



# Property Investment





## Delivering Sustainable Value through Strategic Investments

IOI Properties Group Berhad ("IOIPG") manages its impressive portfolio of investment properties comprising prime assets within its integrated developments including shopping malls and purpose-built offices. Its innovative investment strategies enhance value and deliver sustainable growth for the Group.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Group Business Review – Property Investment

The Group's property investment business is a strategic part of IOI Properties Group Berhad ("IOIPG"). The property investment assets of the Group serve as an essential platform to generate better returns to shareholders and provide added value to customers of IOIPG. Together with the development segment they both provide a steady stream of revenue and profits to the Group.

IOIPG's prime property investment interests comprising a range of property assets from shopping malls, commercial/retail space and office space contribute positively towards the Group's revenue with stable and recurring rental income. The Group's existing property investment portfolio as at 30 June 2016 has approximately 5.6 million sq. ft. of lettable space of which about 2.6 million sq. ft. is retail space and another 2.5 million sq. ft. is office space, and the balance encompassing, amongst others, residential properties.



Le Méridien Putrajaya

IOIPG's major investment properties are:

- (a) IOI City Mall in IOI Resort City, Putrajaya with 380 retail shop lots with a total net lettable area ("NLA") of about 1.5 million sq. ft.;
- (b) IOI Mall Puchong owns more than 353 retail shop lots with a total NLA of approximately 856,000 sq. ft.;
- (c) Four blocks of 12-storey to 21-storey purpose-built office buildings in Puchong Financial Corporate Centre ("PFCC") with total NLA of approximately 886,000 sq. ft.;
- (d) IOI Mall Kulai in Johor with more than 258 retail shop lots with a total NLA of approximately 242,000 sq. ft.;
- (e) One IOI Square and Two IOI Square located in IOI Resort City, Putrajaya with a total of two blocks of 12-storey purpose-built office towers with approximately 441,000 sq. ft. of total NLA;
- (f) IOI City Tower 1 and IOI City Tower 2 situated in IOI Resort City, Putrajaya comprising two 31-storey office towers with approximately 1 million sq. ft. of NLA;
- (g) IOI Boulevard in Puchong comprising 68 units of office and retail lots with a total NLA of approximately 229,000 sq. ft.

For its property investment segment, the Group posted a total revenue of RM271.9 million with segmental operating profit of RM141.4 million, representing a marked improvement of RM79.3 million or 41% and RM43.9 million or 45% respectively when compared with FY2015. The key driver of its revenue was from the retail sector whereby it accounted for 82% of the Group's total revenue in its property investment segment. It recorded revenue and operating profit of RM224.3 million and RM120.0 million respectively. The improved performance was mainly due to higher occupancy and rental rates from both retail and office segments.





*Puchong Financial Corporate Centre*

## OPERATIONS REVIEW

Despite the challenging FY2016, the Group's investment properties enjoyed gains in capital appreciation and a steady growth in returns resulting from overall improved occupancy and yields. These improved results have been achieved by a dedicated and professional team working on the portfolio of investment assets that are strategically located within IOI's matured townships and the region's development growth corridors.

The market conditions in both the property development and investment segments have been challenging. However, the property investment segment continues to maintain a steady stream of rental revenue from the occupied shopping malls and offices. With greater competition, the management would need to develop more innovative marketing strategies to deal with the competition and oversupply (be it retail or office sectors) to ensure the occupancies in all the different sectors are not only maintained but improved; and rental/yield not only preserved but increased.

## Malaysia

### Retail

In FY2016, IOI City Mall, the largest mall in southern Klang Valley with a 1.5 million sq. ft. of net lettable area, achieved an occupancy of 95%. As one of the state-of-the-art architectural landmarks in IOI Resort City, the mall has been the backbone of the township by providing excellent shopping experience to customers from not only around IOI Resort City but indeed to the entire southern region of Kuala Lumpur, Selangor and Negeri Sembilan. It is further complemented by a myriad of world class services available at the IOI Resort City including 5-star hotels and an award-winning golf club.

IOI City Mall's comprehensive tenant mix with anchor tenants such as Parkson departmental store occupying 220,000 sq. ft.; HomePro Malaysia; Index Living Mall; Tesco; Golden Screen Cinemas ("GSC"); Wangsa Bowl; Icescape Ice Rink, an Olympic-sized ice-skating rink;

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Group Business Review – Property Investment  
(Continued)



*South Beach Tower, Singapore*

District 21, an indoor apocalypse theme park; and 300 specialty, fashion, and food and beverage (“F&B”) outlets, has made it a household name for the communities of South Klang Valley, Semenyih, Puchong, Bangi, Kajang and Putrajaya. With its excellent infrastructure and connectivity, its strategic location near the administrative centre of Putrajaya and complemented by 5-star Marriott Putrajaya and the newly completed Le Méridien Hotel of IOI Resort City, it has also become a popular regional mall offering a variety of entertainment, dining and shopping choices to locals and foreign tourists alike. IOI City Mall has also won the Malaysia Landscape Architecture Awards 2016 in the Professional Category: Landscape Design Award.

