

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 31.03.2012 RM'000</b>	<b>Audited As at 31.12.2011 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	49,817	49,983
Investment properties	53,674	49,719
Land held for property development	75,992	75,980
Intangible assets	607	613
Investment in associates	25,180	21,515
Investment in joint venture	11,785	10,925
Deferred tax asset	322	322
<b>Total non-current assets</b>	<b>217,377</b>	<b>209,057</b>
Property development costs	103,993	102,404
Inventories	168,410	168,397
Current tax assets	669	668
Trade and other receivables	89,988	101,795
Cash and cash equivalents	13,936	24,722
<b>Total current assets</b>	<b>376,996</b>	<b>397,986</b>
<b>Total assets</b>	<b>594,373</b>	<b>607,043</b>
<b>Equity</b>		
Share capital	93,000	93,000
Share premium	20,766	20,766
Retained earnings	106,007	102,497
<b>Equity attributable to owners of the company</b>	<b>219,773</b>	<b>216,263</b>
<b>Non-controlling interest</b>	<b>(35)</b>	<b>(15)</b>
<b>Total equity</b>	<b>219,738</b>	<b>216,248</b>
<b>Liabilities</b>		
Loans and borrowings	114,106	124,599
Deferred tax liabilities	10,195	10,179
<b>Total non-current liabilities</b>	<b>124,301</b>	<b>134,778</b>
Loans and borrowings	57,012	55,204
Trade and other payables	187,859	193,441
Current tax liabilities	5,463	7,372
<b>Total current liabilities</b>	<b>250,334</b>	<b>256,017</b>
<b>Total liabilities</b>	<b>374,635</b>	<b>390,795</b>
<b>Total equity and liabilities</b>	<b>594,373</b>	<b>607,043</b>
<b>Net assets per share attributable to ordinary equity holders of the company (RM)*</b>	<b>1.18</b>	<b>1.16</b>

\* 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 2011 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 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year-To-Date 31.03.2012 RM'000	Preceding Year Corresponding Period 31.03.2011 RM'000
Revenue	24,102	27,327	24,102	27,327
Cost of sales	(18,337)	(14,057)	(18,337)	(14,057)
<b>Gross profit</b>	<b>5,765</b>	<b>13,270</b>	<b>5,765</b>	<b>13,270</b>
Other operating expenses	(9,220)	(9,851)	(9,220)	(9,851)
Other operating income	6,561	988	6,561	988
<b>Results from operating activities</b>	<b>3,106</b>	<b>4,407</b>	<b>3,106</b>	<b>4,407</b>
Finance costs	(2,949)	(936)	(2,949)	(936)
Share of profit/(loss) of equity accounted investees, net of tax				
- associates	3,698	2,885	3,698	2,885
- jointly controlled entity	(82)	-	(82)	-
<b>Profit before tax</b>	<b>3,773</b>	<b>6,356</b>	<b>3,773</b>	<b>6,356</b>
Tax expense	(283)	(1,243)	(283)	(1,243)
<b>Profit for the period</b>	<b>3,490</b>	<b>5,113</b>	<b>3,490</b>	<b>5,113</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>3,490</b>	<b>5,113</b>	<b>3,490</b>	<b>5,113</b>
<b>Profit attributable to:</b>				
Owners of the Company	3,510	5,113	3,510	5,113
Non-controlling interests	(20)	-	(20)	-
	<b>3,490</b>	<b>5,113</b>	<b>3,490</b>	<b>5,113</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,510	5,113	3,510	5,113
Non-controlling interests	(20)	-	(20)	-
	<b>3,490</b>	<b>5,113</b>	<b>3,490</b>	<b>5,113</b>
<b>Earnings per share attributable to the owners of the Company:</b>				
Basic (sen)	1.89	2.75	1.89	2.75

Certain comparative figures have been restated to conform with the audited financial statements for financial year ended 31 December 2011.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 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 2012**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company					Non-controlling interests RM'000	Total equity RM'000
	Non-distributable		Distributable		Total RM'000		
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000				
<b>Balance at 1 January 2012</b>	93,000	20,766	102,497	216,263	(15)	216,248	
Total comprehensive income for the period	-	-	3,510	3,510	(20)	3,490	
<b>Balance at 31 March 2012</b>	<b>93,000</b>	<b>20,766</b>	<b>106,007</b>	<b>219,773</b>	<b>(35)</b>	<b>219,738</b>	
<b>Balance at 1 January 2011</b>	93,000	20,766	78,033	191,799	-	191,799	
Total comprehensive income for the period	-	-	5,113	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>-</b>	<b>196,912</b>	

