0 mil Units on the basis of 2 ROFS Units for every 5 IGB Shares held
- proposed distribution-in-specie of up to 567.0 mil Units on the basis of 3 DIS Units for every 2 ROFS Units

4 Proposed Institutional Offering to placees of:

- at least 282.0 mil Units by the selling shareholders
- all unsubscribed ROFS Units together with the corresponding DIS Units

| | Minimum Scenario | Maximum Scenario |
|--|---------------------|---------------------|
| | No. of Units ('000) | No. of Units ('000) |
| Total Consideration Units to be received by IGB pursuant to the Proposed Disposals | 2,098,230 | 2,098,230 |
| No. of ROFS Units to be offered under the Proposed ROFS | 352,607 | 378,000 |
| No. of corresponding DIS Units to be distributed under the Proposed DIS | 528,910 | 567,000 |
| Balance Consideration Units to be held by IGB after the Proposed Restricted Offering | 1,216,713 | 1,153,230 |
| IGB's interest in IGB Commercial REIT after the Proposed Restricted Offering | 52.7% | 50.0% |

Step 5: Proposed listing of IGB Commercial REIT on the Main Market of Bursa Securities.

(1) Assuming the entitled shareholder holding 100 IGB Shares elects to subscribe for only 20 ROFS Units.

ILLUSTRATION OF THE PROPOSED OFFERING

- The formula for calculating the cash due to a Partial Subscriber (in relation to his portion of the unsubscribed ROFS Units and the corresponding DIS Units) or Non-Subscriber is as follows:

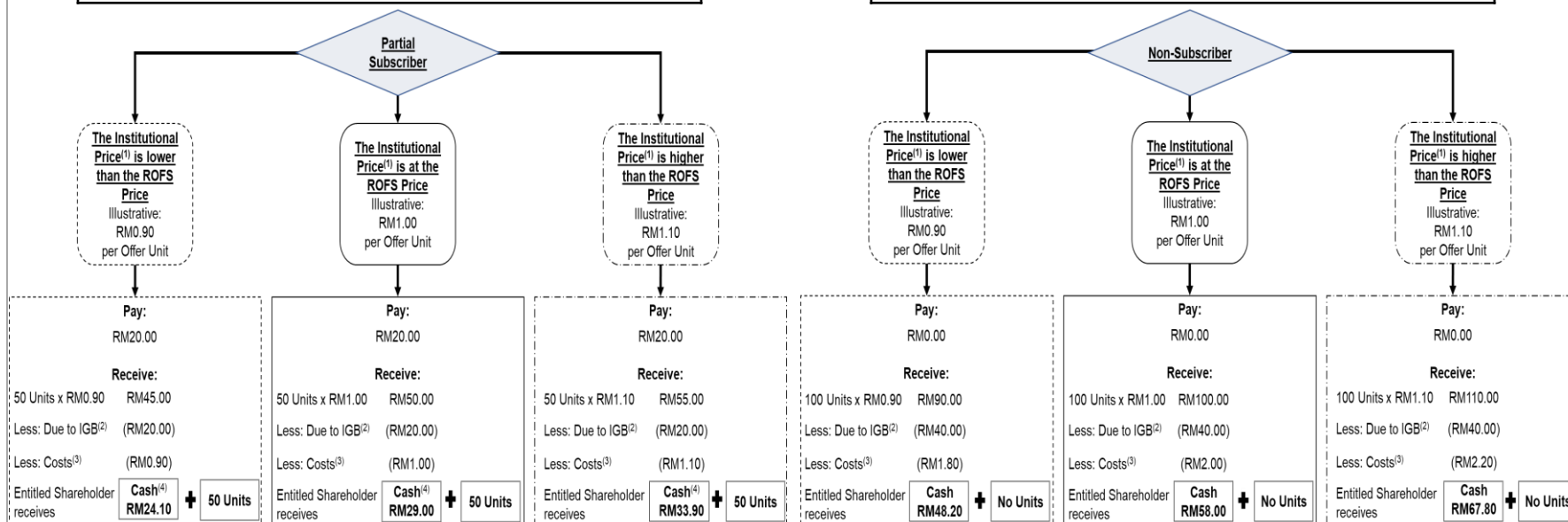
$$\text{Cash due to Partial Subscriber or Non-Subscriber} = \left(\begin{array}{l} \text{(No. of unsubscribed} \\ \text{ROFS Units + No. of} \\ \text{corresponding DIS} \\ \text{Units)} \end{array} \times \text{Institutional Price} \right) - \left(\begin{array}{l} \text{No. of} \\ \text{unsubscribed} \\ \text{ROFS Units} \end{array} \times \text{ROFS Price} \right) - \text{Costs}$$

Assumptions (partial subscription):

| | |
|-------------------------------------|------------------|
| Entitled Shareholder's shareholding | : 100 IGB Shares |
| No. of ROFS Units entitled | : 40 ROFS Units |
| No. of DIS Units entitled | : 60 DIS Units |
| No. of ROFS Units subscribed | : 20 ROFS Units |
| No. of DIS Units entitled | : 30 DIS Units |

Assumptions (non-subscription):

| | |
|-------------------------------------|------------------|
| Entitled Shareholder's shareholding | : 100 IGB Shares |
| No. of ROFS Units entitled | : 40 ROFS Units |
| No. of DIS Units entitled | : 60 DIS Units |
| No. of ROFS Units subscribed | : 0 ROFS Units |
| No. of DIS Units entitled | : 0 DIS Units |



(1) To be determined pursuant to a bookbuilding exercise.

(3) Based on an assumed Cost of 2.0% on the Institutional Price.

(2) Based on the ROFS Price multiplied by the number of ROFS Units.

(4) Only in relation to the unsubscribed ROFS Units and the corresponding DIS Units.

2

INFORMATION ON IGB COMMERCIAL REIT & THE SUBJECT PROPERTIES



| | |
|-------------------------------------|--|
| Name of REIT | <ul style="list-style-type: none"> IGB Commercial REIT |
| Manager | <ul style="list-style-type: none"> IGB REIT Management Sdn Bhd |
| Trustee | <ul style="list-style-type: none"> MTrustee Berhad |
| Proposed Property Manager | <ul style="list-style-type: none"> Chartwell |
| REIT type | <ul style="list-style-type: none"> Investing directly and indirectly in a portfolio of income producing real estate primarily used for commercial purposes in Malaysia and overseas |
| Initial investment portfolio | <ul style="list-style-type: none"> 10 subject properties |
| Initial indebtedness | <ul style="list-style-type: none"> 26.3% |
| Total issue size | <ul style="list-style-type: none"> 2,307,300,000 Units |
| Offer size | <ul style="list-style-type: none"> Restricted offer for sale: Up to 378,000,053 Units |
| | <ul style="list-style-type: none"> Distribution in specie: Up to 567,000,079 Units |
| Listing | <ul style="list-style-type: none"> Main Market of Bursa Malaysia Securities Berhad |
| Sponsor | <ul style="list-style-type: none"> IGB Berhad |

MID VALLEY CITY SUBJECT PROPERTIES



| Menara IGB & IGB Annexe | |
|---|----------|
| Valuation | RM188.9m |
| Occupancy rate | 69.3% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 6,884 |
| NLA ⁽²⁾ (sq ft) | 261,993 |
| Age of building | 20 years |



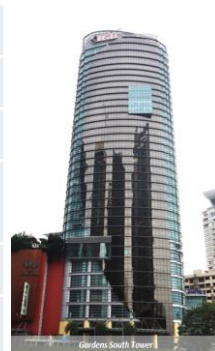
| Centrepont South | |
|---|----------|
| Valuation | RM190.5m |
| Occupancy rate | 87.0% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 9,246 |
| NLA ⁽²⁾ (sq ft) | 232,237 |
| Age of building | 12 years |



| Centrepont North | |
|---|----------|
| Valuation | RM196.5m |
| Occupancy rate | 91.0% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 9,771 |
| NLA ⁽²⁾ (sq ft) | 232,051 |
| Age of building | 12 years |



| Boulevard Properties | |
|---|----------|
| Valuation | RM78.0m |
| Occupancy rate | 92.0% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 2,732 |
| NLA ⁽²⁾ (sq ft) | 53,715 |
| Age of building | 19 years |



| Gardens South Tower | |
|---|----------|
| Valuation | RM391.5m |
| Occupancy rate | 89.2% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 21,132 |
| NLA ⁽²⁾ (sq ft) | 422,381 |
| Age of building | 10 years |



| Gardens North Tower | |
|---|----------|
| Valuation | RM382.1m |
| Occupancy rate | 79.5% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 18,767 |
| NLA ⁽²⁾ (sq ft) | 425,621 |
| Age of building | 10 years |



| Southpoint Properties | |
|---|----------|
| Valuation | RM573.5m |
| Occupancy rate | 48.8% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 9,658 |
| NLA ⁽²⁾ (sq ft) | 515,501 |
| Age of building | 2 years |

(1) Gross rental income for the financial year ended 2020
Strictly Private & Confidential

(2) As at 31 December 2020.