IOI Mall Puchong has maintained its strong performance with occupancy remaining at approximately 95%. The management has continued with its high level performance in marketing, promotions and customer service to maintain its position as a popular mall in Puchong, meeting the entertainment, shopping and food & beverage needs of Puchong and its nearby communities. The mall’s traffic is expected to benefit from the completion of Light Rail Transit (“LRT”) stations connecting Puchong to multiple high growth areas.



## Offices

Despite of the overall soft market sentiment and competitive office space market, the Group's property investment has managed to secure higher occupancy rates for its office space investment assets in FY2016. IOI Boulevard has achieved a 90% occupancy rate while PFCC has increased its overall occupancy. The office market in Puchong particularly PFCC has been able to attract Multinational Corporations ("MNCs"), benefiting from an enhanced network of connectivity and accessibility, as a result of the transportation convenience offered by the completed Light Rapid Transport ("LRT") system as well as its location next to the Four Points by Sheraton Puchong.

## Regional Investment Properties

South Beach, a joint venture development between IOIPG and City Developments Limited ("CDL") continues to progress to become a fully integrated mixed used development, with the completion of the retail component expected by end 2016. To date, more than 90% of South Beach's total retail space has been leased. The completion of the MRT link in July 2016, which provided the vital link to the Esplanade and City Hall MRT stations, will not only provide convenience to the development but also enhance the vibrancy and footfall to the retail area.

In respect of South Beach Office Tower encompassing over 46,000 square meters of Grade A office space, it continues to be well tenanted with almost full occupancy, securing numerous renowned multinational corporations such as Sanofi-Aventis, Tableau Asia Pacific, Rabobank, Facebook and LEGO, to name a few.

Overall, the Group registered total fair value gain on investment properties of RM145.4 million.

## OUTLOOK & PROSPECTS

### Malaysia

The impact of Good and Services Tax ("GST") on the market is still being felt by consumers as they exercise caution in spending arising from a net reduction in their disposable incomes. Coupled with an overall weakened ringgit, the impact on the Malaysian consumer and retailers has been significant. The increase in retail space from numerous new malls continue to affect retail rentals as retailers have more choices to locate their outlets and a number of existing and new malls are experiencing challenging times with more voids being experienced.

IOIPG is fortunate in that the malls (IOI City Mall, IOI Mall Puchong and IOI Mall Kulai) are still enjoying good occupancies despite the current challenging environment. This is because they are located in matured townships, growth corridors, within well-planned integrated developments and connected by an excellent infrastructure. IOI Mall Puchong is expected to continue its strong performance following its enhanced connectivity and accessibility with the completion of the LRT system. Besides that, the growing population surrounding IOI Resort City has resulted in a generally good outcome in occupancy and customer traffic for IOI City Mall.

IOIPG will continue to build investment properties within its township developments in high growth areas. Although the office market is expected to remain soft with the current challenging economic environment, IOIPG will continue to enhance its marketing strategies, positioning its investment properties appropriately to meet current market needs, ensuring effective and efficient management, and to promote our properties in the international market to multinational companies.

### Singapore

The property investment market is anticipated to be challenging with new office space coming into the Singapore market in the years ahead.

Nevertheless, the investment property component in South Beach is anticipated to perform well with synergistic benefits to be capitalised from the MRT link increasing footfall for the retail component, as well as, providing convenience and connectivity to our office tenants as the entire integrated mixed used development is completed by end 2016.



# Leisure and Hospitality





## Leveraging on our strengths to build a distinctive brand

Our leisure and hospitality portfolio comprising an impressive array of world class hotels, resorts and golf courses is well-known in the industry for their unique features and strong brand recognition. With the addition of new hotels and new ventures in the pipeline, we are on course towards strengthening and elevating our reputation in the leisure and hospitality industry.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Group Business Review – Leisure & Hospitality



*Le Méridien Putrajaya Lobby*

For over three decades, IOI Properties Group Berhad (“IOIPG”) has accomplished success and recognition not just in its property development and property investment portfolios, but is also highly recognised for its exclusively crafted hotels, resorts and golf courses under its leisure and hospitality portfolio. The Group strives to be one of the leading players in the leisure and hospitality circle with its signature collection of world class hotels and exciting ventures into the international leisure and hospitality scene.

In its quest to influence lifestyles as it develops integrated townships, IOIPG creates a cache of lifestyle elements to complement not only the distinctive features of the architectural structures in the townships developed, but the growing and thriving communities within the development.

IOIPG creates integrated developments and townships that comprise a perfect blend of residential, commercial as well as leisure and hospitality elements; allowing each to complement the other as well as to leverage on the unique features and services each has to offer. These synergies are strategically embedded in the master-planned integrated developments of IOI Resort City and Bandar Puteri Puchong.

