

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>Unaudited</b>      | <b>Audited</b>    |
|--|-----------------------|-------------------|
|  | <b>As at</b>          | <b>As at</b>      |
|  | <b>30.06.2010</b>     | <b>31.12.2009</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>ASSETS</b>  |                       |                   |
| <b>Non-current assets</b>  |                       |                   |
| Property, plant and equipment  | 37,213                | N/A               |
| Investment properties  | 48,528                | N/A               |
| Land held for property development   | 26,277                | N/A               |
| Investment in associates   | 2,187                 | N/A               |
| Other investments  | 53                    | N/A               |
| Intangible assets  | 98                    | N/A               |
| Goodwill on consolidation  | 448                   | N/A               |
|  | <u>114,804</u>        | <u>N/A</u>        |
| <b>Current assets</b>  |                       |                   |
| Property development costs   | 153,752               | N/A               |
| Inventories  | 42,417                | N/A               |
| Trade and other receivables  | 34,281                | N/A               |
| Current tax assets   | 53                    | N/A               |
| Cash and bank balances   | 22,141                | N/A               |
|  | <u>252,644</u>        | <u>N/A</u>        |
| <b>TOTAL ASSETS</b>  | <b><u>367,448</u></b> | <b><u>N/A</u></b> |
| <b>EQUITY AND LIABILITIES</b>  |                       |                   |
| <b>Equity attributable to equity holders of the company</b>                              |                       |                   |
| Share capital  | 70,550                | N/A               |
| Share premium  | 680                   | N/A               |
| Merger debit   | (58,901)              | N/A               |
| Reserves   | 118,475               | N/A               |
| <b>Total equity</b>  | <u>130,804</u>        | <u>N/A</u>        |
| <b>Non-current liabilities</b>   |                       |                   |
| Borrowings   | 80,993                | N/A               |
| Deferred tax liabilities   | 1,971                 | N/A               |
|  | <u>82,964</u>         | <u>N/A</u>        |
| <b>Current liabilities</b>   |                       |                   |
| Trade and other payables   | 101,448               | N/A               |
| Borrowings   | 43,845                | N/A               |
| Current tax liabilities  | 8,387                 | N/A               |
|  | <u>153,680</u>        | <u>N/A</u>        |
| <b>Total liabilities</b>   | <u>236,644</u>        | <u>N/A</u>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b><u>367,448</u></b> | <b><u>N/A</u></b> |
| <b>Net assets per share attributable to ordinary equity holders of the company (RM)*</b> | <u>0.92</u>           | <u>N/A</u>        |

\* Computed based on 141,101,000 ordinary shares of RM0.50 each in the Company ("Shares").

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30  
JUNE 2010  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Cont'd*)**

*N/A Not applicable*

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of Ivory Properties Group Berhad ("Ivory" or the "Company") dated 12 July 2010 and the accompanying explanatory notes attached to this interim financial report.

This is the second interim financial report on the consolidated results for the second quarter ended 30 June 2010 announced by the Company in compliance with the listing requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for Main Market ("Listing Requirements").

