

IVORY PROPERTIES GROUP BERHAD (673211 – M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
<b>Assets</b>		
Property, plant and equipment	43,767	40,705
Investment properties	48,952	48,196
Land held for property development	26,308	26,297
Intangible assets	629	634
Investment in associates	10,583	7,571
Other investment	53	53
<b>Total non-current assets</b>	<u>130,292</u>	<u>123,456</u>
Property development costs	180,990	180,421
Inventories	55,219	59,029
Current tax assets	196	186
Trade and other receivables	90,781	93,835
Cash and cash equivalents	12,049	14,924
<b>Total current assets</b>	<u>339,235</u>	<u>348,395</u>
<b>Total assets</b>	<u><u>469,527</u></u>	<u><u>471,851</u></u>
<b>Equity</b>		
Share capital	93,000	93,000
Share premium	20,766	20,766
Retained earnings	83,146	78,033
<b>Total equity attributable to owner of the company</b>	<u>196,912</u>	<u>191,799</u>
<b>Liabilities</b>		
Loans and borrowings	81,282	67,448
Deferred tax liabilities	1,363	1,357
<b>Total non-current liabilities</b>	<u>82,645</u>	<u>68,805</u>
Loans and borrowings	45,894	37,677
Trade and other payables	136,305	166,213
Current tax liabilities	7,771	7,357
<b>Total current liabilities</b>	<u>189,970</u>	<u>211,247</u>
<b>Total liabilities</b>	<u>272,615</u>	<u>280,052</u>
<b>Total equity and liabilities</b>	<u><u>469,527</u></u>	<u><u>471,851</u></u>
<b>Net assets per share attributable to ordinary equity holders of the company (RM)*</b>	<u>1.06</u>	<u>1.03</u>

\* Computed based on 186,000,000 ordinary shares of RM0.50 each in the Company ("Shares").

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2011 RM'000	Preceding Year Corresponding Quarter 31.03.2010 RM'000	Current Year- To-Date 31.03.2011 RM'000	Preceding Year Corresponding Period 31.03.2010 RM'000
Revenue	22,451	54,229	22,451	54,229
Cost of sales	(9,181)	(36,545)	(9,181)	(36,545)
<b>Gross profit</b>	<b>13,270</b>	<b>17,684</b>	<b>13,270</b>	<b>17,684</b>
Other operating expenses	(9,851)	(7,418)	(9,851)	(7,418)
Other operating income	988	1,997	988	1,997
<b>Results from operating activities</b>	<b>4,407</b>	<b>12,263</b>	<b>4,407</b>	<b>12,263</b>
Finance costs	(936)	(1,085)	(936)	(1,085)
Share of results of associated companies, net of tax	2,885	656	2,885	656
<b>Profit before tax</b>	<b>6,356</b>	<b>11,834</b>	<b>6,356</b>	<b>11,834</b>
Tax expense	(1,243)	(3,049)	(1,243)	(3,049)
<b>Profit for the period</b>	<b>5,113</b>	<b>8,785</b>	<b>5,113</b>	<b>8,785</b>
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>5,113</b>	<b>8,785</b>	<b>5,113</b>	<b>8,785</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	5,113	8,785	5,113	8,785
Minority interests	-	-	-	-
	<b>5,113</b>	<b>8,785</b>	<b>5,113</b>	<b>8,785</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	5,113	8,785	5,113	8,785
Minority interests	-	-	-	-
	<b>5,113</b>	<b>8,785</b>	<b>5,113</b>	<b>8,785</b>
<b>Earnings per share attributable to the equity holders of the Company:</b>				
Basic (sen)	2.75	6.22	2.75	6.22

Certain comparative figures have been restated to conform with the audited financial statements for financial year ended 31 December 2010.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

IVORY PROPERTIES GROUP BERHAD (673211 – M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Non-distributable Share capital RM'000	Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000
<b>Balance at 1 January 2011</b>	93,000	20,766	78,033	191,799
Total comprehensive income for the period	-	-	5,113	5,113
<b>Balance at 31 March 2011</b>	<b>93,000</b>	<b>20,766</b>	<b>83,146</b>	<b>196,912</b>
<b>Balance at 1 January 2010</b>	70,072	-	42,343	112,415
Total comprehensive income for the period	-	-	8,785	8,785
Issuance of ordinary shares pursuant to:-				
- acquisition of associated companies	478	680	-	1,158
- rights issue	#	-	-	#
<b>Balance at 31 March 2010</b>	<b>70,550</b>	<b>680</b>	<b>51,128</b>	<b>122,358</b>

# Denotes RM71

Certain comparative figures have been restated to conform with the audited financial statements for financial year ended 31 December 2010.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.