To date, IOIPG has under its wings the following hotels, resorts and golf courses in the Klang Valley and Johor in the southern region:

- (a) Putrajaya Marriott Hotel, a five-star hotel located in IOI Resort City, houses 380 spacious guest rooms, 73 executive rooms and 35 exclusive suites. Set amidst the lush greenery of a resort environment, this opulently designed hotel and its restaurants have won numerous awards including “Best Hotel Development”;
- (b) Four Points by Sheraton Puchong, a four-star business hotel strategically located in the heart of Puchong, features 249 stylish and contemporary guestrooms and suites;
- (c) Palm Garden Hotel, a four-star hotel located within IOI Resort City comes with 151 tastefully furnished rooms;

- (d) Palm Garden Golf Club ("PGGC"), also located in IOI Resort City is a renowned award winning golf course winning the Par Golf People's Choice Awards 2016 for 'Best Overall Golf Experience', 'Best Greens' and 'Best Corporate Tournament Venue' in Malaysia, as well as being recognised as the 1st Big Hole Golf in Malaysia by Malaysia Book of Records in June 2016;
- (e) Palm Villa Golf and Country Resort, located in the township of Bandar Putra Kulai, Johor, is a 27-hole golf course which comes with a comprehensive range of club facilities;
- (f) At the date of this report, Le Méridien Putrajaya has joined the Group's signature collection of hotels with it officially welcoming its first guests during its opening on 18 August 2016.

Under the Group's leisure and hospitality portfolio, revenue generation recorded for this financial year is mainly from the hotel guest room and function room rentals, golf course-related fees, food and beverage ("F&B"), merchandise sales and other related income from hotel and golf course operations. The major contributors from this segment are Putrajaya Marriott Hotel and Four Points by Sheraton Puchong.

The Group registered a total revenue of RM131.8 million with segmental operating profit of RM18.2 million, an increase of RM21.0 million or 19% and RM8.1 million or 80% respectively when compared with FY2015. The hotel segment contributed 73% to the total revenue. It recorded a revenue and operating profit of RM96.0 million and RM10.9 million respectively. The improved performance was primarily due to better performance from all hotels with higher occupancy and average room rates coupled with better control of operation expenditures.



Le Mei Chinese Restaurant at Le Méridien Putrajaya





# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Group Business Review – Leisure & Hospitality (Continued)

### OPERATIONS REVIEW

With the addition of Four Points by Sheraton Puchong to IOIPG's collection of hotels in December 2014, the hotel has gained commendable popularity amongst local and international leisure travelers as well as amongst businesses in both Puchong and its surrounding growth areas ie Subang, Bandar Sunway and Shah Alam. The hotel has recorded consistent occupancy rate at above 70% since its opening. Recognised as the first international chain hotel in the business district of Puchong, the hotel sits in an ideal location within walking distance to popular eateries, nearby amenities including hospitals, shopping malls, schools, Central Park. It is well connected too via the newly completed LRT, and highways including the LDP, KESAS and MEX.

In its efforts to further enhance customer experiences, the Group has initiated the progressive refurbishment exercise for Putrajaya Marriott Hotel which aims to add a touch of modernity while maintaining the opulence of the original interior design of the guest rooms. Upgrading works is expected to be completed by next year.

The PGGC remains strong and competitive in the golf circuit with its consistent and effective maintenance of the golf course and greens. This has persistently driven loyal and new customers to PGGC as the golf course of their choice.

IOIPG welcomes 5-star Le Méridien Putrajaya into its signature hotel collection at IOI Resort City. This internationally acclaimed hotel by Starwood Hotels and Resorts Worldwide, Inc. comprises 353 contemporary guest rooms including 42 executive suites.



