

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 30.06.2012 RM'000	Audited As at 31.12.2011 RM'000
Assets		
Property, plant and equipment	54,344	49,983
Investment properties	54,246	49,719
Land held for property development	86,399	75,980
Intangible assets	602	613
Investment in associates	8,924	21,515
Investment in joint venture	23,237	10,925
Deferred tax asset	322	322
Total non-current assets	228,074	209,057
Property development costs	275,079	102,404
Inventories	167,448	168,397
Current tax assets	210	668
Trade and other receivables	123,951	101,795
Cash and cash equivalents	42,346	24,722
Total current assets	609,034	397,986
Total assets	837,108	607,043
Equity		
Share capital	204,164	93,000
Share premium	-	20,766
Warrant reserve	27,900	-
Retained earnings	130,907	102,497
Equity attributable to owners of the company	362,971	216,263
Non-controlling interest	(62)	(15)
Total equity	362,909	216,248
Liabilities		
Loans and borrowings	103,501	124,599
Deferred tax liabilities	27,350	10,179
Total non-current liabilities	130,851	134,778
Loans and borrowings	153,893	55,204
Trade and other payables	180,518	193,441
Current tax liabilities	8,937	7,372
Total current liabilities	343,348	256,017
Total liabilities	474,199	390,795
Total equity and liabilities	837,108	607,043
Net assets per share attributable to ordinary equity holders of the company (RM)	0.81**	1.16*

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

** Computed based on 445,527,027 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 30 JUNE 2012
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Year- To-Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Revenue	47,195	66,298	71,297	93,625
Cost of sales	(41,514)	(46,028)	(59,851)	(60,085)
Gross profit	5,681	20,270	11,446	33,540
Other operating expenses	(13,639)	(13,062)	(22,859)	(22,913)
Other operating income	38,509	2,178	45,070	3,166
Results from operating activities	30,551	9,386	33,657	13,793
Finance costs	(2,773)	(1,151)	(5,722)	(2,087)
Share of profit/(loss) of equity accounted investees, net of tax				
- associates	1,031	3,513	4,729	6,398
- jointly controlled entity	(172)	-	(254)	-
Profit before tax	28,637	11,748	32,410	18,104
Tax expense	(1,280)	(2,156)	(1,563)	(3,399)
Profit for the period	27,357	9,592	30,847	14,705
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	27,357	9,592	30,847	14,705
Profit attributable to:				
Owners of the Company	27,384	9,592	30,894	14,705
Non-controlling interests	(27)	-	(47)	-
	27,357	9,592	30,847	14,705
Total comprehensive income attributable to:				
Owners of the Company	27,384	9,592	30,894	14,705
Non-controlling interests	(27)	-	(47)	-
	27,357	9,592	30,847	14,705
Earnings per share attributable to the owners of the Company:				
Basic (sen)	7.25	5.16	10.96	7.91

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 30 JUNE 2012
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable		Distributable				
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Retained earnings RM'000			
Balance at 1 January 2012	93,000	20,766	-	102,497	216,263	(15)	216,248
Total comprehensive income for the period	-	-	-	30,894	30,894	(47)	30,847
Right issue *	93,000	9,300	-	-	102,300	-	102,300
Transfer	(18,600)	(9,300)	27,900	-	-	-	-
Bonus issue *	23,250	(20,766)	-	(2,484)	-	-	-
Acquisition of associates *	13,514	2,162	-	-	15,676	-	15,676
Share issue expenses	-	(2,162)	-	-	(2,162)	-	(2,162)
Balance at 30 June 2012	204,164	-	27,900	130,907	362,971	(62)	362,909
Balance at 1 January 2011	93,000	20,766	-	78,033	191,799	-	191,799
Total comprehensive income for the period	-	-	-	14,705	14,705	-	14,705
Balance at 30 June 2011	93,000	20,766	-	92,738	206,504	-	206,504