IVORY PROPERTIES GROUP BERHAD (673211 – M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-to- date 31.03.2011 RM'000	Preceding year corresponding period 31.03.2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	6,356	11,834
Adjustments for:-		
Non-cash items	1,252	1,169
Non-operating items	(2,106)	82
Operating profit before changes in working capital	5,502	13,085
Net change in assets	6,295	11,882
Net change in liabilities	(27,084)	(14,960)
Cash (used in)/ from operations	(15,287)	10,007
Tax paid	(833)	(821)
<b>Net cash (used in)/ from operating activities</b>	<b>(16,120)</b>	<b>9,186</b>
<b>Cash flows from investing activities</b>		
Interest received	30	82
Proceeds received from disposal of property, plant and equipment	185	181
Addition to land held for property development	(11)	-
Purchase of investment properties	(1,176)	(572)
Purchase of property, plant and equipment	(2,654)	(607)
<b>Net cash used in investing activities</b>	<b>(3,626)</b>	<b>(916)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(936)	(1,085)
Drawdown of loans	28,616	12,000
Repayment of borrowings	(10,235)	(4,384)
<b>Net cash from financing activities</b>	<b>17,445</b>	<b>6,531</b>
Net (decrease)/ increase in cash and cash equivalents	(2,301)	14,801
Cash and cash equivalents at beginning of period	4,457	159
<b>Cash and cash equivalents at end of period</b>	<b>2,156</b>	<b>14,960</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash and bank balances	7,598	23,760
Deposit with licensed banks	2,490	91
Bank overdrafts	(7,932)	(8,891)
	<b>2,156</b>	<b>14,960</b>

Certain comparative figures have been restated to conform with the audited financial statements for financial year ended 31 December 2010.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

**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 of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

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 2010. 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 2010 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 2011:-

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010**

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
- FRS 3, Business Combinations (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 17, Distributions of Non-cash Assets to Owners
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011**

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
  - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
  - Additional Exemptions for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- IC Interpretation 4, Determining whether an Arrangement contains a Lease
- Improvements to FRSs (2010)

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



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

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

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

There was no qualification to the audited financial statements of the Group for the financial year ended 31 December 2010.

**A4 Seasonal or Cyclical Factors**

The business operations of the Group for the current financial quarter have not been 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.

**A7 Debt and Equity Securities**

For current financial quarter and financial period-to-date under review, 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.

**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 31 MARCH 2011**

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

**A9 Operating Segments**

The Group has four reportable segments, as described below, which are the Group’s strategic business units.

	Property development and management RM '000	Construction contracts RM '000	Food and beverage RM '000	Investment holding, and Furniture & interior design RM '000	Total RM '000
<b>For the financial period ended 31 March 2011</b>					
External revenue	15,147	5,110	2,184	10	22,451
Inter-segment revenue	852	7,961	-	1,110	9,923
Segment profit/ (loss)	7,466	354	(697)	(767)	6,356
Segment assets	205,317	206,850	7,648	39,129	458,944
<b>For the financial period ended 31 March 2010 (restated)</b>					
External revenue	49,549	4,018	89	573	54,229
Inter-segment revenue	618	12,779	175	-	13,572
Segment profit/ (loss)	12,153	60	(503)	124	11,834
Segment assets	223,974	145,394	1,302	1,516	372,186

## IVORY PROPERTIES GROUP BERHAD (673211 – M)

### UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

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

##### A10 Subsequent Material Events

There were no material events or transactions subsequent to the end of the current financial quarter ended 31 March 2011 till 20 May 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

##### A11 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.

##### 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.

##### A13 Capital Commitments

The amount of capital commitments as at 31 March 2011 are as follows:-

	RM'000
<b>Contracted but not provided for:-</b>	
- Purchase of property, plant and equipment	1,702
- Purchase of investment properties	939
- Purchase of development land	67,900
- Purchase of ordinary shares of TTG *	26,353
	<u>96,894</u>

\* The contract was entered by one of the Group's wholly owned subsidiary, Ivory Associates Sdn Bhd on 15 September 2010, to purchase an additional 847,059 ordinary shares of RM1.00 each in the share capital of Tanjung Tokong Garden Development Sdn Bhd (TTG). TTG is the registered and beneficial owner of all that pieces of land known as Lot Nos. 1599, 1602 and 1603, all in Seksyen 2, Bandar Tanjung Tokong, Daerah Timur Laut, Pulau Pinang and measuring approximately 9,365 square metres (the said Land). The Proposed Project development land comprising the said Land and Lot 435 measuring 439 square metres which is beneficially owned by Ivory Associates Sdn Bhd. The Proposed Project development land was valued at a market value of RM52,000,000 on 8 September 2010.

##### A14 Capital Expenditure

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

##### A15 Significant Related Party Transactions

There were no significant related party transactions entered into by the Group during the current financial quarter and financial period-to-date.



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

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

**B1 Review of Performance**

The Group recorded revenue of RM22.5 million and profit before tax of RM6.4 million for the current financial quarter to-date as compared to RM54.2 million and RM11.8 million respectively in the preceding year's corresponding quarter.