*Latitude 2 at Le Méridien Putrajaya*

### OUTLOOK AND PROSPECTS

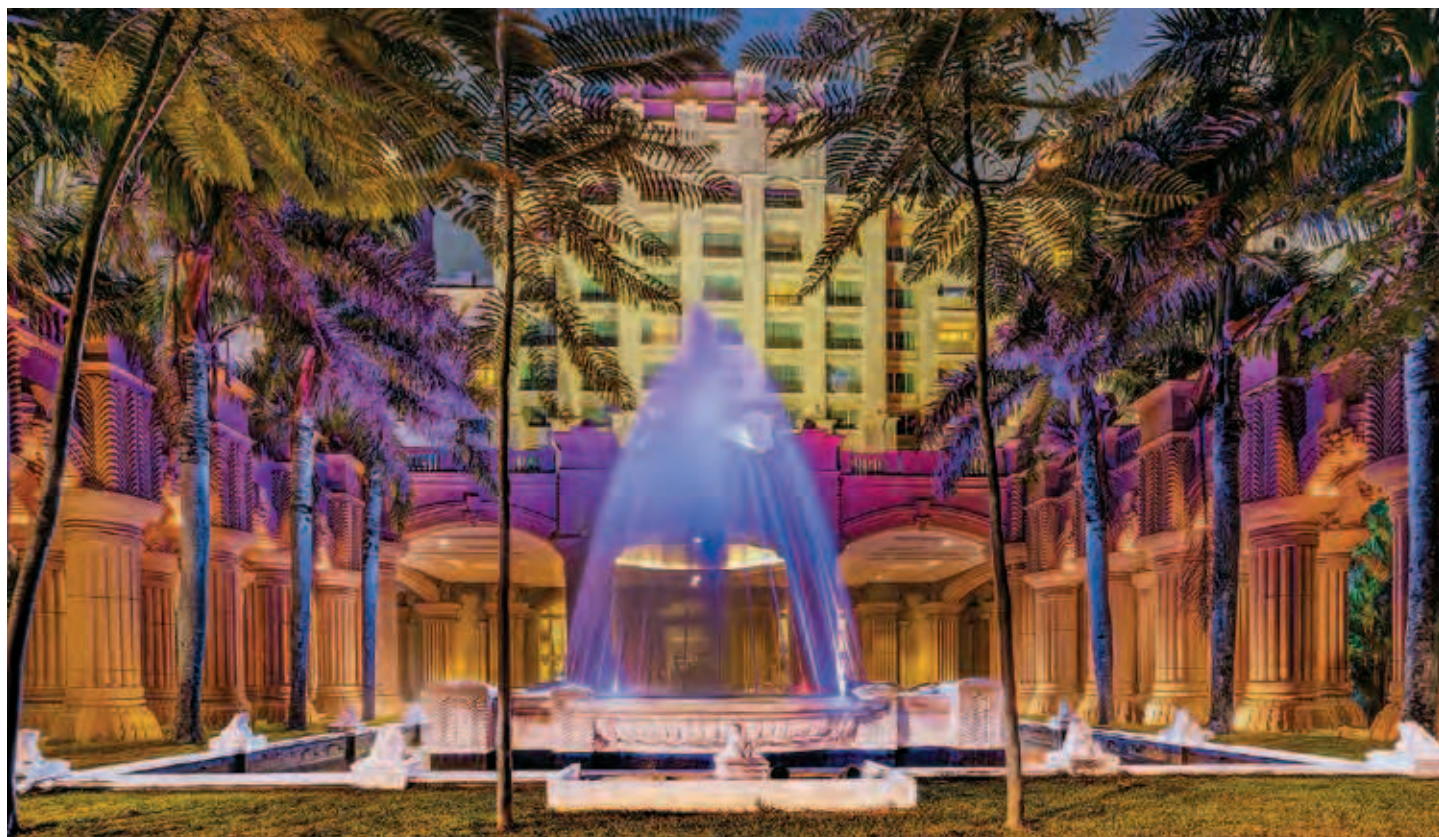
#### Malaysia

IOIPG always strives to counter all challenges it may face, ahead of time, particularly in the leisure and hospitality industry whereby this segment of business is generally more competitive especially in terms of room rates, golf-fees, F&B promotions to name a few. As such the refurbishment initiatives currently ongoing in Putrajaya Marriott Hotel is crucial in order to maintain its competitiveness in the industry in achieving higher occupancy rates and contributing towards long-term sustainable growth.

Effective and efficient maintenance of the hotel guest rooms, facilities and golf courses, joint promotions and new attractions to enhance customer experiences with service excellence are the key contributing drivers of sustainable growth for the Group's leisure and hospitality segment. Cluster marketing to leverage on the attractions and facilities of other business components within the



*Pool View of Four Points by Sheraton Puchong*



*Putrajaya Marriott Hotel*

Group will be aimed at increasing customer traffic and enhancing revenue through strategic cross marketing and knowledge sharing amongst all business entities within the Group.

Meanwhile, the Le Méridien Putrajaya, which at the date of this report has opened its doors for business and is expected to further enhance the integrated township of IOI Resort City, complementing the myriad of available world class amenities and award-winning facilities. The hotel is interconnected to offices at IOI City Towers and IOI City Mall. This integrated concept of the mall and hotel will encourage tourist patronisation due to its location which is well-served by major arterial roads and highways.

The Group foresees more patrons visiting Four Points by Sheraton Puchong although the hotel may face increased competition with the opening of new hotels within the vicinity. In spite of this, the hotel is expected to continue to perform well in view of its strategic location within the matured township of Bandar Puteri Puchong that has a financially robust business environment and a community that appreciates a higher standard of living.

Despite anticipating a soft market sentiment globally in the coming financial year, the Group is confident that its leisure and hospitality portfolio will make it through rough shores with its forward-looking mindset of applying creative business strategies, leveraging on the unique features of existing lifestyle components located

within their developments in which they are located in; and available facilities and amenities in the neighbouring vicinities. The Group will continue its concerted efforts in aggressively marketing its rooms, convention and conference facilities and F&B experiences to corporate institutions, private and local sector as well as local and international tourists. The Group will capitalise on the high customer traffic of its shopping malls to increase brand visibility of its leisure and hospitality brands as well as tap on the highly populated surrounding commercial, industrial and residential areas.

### **Singapore**

Albeit a steady supply of hotels coming on stream which will put pressure on occupancy rates, the Singapore hotel industry is poised to remain resilient. Capitalising from its position as a global and regional transit hub, with a well developed tourism infrastructure and efficient transport network.

Following from the soft launch of the South Beach Hotel in September 2015, IOIPG and City Development Limited announced on 29 June 2016 of its collaboration with Marriott International, Inc to manage the hotel and has since been rebranded as JW Marriott Hotel Singapore South Beach. The collaboration is anticipated to enhance the global reach of potential clientele capitalising on the extensive network and strong branding of Marriott International.



# SUSTAINABILITY AND CORPORATE RESPONSIBILITY



*Running for a good cause*

***“Crafting a better future for our children of tomorrow by sustaining the significant wonders of today”***

This may sound ambitious but in IOI Properties Group Berhad (“IOIPG”), we believe in the amazing ability of each individual in crafting a future of our dreams and aspirations, significantly creating a positive, long-lasting impact to the lives of many around us; and to those of future generations.