IVORY PROPERTIES GROUP BERHAD (673211 – M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | Individual Quarter                                |  | Cumulative Quarter                                |   |
|--|---|--|---|---|
|  | Current Year Quarter<br>30.06.2010<br>RM'000<br>* | Preceding Year Corresponding Quarter<br>30.06.2009<br>RM'000 | Current Year-To-Date<br>30.06.2010<br>RM'000<br>* | Preceding Year Corresponding Period<br>30.06.2009<br>RM'000 |
| Revenue  | 25,897  | N/A  | 80,126  | N/A   |
| Cost of sales  | (7,467)   | N/A  | (44,000)  | N/A   |
| <b>Gross profit</b>  | <b>18,430</b>                                     | <b>N/A</b>   | <b>36,126</b>                                     | <b>N/A</b>  |
| Other operating expenses   | (6,726)   | N/A  | (14,141)  | N/A   |
| Other operating income   | 1,160   | N/A  | 2,890   | N/A   |
| <b>Results from operating activities</b>                                     | <b>12,864</b>                                     | <b>N/A</b>   | <b>24,875</b>                                     | <b>N/A</b>  |
| Finance costs  | (1,259)   | N/A  | (2,344)   | N/A   |
| Share of results of associated companies, net of tax                         | 372   | N/A  | 1,028   | N/A   |
| <b>Profit before tax</b>   | <b>11,977</b>                                     | <b>N/A</b>   | <b>23,559</b>                                     | <b>N/A</b>  |
| Tax expense  | (3,542)   | N/A  | (6,591)   | N/A   |
| <b>Profit for the period</b>   | <b>8,435</b>                                      | <b>N/A</b>   | <b>16,968</b>                                     | <b>N/A</b>  |
| <b>Other comprehensive income for the period, net of tax</b>                 | <b>-</b>  | <b>N/A</b>   | <b>-</b>  | <b>N/A</b>  |
| <b>Total comprehensive income for the period</b>                             | <b>8,435</b>                                      | <b>N/A</b>   | <b>16,968</b>                                     | <b>N/A</b>  |
| <b>Profit attributable to:</b>   |   |  |   |   |
| Equity holders of the Company  | 8,435   | N/A  | 16,968  | N/A   |
| Minority interests   | -   | N/A  | -   | N/A   |
|  | <b>8,435</b>                                      | <b>N/A</b>   | <b>16,968</b>                                     | <b>N/A</b>  |
| <b>Total comprehensive income attributable to:</b>                           |   |  |   |   |
| Equity holders of the Company  | 8,435   | N/A  | 16,968  | N/A   |
| Minority interests   | -   | N/A  | -   | N/A   |
|  | <b>8,435</b>                                      | <b>N/A</b>   | <b>16,968</b>                                     | <b>N/A</b>  |
| <b>Earnings per share attributable to the equity holders of the Company:</b> |   |  |   |   |
| Basic (sen)  | 5.98  | N/A  | 12.03   | N/A   |
| Diluted (sen)  | 5.98  | N/A  | 12.03   | N/A   |

N/A Not applicable.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)**

- \* *Ivory and its subsidiaries ("Ivory Group" or the "Group") has adopted the Merger Method of Accounting in respect of acquisition of subsidiaries under common control except for certain subsidiaries which were acquired by way of cash and accounted for under the Purchase Method of Accounting. Under the Merger Method of Accounting, the Group's consolidated results for the current financial period ended 30 June 2010 comprise the consolidated results of all subsidiaries as if the merger had been effected throughout the entire financial year to-date while for Purchase Method of Accounting, the results are consolidated from the date the control effectively commenced.*

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 12 July 2010 and the accompanying explanatory notes attached to this interim financial report.

No comparative figures for the preceding year's corresponding period are available as this is the second interim financial report being announced in compliance with the Listing Requirements.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Attributable to equity holders of the Company |                         |                        |                    |                 |
|---|---|-------------------------|------------------------|--------------------|-----------------|
|   | Share capital<br>RM'000                       | Share premium<br>RM'000 | Merger debit<br>RM'000 | Reserves<br>RM'000 | Total<br>RM'000 |
| At 1 January 2009                         | #   | -                       | -                      | (88)               | (88)            |
| Total comprehensive income for the year   | -   | -                       | -                      | (969)              | (969)           |
| <b>At 31 December 2009</b>                | #   | -                       | -                      | (1,057)            | (1,057)         |
| Effects arising from the merger           | -   | -                       | (58,901)               | 102,564            | 43,663          |
| Total comprehensive income for the period | -   | -                       | -                      | 16,968             | 16,968          |
| Issuance of ordinary shares pursuant to:- |   |                         |                        |                    |                 |
| - acquisition of subsidiaries             | 70,072  | -                       | -                      | -                  | 70,072          |
| - acquisition of associated companies     | 478   | 680                     | -                      | -                  | 1,158           |
| - rights issue                            | ##  | -                       | -                      | -                  | -               |
| <b>At 30 June 2010</b>                    | <b>70,550</b>                                 | <b>680</b>              | <b>(58,901)</b>        | <b>118,475</b>     | <b>130,804</b>  |

# Denotes RM2

## Denotes RM71

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 12 July 2010 and the accompanying explanatory notes attached to this interim financial report.