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 2011 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 2012**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-to- date 31.03.2012 RM'000</b>	<b>Preceding year corresponding period 31.03.2011 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	3,773	6,356
Adjustments for:-		
Non-cash items	1,710	1,252
Non-operating items	(646)	(2,106)
Operating profit before changes in working capital	<u>4,837</u>	<u>5,502</u>
Net change in assets	10,203	6,295
Net change in liabilities	(5,581)	(27,084)
Cash from/(used in) operations	<u>9,459</u>	<u>(15,287)</u>
Tax paid	(2,176)	(833)
<b>Net cash from/(used in) operating activities</b>	<b><u>7,283</u></b>	<b><u>(16,120)</u></b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	12	30
Investment in joint venture	(942)	-
Proceeds received from disposal of property, plant and equipment	38	185
Addition to land held for property development	(12)	(11)
Purchase of investment properties	(4,401)	(1,176)
Purchase of property, plant and equipment	(1,130)	(2,654)
Withdrawal of fixed deposit	10	-
<b>Net cash used in investing activities</b>	<b><u>(6,425)</u></b>	<b><u>(3,626)</u></b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(2,949)	(936)
Drawdown of loans	-	28,616
Repayment of borrowings	(10,214)	(10,235)
<b>Net cash from financing activities</b>	<b><u>(13,163)</u></b>	<b><u>17,445</u></b>
Net decrease in cash and cash equivalents	(12,305)	(2,301)
Cash and cash equivalents at beginning of period	19,392	4,457
<b>Cash and cash equivalents at end of period</b>	<b><u>7,087</u></b>	<b><u>2,156</u></b>
<b><u>Cash and cash equivalents comprise the following:-</u></b>		
Cash and bank balances	9,109	7,598
Deposit with licensed banks (excluding deposit pledge)	2,822	2,490
Bank overdrafts	(4,844)	(7,932)
	<b><u>7,087</u></b>	<b><u>2,156</u></b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 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 2012**

**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 2011 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 2011. 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 2011.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group:

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012**

- Amendments to FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2013**

- FRS 10, Consolidated Financial Statements
- FRS 11, Joints Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014**

- Amendments to FRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**A2 Changes in Accounting Policies (*Cont’d*)**

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015**

- FRS 9, Financial Instruments (2009)
- FRS 9, Financial Instruments (2010)
- Amendments to FRS 7, Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

**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 2011.

**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 2012**

**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.

	<b>Property development and management RM '000</b>	<b>Construction contracts RM '000</b>	<b>Food and beverage RM '000</b>	<b>Investment holding and Others RM '000</b>	<b>Total RM '000</b>
<b>For the financial period ended 31 March 2012</b>					
External revenue	6,645	15,935	446	1,076	24,102
Inter-segment revenue	536	-	-	1,233	1,769
Segment profit/ (loss)	4,248	523	(239)	(759)	3,773
Segment assets (excluding associates and joint venture)	336,804	170,964	9,969	39,671	557,408
<b>For the financial period ended 31 March 2011 (restated)</b>					
External revenue	15,147	9,986	2,184	10	27,327
Inter-segment revenue	852	7,961	-	1,110	9,923
Segment profit/ (loss)	7,466	354	(697)	(767)	6,356
Segment assets (excluding associates)	205,317	206,850	7,648	39,129	458,944



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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**A10 Subsequent Material Events**

On 6 April 2012, a wholly-owned subsidiary of the Company, Ivory Associates Sdn Bhd entered into a Sale and Purchase Agreement with Syarikat Maamor Yuna Sawit Sdn. Bhd to dispose all freehold parcels of land held under Geran 82900 Lot 17822 & Geran 82901 Lot 17823 Tempat Hulu Bernam Timur, Mukim Hulu Bernam Timur, Daerah Batang Padang, Negeri Perak, GRN 2565 Lot 17824 Mukim Hulu Bernam Timur, Daerah Batang Padang, Negeri Perak, GRN 1002 Lot 3448, GRN 1003 Lot 3449, GRN 1005 Lot 3451, GRN 1009 Lot 3455, GRN 1010 Lot 3456, GRN 1031 Lot 3477, all in Tempat Ulu Bernam East, Mukim Hulu Bernam Timur and GRN 1072 Lot 4426 Mukim Hulu Bernam Timur, Daerah Batang Padang, Negeri Perak measuring approximately 497.6057 acres in total for a total consideration of RM38,000,000. Gain arising from the disposal of the land is estimated at RM10,900,000. The Disposal is expected to be completed within 3 months upon the written approval of the Estate Land Board of Perak for the transfer of the said Lands or by the middle of year 2013, whichever is earlier.