We believe that Building Value in Development and embracing sustainability will take us forward in being the market leader in the property industry; offering products and services with the aim to exceed expectations and with the commitment to positively and distinctively influence lifestyles of our customers and the community in which we operate.

## Building Value In Development

With this in mind, IOIPG has been constantly embracing sustainability as it formulates and implements its business strategies based on the company vision of sustainable long-term growth through ensuring superior performance, developing our people, building relationships with our stakeholders, contributing to progress and caring for the society and the environment in which we operate.

We believe sustainability encompasses both sustainable growth of the Group's businesses as well as the sustainability of the three pillars of economy, environment and society. We leverage on the expertise and assets of each business segment within the Group to enhance performance, to build mutually beneficial and meaningful stakeholder relationships where we are able to collaborate and positively contribute towards sustainability.

Our employees are committed to strive towards a healthy work culture through green initiatives that has a positive impact on our sustainability journey which includes simple actions such as lights off during

lunch, recycling printed papers, use of soft copies of drawings and reference materials vs printed copies amongst others. Apart from that, we continue to be active in our CR initiatives and encourage employee volunteerism.

### Our Policy and Principles

IOIPG is committed towards adopting responsible practices to enhance value creation in the following:

- Incorporating design principles and adopting work practices that positively impacts energy and water conservation as well as the environment
- Cultivating conducive work environment to achieve its quality policy
- Promoting activities that contribute to safety and vibrancy of the community
- Continuously improve health and safety standards
- Contributing positively to biodiversity
- Contributing positively to social and economic development of its communities
- Embracing a sustainable work culture



*Microclimatic wave-like canopy at South Beach, Singapore*



# SUSTAINABILITY AND CORPORATE RESPONSIBILITY

(Continued)

**The Sustainability Strategy of the Group is steered by the Group Sustainability Steering Committee chaired by the Chief Executive Officer (CEO) with the IOIPG Head of Sustainability directly reporting to the CEO.**

## Championing Sustainability

### Our People

We continuously strive for continual improvement and enhancement of ongoing efforts in embedding sustainability in our business strategies and embracing sustainability in our corporate and work culture. IOIPG recognises the important role of leadership and ownership at all levels within the Group in ensuring the successful implementation of sustainability initiatives. Thus, the Sustainability Strategy of the Group is steered by the Group Sustainability Steering Committee chaired by the CEO with the IOIPG Head of Sustainability directly reporting to the CEO. The IOIPG Sustainability Committee comprising Senior Management across its core business segments, steers the Group's sustainability strategy into a competitive advantage for the Group's business, integrating both business and sustainability priorities in order for the Group to thrive.



*Datin Joanne Wong and students at a school programme*

### Our Products

Renowned for its expertise in township development, IOIPG not only builds properties but develops integrated townships with comprehensive facilities and amenities aimed at providing conducive environment for sustainability, where communities grow and businesses thrive within residential and commercial enclaves with lush landscaped surroundings of open spaces and recreational retreats. The Group's property investment portfolio and its leisure and hospitality businesses encompassing impressive assets such as hotels of world renowned brands, award-winning golf courses, purpose-built office buildings and award-winning shopping malls amongst others are located within the Group's property developments ie IOI Resort City, Bandar Puteri Puchong, Bandar Puchong Jaya, Bandar Putra Kulai etc. The efficient management of these investment assets which include world-class Marriott Putrajaya Hotel, 5-star Le Méridien Putrajaya, award-winning Palm Garden Golf Club, Grade A GBI-certified IOI City Towers, the longest mall in Southern Klang Valley – IOI City Mall amongst others, not only

ensures profitable returns but creates value to the township in which it is located in. Apart from that, it benefits the communities in which it operates in, thus laying a strong foundation for continued economic growth and sustainable living for the community, contributing towards nation building.

Major townships developed by IOIPG are located at growth corridors with high connectivity and accessibility via extensive highways effectively reducing travelling time on the road. Current and future developments in the Klang Valley will focus on Transit-oriented Development ("TOD") and this is expected to positively encourage efforts by the respective communities to reduce carbon footprint by using alternative options of transportation. In Bandar Puteri Bangi, a 7.5km stretch of bicycle and jogging path will be provided to encourage a healthy lifestyle. Meanwhile in IOI Resort City, a pedestrian and bicycle lane is being progressively constructed to facilitate the use of non-fuel transportation; and to encourage healthy living amongst the urbanites in this world class destination for local and international communities.

## Our Green Efforts

The Group incorporates sustainable green features and technology into its architectural concepts and design principles, aimed at creating unique signature developments that harnesses natural light and air, reduces energy consumption and carbon footprint; and encourages sustainable lifestyles amongst the occupants of its developments.