No comparative figures are available as this is the second interim financial report being announced in compliance with the Listing Requirements.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30  
JUNE 2010  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | <b>Current<br/>Year-to-date<br/>30.06.2010<br/>RM'000</b> | <b>Preceding year<br/>corresponding period<br/>30.06.2009<br/>RM'000</b> |
|--|---|--|
| <b>Cash flow from operating activities</b>                       |   |  |
| Profit before tax  | 23,559  | N/A  |
| Adjustments for:-  |   |  |
| Non-cash items   | 2,828   | N/A  |
| Non-operating items  | 1,132   | N/A  |
| Operating profit before changes in working capital               | <u>27,519</u>   | <u>N/A</u>   |
| Net change in assets   | 16,786  | N/A  |
| Net change in liabilities  | (32,808)  | N/A  |
| Cash generated from operations                                   | <u>11,497</u>   | <u>N/A</u>   |
| Tax paid   | (2,039)   | N/A  |
| <b>Net cash from operating activities</b>                        | <u><b>9,458</b></u>                                       | <u><b>N/A</b></u>  |
| <b>Cash flow from investing activities</b>                       |   |  |
| Interest received  | 149   | N/A  |
| Proceeds received from disposal of property, plant and equipment | 19  | N/A  |
| Proceeds received from disposal of investment properties         | 168   | N/A  |
| Additions to investment properties                               | (2,703)   | N/A  |
| Purchase of property, plant and equipment                        | (270)   | N/A  |
| <b>Net cash used in investing activities</b>                     | <u><b>(2,637)</b></u>                                     | <u><b>N/A</b></u>  |
| <b>Cash flow from financing activities</b>                       |   |  |
| Interest paid  | (2,344)   | N/A  |
| Drawdown of term loans   | 17,000  | N/A  |
| Repayment of borrowings  | (13,691)  | N/A  |
| <b>Net cash from financing activities</b>                        | <u><b>965</b></u>   | <u><b>N/A</b></u>  |
| Net increase in cash and cash equivalents                        | 7,786   | N/A  |
| Cash and cash equivalents at beginning of period                 | 159   | N/A  |
| <b>Cash and cash equivalents at end of period</b>                | <u><b>7,945</b></u>                                       | <u><b>N/A</b></u>  |
| <b>Cash and cash equivalents comprise the following:-</b>        |   |  |
| Cash and bank balances   | 20,813  | N/A  |
| Deposit with licensed banks                                      | 91  | N/A  |
| Bank overdrafts  | (12,959)  | N/A  |
|  | <u><b>7,945</b></u>                                       | <u><b>N/A</b></u>  |

N/A Not applicable

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (*Cont'd*)**

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 12 July 2010 and the accompanying explanatory notes attached to this interim financial report.

No comparative figures are available as this is the second interim financial report being announced in compliance with the Listing Requirements.

## **IVORY PROPERTIES GROUP BERHAD (673211 – M)**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

#### **PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

##### **A1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements.

This is the second interim financial report on the consolidated results for the second quarter ended 30 June 2010 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding financial year’s corresponding period.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants’ Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 12 July 2010 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains condensed financial statements and selected explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009. The interim consolidated financial report and explanatory notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSS.

##### **A2 Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2009 except for the mandatory adoption of the following new and revised FRSS and IC Interpretations (“IC Int.”) effective for the financial period beginning on 1 January 2010:-

|                       |  |
|-----------------------|--|
| FRS 7                 | Financial Instruments: Disclosures   |
| FRS 8                 | Operating Segments   |
| FRS 101               | Presentation of Financial Statements (revised 2009)  |
| FRS 123               | Borrowing Costs  |
| FRS 139               | Financial Instruments: Recognition and Measurement   |
| Amendments to FRS 1   | First-time Adoption of Financial Reporting Standards   |
| Amendments to FRS 2   | Share-based Payment: Vesting Conditions and Cancellations  |
| Amendments to FRS 127 | Consolidated and Separate Financial Statements: Cost of Investment in A Subsidiary, Jointly Controlled Entity or Associate |
| Amendments to FRS 132 | Financial Instruments: Presentation  |



**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)**

|                       |   |
|-----------------------|---|
| Amendments to FRS 139 | Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Int. 9 Reassessment of Embedded Derivatives |
| Amendments to FRSs    | Improvement to FRSs (2009)  |
| IC Int. 9             | Reassessment of Embedded Derivatives  |
| IC Int. 10            | Interim Financial Reporting and Impairment  |
| IC Int. 11            | FRS 2 – Group and Treasury Share Transactions   |
| IC Int. 13            | Customer Loyalty Programmes   |
| IC Int. 14            | FRS 119 – The Limit on A Defined Benefit Asset, Minimum Funding Requirements and Their Interaction  |

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

**A3 Auditors’ Report on Preceding Annual Financial Statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2009.

**A4 Seasonal or Cyclical Factors**

The business operations of the Group were not significantly affected by any seasonal and cyclical factors.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter.