GOLDEN TRIANGLE SUBJECT PROPERTIES

**Menara Tan & Tan**

| | |
|---|----------|
| Valuation | RM239.1m |
| Occupancy rate | 73.0% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 9,266 |
| NLA ⁽²⁾ (sq ft) | 339,385 |
| Age of building | 23 years |

**GTower**

| | |
|---|----------|
| Valuation | RM739.8m |
| Occupancy rate | 79.6% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 31,656 |
| NLA ⁽²⁾ (sq ft) | 653,164 |
| Age of building | 10 years |

**Hampshire Place Office**

| | |
|---|----------|
| Valuation | RM180.6m |
| Occupancy rate | 63.4% |
| Rental income ⁽¹⁾ (RM'000 p.a.) | 6,129 |
| NLA ⁽²⁾ (sq ft) | 239,253 |
| Age of building | 9 years |

(1) Gross rental income for the financial year ended 2020
Strictly Private & Confidential

(2) As at 31 December 2020.

3

RATIONALE AND BENEFITS



| Proposal | Rationale and Benefits |
|------------------------------|--|
| Proposed Disposals | <ul style="list-style-type: none"> • In line with the Group's initiatives to streamline its operations and to create a more cohesive, effective and efficient corporate structure. • Identification and disposal of non-core businesses as well as the continuing exploration of strategic business opportunities to further increase shareholders' value • Monetise investments in the Subject Properties • The cash raised would equip the Group with necessary funds to capitalise on strategic business opportunities as and when they arise, which in turn may strengthen the Group's financial performance, thereby maximising shareholders' return • The Proposed Disposals form a necessary component of the Proposals, which, as a whole, are undertaken as part of a restructuring exercise intended to reward the shareholders |
| Proposed Restricted Offering | <ul style="list-style-type: none"> • The Proposed ROFS provides shareholders an opportunity to participate in IGB Commercial REIT directly through subscription of their entitlements • Opportunity to benefit from the potential future upside and envisaged growth of IGB Commercial REIT, which may result in appreciation in Unit price and/or the stable and regular distribution characteristic of a REIT • The Proposed DIS is undertaken to reward shareholders for their continuous support towards the Group |

| Proposal | Rationale and Benefits |
|---------------------------------|--|
| Proposed Institutional Offering | <ul style="list-style-type: none"> • Provide an avenue for institutional investors and selected investors to participate in IGB Commercial REIT • To meet the applicable public unitholding spread as prescribed in the Main Market Listing Requirements or any such lower public unitholding spread as may be approved by Bursa Securities |
| Proposed Listing | <ul style="list-style-type: none"> • Enhance liquidity as compared to the illiquid nature of the underlying Subject Properties • Gain access to capital markets in order to raise funds for future commercial real estate acquisitions • Provide investors an opportunity to invest directly in IGB Commercial REIT which shall provide stable distribution of income and potential capital appreciation on investment in the Units |

4

PRO FORMA FINANCIAL EFFECTS



NET ASSETS

Minimum Scenario

(Assuming no share buyback, distribution, cancellation or resale of Treasury Shares and no conversion of the outstanding RCCPS 2018/2025)

| | |
|-----|---|
| I | After adjustments for subsequent events |
| II | After (I) and the Proposed Disposals |
| III | After (II) and the Proposed ROFS |
| IV | After (III) and the Proposed DIS |

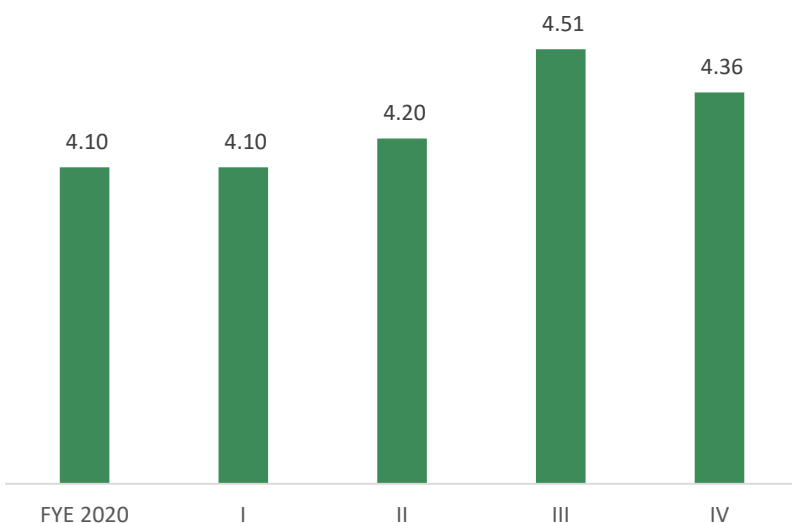
Maximum Scenario

(Assuming distribution or resale of all Treasury Shares and full conversion of all outstanding RCCPS 2018/2025)

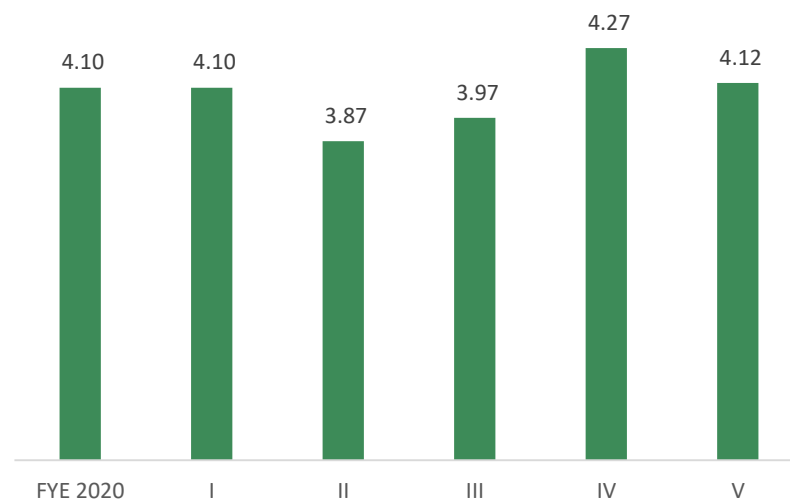
| | |
|-----|--|
| I | After adjustments for subsequent events |
| II | After (I) and assuming all RCCPS 2018/2025 are fully converted and distribution or resale of all Treasury Shares |
| III | After (II) and the Proposed Disposals |
| IV | After (III) and the Proposed ROFS |
| V | After (IV) and the Proposed DIS |

Minimum Scenario

Net Assets Per Share (RM)

Maximum Scenario

Net Assets Per Share (RM)



GEARING

Minimum Scenario

(Assuming no share buyback, distribution, cancellation or resale of Treasury Shares and no conversion of the outstanding RCCPS 2018/2025)

| | |
|-----|---|
| I | After adjustments for subsequent events |
| II | After (I) and the Proposed Disposals |
| III | After (II) and the Proposed ROFS |
| IV | After (III) and the Proposed DIS |

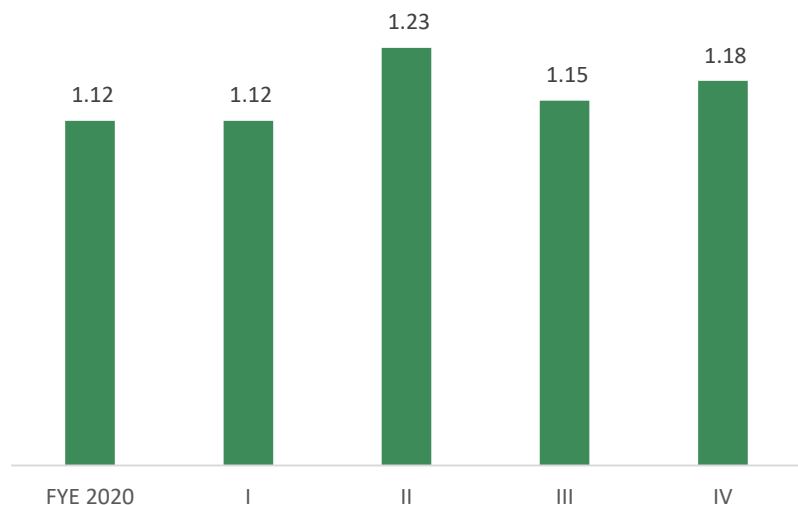
Maximum Scenario

(Assuming distribution or resale of all Treasury Shares and full conversion of all outstanding RCCPS 2018/2025)