In line with its efforts in building sustainable living for the community, IOIPG has over the years adopted various practices in order to build sustainable townships and commercial enclaves. The following are sustainable features which have been incorporated within IOIPG developments thus far:

### Commercial High-Rise Buildings

- Obtaining the Green Building Index ("GBI") or Green Mark Certification
- Building orientation to face north-south direction to reduce heat and sun glare
- Incorporating energy management modules in building automation system
- Application of low Volatile Organic Compound ("VOC") paint
- Installation of photovoltaic cells at the rooftop where appropriate
- Installation of motion sensor lights at staircase areas
- Installation of water-saving toilet cisterns
- Installation of sensor taps in public toilets



The "IOI City Mall Run 2016" organised by IOI City Mall to advocate healthy living amongst the community

### Residential Buildings

- Implementation of cross ventilation designs where applicable
- Design or layout with strategically-placed windows to naturally ventilate all bathrooms without the use of exhaust fans
- Design or layout with open concept and high ceilings to enhance natural lighting and ventilation
- North-South building orientation to reduce heat and sun glare; thus reducing use of air-conditioning system contributing to reduction in energy consumption
- Adoption of vertical plantings to enhance aesthetics and reduce carbon footprints
- Installation of solar water heating systems
- Installation of rainwater harvesting systems for irrigation purpose

Apart from these, various new ideas have been innovated to further complement IOIPG's efforts in creating sustainable living for the community and eventually the nation.

- Using recyclable metal formwork as well as steel roof truss in our developments which aims to reduce the number of trees being cut
- Implementing effective waste management system at construction sites to support reduction and recycling of waste
- Incorporating designs or layout of carparks, lift lobbies and washrooms to harness natural ventilation which directly saves on electricity consumption and reduces GHG emissions
- Alternative looping for lighting circuits at the carpark and staircase areas which allows the flexibility of reducing 50% use of lights during non-peak hours



# SUSTAINABILITY AND CORPORATE RESPONSIBILITY

(Continued)

Apart from incorporating green features in our design concepts; efforts aimed at reducing impact on the environment are practised in its planning and implementation of landscaping at development sites. During the refurbishing of Palm Garden Golf Club (PGGC), 85% of existing trees totalling 2,191 trees were transplanted. Besides, 80% of the planted materials for the PGGC refurbishment was sourced and propagated on site, eliminating the need for long-haul transportation of the materials and effectively contributing towards both fuel consumption GHG emissions.

In Bandar Puteri Bangi, trees originally located at the development site are transplanted to create lush green open spaces and parks for the enjoyment of the residents and to facilitate social interaction amongst residents within and beyond the neighbourhood, a crucial part of sustainable living towards nation building.

In the management of the Group's investment assets, the facilities and property management teams are focused on ensuring efficient management systems in place in order to strive towards lowering energy consumption and reducing the impact of our business operations on the environment. Energy conservation programs for more precise control on the reduction of energy wastage such as replacement of conventional lighting with Light Emitting Diode ("LED") lighting, and more precise control on air conditioning and mechanical ventilation ("ACMV") are in progress. Replacement of inefficient chillers with energy efficient units for hotels, malls and office buildings to improve performance and energy efficiency is expected to be progressively implemented.

## Our Community

### Human Capital Development

IOIPG believes that education is an integral component in empowering and enlightening the young to become leaders of tomorrow. The Group's community outreach programmes which centres on education, human capital development and corporate philanthropic initiatives are mainly undertaken by its charity arm, the Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC").

To date, Yayasan TSLSC has contributed over RM36 million to various schools, hospitals, welfare homes and charitable bodies, and has given scholarships and grants to hundreds of schools and students.

#### a) Scholarship Awards

Scholarships and career opportunities are awarded to academically outstanding students pursuing full-time undergraduate studies related to the Group's business nature. Yayasan TSLSC deems it a great investment to support qualified Malaysian youths and to help build the nation's human capital through these scholarships. To date, Yayasan TSLSC has granted 247 students with more than RM5.6 million worth of scholarships.

#### b) Student Adoption Programme

The Student Adoption Programme ("SAP") was launched in 2008 by the then Deputy Minister of Education YB Dr Wee Ka Siong to provide underprivileged children with equal access to basic education as a platform for a brighter future. The adopted students will receive financial assistance and school bags from Yayasan TSLSC until their completion of primary or secondary education.

Since its inception, the SAP has benefited more than 1000 students from over 200 schools in Peninsular Malaysia and Sabah. To date, the total sponsorship amounts to more than RM3 million.

#### c) School Adoption Programme

The School Adoption Programme was launched in 2007 to create a conducive learning environment for students from deprived schools in rural areas. Financial assistance is given to these adopted schools to upgrade their facilities such as building new classrooms, new halls, libraries, perimeter fences, IT and sports facilities in order to improve the learning environment. To date, six primary and secondary schools in Sabah have been adopted. From time to time, financial assistance is also extended to improve and upgrade their school buildings.

#### d) Young Achievers' Awards

The Young Achievers' Awards ("YAA") was introduced by Yayasan TSLSC in 1999 to invigorate and motivate young students towards achieving academic excellence. Cash awards, plaques and certificates of achievement are given out annually to students from primary to upper secondary levels who excel academically, possess high leadership qualities and are active in their extra-curricular activities. More than RM535,000 worth of cash prizes have been given to over 1,400 young achievers since its inception.



