

IVORY PROPERTIES GROUP BERHAD (673211-M)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31.12.2013 RM'000	Audited as at 31.12.2012 RM'000
Assets		
Property, plant and equipment	57,037	58,185
Investment properties	64,794	64,667
Land held for property development	49,671	49,671
Intangible assets	550	587
Investment in associates	4,698	7,501
Investment in a jointly controlled entity	20,124	24,185
Deferred tax assets	2,463	157
Total non-current assets	199,337	204,953
Property development costs	271,142	222,544
Inventories	158,583	176,406
Current tax assets	83	586
Trade and other receivables	144,443	151,021
Cash and bank balances	29,817	58,070
	604,068	608,627
Non-current assets held for sale	21,748	-
Total current assets	625,816	608,627
Total assets	825,153	813,580
Equity		
Share capital	204,164	204,164
Warrant reserve	27,900	27,900
Retained earnings	146,500	131,991
Equity attributable to owners of the Company	378,564	364,055
Non-controlling interests	(265)	274
Total equity	378,299	364,329
Liabilities		
Loans and borrowings	260,616	166,171
Deferred tax liabilities	17,857	25,144
Total non-current liabilities	278,473	191,315
Loans and borrowings	46,135	121,822
Trade and other payables	105,681	131,109
Current tax liabilities	16,565	5,005
Total current liabilities	168,381	257,936
Total liabilities	446,854	449,251
Total equity and liabilities	825,153	813,580
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.85*	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 YEAR ENDED 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Corresponding Quarter 31.12.2012 RM'000	Current Year- To-Date 31.12.2013 RM'000	Preceding Year Corresponding Period 31.12.2012 RM'000
Revenue	81,693	91,858	304,512	211,612
Cost of sales	(55,760)	(66,294)	(212,462)	(161,835)
Gross profit	25,933	25,564	92,050	49,777
Other operating expenses	(19,448)	(22,081)	(63,527)	(58,443)
Other operating income	4,777	3,342	10,632	52,923
Results from operating activities	11,262	6,825	39,155	44,257
Finance costs	(155)	(3,089)	(9,741)	(11,439)
Share of (loss)/profit of equity accounted investees, net of tax				
- associates	659	(2,911)	(2,810)	3,166
- jointly controlled entity	709	(327)	(4,061)	(816)
Profit before tax	12,475	498	22,543	35,168
Tax expense	(4,250)	(1,011)	(8,573)	(2,901)
Profit for the period/ year	8,225	(513)	13,970	32,267
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period/ year	8,225	(513)	13,970	32,267
Profit/(Loss) attributable to:				
Owners of the Company	8,397	(635)	14,509	31,978
Non-controlling interests	(172)	122	(539)	289
	8,225	(513)	13,970	32,267
Total comprehensive income/(expense) attributable to:				
Owners of the Company	8,397	(635)	14,509	31,978
Non-controlling interests	(172)	122	(539)	289
	8,225	(513)	13,970	32,267
Earnings per share attributable to the owners of the Company:				
Basic (sen)	1.88	(0.14)	3.26	8.78

The Condensed Consolidated Statement of Profit or Loss and Other 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 YEAR ENDED 31 DECEMBER 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/(expense) for the year	-	-	-	14,509	14,509	(539)	13,970
Balance at 31 December 2013	204,164	-	27,900	146,500	378,564	(265)	378,299
Balance at 1 January 2012	93,000	20,766	-	102,497	216,263	(15)	216,248
Total comprehensive income for the year	-	-	-	31,978	31,978	289	32,267
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 31 December 2012	204,164	-	27,900	131,991	364,055	274	364,329

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 YEAR ENDED 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date 31.12.2013 RM'000	Preceding Year Corresponding Period 31.12.2012 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	22,543	35,168
Adjustments for:-		
Amortisation of intangible assets	15	21
Bargain purchase gain on acquisition of subsidiaries	-	(26,512)
Depreciation of investment properties	1,980	1,830
Depreciation of property, plant and equipment	5,820	5,485
Interest expense	9,741	11,557
Intangible assets written off	22	5
Plant and equipment written off	1,038	353
Fair value of the existing interest in the acquire	-	(10,116)
Gain on disposal of associate	(34)	-
Gain on disposal of investment properties	-	(1,745)
Gain on disposal of property, plant and equipment	(338)	(652)
Interest income	(513)	(118)
Share of loss/(profit) in associates, net of tax	2,810	(3,166)
Share of loss in jointly controlled entity, net of tax	4,061	816
Unrealised profit from downstream sale to associates	3	(125)
Operating profit before changes in working capital	47,148	12,801
Change in property development costs	(40,981)	9,815
Change in inventories	17,823	2,836
Change in trade and other receivables	6,578	17,401
Change in trade and other payables	(33,932)	(67,782)
Cash used in operations	(3,364)	(24,929)
Tax paid	(6,104)	(12,923)
Net cash used in operating activities	(9,468)	(37,852)
<u>Cash flows from investing activities</u>		
Interest received	514	118
Investment in associates	(10)	-
Investment in jointly controlled entity	-	(14,076)
Proceeds from disposal of property, plant and equipment	1,333	2,117
Proceeds from disposal of associate	34	-
Proceeds from disposal of investment properties	-	3,027
Balance carried forward	1,871	(8,814)