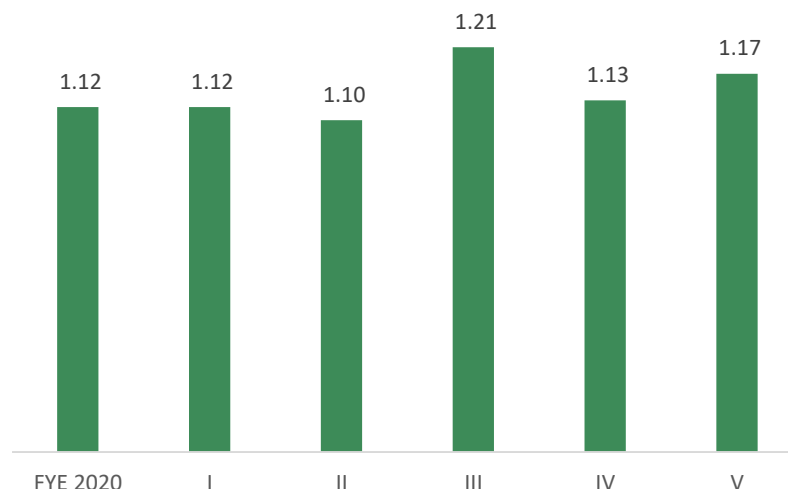
| | |
|-----|--|
| I | After adjustments for subsequent events |
| II | After (I) and assuming all RCCPS 2018/2025 are fully converted and distribution or resale of all Treasury Shares |
| III | After (II) and the Proposed Disposals |
| IV | After (III) and the Proposed ROFS |
| V | After (IV) and the Proposed DIS |

Minimum Scenario

Gearing (times)

Maximum Scenario

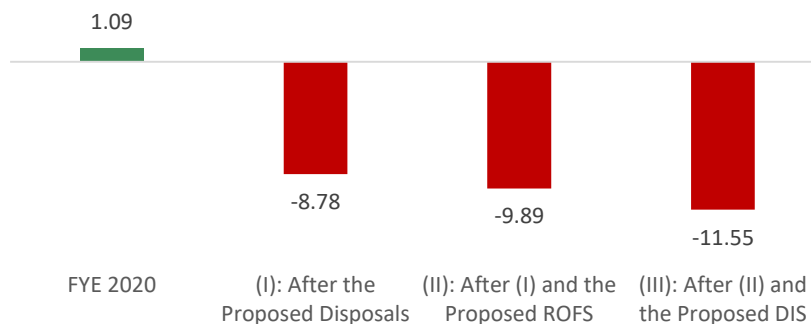
Gearing (times)



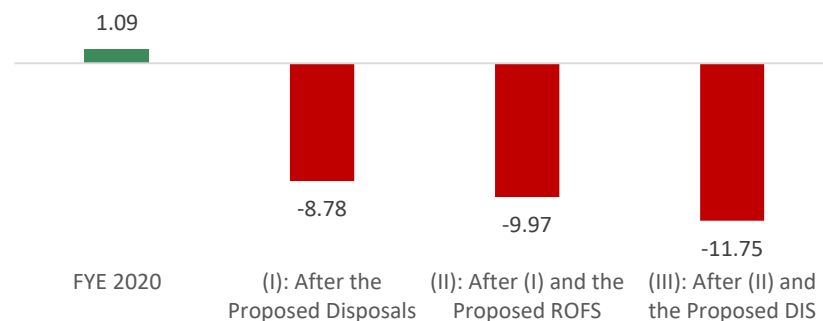
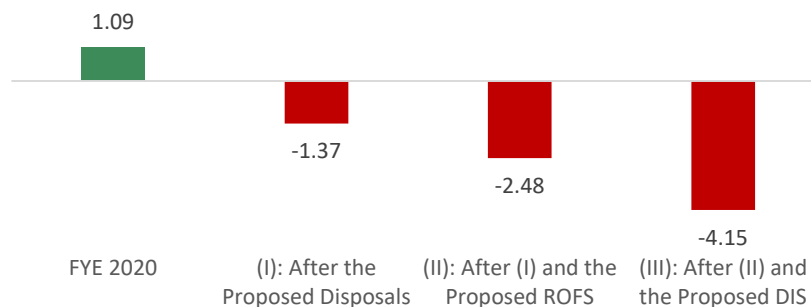
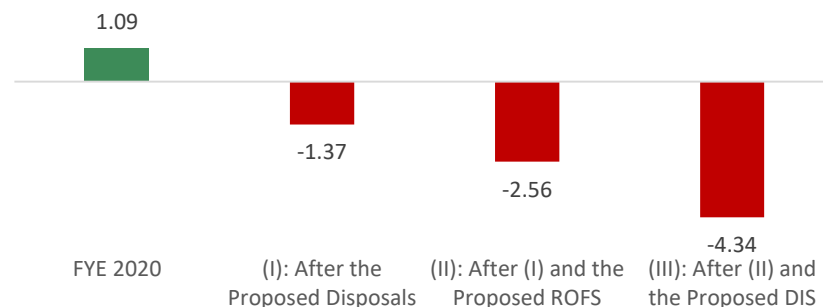
EARNINGS PER SHARE ("EPS") (BASED ON FYE 2020 FIGURES)

Minimum Scenario

EPS (sen)

Maximum Scenario

EPS (sen)

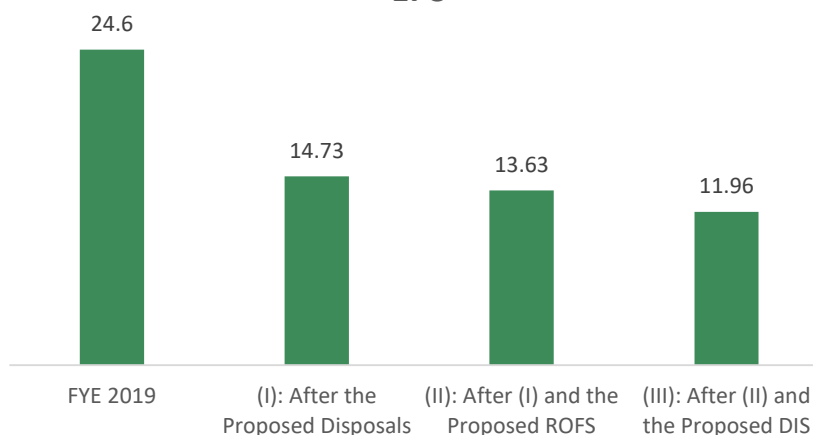
Minimum ScenarioEPS (excluding one-off effects)⁽¹⁾ (sen)Maximum ScenarioEPS (excluding one-off effects)⁽¹⁾ (sen)

(1) After excluding one-off taxation effects of approximately RM53.1 million and estimated expenses of approximately RM9.7 million to be incurred by IGB Group upon completion of the Proposals.

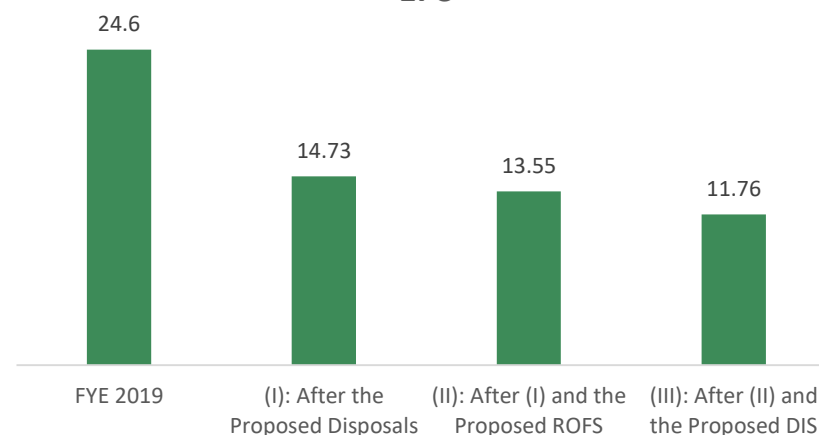
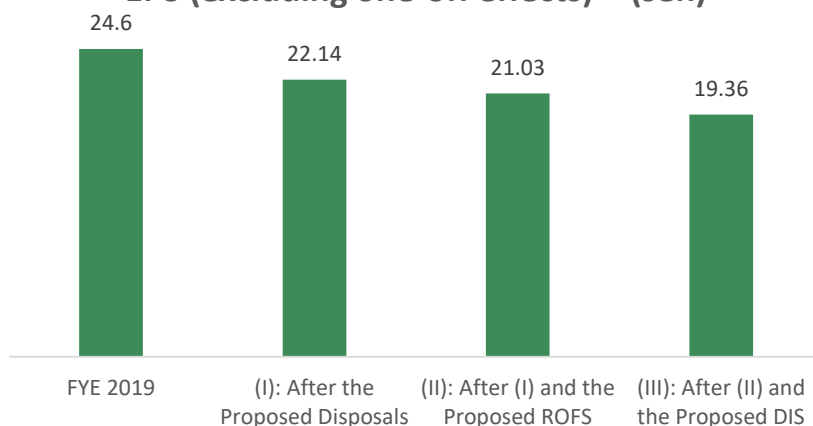
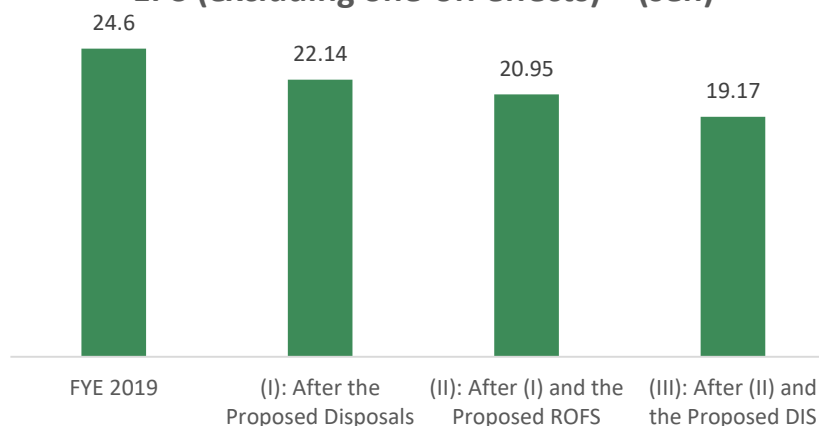
EPS (BASED ON FYE 2019 FIGURES)

