

IVORY PROPERTIES GROUP BERHAD (673211-M)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
	30.09.2012	31.12.2011
	RM'000	RM'000
Assets		
Property, plant and equipment	57,272	49,983
Investment properties	53,394	49,719
Land held for property development	86,399	75,980
Intangible assets	596	613
Investment in associates	10,393	21,515
Investment in joint venture	24,511	10,925
Other investments	10	-
Deferred tax asset	322	322
Total non-current assets	232,897	209,057
Property development costs	221,700	102,404
Inventories	167,751	168,397
Current tax assets	778	668
Trade and other receivables	141,202	101,795
Cash and cash equivalents	21,024	24,722
Total current assets	552,455	397,986
Total assets	785,352	607,043
Equity		
Share capital	204,164	93,000
Share premium	-	20,766
Warrant reserve	27,900	-
Retained earnings	132,626	102,497
Equity attributable to owners of the company	364,690	216,263
Non-controlling interest	152	(15)
Total equity	364,842	216,248
Liabilities		
Loans and borrowings	103,271	124,599
Deferred tax liabilities	26,960	10,179
Total non-current liabilities	130,231	134,778
Loans and borrowings	159,812	55,204
Trade and other payables	127,687	193,441
Current tax liabilities	2,780	7,372
Total current liabilities	290,279	256,017
Total liabilities	420,510	390,795
Total equity and liabilities	785,352	607,043
Net assets per share attributable to ordinary equity holders of the company (RM)	0.82**	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 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2012 RM'000	Preceding Year Corresponding Quarter 30.09.2011 RM'000	Current Year-To-Date 30.09.2012 RM'000	Preceding Year Corresponding Period 30.09.2011 RM'000
Revenue	48,457	44,668	119,754	138,293
Cost of sales	(35,690)	(33,302)	(95,541)	(93,387)
Gross profit	12,767	11,366	24,213	44,906
Other operating expenses	(13,503)	(8,295)	(36,362)	(31,208)
Other operating income	4,511	1,585	49,581	4,751
Results from operating activities	3,775	4,656	37,432	18,449
Finance costs	(2,628)	(2,322)	(8,350)	(4,409)
Share of profit/(loss) of equity accounted investees, net of tax				
- associates	1,348	3,267	6,077	9,665
- jointly controlled entity	(235)	-	(489)	-
Profit before tax	2,260	5,601	34,670	23,705
Tax expense	(327)	(1,544)	(1,890)	(4,943)
Profit for the period	1,933	4,057	32,780	18,762
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,933	4,057	32,780	18,762
Profit attributable to:				
Owners of the Company	1,719	4,057	32,613	18,762
Non-controlling interests	214	-	167	-
	1,933	4,057	32,780	18,762
Total comprehensive income attributable to:				
Owners of the Company	1,719	4,057	32,613	18,762
Non-controlling interests	214	-	167	-
	1,933	4,057	32,780	18,762
Earnings per share attributable to the owners of the Company:				
Basic (sen)	0.39	2.18	9.68	10.09

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 SEPTEMBER 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	-	-	-	32,613	32,613	167	32,780
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 September 2012	204,164	-	27,900	132,626	364,690	152	364,842
Balance at 1 January 2011	93,000	20,766	-	78,033	191,799	-	191,799
Total comprehensive income for the period	-	-	-	18,762	18,762	-	18,762
Balance at 30 September 2011	93,000	20,766	-	96,795	210,561	-	210,561

