

IVORY PROPERTIES GROUP BERHAD (673211-M)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30.09.2013 RM'000	Audited as at 31.12.2012 RM'000
Assets		
Property, plant and equipment	74,065	58,185
Investment properties	68,324	64,667
Land held for property development	49,671	49,671
Intangible assets	576	587
Investment in associates	4,039	7,501
Investment in a jointly controlled entity	19,415	24,185
Deferred tax assets	2,370	157
Total non-current assets	218,460	204,953
Property development costs	256,091	222,544
Inventories	150,734	176,406
Current tax assets	644	586
Trade and other receivables	195,452	151,021
Cash and bank balances	66,226	58,070
Total current assets	669,147	608,627
Total assets	887,607	813,580
Equity		
Share capital	204,164	204,164
Warrant reserve	27,900	27,900
Retained earnings	138,103	131,991
Equity attributable to owners of the Company	370,167	364,055
Non-controlling interests	(93)	274
Total equity	370,074	364,329
Liabilities		
Loans and borrowings	259,566	166,171
Deferred tax liabilities	18,851	25,144
Total non-current liabilities	278,417	191,315
Loans and borrowings	115,998	121,822
Trade and other payables	109,550	131,109
Current tax liabilities	13,568	5,005
Total current liabilities	239,116	257,936
Total liabilities	517,533	449,251
Total equity and liabilities	887,607	813,580
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.83*	0.82*

* 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 2012 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 2013
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year-To-Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.09.2012 RM'000
Revenue	66,789	48,457	214,442	119,754
Cost of sales	(48,995)	(35,690)	(156,702)	(95,541)
Gross profit	17,794	12,767	57,740	24,213
Other operating expenses	(14,015)	(13,503)	(44,079)	(36,362)
Other operating income	9,690	4,511	14,232	49,581
Results from operating activities	13,469	3,775	27,893	37,432
Finance costs	(3,428)	(2,628)	(9,586)	(8,350)
Share of (loss)/profit of equity accounted investees, net of tax				
- associates	(3,171)	1,348	(3,469)	6,077
- jointly controlled entity	(3,919)	(235)	(4,770)	(489)
Profit before tax	2,951	2,260	10,068	34,670
Tax expense	(1,412)	(327)	(4,323)	(1,890)
Profit for the period	1,539	1,933	5,745	32,780
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,539	1,933	5,745	32,780
Profit/(Loss) attributable to:				
Owners of the Company	1,686	1,719	6,112	32,613
Non-controlling interests	(147)	214	(367)	167
	1,539	1,933	5,745	32,780
Total comprehensive income/(loss) attributable to:				
Owners of the Company	1,686	1,719	6,112	32,613
Non-controlling interests	(147)	214	(367)	167
	1,539	1,933	5,745	32,780
Earnings per share attributable to the owners of the Company:				
Basic (sen)	0.38	0.39	1.37	9.68

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 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 2013
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 2013	204,164	-	27,900	131,991	364,055	274	364,329
Total comprehensive income/(loss) for the period	-	-	-	6,112	6,112	(367)	5,745
Balance at 30 September 2013	204,164	-	27,900	138,103	370,167	(93)	370,074
Balance at 1 January 2012	93,000	20,766	-	102,497	216,263	(15)	216,248
Total comprehensive income/(loss) for the period	-	-	-	32,613	32,613	167	32,780
Rights issue	93,000	9,300	-	-	102,300	-	102,300
Transfers	(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

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 2012 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 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.09.2012 RM'000 (restated)
<u>Cash flows from operating activities</u>		
Profit before tax	10,068	34,670
Adjustments for:-		
Amortisation of goodwill	-	3,358
Amortisation of intangible assets	11	16
Depreciation of investment properties	1,442	1,371
Depreciation of property, plant and equipment	4,391	4,006
Interest expense	9,586	8,350
Plant and equipment written off	12	161
Fair value gain and negative goodwill	-	(36,628)
Gain on disposal of associate	(34)	-
Gain on disposal of investment properties	-	(1,745)
Gain on disposal of property, plant and equipment	(315)	(555)
Interest income	(274)	(108)
Share of loss/(profit) in associates, net of tax	3,469	(6,077)
Share of loss in jointly controlled entity, net of tax	4,770	489
Unrealised profit from downstream sale to associates	(7)	(107)
Operating profit before changes in working capital	33,119	7,201
Change in property development costs	(33,547)	18,348
Change in inventories	25,672	646
Change in trade and other receivables	(44,431)	27,217
Change in trade and other payables	(21,559)	(71,203)
Cash used in operations	(40,746)	(17,791)
Tax paid	(4,324)	(12,677)
Net cash used in operating activities	(45,070)	(30,468)
<u>Cash flows from investing activities</u>		
Interest received	274	108
Investment in jointly controlled entity	-	(14,075)
Other investment	-	(10)
Proceeds from disposal of property, plant and equipment	1,308	1,159
Proceeds from disposal of associate	34	-
Proceeds from disposal of investment properties	-	3,025
Balance carried forward	1,616	(9,793)