Minimum Scenario

EPS

Maximum Scenario

EPS

Minimum ScenarioEPS (excluding one-off effects)⁽¹⁾ (sen)Maximum ScenarioEPS (excluding one-off effects)⁽¹⁾ (sen)

(1) After excluding one-off taxation effects of approximately RM53.1 million and estimated expenses of approximately RM9.7 million to be incurred by IGB Group upon completion of the Proposals.

5

APPROVALS REQUIRED AND ESTIMATED TIMELINE



| Approvals Obtained | Approving Authority |
|--|---|
| <p>On 30 March 2021, approvals for the following has been obtained:</p> <ul style="list-style-type: none"> a) establishment and listing of IGB Commercial REIT on the Main Market of Bursa Securities; and b) resultant unitholding structure of IGB Commercial REIT under the equity requirement for public listed companies pursuant to the Proposed Listing. | SC |
| Approvals Required | Approving Authority / Party |
| <ul style="list-style-type: none"> a) The proposed admission of IGB Commercial REIT to the Official List of Bursa Securities; b) The proposed listing of and quotation for 2,307.3 million Units on the Main Market of Bursa Securities; and c) The proposed listing of and quotation for up to 200.0 million Units on the Main Market of Bursa Securities, being the proposed issuance of Units for payment of management fees to the Manager on a staggered basis | Bursa Securities |
| Approval at the EGM for the Proposed Disposals, Proposed Offering and Proposed Listing | IGB shareholders |
| Approval for the Proposed Disposals | Vendors' shareholders |
| Approval In respect of the restriction-in-interest endorsed on the strata titles to Gardens North Tower and Gardens South Tower for the transfer of these Subject Properties in favour of the Trustee | State Authority |
| Consent of GTower SB and MVC Southpoint's financiers, in accordance with the terms of the financing arrangement or financing facilities granted to these Vendors, for the proposed disposals of GTower and Southpoint Properties | GTower SB and MVC Southpoint's financiers |

RESOLUTIONS TO BE APPROVED

Ordinary Resolution 1

- Proposed disposals by the subsidiaries and joint venture company of IGB of 10 Subject Properties to IGB Commercial REIT for a total disposal consideration of RM3,160.5m

Ordinary Resolution 2

- Proposed offering of Consideration Units comprising:
 - Proposed restricted offering of up to approximately 945.0m units to entitled shareholders
 - Proposed offering of at least 282.0m units to institutional investors and selected investors

Ordinary Resolution 3

- Proposed listing of and quotation for 2,307.3m units of IGB Commercial REIT on the Main Market of Bursa Securities

Resolutions 1, 2 & 3 are **inter-conditional** on each other and are also conditional upon the approval from the relevant authorities and/or parties.

RECOMMENDATIONS OF THE DIRECTORS



All Directors (save for Interested Directors)

The Board (save for the Interested Directors), after having considered the views of Mercury Securities, the Audit Committee and all relevant aspects of the Proposed Disposals, is of the opinion that the Proposed Disposals are fair and reasonable, not detrimental to the interests of the non-interested Shareholders and in the best interests of the Company.

RECOMMENDATION: Non-interested Shareholders **VOTE IN FAVOUR** of the Proposed Disposals (Resolution 1)



All Directors

The Board, after having considered all relevant aspects of the Proposed Offering and Proposed Listing, is of the opinion that the Proposed Offering and Proposed Listing are fair and reasonable, not detrimental to the interests of the Shareholders and in the best interests of the Company.

RECOMMENDATIONS: Shareholders **VOTE IN FAVOUR** of the Proposed Offering (Resolution 2) and Proposed Listing (Resolution 3)

28 April 2021

EGM for the Proposals

Early July 2021

Completion of the Proposed Offering

Early July 2021

Completion of the Proposed Disposals

Early July 2021

Listing of and quotation for IGB Commercial REIT on the Main Market of Bursa Securities

Early July 2021

Completion of the Proposals

THANK YOU



IGB BERHAD

Reg. No. 200001013196 (515802-U)
(Incorporated in Malaysia under the Companies Act 1965)

**Establishment of IGB Commercial REIT and
the Proposals (*Proposed Disposals, Proposed Offering and Proposed Listing*)**

**Independent Adviser's Assessment
in relation to the Proposed Disposals**



MERCURY SECURITIES SDN BHD

Reg. No. 198401000672 (113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

28 April 2021

1

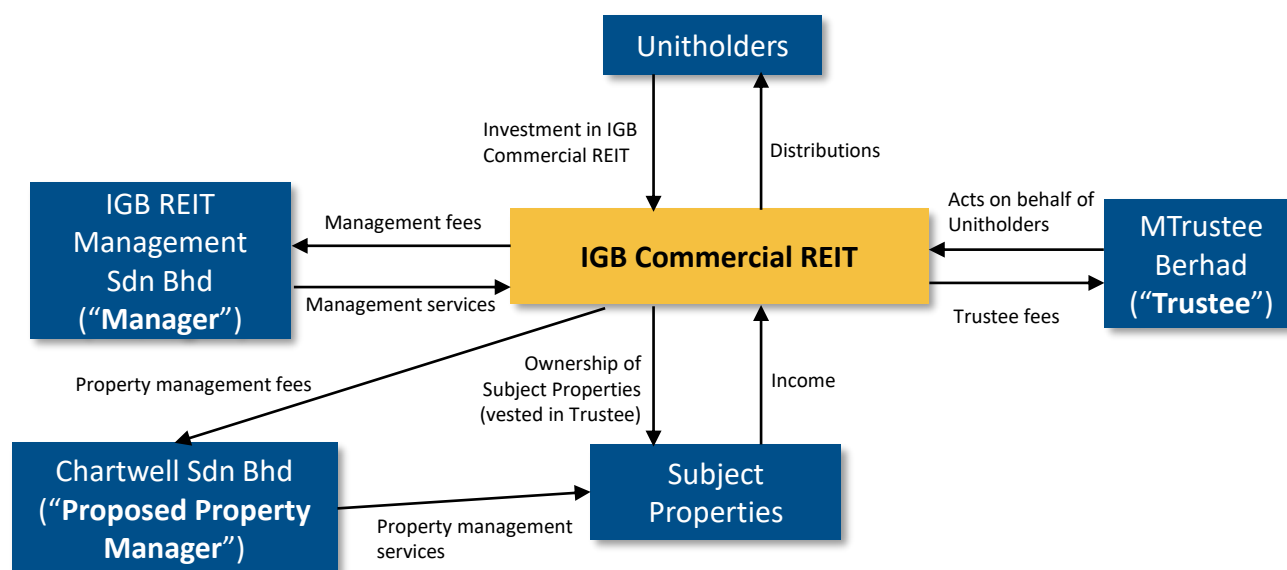
Details of the Establishment of IGB Commercial REIT and the Proposals

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Details of the Establishment of IGB Commercial REIT and the Proposals

❖ Establishment of IGB Commercial REIT and the Proposals

Structure of IGB Commercial REIT



| Subject Properties | Market Value (RM 'mil) | Cash Consideration (RM 'mil) | Consideration Units (RM 'mil) |
|------------------------------|------------------------|------------------------------|-------------------------------|
| Menara IGB & IGB Annexe | 188.9 | 53.3 | 135.6 |
| Centrepont South | 190.5 | 53.8 | 136.7 |
| Centrepont North | 196.5 | 57.3 | 139.2 |
| Boulevard Properties | 78.0 | 19.1 | 58.9 |
| Gardens South Tower | 391.5 | 106.9 | 284.6 |
| Gardens North Tower | 382.1 | 95.2 | 286.9 |
| Southpoint Properties | 573.5 | 156.2 | 417.3 |
| Menara Tan & Tan (80%) | 239.1 | 64.6 | 174.5 |
| GTower (80%) | 739.8 | 197.7 | 542.1 |
| Hampshire Place Office (50%) | 180.6 | 49.1 | 131.5 |
| Total | 3,160.5 | 853.2 | 2,307.3 |

* The proposed disposals of the Subject Properties to IGB Commercial REIT are deemed related party transactions in view of the interests of certain Directors and major shareholders of IGB. Accordingly, an independent adviser must be appointed to advise the non-interested directors and non-interested Shareholders.