* *Issuance of ordinary shares*

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 30 JUNE 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year-to-date 30.06.2012 RM'000	Preceding year corresponding period 30.06.2011 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	32,410	18,104
Adjustments for:-		
Non-cash items	5,409	2,750
Non-operating items	(35,402)	(5,403)
Operating profit before changes in working capital	<u>2,417</u>	<u>15,451</u>
Net change in assets	11,786	3,600
Net change in liabilities	(18,372)	(28,135)
Cash used in operations	(4,169)	(9,084)
Tax paid	(5,235)	(1,296)
Net cash used in operating activities	<u>(9,404)</u>	<u>(10,380)</u>
<u>Cash flows from investing activities</u>		
Interest received	35	47
Investment in joint venture	(12,566)	-
Proceeds received from disposal of property, plant and equipment	41	215
Addition to land held for property development	(18)	(11)
Purchase of investment properties	(5,436)	(1,202)
Purchase of property, plant and equipment	(6,901)	(4,836)
Acquisition of subsidiaries, net of cash	(2,635)	(37,400)
Withdrawal of fixed deposit	700	-
Net cash used in investing activities	<u>(26,780)</u>	<u>(43,187)</u>
<u>Cash flows from financing activities</u>		
Interest paid	(5,722)	(2,087)
Proceeds from rights issue	102,300	-
Drawdown of loans	2,299	75,243
Repayment of borrowings	(42,820)	(17,425)
Payment of share issue expenses	(2,162)	-
Net cash from financing activities	<u>53,895</u>	<u>55,731</u>
Net increase in cash and cash equivalents	17,711	2,164
Cash and cash equivalents at beginning of period	19,392	4,457
Cash and cash equivalents at end of period	<u>37,103</u>	<u>6,621</u>
Cash and cash equivalents comprise the following:-		
Cash and bank balances	37,812	7,197
Deposit with licensed banks (excluding deposit pledge)	3,219	2,490
Bank overdrafts	(3,928)	(3,066)
	<u>37,103</u>	<u>6,621</u>

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 30 JUNE 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

IVORY PROPERTIES GROUP BERHAD (673211 – M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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

**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

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 30 JUNE 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 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 on the current financial quarter’s results.

A7 Debt and Equity Securities

Save as disclosed below, there were no issuances, 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:

<u>Date</u>	<u>Item</u>	<u>No. of Ordinary Shares</u>
02 April 2012	Consideration shares arising from acquisition of Ivory Villas Sdn Bhd (“IVSB”)	27,027,027
27 April 2012	Rights Issue	186,000,000
27 April 2012	Bonus Issue	46,500,000
	Total	<u>259,527,027</u>

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 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.

	Property development and management RM '000	Construction contracts RM '000	Food and beverage RM '000	Investment holding and Others RM '000	Total RM '000
For the financial period ended 30 June 2012					
External revenue	46,207	22,561	911	1,618	71,297
Inter-segment revenue	1,388	17,689	-	2,376	21,453
Segment profit/ (loss)	35,893	340	(601)	(3,222)	32,410
Segment assets (excluding associates and joint venture)	559,905	205,222	14,635	25,185	804,947
For the financial period ended 30 June 2011 (restated)					
External revenue	61,353	27,372	4,833	67	93,625
Inter-segment revenue	1,916	5,709	-	2,466	10,091
Segment profit/ (loss)	13,143	561	(1,411)	5,811	18,104
Segment assets (excluding associates)	259,308	236,776	8,137	14,587	518,808

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

**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 30 June 2012 to 23 August 2012 (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 except for the followings:-

- (i) The Company had on 2 April 2012 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.
- (ii) The Company had on 21 June 2012 reduced its equity interest in Ivory Residence Sdn Bhd (“IRSB”) from 100% to 51% (“Divestment”). The Divestment was effected through renunciation of rights to take up 49% of new shares allotted by IRSB.