There were no other material events or transactions subsequent to the end of the current financial quarter ended 31 March 2012 to 24 May 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), except as disclosed above and in Note A11 & Note B6.

**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 except on 2 April 2012, the Company completed its acquisition of the remaining 51% equity interest in Ivory Villas Sdn Bhd (“IVSB”). Following this, IVSB became a wholly-owned subsidiary of the Company.

**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 material capital commitments as at 31 March 2012 are as follows:-

	<b>RM'000</b>
<b>Contracted but not provided for:-</b>	
- Purchase of development land	67,900
- Purchase of development land pursuant to the Purchase & Development Agreement dated 11 Nov 2011	961,909*
	<u>1,029,809</u>

\* Inclusive subsequent payment of RM11,719,000 on 4 May 2012 and capital commitments of RM950,190,000 that exceeds 1 year.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**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 2012**

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

**B1 Review of Performance**

	<b>Current Year Quarter 31.03.2012</b>	<b>Immediate Preceding Quarter 31.12.2011</b>	<b>Preceding Year Corresponding Quarter 31.03.2011</b>	<b>Current Year-To-Date 31.03.2012</b>	<b>Preceding Year Corresponding Period 31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>		<b>(Restated)</b>	<b>(Restated)</b>		<b>(Restated)</b>
- Property development and management	6,645	(32,791)	15,147	6,645	15,147
- Construction contracts	15,935	25,944	9,986	15,935	9,986
- Food and beverage	446	806	2,184	446	2,184
- Investment holding and Others	1,076	291	10	1,076	10
<b>Total</b>	<b>24,102</b>	<b>(5,750)</b>	<b>27,327</b>	<b>24,102</b>	<b>27,327</b>

<b>Profit before tax</b>					
- Property development and management	4,248	9,046	7,466	4,248	7,466
- Construction contracts	523	1,118	354	523	354
- Food and beverage	(239)	(846)	(697)	(239)	(697)
- Investment holding and Others	(759)	(1,954)	(767)	(759)	(767)
<b>Total</b>	<b>3,773</b>	<b>7,364</b>	<b>6,356</b>	<b>3,773</b>	<b>6,356</b>

**Comparison between current year quarter and preceding year corresponding quarter**

**Revenue:**

The Group recorded revenue of RM24.1 million for current financial quarter to-date as compared to RM27.3 million in the preceding year's corresponding quarter. The revenue for property development and management segment decreased substantially as there are only a few smaller development projects in progress. In comparison, the preceding year's corresponding quarter saw Penang Times Square phase 2 ("PTS 2") project still in progress in addition to better sales achieved by the Group from completed units in Moonlight Bay and The View Twin Towers projects.

The decrease in revenue is supplemented by the contribution generated from the construction contracts segment. The increase in construction contracts revenue was mainly derived from The Peak ("TP") and Island Resort phase 2 ("IR 2") projects, which were developed by the Group's associated companies. Both TP and IR 2 were progressing well in current financial quarter.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**B1 Review of Performance (Cont'd)**

The food and beverage segment posted decrease in revenue as a result from the temporary cessation of operation of its Soju Club at the end of November 2011. The Soju Club is in the midst of transforming itself to a much bigger operation outlet to cope with the increasing demand. Higher revenue achieved in the preceding year's corresponding quarter was mainly due to the substantial revenue generated in the month of the Food Gallery opening in March 2011.

The revenue of investment holding and others segment was mainly contributed by the Group's furniture and interior design division, in which it has secured revenue in interior design works subsequent to the completion of PTS 2.

**Profit before Tax:**

The current year quarter ended 31 March 2012 recorded profit before tax of RM3.8 million as compared to RM6.4 million in the preceding year's corresponding quarter ended 31 March 2011. The decrease in profit before tax was mainly due to the decrease in revenue as explained above.

Despite the decrease in sales due to the reasons mentioned in earlier section, the profit before tax in property development and management segment is relatively higher in the current financial quarter. This was mainly due to the forfeiture of deposits received following the reversal of en block sales in PTS 2 and Moonlight Bay projects as at the end of financial year 2011.

The construction contracts segment recorded relatively higher profit before tax in the current financial quarter which is consistent with the increase in revenue. The loss before tax in the food and beverage segment was mitigated mainly due to reduction in administrative expenses and overhead.