Details of the Establishment of IGB Commercial REIT and the Proposals (*cont'd*)



Evaluation of the Proposed Disposals

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Disposals based on the following pertinent factors:-

- | |
|---|
| 1) Rationale and benefits of the establishment of IGB Commercial REIT and the Proposals |
| 2) Basis of and justification for the Total Disposal Consideration, issue price of the Consideration Units, ROFS Price and Institutional Price |
| 3) Salient terms of the SPAs |
| 4) Effects of the establishment of IGB Commercial REIT and the Proposals |
| 5) Prospects of the IGB Group in the commercial real estate sector |
| 6) Risk factors in relation to the Proposals |

2

Rationale and Benefits

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Rationale and Benefits

Enhancing marketability of the Subject Properties



- The Subject Properties via listing under IGB Commercial REIT, may be accorded a better value by investors
- Manager intends to distribute at least 90% of IGB Commercial REIT's distributable income
- The listing of IGB Commercial REIT as a separate listed entity from IGB allows:-
 - (i) better focus and customised strategies for future expansion and growth opportunities
 - (ii) ability to raise funds from the capital markets on its own
 - (iii) direct participation by the potential investors in risk and reward exposures to the Subject Properties as well as any other commercial real estate to be acquired

Opportunity to participate in IGB Commercial REIT



- A platform for the Shareholders and potential investors to participate in IGB Commercial REIT through:-
 - (i) Proposed Restricted Offering of up to 945.0 million Units (378.0 million ROFS Units + 567.0 million DIS Units)
 - ☐ 2 ROFS Units for every 5 IGB Shares
 - ☐ 3 DIS Units for every 2 ROFS Units subscribed
- Any unsubscribed ROFS Units and DIS Units will be made available for subscription by institutional investors and selected investors under the Proposed Institutional Offering. The partial / non-subscriber will receive net cash as follows:-

| | | | | | | | | | | | | | | |
|---|---|---|--|---|---------------------|---|---|---|--------------------------------|---|------------|---|---|-------|
| Cash due to partial subscriber or non-subscriber | = | (| No. of unsubscribed ROFS Units + No. of corresponding DIS Units) | x | Institutional Price |) | - | (| No. of unsubscribed ROFS Units | x | ROFS Price |) | - | Costs |
|---|---|---|--|---|---------------------|---|---|---|--------------------------------|---|------------|---|---|-------|

- (ii) Proposed Institutional Offering of at least 282.0 million Offer Units
 - ☐ Enhance the profile of IGB Commercial REIT with the participation of institutional investors and selected investors
 - ☐ Allow IGB Commercial REIT to meet the 25.0% public unitholding spread requirement pursuant to Paragraph 3.06(1) of the Listing Requirements or any such lower public unitholding spread, as may be approved

Rationale and Benefits (cont'd)

Monetise investments in the Subject Properties



- Allow the IGB Group to monetise the Subject Properties whilst retaining control over the said properties via IGB's unitholding of approximately 52.7% (*in the Minimum Scenario*) and 50.0% (*in the Maximum Scenario*) in IGB Commercial REIT
- Total cash proceeds raised and the intended use of proceeds are as follows:-

| Description | (Minimum Scenario) (RM'000) | (Maximum Scenario) (RM'000) |
|--|--------------------------------|--------------------------------|
| Repayment of borrowings | 337,500 | 337,500 |
| Disposal proceeds attributable to the minority shareholders of TT Realty (20%) and GTower SB (20%) and the other shareholder of Hampshire Properties (50%) | 54,510 | 54,510 |
| Remaining proceeds (The management of IGB is currently evaluating options for the optimal use of the remaining proceeds, which may include potential investment opportunities and/or repayment of borrowings) | 811,797 | 837,190 |
| Estimated expenses | 2,000 | 2,000 |
| TOTAL | 1,205,807 | 1,231,200 |

The rationale and benefits of the Proposed Disposals are **fair and reasonable**.

3

Basis and Justification

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Basis and Justification



Total Disposal Consideration

In evaluating the Total Disposal Consideration, we have reviewed the valuation conducted by the Independent Property Valuer, Henry Butcher Malaysia Sdn Bhd for the Subject Properties

In view that the Subject Properties are rental income generating properties and selection of comparables and making adjustment factors may be subjective, the Independent Property Valuer has adopted the **Investment Method** as the main method of valuation and counter-checked with the **Comparison Method**

| Valuation Methods | Description | Market value as at 31 December 2020 (RM'million) |
|-------------------|---|--|
| Investment | <ul style="list-style-type: none">Derived from an estimate of the market rental (obtained from actual passing rents from the building) which the Subject Properties can be reasonably let forOutgoings, such as assessment and quit rent, repairs and maintenance, insurance and management are then deducted from the annual rental incomeNet annual rental income is then capitalised at an appropriate capitalisation rate to arrive at its indicative capital value | 3,106.5 |
| Comparison | <ul style="list-style-type: none">The Subject Properties are compared with similar properties transacted recently / listed for saleAppropriate adjustments are made for dissimilarities to establish the estimated market value of the Subject Properties | 3,305.5 |

Conclusion

| | | |
|-------------------------------|----------|------------------------|
| Disposal Consideration | = | Market Value |
| RM3,160,500,000 | | RM3,160,500,000 |

- We are of the view that the valuation methodologies adopted by the Independent Property Valuer are reasonable, appropriate and consistent with generally applied valuation methodologies
- We have reviewed the key bases and assumptions adopted by the Independent Property Valuer and are satisfied with the reasonableness of the key bases and assumptions
- As such, we are satisfied with the valuation conducted by the Independent Property Valuer as well as the reasonableness of the opinion of the market value expressed by the Independent Property Valuer on the Subject Properties

As the Total Disposal Consideration is equivalent to the aggregate market value of the Subject Properties, the Total Disposal Consideration is **fair and reasonable**

Basis and justification (*cont'd*)

❖ Issue price of the Consideration Units

The Total Disposal Consideration will be satisfied through:-

- (i) issuance of 2,307.3 million Consideration Units at an issue price of RM1.00 per Consideration Unit; and
- (ii) cash consideration of RM853.2 million to be funded from the issuance of MTNs under the MTN Programme and bank borrowings.

The mode of settlement was determined after taking into consideration the Company's prevailing cash flow position, debt repayment requirements as well as the Company's intention to retain the Consideration Units as a long-term investment to earn a stable distribution of income / yield from IGB Commercial REIT.

The issue price of RM1.00 per Consideration Unit is fair and reasonable, after taking into consideration the pro forma NAV of IGB Commercial REIT after the Proposed Disposals of RM1.00 per unit

❖ ROFS Price

The ROFS Price of RM1.00 is fair and reasonable, after taking into consideration the pro forma NAV of IGB Commercial REIT after the Proposed Disposals of RM1.00 per unit.

The ROFS Price is also equivalent to the issue price of the Consideration Units of RM1.00 per Consideration Unit

❖ Institutional Price

The Institutional Price has not been determined at this juncture and will be determined by way of bookbuilding. The Institutional Price (*once determined*) shall apply similarly to 282.0 million Units offered for sale by the Selling Shareholders and all ROFS Units not subscribed by the Entitled Shareholders together with the corresponding DIS Units and hence, this is fair and reasonable

❖ Salient terms of the SPAs

The salient terms of the SPAs are fair and reasonable and are not detrimental to the interests of the non-interested Shareholders

4

Effects

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Effects

| Scenario | Assumptions |
|----------|--|
| Minimum | No share buyback, distribution, cancellation or resale of Treasury Shares and no conversion of the outstanding RCCPS 2018/2025 |
| Maximum | Distribution or resale of all Treasury Shares and full conversion of all outstanding RCCPS 2018/2025 |

Minimum Scenario

Proforma I : After adjustments for subsequent events
 Proforma II : After Proforma I and Proposed Disposals
 Proforma III : After Proforma II and Proposed ROFS
 Proforma IV : After Proforma III and Proposed DIS