**A6 Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial quarter results.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)**

**A7 Debt and Equity Securities**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review and year-to-date:-

**(a) Increase in Authorised Share Capital**

The authorised share capital of the Company of RM100,000 comprising 100,000 ordinary shares of RM1.00 each was increased to RM100,000,000 divided into 200,000,000 Shares by the creation of 199,800,000 Shares.

The increase in authorised share capital was completed on 11 March 2010.

**(b) Subdivision and Issuance of Shares Pursuant to Acquisitions and Rights Issue**

The Company undertook a subdivision of 2 ordinary shares of RM1.00 each into 4 new Shares on the basis of two (2) new Shares for every one (1) existing ordinary share of RM1.00 each held (“**Subdivision**”). The Subdivision resulted in the issued and paid-up share capital of the Company being increased from 2 ordinary shares of RM1.00 each to 4 Shares.

Subsequent to the Subdivision, the Company undertook acquisitions of subsidiaries and associated companies (“**Acquisitions**”). The Acquisitions resulted in the issued and paid-up share capital of the Company being increased from 4 Shares to 141,100,859 Shares.

Upon completion of the Acquisitions, the Company undertook a rights issue of 141 new Shares at the issue price of RM1.21 per Share to all the existing shareholders on the basis of approximately ten (10) new Shares for every existing ten million (10,000,000) Shares held in the Company after the Acquisitions (“**Rights Issue**”). The Rights Issue resulted in the issued and paid-up share capital of the Company being further increased from 141,100,859 Shares to 141,101,000 Shares.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)**

The details of the Subdivision and the issuance of Shares pursuant to the Acquisitions and Rights Issue are as follows:-

| <b>Date of Allotment/ Subdivision</b> | <b>No. Of Shares Allotted/ Subdivided</b> | <b>Par Value RM</b> | <b>Consideration</b>  | <b>Cumulative Issued And Paid-up Share Capital RM</b> |
|---------------------------------------|---|---------------------|---|---|
| 27.11.2004                            | 2   | 1.00                | Subscribers' shares   | 2   |
| 11.03.2010                            | 4   | 0.50                | Subdivision   | 2   |
| 11.03.2010                            | 84,395,847                                | 0.50                | Acquisition of Ivory Associates Sdn Bhd (“IASB”)                    | 42,197,926  |
| 11.03.2010                            | 6,856,445                                 | 0.50                | Acquisition of Ivory Meadows Sdn Bhd (“IMSB”)                       | 45,626,148  |
| 11.03.2010                            | 7,213,040                                 | 0.50                | Acquisition of Ivory Square Sdn Bhd (“ISSB”)                        | 49,232,668  |
| 11.03.2010                            | 183,820                                   | 0.50                | Acquisition of Ivory Property Management Services Sdn Bhd (“IPMSB”) | 49,324,578  |
| 11.03.2010                            | 409,158                                   | 0.50                | Acquisition of G&A Consultancy Sdn Bhd (“G&A”)                      | 49,529,157  |
| 11.03.2010                            | 40,847,403                                | 0.50                | Acquisition of Ivory Gleneary Sdn Bhd (“IGSB”)                      | 69,952,858  |
| 11.03.2010                            | 188,742                                   | 0.50                | Acquisition of Ivory Indah Sdn Bhd (“IISB”)                         | 70,047,230  |
| 11.03.2010                            | 48,964                                    | 0.50                | Acquisition of Ivory Furniture & Interior Sdn Bhd (“IFSB”)          | 70,071,712  |
| 11.03.2010                            | 177,394                                   | 0.50                | Acquisition of Ivory Continental Sdn Bhd (“ICSB”)                   | 70,160,409  |
| 11.03.2010                            | 780,042                                   | 0.50                | Acquisition of Ivory Villas Sdn Bhd (“IVSB”)                        | 70,550,430  |
| 15.03.2010                            | 141                                       | 0.50                | Rights Issue  | 70,550,500  |

The Subdivision and Acquisitions were completed on 11 March 2010 whilst the Rights Issue was completed on 15 March 2010.

Upon completion of the Public Issue as disclosed in Note B8(a), the issued and paid-up capital of the Company will be enlarged to RM93,000,000 comprising 186,000,000 Shares.