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	Current Year-To-Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.09.2012 RM'000 (restated)
Balance brought forward	1,616	(9,793)
Addition to land held for property development	-	(18)
Purchase of investment properties	(2,340)	(6,327)
Purchase of property, plant and equipment	(21,833)	(12,027)
Acquisition of subsidiaries, net of cash	-	(2,635)
Withdrawal of fixed deposit	-	708
Net cash used in investing activities	(22,557)	(30,092)
<u>Cash flows from financing activities</u>		
Interest paid	(9,586)	(8,350)
Proceeds from rights issue	-	102,300
Payment of share issue expenses	-	(2,162)
Drawdown of term loans and bridging loans	105,823	78,407
Repayment of finance lease liabilities	(2,322)	(2,295)
Repayment of term loans and bridging loans	(17,959)	(111,177)
Net cash generated from financing activities	75,956	56,723
Net increase/(decrease) in cash and cash equivalents	8,329	(3,837)
Cash and cash equivalents at beginning of period	54,930	19,392
Cash and cash equivalents at end of period	63,259	15,555
Cash and cash equivalents comprise the following:-		
Cash in hand and at banks	64,123	3,220
Deposits with licensed banks (excluding deposits pledged)	796	16,497
Bank overdrafts	(1,660)	(4,162)
	63,259	15,555

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 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 2013**

**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 2012 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 2012. 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 2012 except for the adoption of the following:

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 January 2013

- FRS 10, Consolidated Financial Statements
- FRS 11, Joint Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)
- Amendments to FRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

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

- Amendments to FRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to FRS 11, Joint Arrangements: Transition Guidance
- Amendments to FRS 12, Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above accounting standards, amendments and interpretations does not have any material financial impacts on the financial statements of the Group

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 January 2014

- Amendments to FRS 10, Consolidated Financial Statements: Investment Entities
- Amendments to FRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to FRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to FRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

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 Group’s financial statements for annual period beginning on 1 January 2014 will be prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) issued by MASB and International Financial Reporting Standards (“IFRS”). As a result, the Group will not be adopting FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 January 2014 and 1 January 2015.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

**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 2012.

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 and financial period-to-date under review.

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 2013

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 2013					
External revenue	198,368	9,811	6,094	169	214,442
Inter-segment revenue	16,995	57,224	-	4,104	78,323
Segment profit/(loss)	20,085	(1,129)	(1,188)	(7,700)	10,068
Segment assets (excluding associates and joint venture)	535,004	227,999	14,296	86,854	864,153
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

IVORY PROPERTIES GROUP BERHAD (673211-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

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 2013 to 21 November 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except for the following:-

On 23 October 2013, TTG Holdings Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Aspen Vision Development Sdn. Bhd. to dispose of all those parcels of freehold land held under Lot Nos. 3624 (Geran Mukim No. 20), 3625 (Geran Mukim No. 21), 3626 (Geran Mukim No. 22) and 3622 (Geran Mukim No. 23), Mukim 18, Tempat Mt. Erskine, Tg. Tokong, Daerah Timor Laut, Negeri Pulau Pinang for a total consideration of RM35 million. As of the date hereof, the sale and purchase has not been completed yet.