Maximum Scenario

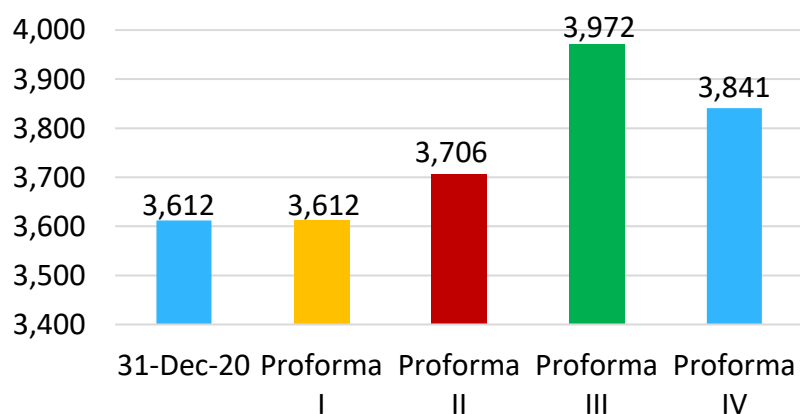
Proforma I : After adjustments for subsequent events
 Proforma II : After Proforma I and assuming all RCCPS 2018/2025 are fully converted and resale of all Treasury Shares
 Proforma III : After Proforma II and Proposed Disposals
 Proforma IV : After Proforma III and Proposed ROFS
 Proforma V : After Proforma IV and Proposed DIS

- The Proposals will not have any effect on the share capital and substantial shareholders' shareholdings as the Proposals do not involve the issuance of any new IGB Shares
- The establishment of IGB Commercial REIT does not have, and Proposed Listing will not have any effect on the NA per share, gearing, consolidated earnings and EPS of the IGB Group

Net assets

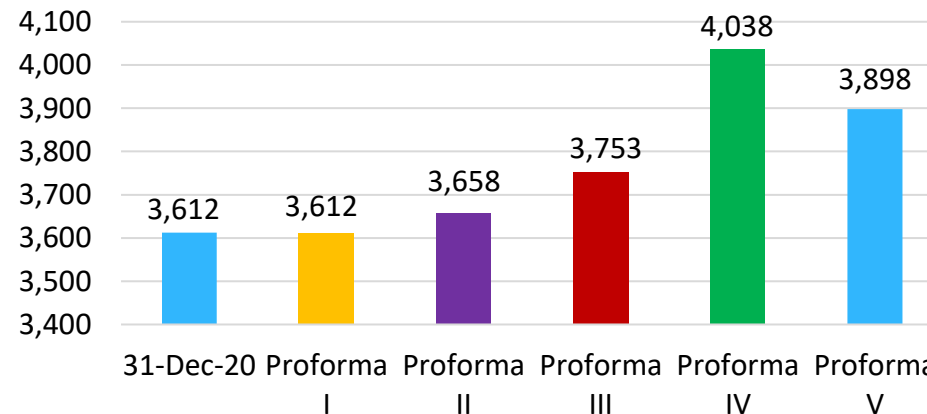
Minimum Scenario

RM'mil



Maximum Scenario

RM'mil

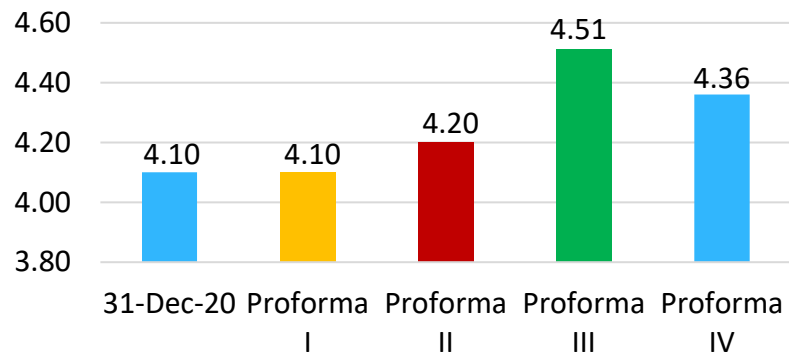


Effects (cont'd)

Net assets per share

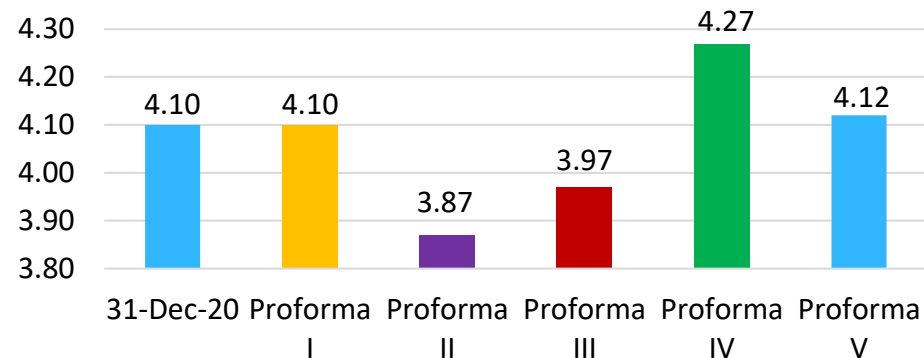
Minimum Scenario

RM



Maximum Scenario

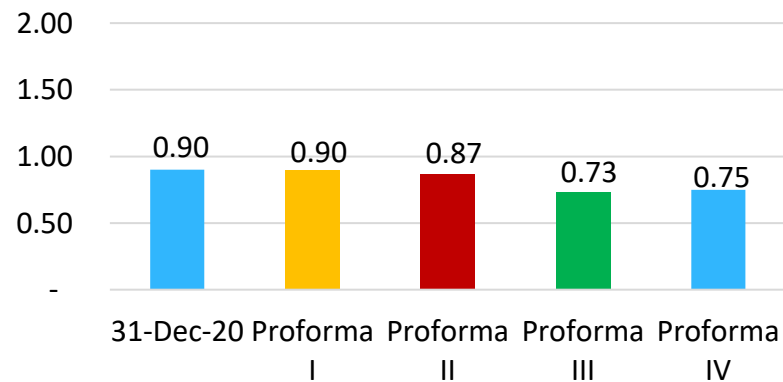
RM



Net gearing ratio*

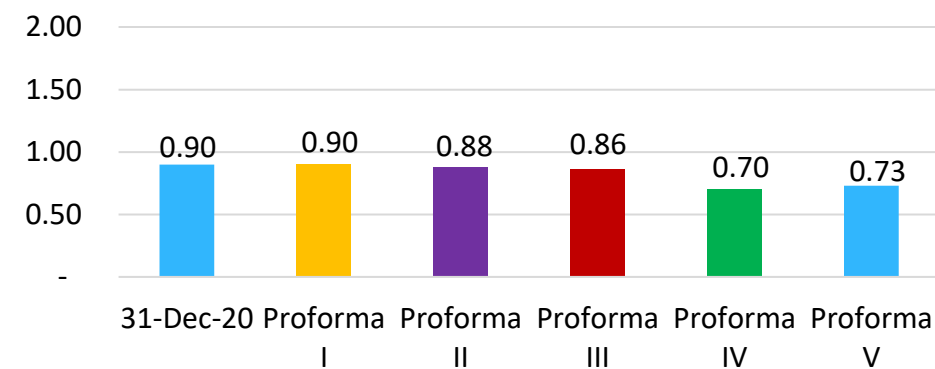
Minimum Scenario

Times



Maximum Scenario

Times



*Net gearing ratio is calculated as net debt divided by net assets attributable to the owners of IGB

Effects (cont'd)

Earnings / (Loss) per share

- The consolidated earnings and EPS of IGB will decrease due to:-
 - (i) one-off taxation effects arising from the Subject Properties of approximately RM53.11 million;
 - (ii) recognition of lower financial results from the Subject Properties in line with the decrease in the Group's beneficial ownership over the Subject Properties; and
 - (iii) estimated expenses relating to the establishment of IGB Commercial REIT and the Proposals of RM9.73 million
- Notwithstanding the above, any decrease in the Group's beneficial ownership over the Subject Properties pursuant to the Proposed Disposals would be transacted based on a transaction price which reflects their earnings potential
- Such decrease in the Group's beneficial ownership over the Subject Properties would correspondingly be an increase in the Entitled Shareholders' beneficial ownership over the Subject Properties through the ROFS Units *(together with the corresponding DIS Units)* subscribed by them in IGB Commercial REIT
- Further, the use of proceeds raised from the Proposed Disposals and Proposed ROFS, particularly the Remaining Proceeds which represent about 2/3 of the total cash proceeds raised, is expected to contribute positively to the financial results of the Group
- In addition, as IGB REIT Management is wholly owned by IGB, the Group is expected to benefit from the receipt of cash and/or Units payable to IGB REIT Management in consideration for the management and administration of IGB Commercial REIT, and any income distribution from the Units held by IGB REIT Management