**A8 Dividends Paid**

No dividends have been paid during the current financial quarter.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)**

**A9 Operating Segments**

(a) Segment revenue by activities is as follows:-

|                                  | <b>Segment Revenue</b>   |                       |                          |                       |
|----------------------------------|--------------------------|-----------------------|--------------------------|-----------------------|
|                                  | <b>Individual Period</b> |                       | <b>Cumulative Period</b> |                       |
|                                  | <b>Current</b>           | <b>Preceding Year</b> | <b>Current</b>           | <b>Preceding Year</b> |
|                                  | <b>Quarter</b>           | <b>Corresponding</b>  | <b>Year-</b>             | <b>Corresponding</b>  |
|                                  | <b>30.06.2010</b>        | <b>Quarter</b>        | <b>To-Date</b>           | <b>Period</b>         |
|                                  | <b>RM’000</b>            | <b>30.06.2009</b>     | <b>30.06.2010</b>        | <b>30.06.2009</b>     |
|                                  |                          | <b>RM’000</b>         | <b>RM’000</b>            | <b>RM’000</b>         |
| Property development             | 20,097                   | N/A                   | 68,902                   | N/A                   |
| Construction contracts           | 4,483                    | N/A                   | 8,501                    | N/A                   |
| Property management              | 907                      | N/A                   | 1,629                    | N/A                   |
| Furniture and interior designing | 161                      | N/A                   | 734                      | N/A                   |
| Retailing                        | 249                      | N/A                   | 360                      | N/A                   |
| <b>Total</b>                     | <b>25,897</b>            | <b>N/A</b>            | <b>80,126</b>            | <b>N/A</b>            |

(b) Segment profit/ (loss) before taxation by activities is as follows:-

|                                  | <b>Segment Profit/ (Loss) Before Taxation</b> |                       |                          |                       |
|----------------------------------|---|-----------------------|--------------------------|-----------------------|
|                                  | <b>Individual Period</b>                      |                       | <b>Cumulative Period</b> |                       |
|                                  | <b>Current</b>                                | <b>Preceding Year</b> | <b>Current</b>           | <b>Preceding Year</b> |
|                                  | <b>Quarter</b>                                | <b>Corresponding</b>  | <b>Year-</b>             | <b>Corresponding</b>  |
|                                  | <b>30.06.2010</b>                             | <b>Quarter</b>        | <b>To-Date</b>           | <b>Period</b>         |
|                                  | <b>RM’000</b>                                 | <b>30.06.2009</b>     | <b>30.06.2010</b>        | <b>30.06.2009</b>     |
|                                  |   | <b>RM’000</b>         | <b>RM’000</b>            | <b>RM’000</b>         |
| Property development             | 12,666  | N/A                   | 24,339                   | N/A                   |
| Construction contracts           | 216   | N/A                   | 276                      | N/A                   |
| Property management              | (517)   | N/A                   | (302)                    | N/A                   |
| Furniture and interior designing | (105)   | N/A                   | 22                       | N/A                   |
| Retailing                        | (125)   | N/A                   | (165)                    | N/A                   |
| Others                           | (158)   | N/A                   | (611)                    | N/A                   |
| <b>Total</b>                     | <b>11,977</b>                                 | <b>N/A</b>            | <b>23,559</b>            | <b>N/A</b>            |

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)**

**A9 Operating Segments (Cont’d)**

(c) Segment assets by activities are as follows:-

|                                  | Segment assets                             |  |
|----------------------------------|--|--|
|                                  | Unaudited<br>As at<br>30.06.2010<br>RM’000 | Audited<br>As at<br>30.06.2009<br>RM’000 |
| Property development             | 213,898                                    | N/A                                      |
| Construction contracts           | 145,345                                    | N/A                                      |
| Property management              | 2,912                                      | N/A                                      |
| Furniture and interior designing | 645  | N/A                                      |
| Retailing                        | 1,557                                      | N/A                                      |
| Others                           | 851  | N/A                                      |
| <b>Total</b>                     | <b>365,208</b>                             | <b>N/A</b>                               |

**A10 Subsequent Material Events**

Save as disclosed in Note B8(a) of Part B, there are no material events subsequent to the end of the financial quarter ended 30 June 2010 that have not been reflected in the financial statements for the current quarter under review. The Company is expected to be listed on the Main Market of Bursa Securities on 28 July 2010.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)**