The Young Achievers' Award ("YAA") by Yayasan TSLSC

## Collaboration

### Malaysian Collective Impact Initiatives

In August 2015, IOI joined the Malaysian Collective Impact Initiatives ("MCII") along with several other private companies, non-profit organisations and government agencies to collectively drive positive change in the community at large. MCII was established with the objective of improving education in Malaysia and encouraging cross-sector collaboration, community engagement and youth upskilling which contribute towards successful employment after school. School retention and youth unemployment in Klang have been identified as the two main focus areas of MCII. Two schools in Klang – SMK Pandamaran Jaya and SMK Tengku Idris Shah – have been identified as the pilot sites for the project. IOI looks forward to playing a meaningful social transformative role in MCII as it moves to make collective impact where it matters.

## Charity

### Bargain Basement

Bargain Basement is another charity initiative by Yayasan TSLSC. Armed with a "Give to Inspire Others to Give" motto, the charitable store started its operations on 1 June 2016. Its objective is to encourage the public to donate pre-loved or unused items for sale whereby net proceeds are channelled to different charities.

## Reaching Out

Besides human capital development programmes, IOIPG also encourages and provides ample opportunities for employees to volunteer their time and actively participate in various CR activities organised by Yayasan TSLSC. Some of these activities include bringing cheer to residents at old folks' homes and organising outdoor teambuilding sessions for children from orphanages.

IOIPG actively engages the customers via productive efforts undertaken by the Customer Relations Unit ("CRU") aimed at building sustainable relationships between the developer and the community. Besides taking care of the customers' needs and ensuring they receive the "IOI Branded Customer Experience" through service excellence, CRU engages with customers and the community within IOIPG developments through various initiatives such as the IOI Service Champions and Customer Surveys. Other community engagement efforts include the Reach Out community newsletter which is distributed free of charge to the communities within IOIPG developments, our community website [www.myioi.com](http://www.myioi.com) which provides a virtual engagement and interaction platform for customers and the community, IOI Privilege Card and "Go Green" campaigns.

In addition to organising community events, IOIPG also supports activities organised by the Residents Association ("RAs") in its efforts to create sustainable communities in its townships.

IOIPG's numerous CR efforts are highlighted in the "Corporate Responsibility" Calendar on pages 48 to 55.

# Conclusion

IOIPG integrates sustainability and social well-being into every aspect of its operations and work culture. Its sustainability and CR initiatives reflect its commitment to uphold its Vision IOI and Core Values. As IOIPG moves towards greater expansion, it continues to strive to broaden and deepen its sustainability and CR efforts.

IOIPG in its continued efforts to contribute towards sustainability for the benefit of future generations, will continue to play an important role in leading initiatives towards adopting responsible practices in everyday business, enhancing value creation to its customers and embedding sustainability in its corporate culture.

We have started the journey on the road of Sustainability and it will be an exciting, vibrant journey of memorable sustainability experiences which adds value to business.



# CORPORATE RESPONSIBILITY

Social Contributions (July 2015 – June 2016)

01



26 JULY 2015

IOI City Mall welcomed 25 children from Rumah Bakti Al-Kausar to its first Aidilfitri celebration themed “The Symphony Raya Charity Event”. The children were treated to adventurous fun rides at District 21’s indoor theme park and lunch at Nathan’s Famous.

03



20 AUGUST 2015

IOI Properties Group Berhad (“IOIPG”) and IOI Corporation Berhad (“IOIC”) participated in the Bursa Bull Charge 2015 and contributed RM26,600 in support of Bursa Malaysia’s aim in fostering a sustainable and inclusive marketplace.

02



4 AUGUST 2015

Putrajaya Marriott Hotel and Palm Garden Hotel brought festive cheer to 80 underprivileged children from Rumah Keluarga Kami and Rumah Tumpangan & Sekolah Anak-anak Yatim & Miskin Sungai Pinang to its “Riang Ria Aidilfitri Charity Hi-tea”. The children and caregivers enjoyed sumptuous food and received goodie bags as well as *duit raya*.

22 AUGUST 2015

The “11<sup>th</sup> Putra Charity Run 2015” in Bandar Putra, Kulai Jaya attracted 3,800 participants, and successfully raised RM70,000 for the Handicapped and Mentally Disabled Children Association of Johor Bahru.

04





**31 OCTOBER 2015** Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC") awarded 18 deserving students with scholarships worth RM850,000 in recognition of their outstanding academic and extra-curricular achievements. The students received their scholarships from IOIC Chief Executive Officer Dato' Lee Yeow Chor and the foundation's Executive Director Datin Joanne Wong at a presentation ceremony held at Palm Garden Golf Club.



**8 NOVEMBER 2015** Yayasan TSLSC contributed RM50,000 to the building fund of SJK (C) Pei Cheng in Johor during the "Tiger-Sin Chew Chinese Education Charity Concert".

### 8 NOVEMBER 2015

Four Points by Sheraton Puchong organised a charity drive themed "The Children is our Future Hope". This charitable event successfully raised RM12,000 to support "Check Out for Children", a joint initiative between Starwood Hotels & Resorts Worldwide, Inc and UNICEF. 30 children from Rita Home, an orphanage in Klang were invited to join in the fun.



07



# CORPORATE RESPONSIBILITY

Social Contributions (July 2015 – June 2016)

08



15 NOVEMBER 2015

IOIPG proudly organised the "IOI Properties M6Riders MTB RapiDino Challenge 2015" with Kelab Berbasikal Mahkota 6 at Bandar Puteri Bangi. This event was to promote healthy living amongst residents.