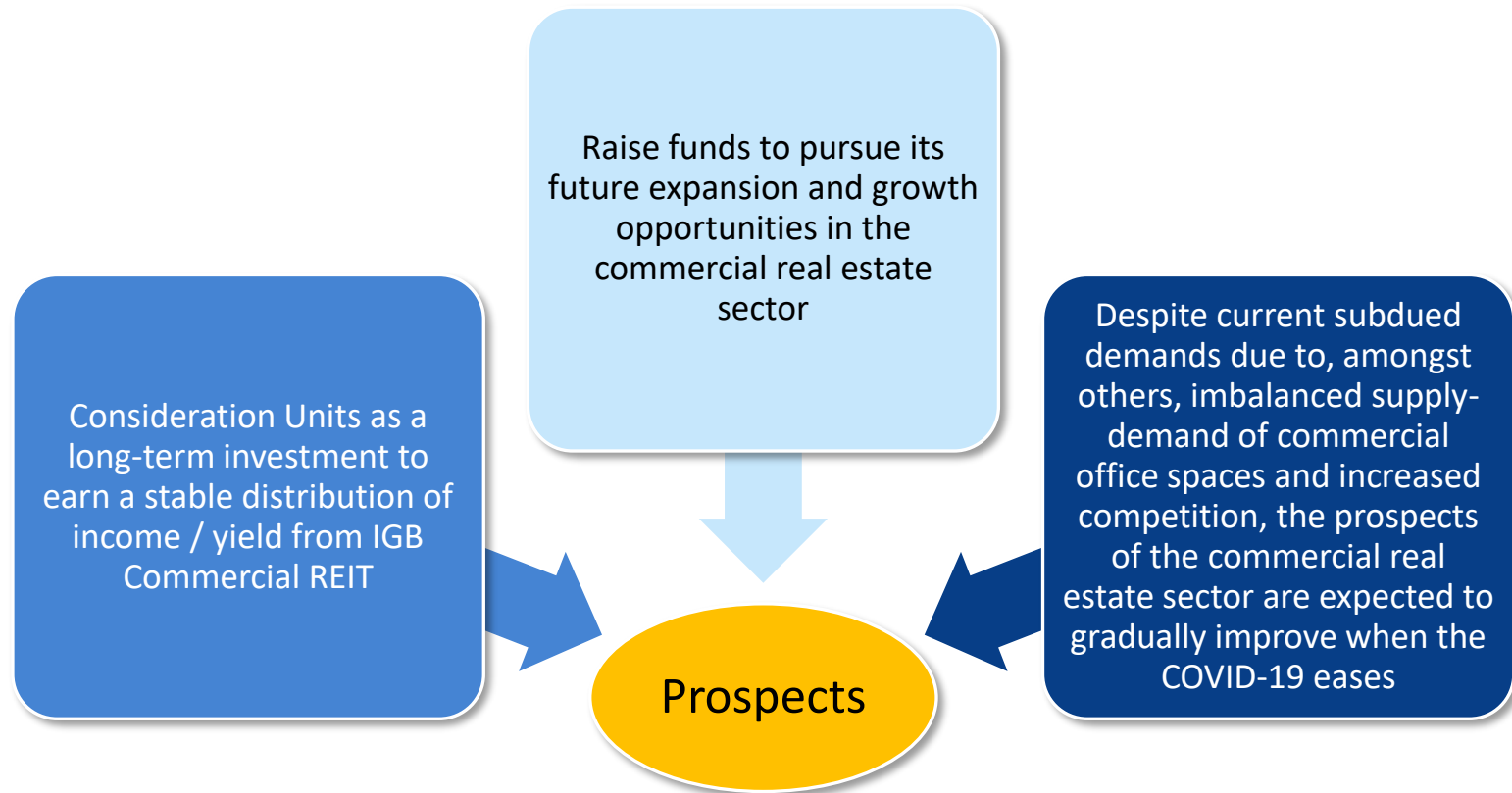
The overall effects of the Proposed Disposals are **not detrimental** to the interests of the non-interested Shareholders.

5

Prospects

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Prospects of the IGB Group



6

Risk Factors

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Risk Factors

Notwithstanding a decrease in the Group's beneficial ownership over the Subject Properties after the completion of the Proposals, the Group will still have the exposure to risks associated with owning the Subject Properties (*through its unitholding in IGB Commercial REIT*).

The following are some risk factors in relation to the Proposals:-

Fluctuation of trading price of Units

- There is no prior market in the trading of the Units
- The trading price of the Units upon the listing of IGB Commercial REIT will be dependent upon market forces which are beyond the Group's control and may trade at prices that are higher or lower than the NAV per Unit.

Listing status of Units

- Proposed Listing may not be implemented
- Units may be delisted if IGB Commercial REIT does not satisfy public spread requirements

Risks associated with owning the Subject Properties

- State Authority has power to compulsorily acquire any land pursuant to Land Acquisition Act 1960
- Compensation awarded based on fair market value, which might be lower than the disposal consideration

Independent Adviser's Assessment

CONCLUSION AND RECOMMENDATION

Premised on our evaluation of the Proposed Disposals, we are of the view that, on the basis of the information available to us, the Proposed Disposals are **FAIR AND REASONABLE** and are **NOT DETRIMENTAL** to the interests of the non-interested Shareholders



Recommendation: VOTE IN FAVOUR

THANK YOU

- (1) The shares of this restricted offer for sale of RM1.00 per Restricted Offer for Sale (ROFS) refers to which entity?

Answer –

The ROFS is an offer for sale by IGB, restricted to the SHs of IGB, of the units in IGB Commercial REIT.

- (2) The shares to be issued is for which entity? Are these IGB shares?

Answer –

No. The distribution-in-specie (DIS) units to be distributed are units in IGB Commercial REIT.

- (3) Are the minority SHs of IGB eligible for Part A(i) and (ii), assuming the resolutions are successfully passed? What is the difference between an initial public offering (IPO) and this Institutional Offering undertaken by IGB?

Answer –

SHs of IGB are given the opportunity to participate in IGB Commercial REIT units via the Restricted Offering (comprising the ROFS and DIS). The Institutional Offering is to allow the REIT units that are not subscribed by the SHs of IGB to be placed out to institutional investors and selected investors. Instead of offering the REIT units to the market via a conventional IPO offering, the Restricted Offering is undertaken to reward the SHs of IGB who will be the main beneficiaries of this REIT listing exercise.

As a SH of IGB, you will be offered 2 REIT units (ROFS Units) for every 5 IGB shares held on the entitlement date at an offer price of RM1.00 each, and will receive 3 free REIT units (DIS Units) for every 2 ROFS Units subscribed.

For example, if you hold 100 IGB shares, you will be offered 40 ROFS Units together with 60 DIS Units. You may elect the following:

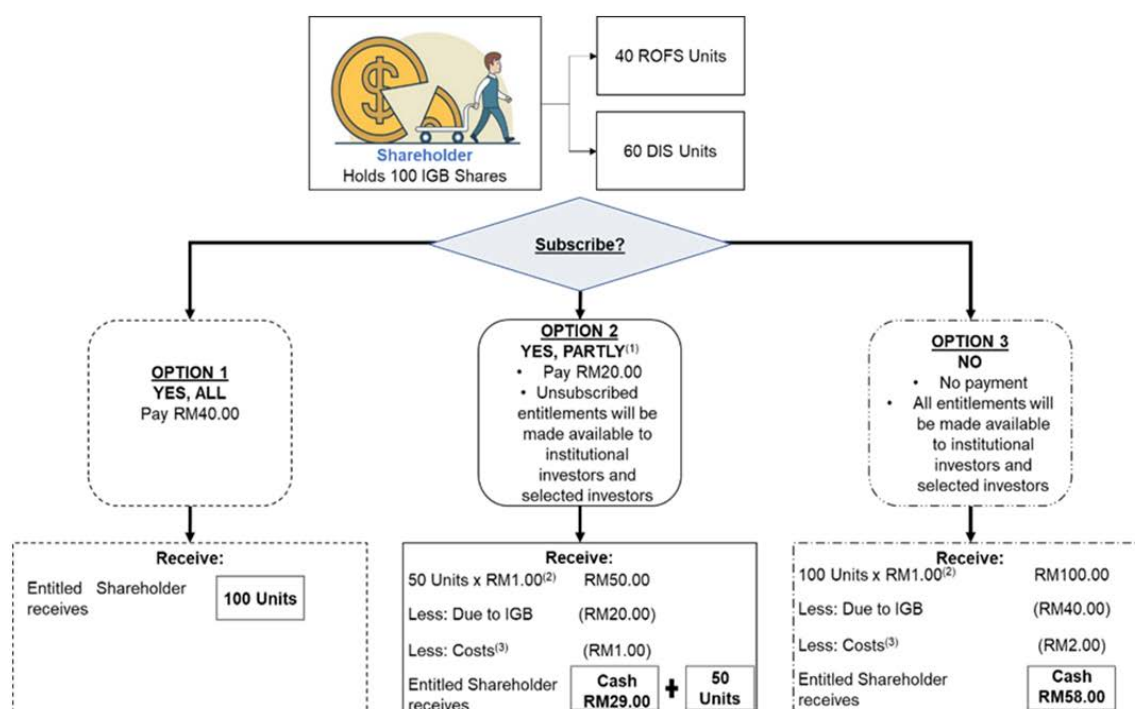
1. Option 1 (Full Subscriber): To subscribe for 40 ROFS Units and receive 60 DIS Units.
2. Option 2 (Partial Subscriber): To subscribe for part of your entitlements to the ROFS Units, and receive (a) 3 DIS Units for every 2 ROFS Units subscribed; and (b) cash.
3. Option 3 (Non-Subscriber): Not to subscribe for any ROFS Units and therefore will not receive any DIS Units but will be entitled to receive cash.