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 30 June 2012 are as follows:-

	RM’000
Contracted but not provided for:-	
- Purchase of property, plant & equipment	3,017
- Purchase of development land	67,900
- Purchase of development land pursuant to the Purchase & Development Agreement dated 11 November 2011	950,190
	<u>1,021,107</u>

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 30 JUNE 2012****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING
REQUIREMENTS****B1 Review of Performance**

	Current Year Quarter 30.06.2012 RM'000	Immediate Preceding Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Year-To- Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Revenue					
- Property development and management	39,562	6,645	46,206	46,207	61,353
- Construction contracts	6,626	15,935	17,386	22,561	27,372
- Food and beverage	465	446	2,649	911	4,833
- Investment holding and Others	542	1,076	57	1,618	67
Total	47,195	24,102	66,298	71,297	93,625
Profit/(Loss) before tax					
- Property development and management	31,645	4,248	5,677	35,893	13,143
- Construction contracts	(183)	523	207	340	561
- Food and beverage	(362)	(239)	(715)	(601)	(1,411)
- Investment holding and Others	(2,463)	(759)	6,579	(3,222)	5,811
Total	28,637	3,773	11,748	32,410	18,104

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

The Group recorded revenue of RM47.2 million for current financial quarter as compared to RM66.3 million in the preceding year's corresponding quarter.

On the segmental results, the revenue for property development and management segment decreased due to the recognition of the Penang Times Square phase 2 ("PTS 2") project in the preceding year's corresponding quarter, which has since been completed in year 2011. For the current quarter, majority of the revenue was derived from The Peak Residences project, which was developed by Ivory Villas Sdn. Bhd. ("IVSB"). Following the completion of the acquisition of the remaining 51% equity interest in IVSB by the Company, IVSB has become a wholly-owned subsidiary of the Company. As such, the revenue of IVSB has been consolidated into the Group's financial statements.

The decrease in construction contracts segment was mainly due to the revenue derived from IVSB which was previously an associated company of the Group, now has been eliminated upon becoming a wholly-owned subsidiary of the Company.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 a decrease in revenue as a result of the temporary closure of Soju Club at the end of November 2011. Soju Club has since resumed its operations as Soju Room subsequent to the current quarter.

Profit before Tax:

The current year quarter ended 30 June 2012 recorded profit before tax of RM28.6 million as compared to RM11.7 million in the preceding year's corresponding quarter ended 30 June 2011. The increase in profit before tax was mainly due to the recognition of fair value gain and negative goodwill amounting to approximately RM36.6 million arising from the acquisition of IVSB. The acquisition has been accounted for using the acquisition method of accounting. The fair values of assets and liabilities arising from the acquisition of IVSB have been determined on a provisional basis as the process of identification and valuation of development properties, if any, is still in progress as at 30 June 2012.

The marginal loss before tax in construction contracts segment was due to the decrease in revenue as explained above.

The profit before tax in investment holding and others segment in preceding year's corresponding quarter was due to the recognition of negative goodwill amounting to about RM8.1 million, arising from the acquisition of TTG Holdings Sdn. Bhd., which principal activity is investment.

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

The Group recorded revenue of RM47.2 million for the current financial quarter as compared to the revenue of RM24.1 million in the immediate preceding quarter.

The current financial quarter's revenue was mainly contributed by revenue generated from the property development and management and construction contracts segments as explained in Note B1.

The Group recorded profit before tax of RM28.6 million for the current financial quarter as compared to RM3.8 million for the immediate preceding quarter ended 31 March 2012. The details are explained in Note B1.

B3 Prospects for the current financial year

The Latitude project, the second phase next to The Peak Residences, developed by IVSB, was launched in April 2012. In addition, the much anticipated City Residence and City Mall projects which will be launched by 4th quarter of this financial year, will augur well for the Group's prospect in terms of earnings towards the end of the year.