A11 Changes in the Composition of the Group

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

- (i) On 1 April 2013, the Group disposed of the entire 40% equity interest in its associate company, Layar Sinarmas Sdn. Bhd., for a total consideration of RM40.
- (ii) On 23 April 2013, the Group subscribed for 49 ordinary shares of RM1.00 each in Aspen Vision Land Sdn. Bhd. (“AVLSB”), representing 49% of the issued and paid-up capital of AVLSB, for a total cash consideration of RM49. Following this subscription, AVLSB became an associated company of the Group.
- (iii) On 14 June 2013, the Group acquired the remaining 49% equity interest in Ivory Residence Sdn. Bhd. (“IRSB”) for a cash consideration of RM49. Following this acquisition, IRSB became a wholly-owned subsidiary of the Group.
- (iv) On 6 September 2013, the Group reduced 35% of its equity interest in its wholly-owned subsidiary, Ivory Place Sdn. Bhd. (“IPSB”) to 65% through renunciation of rights by the Group to take up 35% of new ordinary shares allotted in IPSB.
- (v) On 6 November 2013, the Group acquired 450,000 ordinary shares of RM1.00 each in Park Vue Realty Sdn. Bhd. (“PVR SB”), representing 45% of the issued and paid-up capital of PVR SB, for a total cash consideration of RM189,000. Following this acquisition, PVR SB became an associated company of the Group.

A12 Changes in Contingent Liabilities or Contingent Assets

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

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

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

A13 Capital Commitments

The amount of material capital commitments as at 30 September 2013 are as follows:-

	RM’000
Contracted but not provided for:-	
- Purchase of property, plant and equipment	477
- Purchase of development land	24,900
- Purchase of development land pursuant to the Purchase and Development Agreement dated 11 November 2011	825,824
	<u>851,201</u>

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 2013****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING
REQUIREMENTS****B1 Review of Performance**

	Current Year Quarter 30.09.2013 RM'000	Immediate Preceding Quarter 30.06.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year-To- Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.09.2012 RM'000
Revenue					
- Property development and management	65,072	92,063	33,457	198,368	79,664
- Construction contracts	-	1,904	8,887	9,811	31,448
- Food and beverage	1,576	1,775	5,722	6,094	6,633
- Investment holding and others	141	17	391	169	2,009
Total	66,789	95,759	48,457	214,442	119,754
Profit/(Loss) before tax					
- Property development and management	6,017	5,763	1,544	20,085	37,437
- Construction contracts	(1,490)	1,685	938	(1,129)	1,278
- Food and beverage	15	(704)	998	(1,188)	397
- Investment holding and others	(1,591)	(2,841)	(1,220)	(7,700)	(4,442)
Total	2,951	3,903	2,260	10,068	34,670

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

The Group recorded revenue of RM67 million for the current financial quarter as compared to RM48 million recorded in the preceding year's corresponding quarter.

Higher revenue for the current financial quarter was principally attributed to the revenue derived from the property development and management segment which has increased from RM33 million in the preceding year's corresponding quarter to RM65 million in the current financial quarter. The revenue for the property development and management segment for the current financial quarter was mainly derived from The Peak Residences, The Latitude and Taman Bukit Erskine projects.

However, higher revenue achieved for the property development and management segment was partially offset by the lower revenue generated from the construction contracts segment as a result of the completion of the Island Resort - Phase 2 project and lower contribution from the food and beverage segment.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

**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:

Current year's financial quarter ended 30 September 2013 recorded higher profit before tax of RM3.0 million as compared to RM2.3 million in the preceding year's corresponding quarter as a result of higher profit contribution from The Peak Residences and The Latitude projects and the income from the services provided to the jointly controlled entity. However, it was partially offset by the losses incurred by the associates and jointly controlled entity.

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

The Group recorded revenue of RM67 million for the current financial quarter as compared to the revenue of RM96 million recorded in the immediate preceding quarter. The Group also recorded profit before tax of RM3.0 million for the current financial quarter as compared to RM3.9 million for the immediate preceding quarter ended 30 June 2013.

Revenue and profit before tax recorded for the current financial quarter were relatively lower mainly because in the immediate preceding quarter, there were an en bloc sale of the completed multi-storey car parks and income from the preliminary works carried out for a new project.

B3 Prospects for the current financial year

On top of the existing ongoing projects i.e. The Peak Residences (which has been fully completed in October 2013 with the related certificate of completion and compliance duly issued), The Latitude and Taman Bukit Erskine, the Group has also commenced construction for the City Residence and City Mall project while the development works for the much anticipated Penang WorldCity - Phase 1 is expected to commence in the 4th Quarter of the current financial year. All these projects are expected to contribute positively to the Group's revenue and profit for the current financial year.

Barring unforeseen circumstances, the Board of Directors expects the Group's business prospects for the financial year ending 31 December 2013 to be favourable.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

**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 comprises the following:-

	Individual Period		Cumulative Period	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To- Date	Preceding Year Corresponding Period
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian - current year	5,944	644	12,030	2,155
- prior years	-	-	799	440
Deferred tax - current year	(3,139)	(317)	(6,034)	(705)
- prior years	(1,393)	-	(2,472)	-
	1,412	327	4,323	1,890

The effective tax rate (excluding share of profit/(loss) from associates and jointly controlled entity) for the current financial quarter and financial period-to-date was higher than the statutory tax rate mainly due to certain expenses being not deductible for tax purpose.