If you choose Option 2 or Option 3, the unsubscribed ROFS Units and the corresponding DIS Units will then be offered under the Institutional Offering. You will receive the cash raised from the Institutional Offering after netting off the cash due to IGB (for the ROFS Units you do not subscribe) and all transactional costs, stamp duty, placement and/or bookbuilding fees and other costs, fees and/or duties payable (where applicable) in conjunction with the Institutional Offering ("Cost"). The formula for calculating the cash due to you under Option 2 or Option 3:

$$\text{Cash due to Partial Subscriber or Non-Subscriber} = \left(\begin{array}{c} \text{(No. of} \\ \text{unsubscribed} \\ \text{ROFS Units + No.} \\ \text{of corresponding} \\ \text{DIS Units)} \end{array} \times \text{Institutional Price}^{(1)} \right) - \left(\begin{array}{c} \text{No. of} \\ \text{unsubscribed} \\ \text{ROFS Units} \end{array} \times \text{ROFS Price}^{(2)} \right) - \text{Costs}^*$$

Notes:

- (1) The price payable by the institutional investors and selected investors pursuant to the Institutional Offering will be determined by way of bookbuilding.
- (2) RM1.00 per ROFS Unit payable to IGB.



Notes:

1. Assuming you subscribe only 20 ROFS Units and are therefore entitled to receive 30 DIS Units.
2. Assuming the Institutional Price is RM1.00 per unit. The Institutional Price will be determined by way of bookbuilding, and may be lower or higher than RM1.00 per unit.
3. Assuming Costs of 2.0% of the Institutional Price.

- (4) What is the expected annual distribution amount for IGB Commercial REIT?

Answer –

The annual distribution amount for IGB Commercial REIT is dependent on the distributable income of IGB Commercial REIT for the respective financial year. For the financial year ending 31 December 2021, IGB Commercial REIT will distribute 100.0% of its distributable income.

Beyond the financial year ending 31 December 2021, the actual amount to be distributed shall be at the absolute discretion of the Manager, which may be greater than 90.0% of IGB Commercial REIT's distributable income, to the extent that the Manager believes it is appropriate, having regard to IGB Commercial REIT's funding requirements, other capital management considerations and the availability of funds.

Q1: The repayment of borrowings only amounted to 27-28% of the total proceeds. The effects on the gearing of IGB Group actually increased from 1.12 times to 1.17-1.18 times. What are the reasons the low percentage of proceeds used to repay borrowing?

Response (HLIB) –

- (a) Explanation texts on pages 40 and 41 of the Circular – the net gearing ratio of the Group would drop from 0.9 times to between 0.73 times and 0.75 times.
- (b) Explanation texts on pages 35 and 36 (described in Note (3)) – The proceeds to be raised from the exercise would be about RM1.2 billion. Management of IGB would evaluate options for the optimal use of the remaining proceeds of between RM811.8 million and RM837.2 million, amongst others, repayment of borrowings undertaken by the Group and for any potential investment opportunities.

Q2: Why IGB issue REIT units for disposal of the assets and the main purpose? Is there any special dividend?

Response (HLIB) –

- (a) REITs are known for their tax efficiency. Taking the perspective of the Vendors, there would be real property gains tax exemption for the disposals of the Subject Properties, likewise, stamp duty exemption for IGB Commercial REIT's acquisition of the Subject Properties. The dividend income to be received by individuals and institutional investors of IGB Commercial REIT would be subject to withholding tax at the rate of 10%.

If the REIT were not established, earnings attributable to the owners of the Subject Properties would have been subject to the corporate income tax rate at 24%.

- (b) The ROFS Price, at RM1.00 per unit, would only be made available for subscription by SHs of IGB at a cut-off date to be determined later. SHs of IGB would only have to pay 40 sen per unit instead of RM1.00 per unit, thus the 60 sen could be seen as a special dividend.

Q3: Is the institutional price same as the ROFS price? How much is the institutional price?

Response (HLIB) –

Upon approval being obtained from SHs on the Proposals at today's EGM, there would be a series of steps to be undertaken, including management roadshows to facilitate price discovery. Hence, although no institutional price has been determined yet, but SHs can rest assure that IGB would endeavor to get the best possible price.

Q4: The various property market reports have concluded that there will be occupancy rates of offices in Klang Valley will decline in 2021 and continue into 2022 due to huge supply coming in. With the valuation of the assets in the REIT valued as at 31 December 2020, there may be decrease in the valuation going forward. Will the REIT be able to maintain its valuation after listing?

Response (HBM) –

The Subject Properties are located in good and established areas within the Golden Triangle and Mid Valley City, with healthy occupancy levels. Even during the height of the Movement Control Order last year, the occupancy rates were relatively stable. HBM is of the opinion that the market value of the Subject Properties would remain stable even after the listing of IGB Commercial REIT.

Q5: By transferring the assets to the REIT, what are the financial benefits to the SHs? In this exercise, what are the immediate benefits to the SHs?

Response (HLIB) –

Refer to answer in Q2 above.

Q6: What is the expected distribution per unit (DPU) yield for IGB Commercial REIT upon listing assuming the units are issued at RM1.00 each?

Response (HLIB) –

Forecast disclosures would be made in the prospectus to be issued later.

Q7: Can retail investors buy more than the ROFS that they are entitled?

Response (HLIB) –

Retail investors would only be able to subscribe for their subscription entitlements as stated in the Circular.

Q8: Will the institutional price be announced before SHs make a decision to do a full/partial/no subscription? Is there a minimum institutional price?

Response (HLIB) –

The institutional price would be determined via a bookbuilding exercise but it would not be announced before the close of the ROFS. SHs could rely on the information disclosed in the prospectus to decide whether to subscribe in full/partial or otherwise. There would be an institutional price range but it has yet to be determined at this juncture. Based on the structure, no minimum institutional price has been set.

Q9: When you say you are going out to the market to get the best possible price, what does this mean? Have you started marketing? Who is or will be responsible for this?

Response (HLIB) –

Marketing has yet to start. A number of processes would have to be followed post-EGM, for example, the prospectus would have to be registered with the Securities Commission Malaysia prior to roadshows. IGB has appointed HLIB, along with 2 other banks, namely Maybank Investment Bank and RHB Investment Bank, as joint bookrunners for the price discovery and bookbuilding.

Q10: The market has received well the move by Sunway in which it diversified the Sunway REIT. Were there any reasons IGB did not plan to inject the commercial properties into IGB REIT instead, but setting a new IGB Commercial REIT?

Response (HLIB) –

HLIB has discussed with IGB on the pros and cons of a diversified REIT versus a stand-alone focused REIT, and the decision was to have a 2 separate REITs i.e., IGB REIT and IGB Commercial REIT. A separate REITs would allow investors to buy into a sector-specific REIT and because of their size, there would be sufficient liquidity.

Q11: IGB Commercial REIT share a fair bit of infrastructure and facilities with IGB REIT in the Mid Valley City. Can the Board share with SHs what could be the synergies that can be realised in terms of cost savings and mutually beneficial commercial undertakings?

Response (IGB) –

Infrastructure synergies will include car parking, shared chilled water generation for air conditioning systems, shared firefighting systems as well as housekeeping facilities. At the same time, shared platforms used in the staff and development initiatives, especially in the areas of security, safety and health, customer service and building services, are mutually cost effective and able to promote consistent standards and competencies among the staff.

Extraordinary General Meeting
 Bintang Ballroom, Level 5, Cititel Mid Valley,
 Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur
 On 28-April-2021 at 10:00AM

Result On Voting By Poll

| Resolution(s) | Vote For | | Vote Against | | Total Votes | |
|-----------------------|-------------|---------|--------------|--------|-------------|----------|
| | No of Units | % | No of Units | % | No of Units | % |
| Ordinary Resolution 1 | 122,203,245 | 99.9905 | 11,551 | 0.0095 | 122,214,796 | 100.0000 |
| Ordinary Resolution 2 | 661,659,305 | 99.9983 | 11,551 | 0.0017 | 661,670,856 | 100.0000 |
| Ordinary Resolution 3 | 661,659,301 | 99.9983 | 11,555 | 0.0017 | 661,670,856 | 100.0000 |