Barring unforeseen circumstances, the Board of Directors expects its business prospects for the financial year ending 31 December 2012 to be favourable.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

**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

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

B5 Taxation

The taxation for the Group comprised of the following:-

	Individual Period		Cumulative Period	
	Current Quarter 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Year- to-Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Current income tax				
Malaysian - Current year	1,244	2,157	1,511	3,394
- Prior year	440	-	440	-
Deferred taxation	(404)	(1)	(388)	5
	1,280	2,156	1,563	3,399

The effective tax rate (excluding share of profit/(loss) from associate companies and joint-venture company) for the current quarter and financial year-to-date was lower than the statutory tax rate mainly due to fair value gain and negative goodwill recognition which were not subject to taxation.

B6 Status of Corporate Proposals

B6.1 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”)

Following the listing of the followings on 2 May 2012, the Proposals are deemed completed.

- 186,000,000 new ordinary shares of RM0.50 each (“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.

Accordingly, there were no other corporate proposals that have been announced but not yet completed during the current financial quarter and financial year-to-date under review.

IVORY PROPERTIES GROUP BERHAD (673211-M)

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

B6.2 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:-

Purpose	Expected Timeframe for Utilization of Proceed from Rights Issue	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
(i) PDA	12 months	25,000	21,371	3,629
(ii) Working capital	12 months	39,300	39,232	68
(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	3,000	-
Total		102,300	98,603	3,697

B7 Borrowings and Debt Securities

Details of the Group's borrowings as at 30 June 2012 are as follows:-

	Secured RM'000
<i>Long Term Borrowings</i>	
Term Loans & Bridging Loans	99,940
Hire purchase	3,561
	<hr/>
	103,501
<i>Short Term Borrowings</i>	
Term Loans & Bridging Loans	147,141
Hire purchase	2,824
Overdrafts	3,928
	<hr/>
	153,893
Total	<hr/> 257,394

The Group has no foreign currency borrowings.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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

B8 Material Litigation

Save as disclosed below, as at 30 August 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.

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 30 June 2012.

IVORY PROPERTIES GROUP BERHAD (673211 – M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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

B10 Earnings per Share

B10.1 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 30.06.2012	Preceding Year Corresponding Quarter 30.06.2011	Current Year-to-Date 30.06.2012	Preceding Year Corresponding Period 30.06.2011
Profit attributable to owners of the Company (RM'000)	27,384	9,592	30,894	14,705
Weighted average number of ordinary shares in issue ('000)	377,910	186,000	281,955	186,000
Basic earnings per share (sen)	7.25	5.16	10.96	7.91

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.

B10.2 Diluted Earnings per Share

The Warrants 2012/2017 are anti-dilutive and hence the calculation of diluted earnings per share for the financial period does not assume the exercise of the Warrants 2012/2017.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Year-to-Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
Depreciation of property, plant and equipment	1,265	1,095	2,520	2,106
Depreciation of investment properties	464	424	910	844
Plant and equipment written off	7	2	10	3
Amortisation of intangible assets	5	5	10	10
Amortisation of goodwill	1,959	-	1,959	-
Interest expense	2,773	1,151	5,722	2,087
Interest income	23	17	35	47
Rental income	1,134	364	3,021	731
Gain on disposal of property, plant and equipment	-	30	-	215

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.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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

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 30.06.12 RM'000	As at 30.06.11 RM'000
Total retained earnings of Ivory Properties Group Berhad and its subsidiaries:		
- Realised gain	210,057	168,356
- Unrealised loss	(27,028)	(9,748)
	<hr/> 183,029	<hr/> 158,608
Share of retained earnings of associates:		
- Realised gain	8,709	11,982
- Unrealised loss	^	(3)
	<hr/> 191,738	<hr/> 170,587
Share of retained earnings of joint venture:		
- Realised loss	(278)	-
	<hr/> 191,460	<hr/> 170,587
Less: Consolidated adjustments	(60,553)	(77,849)
	<hr/> 130,907	<hr/> 92,738

^ - Denotes RM421

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 30 August 2012.

By order of the Board of Directors

Ong Tze-En
(MAICSA 7026537)
Company Secretary
30 August 2012