The decrease in the Group's revenue is mainly due to the decrease in sales of completed units for current financial quarter. In the preceding year's corresponding quarter, the Group achieved substantial sales of completed units from Penang Times Square – Phase 1, The View Twin Towers and Tanjung Park projects. In addition, Moonlight Bay project which was completed in September 2010 had contributed to the increase in the Group's revenue in the preceding year's corresponding quarter.

The Group's gross profit margin increased mainly due to higher Gross Development Value for Penang Times Square - Phase 2 project as compared to the preceding year's corresponding quarter.

Despite the decrease in revenue, the Group's profit before tax decreased only slightly mainly due to improvement in project profit margins and higher share of results of associated companies in the current financial quarter.

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

The Group's current financial quarter profit before tax is RM6.4 million as compared to RM13.8 million in the immediate preceding quarter. The decrease in profit before tax is mainly due the cost of mall enhancement incurred at Penang Times Square – Phase 1 and the effect of share of results of associated companies as compared to the immediate preceding quarter.

**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 2011 to be favourable.

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

The Group did not issue any profit forecast nor profit guarantee for the period under review.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

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

**B5 Taxation**

The taxation for the Group comprised of the following:-

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>Current Quarter 31.03.2011 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2010 RM'000</b>	<b>Current Year- to-Date 31.03.2011 RM'000</b>	<b>Preceding Year Corresponding Period 31.03.2010 RM'000</b>
Current income tax Malaysian - Current year	1,237	3,049	1,237	3,049
Deferred taxation	6	-	6	-
	<b>1,243</b>	<b>3,049</b>	<b>1,243</b>	<b>3,049</b>

The effective tax rate for the current quarter and financial period-to-date was higher than the statutory tax rate 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 period-to-date under review. The Group did not hold any quoted securities as at 31 March 2011.

**B8 Status of Corporate Proposals**

There were no corporate proposals that have been announced but not yet completed during the current financial quarter and financial period-to-date under review.



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

**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 31 March 2011 are as follows:-

	<b>Secured RM'000</b>
<i>Long Term Borrowings</i>	
Term Loans & Bridging Loans	74,440
Hire purchase	6,842
	<hr/> 81,282
<i>Short Term Borrowings</i>	
Term Loans & Bridging Loans	34,947
Hire purchase	3,015
Overdrafts	7,932
	<hr/> 45,894
<b>Total</b>	<hr/> <b>127,176</b> <hr/>

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.

**B11 Material Litigation**

Save as disclosed below, as at 27 May 2011, the Group is not engaged in any material litigation:-

Penang High Court Civil Suit No. 22-240-2008

Ivory Indah Sdn Bhd vs Krishna Kumar S/O T.N. Sharma

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 Company has filed for Summary Judgment to enforce the contract Specifically and the same is fixed for hearing on 7th July 2011.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

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

**B12 Dividend**

No interim ordinary dividend has been declared for the financial period ended 31 March 2011.

**B13 Basic Earnings per Share**

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

	<b>Individual Period</b>		<b>Cumulative period</b>	
	<b>Current Quarter 31.03.2011</b>	<b>Preceding Year Corresponding Quarter 31.03.2010</b>	<b>Current Year-to-Date 31.03.2011</b>	<b>Preceding Year Corresponding Period 31.03.2010</b>
Profit attributable to equity holders of the Company (RM'000)	5,113	8,785	5,113	8,785
Weighted average number of ordinary shares in issue ('000)	186,000	141,100	186,000	141,100
<b>Basic earnings per share (sen)</b>	<b>2.75</b>	<b>6.22</b>	<b>2.75</b>	<b>6.22</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.



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

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

**B14 Realised and Unrealised Profits**

Bursa Malaysia Securities Berhad (“Bursa”) has on 25 March 2010 issued a directive which requires all listed companies to disclose a breakdown of the retained earnings as at the end of the reporting period, into realised and unrealised profits or losses, for the purpose of greater transparency. The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa, is as follows:

	<b>As at 31.03.11 RM'000</b>	<b>As at 31.12.10 RM'000</b>
Total retained earnings of Ivory Properties Group Berhad and its subsidiaries:		
- Realised gain	142,819	140,677
- Unrealised loss	(1,363)	(1,357)
	<hr/> 141,456	<hr/> 139,320
Total share of retained earnings of associates:		
- Realised gain	8,448	5,436
- Unrealised loss	(3)	(3)
	<hr/> 149,901	<hr/> 144,753
Less: Consolidated adjustments	(66,755)	(66,720)
Total Group retained earnings	<hr/> <b>83,146</b>	<hr/> <b>78,033</b>

**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 27 May 2011.

By order of the Board of Directors

Lam Voon Kean  
Company Secretary  
27 May 2011