**A11 Changes in the Composition of the Group**

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Main Market of Bursa Securities, the Company had on 11 March 2010 completed a restructuring exercise involving the following:-

| Name of Company                             | No. of Ordinary Shares of RM1.00 Each | Equity Interest % | *Purchase Consideration RM | No. of Ivory Shares Issued | Cash Consideration RM |
|---|---------------------------------------|-------------------|----------------------------|----------------------------|-----------------------|
| <i>Acquisitions of Subsidiaries</i>         |                                       |                   |                            |                            |                       |
| IASB  | 6,500,000                             | 100               | 102,118,975                | 84,395,847                 | -                     |
| IMSB  | 1,000,000                             | 100               | 8,296,299                  | 6,856,445                  | -                     |
| ISSB  | 1,920,000                             | 100               | 8,727,778                  | 7,213,040                  | -                     |
| IPMSB                                       | 100,000                               | 100               | 222,422                    | 183,820                    | -                     |
| G&A   | 100,000                               | 100               | 495,081                    | 409,158                    | -                     |
| IGSB  | 1,200,000                             | 40                | 49,425,357                 | 40,847,403                 | -                     |
| IISB  | 250,000                               | 100               | 228,378                    | 188,742                    | -                     |
| IFSB  | 100,000                               | 100               | 59,247                     | 48,964                     | -                     |
| Ivory Times Square Sdn Bhd                  | 2                                     | 100               | 2                          | -                          | 2                     |
| Ivory Utilities Sdn Bhd                     | 2                                     | 100               | 2                          | -                          | 2                     |
| Sunlink Properties Sdn Bhd                  | 100,000                               | 100               | 100,000                    | -                          | 100,000               |
| <i>Acquisitions of Associated Companies</i> |                                       |                   |                            |                            |                       |
| ICSB  | 980,000                               | 49                | 214,647                    | 177,394                    | -                     |
| IVSB  | 490,000                               | 49                | 943,851                    | 780,042                    | -                     |
| <b>Total</b>                                | <b>12,740,004</b>                     |                   | <b>170,832,039</b>         | <b>141,100,855</b>         | <b>100,004</b>        |

\* Based on net tangible assets (“NTA”)/ adjusted NTA of the respective companies as at 31 December 2008.

**A12 Changes in Contingent Liabilities or Contingent Assets**

There were no material changes in contingent liabilities or contingent assets as at the end of the current financial quarter.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)**

**A13 Capital Commitments**

The amount of capital commitments not provided for in the interim financial report as at 30 June 2010 are as follows:-

|   | <b>RM’000</b> |
|---|---------------|
| <b>Contracted but not provided for:-</b>    |               |
| - Purchase of property, plant and equipment | 97            |
| - Purchase of development land              | 43,000        |
|   | <u>43,097</u> |

**A14 Capital Expenditure**

There were no major additions and disposals of property, plant and equipment during the current quarter and financial year-to-date.

**A15 Significant Related Party Transactions**

Related parties are those defined under FRS 124: Related Party Disclosures.

Save as disclosed in the Prospectus of the Company dated 12 July 2010, there were no significant related party transactions entered into by the Group during the current quarter and financial year-to-date.

**A16 Disclosure of Derivatives**

The Group did not have any outstanding derivatives as at the end of the current financial period.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1 Review of Performance**

The Group recorded revenue of RM80.1 million and profit before tax of RM23.6 million as at the end of the current financial period

**B2 Material Changes in the Quarterly Results as compared with the Immediate Preceding Quarter**

The decrease in the Group's revenue for the current quarter as compared to immediate preceding quarter is mainly due to the substantial sales of completed units from Penang Times Square - Phase 1, The View Twin Towers and Tanjung Park projects arising from the promotional activities held by Ivory in Penang in the immediate preceding quarter. The lower revenue recognised for current quarter is mainly due to sale of on-going projects which are recognised based on the percentage of completion.

Despite the decrease in revenue, gross profit (GP) margin increased mainly due to reduction in provisional contingency costs for Moonlight Bay project as it is nearing completion. The Penang Times Square – Phase 2 (PTS 2) project also contributed a higher GP margin as a result of higher Gross Development Value (GDV) for the project.

The increase in profit before taxation for the current quarter as compared to immediate preceding quarter is mainly due to higher selling and distribution expenses incurred in immediate preceding quarter, which is in line with the promotional activities held by Ivory.