16 NOVEMBER 2015

Putrajaya Marriott Hotel and Palm Garden Hotel celebrated Deepavali with 80 children from Ephrata Home, Rumah Kasih and Pertubuhan Anak Yatim Darul Aminan. In addition to being served a delicious spread of Indian-inspired dinner buffet, the children also received goodie bags and cash tokens.

09



10



14 DECEMBER 2015

A total of 129 children from the National Autism Society of Malaysia (NASOM), Rumah Anak-anak Yatim Al-Nasuhah and Shepherd's Home were treated to a Christmas charity dinner themed "A Night of Fairies, Princes & Princesses" by Putrajaya Marriott Hotel and Palm Garden Hotel.

11



15 DECEMBER 2015

IOI City Mall gave a special Christmas experience to 101 children from Rumah Syafiyah, Rumah Yatim Sri Sai Selangor and House of Love by treating them to an exciting day at the mall. The children watched "Legend of a Rabbit" at the cinema, enjoyed delicious meals at selected F&B establishments and received goodie bags.

19 DECEMBER 2015

IOI Mall Kulai organised a Christmas tea party for 45 children from Pertubuhan Kebajikan Shan De Johor Bahru and Pusat Jagaan Kanak-kanak Terencat Akal Saleng. The children also received school supplies which were collected by the mall through its "Donation Gift Campaign".

12



15 JANUARY 2016

IOI City Mall celebrated Chinese New Year with 21 senior citizens from The Klang & Coast Chik Sin Thong Old Folks Home Selangor and Persatuan Rumah Kebajikan Ebenezer. They tossed yee sang and were pampered with special hair grooming treatments as well as goodie bags to kick off the new year.

13





# CORPORATE RESPONSIBILITY

Social Contributions (July 2015 – June 2016)



17 JANUARY 2016

IOI Mall Puchong invited 40 underprivileged families to commemorate the launch of its Chinese New Year celebration which coincided with "Old Master Q's 50<sup>th</sup> Anniversary Exhibition". The families enjoyed dinner and received goodie bags with *ang pow* packets along with good wishes for the new year.



15 FEBRUARY 2016

Putrajaya Marriott Hotel and Palm Garden Hotel held a festive luncheon for senior citizens from Rumah Caring, Kajang and The Little Sisters of the Poor, Cheras. Both hotels presented the guests with gifts and *ang pow* packets during the "Mon-Key to Happiness" event.



17 JANUARY 2016

The 2<sup>nd</sup> edition of "IOI Eco Fun Ride" held at 16 Sierra township attracted 1,000 cyclists. This fun ride was aimed at fostering closer ties with the surrounding communities besides encouraging a healthy and "green" lifestyle.

17



16 FEBRUARY 2016

To support social enterprises, Yayasan TSLSC pledged RM80,000 to purchase tote bags and socks from Persatuan Daybreak, a home cum social enterprise in Perak, where the disabled are provided vocational skills training to make handicrafts for sale.

23 FEBRUARY 2016

Yayasan TSLSC awarded RM360,000 to 403 needy students from 29 primary and secondary schools in Peninsular Malaysia and Sabah under its Student Adoption Programme 2016.

18



19 MARCH 2016

March was designated as IOI's Earth Month whereby green activities and awareness campaigns were held throughout IOIPG to encourage all employees to adopt a sustainable lifestyle. It culminated with the observance of Earth Hour on 19 March 2016.

19



20



27 MARCH 2016

IOI City Mall continued to advocate healthy living with the "IOI City Mall Run 2016" by encouraging more people to participate in physical and sporting activities.



# CORPORATE RESPONSIBILITY

Social Contributions (July 2015 – June 2016)

21



29 MARCH 2016

Employees of IOIC and IOIPG participated in The Edge Kuala Lumpur Rat Race® 2016 and pledged RM32,000 in support of The Edge Education Foundation.

22



20 MAY 2016

89 students received the Young Achievers' Awards (YAA) from Yayasan TSLSC plus cash prizes, plaques, and certificates worth RM38,900 in recognition of their excellent academic and extra-curricular achievements.

23



1 JUNE 2016

Putrajaya Marriott Hotel and Palm Garden Hotel came together to welcome the month of Ramadan by distributing the traditional Ramadan delicacy *bubur lambuk* at selected toll booths located near IOI Resort City. Three thousand packets of the delicacy were distributed to road users from 2:30 pm to 4:00 pm.

24



1 JUNE 2016

Yayasan TSLSC initiated Bargain Basement to encourage the public to donate pre-loved or pre-used items for sale at its outlet located at B3 of IOI City Mall. 100% of its net proceeds are channeled to various charities in its efforts to contribute to the community and the underprivileged.

10 JUNE 2016

Putrajaya Marriott Hotel teamed up with Palm Garden Hotel to celebrate *Hari Raya* with 50 underprivileged boys from Pusat Kebajikan Anak-anak Yatim dan Tahfiz Al-Habbah (PERS).

25



26



15 JUNE 2016

IOI City Mall welcomed 30 children from Rumah Penyayang Ulin Nuha to celebrate "A Mystical Ramadan at IOI City Mall". The children were treated to a complimentary 'Angry Birds' movie session and followed by a shopping spree and *buka puasa* dinner.