During the current financial quarter, investment holding and others segment incurred higher administrative expenses and overhead which offset the earning generated from furniture and interior design division.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

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

The Group recorded revenue of RM24.1 million for the current financial quarter to-date as compared to the negative revenue of RM5.8 million in the immediate preceding quarter.

Current financial quarter's revenue was mainly contributed by revenue generated from the construction contracts segment as explained in Note B1. The negative revenue in the immediate preceding quarter was due to the reversal of revenue in property development and management segment, on en bloc sales in PTS 2, and 3 units of Moonlight Bay projects amounting to about RM37.6 million. The en bloc sales agreement was entered into when the project was still under construction and thus, revenue, cost of sales as well as the profits were recognised progressively. As at 31 December 2011, in view of the uncertainty with the financing arrangement between the buyers and their financial institutions, the revenue in particular as well as its cost of sales was reversed.

The Group recorded profit before tax of RM3.8 million for the current financial quarter as opposed to RM7.4 million for the immediate preceding quarter ended 31 December 2011. The details are explained in Note B1.

Be that as it may, despite the decrease in revenue in the immediate preceding quarter due to the reasons as mentioned above, the profit before tax was relatively higher especially in property development and management segment. This was due to the completion of PTS phase 2 with the final approved amendment plan where the saleable commercial areas have been considerably increased, hence giving rise to the increase in GDV of the PTS phase 2. This was then translated to higher profit recognition in the immediate preceding quarter.

**B3 Prospects for the current financial year**

A few exclusive development projects have been and will be launched throughout the current financial year 2012. These projects which include Bayan Mutiara will bring the Group to another height in terms of earnings and cash flow.

Barring unforeseen circumstances, the Board of Directors expects its business prospects for the financial year ending 31 December 2012 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 2012**

**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:-

	Individual Period		Cumulative Period	
	Current Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year- to-Date 31.03.2012 RM'000	Preceding Year Corresponding Period 31.03.2011 RM'000
Current income tax Malaysian - Current year	267	1,237	267	1,237
Deferred taxation	16	6	16	6
	<b>283</b>	<b>1,243</b>	<b>283</b>	<b>1,243</b>

The effective tax rate (excluding share of profit/(loss) from associated companies and joint-venture company) for the current quarter and financial year-to-date was higher than the statutory tax rate mainly due to certain expenses being not deductible for tax purpose.

**B6 Status of Corporate Proposals**

**B6.1 Status of Corporate Proposals - Proposed Purchase and Development Agreement (“PDA”), Proposed Joint Venture, Proposed Rights Issue, Proposed Bonus Issue, Proposed Provision of Financial Assistance, Proposed Increase in Authorised Share Capital, Proposed Amendments to the Memorandum & Articles of Association and Proposed Acquisition of IVSB (“Proposals”)**

There were no corporate proposals that have been announced but not yet completed during the current financial quarter and financial year-to-date under review, except for the following proposals which were announced by the Company on the following dates:-

B6.1.1 On 5 March 2012, an Extraordinary General Meeting (EGM) was held in which the shareholders of the Company approved all the resolutions in respect of the Proposals;

B6.1.2 On 25 April 2012, the Company had announced that as at the close of acceptance and payment for the Rights Issue on 17 April 2012, the total acceptances and excess applications received for the Rights Issue was for 235,109,035 Rights Shares. This represented a subscription level of approximately 126.40% of the 186,000,000 Rights Shares available for acceptance under the Rights Issue.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**B6 Status of Corporate Proposals (Cont'd)**

**B6.1 Status of Corporate Proposals - Proposed Purchase and Development Agreement (“PDA”), Proposed Joint Venture, Proposed Rights Issue, Proposed Bonus Issue, Proposed Provision of Financial Assistance, Proposed Increase in Authorised Share Capital, Proposed Amendments and Proposed Acquisition (“Proposals”) (Cont'd)**

B6.1.3 On 27 April 2012, the Company issued:

- 186,000,000 new Ivory Shares and 186,000,000 free detachable Warrants pursuant to the Rights Issue; and
- 46,500,000 new Ivory Shares pursuant to the Bonus Issue.  
(collectively referred to as “New Ivory Shares and Warrants”)

B6.1.4 The New Ivory Shares and Warrants were listed on 2 May 2012. The Warrants may be exercised at any time within a period of five (5) years from date of issue (“Exercise Period”). The Warrants will carry entitlement to subscribe for one (1) new Ivory Share at the exercise price of RM0.75 per Warrant. Any Warrant not exercised during the Exercise Period will lapse and cease to be valid for any purpose.