B6 Status of Corporate Proposals

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

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

**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 30 September 2013 are as follows:-

	Secured RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	256,419
Hire purchase	3,147
	<hr/>
	259,566
<i>Short Term Borrowings</i>	
Term loans and bridging loans	112,565
Hire purchase	1,773
Overdrafts	1,660
	<hr/>
	115,998
Total	<hr/> 375,564 <hr/>

The Group has no foreign currency borrowings.

B8 Material Litigation

As at 28 November 2013, the Group is not engaged in any material litigation except for the following:-

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 a Writ of Summons against Krishna Kumar S/O T.N. Sharma ("Defendant"), for specific performance of the agreements dated 6 August 2007 and 30 January 2008 (collectively "Agreements") 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 was counter-claiming to declare the Agreements for the sale and purchase of the 1272 Land as null and void and to claim for loss of profit.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

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

B8 Material Litigation (Cont'd)

IISB has filed for Summary Judgment to enforce the contract specifically. On 19 September 2011, the Penang High Court gave Judgment and ordered Specific Performance of the Agreements in favour of IISB.

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

Subsequent to the hearing on 30 April 2013, IISB was granted an Ancillary Order on 2 May 2013 to enforce the Agreements. IISB has accordingly taken steps to discharge the charge and remove all caveats previously lodged on the 1272 Land to facilitate the transfer of the 1272 Land in favour of IISB.

As of the date hereof, IISB has been successful in the litigation and the 1272 Land has been duly registered into the name of IISB.

B9 Dividend

No interim ordinary dividend has been declared for the financial period ended 30 September 2013.

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**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 financial period-to-date are computed as follows:-

	Individual Period		Cumulative Period	
	Current Quarter 30.09.2013	Preceding Year Corresponding Quarter 30.09.2012	Current Year- To-Date 30.09.2013	Preceding Year Corresponding Period 30.09.2012
Profit attributable to owners of the Company (RM'000)	1,686	1,719	6,112	32,613
Weighted average number of ordinary shares in issue ('000)	445,527	445,527	445,527	336,877
Basic earnings per share (sen)	0.38	0.39	1.37	9.68

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

Diluted earnings per share is not applicable as the exercise price of the warrants is higher than the average market price of the Company's ordinary shares for the period under review.

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**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 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year- To-Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.09.2012 RM'000
Profit before tax is arrived at after charging :				
Amortisation of goodwill	-	1,399	-	3,358
Amortisation of intangible assets	4	6	11	16
Depreciation of investment properties	524	461	1,442	1,371
Depreciation of property, plant and equipment	1,431	1,486	4,391	4,006
Interest expense	3,428	2,628	9,586	8,350
Plant and equipment written off	5	151	12	161
and after crediting :				
Fair value gain and negative goodwill	-	-	-	36,628
Gain on disposal of associate	-	-	34	-
Gain on disposal of investment properties	-	1,745	-	1,745
Gain on disposal of property, plant and equipment	315	555	315	555
Interest income	169	73	274	108
Rental income	1,663	1,900	4,773	4,921

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.

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

B12 Realised and Unrealised Profits

The breakdown of the retained earnings of the Group as at 30 September 2013, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements is as follows:

	As at 30.09.13 RM'000	As at 30.09.12 RM'000
Total retained earnings of Ivory Properties Group Berhad and its subsidiaries:		
- Realised gain	239,740	212,603
- Unrealised loss	<u>(16,481)</u>	<u>(26,638)</u>
	223,259	185,965
Share of retained earnings of associates:		
- Realised gain	<u>3,815</u>	<u>10,179</u>
	227,074	196,144
Share of retained earnings of jointly controlled entity:		
- Realised loss	<u>(5,610)</u>	<u>(513)</u>
	221,464	195,631
Less: Consolidated adjustments	(83,361)	(63,005)
Total retained earnings at 30 September	<u>138,103</u>	<u>132,626</u>

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 28 November 2013.

By order of the Board of Directors

Tai Yit Chan (MAICSA 7009143)
Ong Tze-En (MAICSA 7026537)
Company Secretaries

28 November 2013