* *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 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-to-date 30.09.2012 RM'000	Preceding year corresponding period 30.09.2011 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	34,670	23,705
Adjustments for:-		
Non-cash items	6,468	4,434
Non-operating items	(33,937)	(5,871)
Operating profit before changes in working capital	<u>7,201</u>	<u>22,268</u>
Net change in assets	46,211	32,432
Net change in liabilities	(71,203)	(80,281)
Cash used in operations	(17,791)	(25,581)
Tax paid	(12,677)	(4,948)
Net cash used in operating activities	<u>(30,468)</u>	<u>(30,529)</u>
<u>Cash flows from investing activities</u>		
Interest received	108	78
Investment in joint venture	(14,075)	-
Other investment	(10)	-
Proceeds received from disposal of property, plant and equipment	1,159	456
Proceeds received from disposal of investment properties	3,025	-
Addition to land held for property development	(18)	(12)
Purchase of investment properties	(6,327)	(691)
Purchase of property, plant and equipment	(12,027)	(8,188)
Placement of fixed deposit	-	(13,000)
Acquisition of subsidiaries, net of cash	(2,635)	(37,400)
Withdrawal of fixed deposit	708	3
Net cash used in investing activities	<u>(30,092)</u>	<u>(58,754)</u>
<u>Cash flows from financing activities</u>		
Interest paid	(8,350)	(4,409)
Proceeds from rights issue	102,300	-
Drawdown of loans	78,407	119,353
Repayment of borrowings	(113,472)	(23,811)
Payment of share issue expenses	(2,162)	-
Net cash from financing activities	<u>56,723</u>	<u>91,133</u>
Net increase in cash and cash equivalents	(3,837)	1,850
Cash and cash equivalents at beginning of period	19,392	4,457
Cash and cash equivalents at end of period	<u>15,555</u>	<u>6,307</u>
Cash and cash equivalents comprise the following:-		
Cash and bank balances	3,220	9,661
Deposit with licensed banks (excluding deposit pledge)	16,497	1,973
Bank overdrafts	(4,162)	(5,327)
	<u>15,555</u>	<u>6,307</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 SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER 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

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.

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 SEPTEMBER 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 September 2012					
External revenue	79,664	31,448	6,633	2,009	119,754
Inter-segment revenue	1,388	25,786	-	3,564	30,738
Segment profit/ (loss)	37,437	1,278	397	(4,442)	34,670
Segment assets (excluding associates and joint venture)	526,192	188,683	17,308	18,265	750,448
For the financial period ended 30 September 2011 (restated)					
External revenue	85,426	45,728	7,071	68	138,293
Inter-segment revenue	2,972	28,460	-	3,699	35,131
Segment profit/ (loss)	20,813	282	(2,072)	4,682	23,705
Segment assets (excluding associates)	221,226	260,559	8,842	15,576	506,203

IVORY PROPERTIES GROUP BERHAD (673211-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2012 to 23 November 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.
- (iii) The Company had on 4 October 2012 acquired the entire equity interest in TTG Holdings Sdn Bhd (“TTGH”) from Ivory Associates Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM34, in line with the proposed corporate restructuring of the Group. Following this acquisition, TTGH will be 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 30 September 2012 are as follows:-

	RM’000
Contracted but not provided for:-	
- Purchase of property, plant & equipment	2,198
- Purchase of development land	67,900
- Purchase of development land pursuant to the Purchase & Development Agreement dated 11 November 2011	950,190
	<hr/> <u>1,020,288</u>

IVORY PROPERTIES GROUP BERHAD (673211-M)

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

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

B1 Review of Performance

	Current Year Quarter 30.09.2012 RM'000	Immediate Preceding Quarter 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.09.2011 RM'000	Current Year-To- Date 30.09.2012 RM'000	Preceding Year Corresponding Period 30.09.2011 RM'000
Revenue					
- Property development and management	33,457	39,562	24,073	79,664	85,426
- Construction contracts	8,887	6,626	18,356	31,448	45,728
- Food and beverage	5,722	465	2,238	6,633	7,071
- Investment holding and Others	391	542	1	2,009	68
Total	48,457	47,195	44,668	119,754	138,293
Profit/(Loss) before tax					
- Property development and management	1,544	31,645	7,670	37,437	20,813
- Construction contracts	938	(183)	(279)	1,278	282
- Food and beverage	998	(362)	(661)	397	(2,072)
- Investment holding and Others	(1,220)	(2,463)	(1,129)	(4,442)	4,682
Total	2,260	28,637	5,601	34,670	23,705

Comparison between current year quarter and preceding year corresponding quarter

Revenue:

The Group recorded revenue of RM48.5 million for current financial quarter as compared to RM35.6 million in the preceding year's corresponding quarter.

On the segmental results, the increase in revenue for the property development and management segment was due to The Peak project. The development at Taman Bukit Erskine, (low-medium cost flats in Mount Erskine) and The Wave at Penang Times Square phase 3 also started to make contributions in this quarter.

The increase in food and beverage segment was due to the revenue contributed by the newly opened Soju Room under Ivory's subsidiary, Soju Entertainment Sdn Bhd.