**B6.2 Status of Utilisation of Proceeds**

The proceeds of RM102.3 million from the Rights Issue has been utilized in the following manner as at the latest practicable date of this report:-

<b>Purpose</b>	<b>Expected Timeframe for Utilization of Proceed from Rights Issue</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>
(i) PDA	12 months	25,000	20,274	4,726
(ii) Working capital	12 months	39,300	30,193	9,107
(iii) Acquisition of IVSB	3 months	20,000	20,000	-
(iv) Repayment of bank borrowings	6 months	15,000	15,000	-
(v) Estimated expenses related to Corporate Exercises	6 months	3,000	2,956	44
<b>Total</b>		<b>102,300</b>	<b>88,423</b>	<b>13,877</b>

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**B7 Borrowings and Debt Securities**

Details of the Group's borrowings as at 31 March 2012 are as follows:-

	<b>Secured RM'000</b>
<i>Long Term Borrowings</i>	
Term Loans & Bridging Loans	109,872
Hire purchase	4,234
	<hr/> 114,106 <hr/>
<i>Short Term Borrowings</i>	
Term Loans & Bridging Loans	49,273
Hire purchase	2,895
Overdrafts	4,844
	<hr/> 57,012 <hr/>
<b>Total</b>	<hr/> <b>171,118</b> <hr/>

The Group has no foreign currency borrowings.

**B8 Material Litigation**

Save as disclosed below, as at 31 May 2012, the Group is not engaged in any material litigation:-

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

Ivory Indah Sdn Bhd (“IISB”) vs Krishna Kumar S/O T.N. Sharma

IISB has filed this case in its capacity as plaintiff against, Krishna Kumar S/O T.N. Sharma (“the Defendant”), 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 (“the 1272 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 1272 Land. The Defendant is counterclaiming to declare the agreements for the sale and purchase of the 1272 Land as null and void and to claim for loss of profit.

IISB has filed for Summary Judgement to enforce the contract specifically. On 19 September 2011, the Penang High Court gave judgement and ordered Specific Performance of the agreements dated 6 August 2007 and 30 January 2008 in favor of IISB.



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

**B8 Material Litigation (Cont'd)**

The Appeal by the Defendant was heard on 2 February 2012 and the Court of Appeal had struck out the Appeal.

Accordingly, IISB is currently in the process of following through the completion of the Sale and Purchase Agreement.

**B9 Dividend**

No interim ordinary dividend has been declared for the financial period ended 31 March 2012.

**B10 Basic Earnings per Share**

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

	Individual Period		Cumulative period	
	Current Quarter 31.03.2012	Preceding Year Corresponding Quarter 31.03.2011	Current Year-to-Date 31.03.2012	Preceding Year Corresponding Period 31.03.2011
Profit attributable to owners of the Company (RM'000)	3,510	5,113	3,510	5,113
Weighted average number of ordinary shares in issue ('000)	186,000	186,000	186,000	186,000
<b>Basic earnings per share (sen)</b>	<b>1.89</b>	<b>2.75</b>	<b>1.89</b>	<b>2.75</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 2012**

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

**B11 Profit before tax**

	Individual Period		Cumulative period	
	Current Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year-to-Date 31.03.2012 RM'000	Preceding Year Corresponding Period 31.03.2011 RM'000
Depreciation of property, plant and equipment	1,255	1,011	1,255	1,011
Depreciation of investment properties	446	420	446	420
Amortisation of intangible assets	5	5	5	5
Interest expense	2,949	936	2,949	936
Interest income	12	30	12	30
Rental income from property	1,887	367	1,887	367

Other than the above items, there were no impairment of assets, provision for and write off of receivables and inventories and exceptional items for the current financial quarter and financial period to-date.

**B12 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:

	As at 31.03.12 RM'000	As at 31.03.11 RM'000
Total retained earnings of Ivory Properties Group Berhad and its subsidiaries:		
- Realised gain	168,120	142,819
- Unrealised loss	(9,873)	(1,363)
	<u>158,247</u>	<u>141,456</u>
Total share of retained earnings of associates:		
- Realised gain	23,045	8,448
- Unrealised loss	(4)	(3)
	<u>181,288</u>	<u>149,901</u>
Total share of retained earnings of joint venture:		
- Realised loss	(106)	-
	<u>181,182</u>	<u>149,901</u>
Less: Consolidated adjustments	(75,175)	(66,755)
Total Group retained earnings	<u><b>106,007</b></u>	<u><b>83,146</b></u>

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

**B13 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 31 May 2012.

By order of the Board of Directors

Ong Tze-En  
(MAICSA 7026537)  
Company Secretary  
31 May 2012