**B3 Prospects for the current financial year**

Barring unforeseen circumstances, the Board of Directors expects its business prospects for the financial year ending 31 December 2010 to be favourable in view of the improving outlook on the overall regional economy.

Barring unforeseen circumstances and based on the principal bases and assumptions upon which the proforma consolidated profit forecast for the financial year ending 31 December 2010 has been arrived at as disclosed in the Prospectus of the Company dated 12 July 2010, the Board of Directors is of the opinion that the profit forecast of RM33.86 million for the financial year ending 31 December 2010 is achievable.

To ensure better achievement of the profit forecast, the Group had arranged for additional promotional activities in places other than Penang, such as the promotional activities held in Medan in April 2010, Kuala Lumpur in May 2010 and Hong Kong in early June 2010. Also, the Group had arranged for upcoming promotional activities in Penang, i.e. "Star Property Fair 2010" and "PIP Property Summit 2010", which will be held in July and September 2010 respectively.



**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B4 Variance between Actual Profit and Forecast Profit**

Not applicable.

**B5 Taxation**

The taxation for the Group comprised of the following:-

|  | Individual Period                       |  | Cumulative Period                                |   |
|--|---|--|--|---|
|  | Current Quarter<br>30.06.2010<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30.06.2009<br>RM'000 | Current Year-to-<br>Date<br>30.06.2010<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>30.06.2009<br>RM'000 |
| Current income tax<br>Malaysian - Current year | 3,214                                   | N/A  | 6,263  | N/A   |
| Deferred taxation                              | 328                                     | N/A  | 328  | N/A   |
|  | <b>3,542</b>                            | <b>N/A</b>   | <b>6,591</b>                                     | <b>N/A</b>  |

The effective tax rates for the current quarter and financial year-to-date of 26.6% was higher than the statutory tax rate of 25.0% mainly due to certain expenses being not deductible for tax purpose.

**B6 Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments and properties during the current financial quarter.

**B7 Quoted Securities**

There were no purchases or disposals of quoted securities during the current financial quarter and financial year-to-date under review. The Group did not hold any quoted securities as at 30 June 2010.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B8 Status of Corporate Proposals**

**(a) Status of Corporate Proposals - Initial Public Offering (“IPO”)**

On 12 July 2010, the Company issued a Prospectus for the public issue of 44,899,000 new Shares (“**Public Issue**”) and offer for sale of 16,170,000 Shares (“**Offer for Sale**”) at an issue/ offer price of RM1.00 per ordinary share payable in full on application pursuant to its listing on the Main Market of Bursa Securities as detailed below:-

**(i) Public Issue**

The Public Issue of 44,899,000 new Shares at the issue price of RM1.00 per Share (“**Public Issue Shares**”) will be allocated and allotted in the following manner:-

**(aa) Malaysian Public**

9,300,000 Public Issue Shares representing 5.0% of the enlarged issued and paid-up share capital will be made available for application by Malaysian public, of which at least 50% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

**(bb) Eligible Directors, Employees and Business Associates of the Ivory Group**

1,000,000 Public Issue Shares representing approximately 0.54% of the enlarged issued and paid-up share capital will be reserved for the eligible Directors, employees and business associates (which include the suppliers, sales agents, customers and others) of the Group.

**(cc) Private Placement**

34,029,000 Public Issue Shares representing approximately 18.30% of the enlarged issued and paid-up share capital will be reserved by way of private placement to selected investors (who are deemed public).

**(dd) Bumiputera Investors**

570,000 Public Issue Shares representing approximately 0.31% of the enlarged issued and paid-up share capital will be reserved for Bumiputera investors to be approved by Ministry of International Trade and Industry (“**MITI**”).

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**(ii) Offer for Sale**

The Offer for Sale of 16,170,000 Shares representing approximately 8.69% of the enlarged issued and paid-up share capital at the offer price of RM1.00 per Share will be reserved for Bumiputera investors to be approved by MITI.

The entire enlarged issued and paid-up share capital of the Company of RM93,000,000 comprising 186,000,000 Shares is expected to be listed on the Main Market of Bursa Securities on 28 July 2010.