IVORY PROPERTIES GROUP BERHAD (673211-M)

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

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

B1 Review of Performance (Cont'd)

Profit before Tax:

The current year quarter ended 30 September 2012 recorded profit before tax of RM2.3 million as compared to RM5.6 million in the preceding year's corresponding quarter ended 30 September 2011. A lower profit before tax in current quarter was because most of the new projects have just commenced.

The marginal profit before tax in construction contracts segment was contributed by the nearly completed Island Resort project.

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

The Group recorded revenue of RM48.5 million for the current financial quarter as compared to the revenue of RM47.2 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 food and beverage segments as explained in Note B1.

The Group recorded profit before tax of RM2.3 million for the current financial quarter as compared to RM28.6 million for the immediate preceding quarter ended 30 June 2012. The significant profit before tax for the immediate preceding quarter ended 30 June 2012 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.

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 The Wave project, which launched in 3rd quarter and the up-coming City Residence and City Mall projects which will be launched by end of this financial year, will spur the sales of the Group 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 SEPTEMBER 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 30.09.2012 RM'000	Preceding Year Corresponding Quarter 30.09.2011 RM'000	Current Year- to-Date 30.09.2012 RM'000	Preceding Year Corresponding Period 30.09.2011 RM'000
Current income tax				
Malaysian - Current year	644	1,535	2,155	4,929
- Prior year	-	-	440	-
Deferred taxation	(317)	9	(705)	14
	327	1,544	1,890	4,943

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

The effective tax rate (excluding share of profit/(loss) from associate companies and joint-venture company) for the 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 SEPTEMBER 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	25,000	-
(ii) Working capital	12 months	39,300	39,300	-
(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	102,300	-

B7 Borrowings and Debt Securities

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

	Secured RM'000
<i>Long Term Borrowings</i>	
Term Loans & Bridging Loans	100,374
Hire purchase	2,897
	<hr/>
	103,271
<i>Short Term Borrowings</i>	
Term Loans & Bridging Loans	152,900
Hire purchase	2,750
Overdrafts	4,162
	<hr/>
	159,812
Total	<hr/> 263,083

The Group has no foreign currency borrowings.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 November 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 September 2012.

IVORY PROPERTIES GROUP BERHAD (673211 – M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30.09.2012	Preceding Year Corresponding Quarter 30.09.2011	Current Year-to-Date 30.09.2012	Preceding Year Corresponding Period 30.09.2011
Profit attributable to owners of the Company (RM'000)	1,719	4,057	32,613	18,762
Weighted average number of ordinary shares in issue ('000)	445,527	186,000	336,877	186,000
Basic earnings per share (sen)	0.39	2.18	9.68	10.09

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 SEPTEMBER 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 30.09.2012 RM'000	Preceding Year Corresponding Quarter 30.09.2011 RM'000	Current Year-to-Date 30.09.2012 RM'000	Preceding Year Corresponding Period 30.09.2011 RM'000
Depreciation of property, plant and equipment	1,340	1,235	3,860	3,341
Depreciation of investment properties	461	427	1,371	1,271
Plant and equipment written off	151	27	161	30
Amortisation of intangible assets	6	6	16	16
Amortisation of goodwill	1,399	-	3,358	-
Interest expense	2,628	2,322	8,350	4,409
Interest income	73	31	108	78
Rental income	1,900	638	4,921	1,369
Gain on disposal of property, plant and equipment	555	9	555	224
Gain on disposal of investment properties	1,745	-	1,745	-
Negative goodwill recognised	-	-	36,628	-

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 SEPTEMBER 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 30.09.12 RM'000	As at 30.09.11 RM'000
Total retained earnings of Ivory Properties Group Berhad and its subsidiaries:		
- Realised gain	212,603	168,985
- Unrealised loss	(26,638)	(9,725)
	<u>185,965</u>	<u>159,260</u>
Share of retained earnings of associates:		
- Realised gain	10,179	15,219
- Unrealised loss	^	(4)
	<u>10,179</u>	<u>15,215</u>
Share of retained earnings of joint venture:		
- Realised loss	(513)	-
	<u>195,631</u>	<u>174,475</u>
Less: Consolidated adjustments	(63,005)	(77,680)
Total Group retained earnings	<u>132,626</u>	<u>96,795</u>

^ - 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 November 2012.

By order of the Board of Directors

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