**(b) Status of Utilisation of Proceeds**

The gross proceeds of RM44.90 million which will accrue to the Company from the Rights Issue and Public Issue are proposed to be utilised in the following manner:-

| <b>Purpose</b>                      | <b>Expected Timeframe<br/>for Utilisation from<br/>Date of Listing</b> | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Actual<br/>Utilisation<br/>RM'000</b> |
|-------------------------------------|--|--|--|
| (i) Repayment of bank borrowings    | Within 6 months  | 10,000                                     | -  |
| (ii) Working capital                | Within 12 months   | 31,499                                     | -  |
| (ii) Estimated share issue expenses | Within 6 months  | 3,400                                      | -  |
| <b>Total proceeds</b>               |  | <b>44,899</b>                              | <b>-</b>                                 |

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B9 Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 June 2010 are as follows:-

|                              | <b>Secured<br/>RM'000</b> |
|------------------------------|---------------------------|
| <i>Long Term Borrowings</i>  |                           |
| Term Loans & Bridging Loans  | 77,241                    |
| Hire purchase                | 3,752                     |
| <i>Short Term Borrowings</i> |                           |
| Term Loans & Bridging Loans  | 28,777                    |
| Hire purchase                | 2,109                     |
| Overdrafts                   | 12,959                    |
| <b>Total</b>                 | <b>124,838</b>            |

The Group has no foreign currency borrowings.

**B10 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk issued at the date of issuance of this report.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B11 Material Litigation**

Save as disclosed below, as at 23 July 2010, the Group is not engaged in any material litigation:-

IISB has filed this case in its capacity as plaintiff against the defendant, Krishna Kumar S/O T.N. Sharma, claiming Specific Performance of agreements dated 6 August 2007 and 30 January 2008 for the sale and purchase of a piece of land known as Geran No. 1272, Lot No. 2838, Mukim 18, Daerah Timur Laut, Penang (“Land”) with a total land area of approximately 53 acres or alternatively, for damages in lieu or in addition to Specific Performance.

The defendant in turn has filed a Counter Claim to resist the suit and claimed for loss of profits projected in an earlier joint venture to develop the Land. The Defendant is counterclaiming to declare the agreements for the sale and purchase of the Land as null and void and to claim for loss of profit.

The case is still at its infancy at Case Management and no date has been set down for trial. The Directors of IISB and the Company are confident that the company will be successful in its claim for Specific Performance.

**B12 Dividend**

No interim ordinary dividend has been declared for the financial period ended 30 June 2010.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)**

**B13 Earning per share**

**(a) Basic Earnings per Share**

The basic earnings per share for the current financial quarter and current financial year-to-date are computed as follows:-

|   | Current Quarter<br>30.06.2010 | Individual Period  | Cumulative period                     |   |
|---|-------------------------------|--|---------------------------------------|---|
|   |                               | Preceding Year<br>Corresponding<br>Quarter<br>30.06.2009 | Current<br>Year-to-Date<br>30.06.2010 | Preceding Year<br>Corresponding<br>Period<br>30.06.2009 |
| Profit attributable to equity holders of the Company (RM'000) | 8,435                         | N/A  | 16,968                                | N/A   |
| Weighted average number of ordinary shares in issue ('000)    | 141,101                       | N/A  | 141,101                               | N/A   |
| <b>Basic earnings per share (sen)</b>                         | <b>5.98</b>                   | <b>N/A</b>   | <b>12.03</b>                          | <b>N/A</b>  |

Basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the reporting period.

**(b) Diluted Earnings per Share**

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial quarter under review. As such, the diluted earnings per share is presented as equal to basic earnings per share.

**IVORY PROPERTIES GROUP BERHAD (673211 – M)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (*Cont'd*)**

**B14 Compliance to SC's condition**

With reference to the condition imposed by the Securities Commission ("SC") via the SC's approval letters dated 5 May 2008 and 24 February 2010 with regard to Parcel No. 2-2-12A, Plaza Ivory, Halaman Bukit Gambir, Gelugor, Pulau Pinang, the reinstatement of Parcel No. 2-2-12A (Plot 41A & Plot 47), Plaza Ivory, Halaman Bukit Gambir, Gelugor, Pulau Pinang is in progress. The negotiations with the existing tenants pertaining to the reinstatement of Plot 41A and Plot 47 of Parcel No. 2-2-12A, Plaza Ivory have been initiated and are presently still in progress. The rectification of structure will commence accordingly after the eviction of the said tenants.

**B15 Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 July 2010.

By order of the Board of Directors

Lam Voon Kean  
Company Secretary  
23 July 2010