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	Current Year-To-Date 31.12.2013 RM'000	Preceding Year Corresponding Period 31.12.2012 RM'000
Balance brought forward	1,871	(8,814)
Acquisition of investment properties	(2,346)	(7,460)
Acquisition of property, plant and equipment	(27,328)	(15,366)
Acquisition of subsidiaries, net of cash	-	(2,634)
Decrease in land held for property development, net	-	26,309
Withdrawal of fixed deposit	-	708
Net cash used in investing activities	(27,803)	(7,257)
<u>Cash flows from financing activities</u>		
Interest paid	(9,741)	(11,557)
Proceeds from rights issue	-	102,300
Payment of share issue expenses	-	(2,162)
Drawdown of term loans and bridging loans	111,041	213,767
Drawdown of finance lease liabilities	2,343	-
Repayment of finance lease liabilities	(2,872)	(3,009)
Repayment of term loans and bridging loans	(91,625)	(218,692)
Net cash from financing activities	9,146	80,647
Net (decrease)/increase in cash and cash equivalents	(28,125)	35,538
Cash and cash equivalents at beginning of year	54,930	19,392
Cash and cash equivalents at end of year	26,805	54,930
Cash and cash equivalents comprise the following:-		
Cash in hand and at banks	23,764	3,278
Deposits with licensed banks (excluding deposits pledged)	4,746	53,485
Bank overdrafts	(1,705)	(1,833)
	26,805	54,930

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 YEAR ENDED 31 DECEMBER 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 significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following new FRSs and amendments to FRSs that are effective for annual periods beginning on 1 January 2013, as disclosed below:

- FRS 10, Consolidated Financial Statements
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statement (2011)
- 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)
- Amendments to FRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 10, Consolidated Financial Statement : Transition Guidance

The adoption of the above FRSs and Amendments do not have any significant impact on the Group’s financial position and results.

Malaysia Financial Reporting Standards, MFRSs

The Company falls within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity”. Being a Transitioning Entity, the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS is mandated by the MASB.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year-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 YEAR ENDED 31 DECEMBER 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 year ended 31 December 2013					
External revenue	287,827	8,863	7,531	291	304,512
Inter-segment revenue	12,442	87,699	-	7,956	108,097
Segment profit/(loss)	35,316	2,026	(3,443)	(11,356)	22,543
Segment assets (excluding associates and joint venture)	365,900	299,164	12,983	122,284	800,331
For the financial year ended 31 December 2012					
External revenue	151,083	47,226	11,152	2,151	211,612
Inter-segment revenue	3,375	37,872	-	7,927	49,174
Segment profit/(loss)	38,117	2,526	1,670	(7,145)	35,168
Segment assets (excluding associates and joint venture)	523,325	206,531	17,225	34,813	781,894

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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

A9 Operating Segments (Cont’d)

Geographical Segments

The business of the Group only operates in Malaysia. As such, information on geographical segment is not presented.

Major Customers

The following are major customers with revenue equal or more than 10% of the Group’s total revenue :

	RM’000
Joint Controlled Entity	<u>17,806</u>

A10 Subsequent Material Events

There were no material events or transactions subsequent to the end of the current financial quarter ended 31 December 2013 to 20 February 2014 (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 financial quarter and financial year-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 a jointly controlled entity 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.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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

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 December 2013 are as follows:-

	RM’000
Contracted but not provided for:-	
- Purchase of property, plant and equipment	409
- Purchase of development land pursuant to the Purchase and Development Agreement dated 11 November 2011	825,824
	<u>826,233</u>

A14 Capital Expenditure

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

IVORY PROPERTIES GROUP BERHAD (673211-M)**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING
REQUIREMENTS****B1 Review of Performance**

	Current Year Quarter 31.12.2013 RM'000	Immediate Preceding Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 31.12.2012 RM'000	Current Year-To- Date 31.12.2013 RM'000	Preceding Year Corresponding Period 31.12.2012 RM'000
Revenue					
- Property development and management	79,916	73,449	71,419	287,827	151,083
- Construction contracts	218	-	15,778	8,863	47,226
- Food and beverage	1,437	1,576	4,519	7,531	11,152
- Investment holding and others	122	141	142	291	2,151
Total	81,693	75,166	91,858	304,512	211,612
Profit/(Loss) before tax					
- Property development and management	16,231	5,017	680	35,316	38,117
- Construction contracts	2,155	(490)	1,248	2,026	2,526
- Food and beverage	(2,255)	15	1,273	(3,443)	1,670
- Investment holding and others	(3,656)	(1,591)	(2,703)	(11,356)	(7,145)
Total	12,475	2,951	498	22,543	35,168

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

The Group recorded revenue of RM81.7 million for the current financial quarter as compared to RM91.9 million recorded in the preceding year's corresponding quarter.

Revenue for the current financial quarter was principally attributed to the revenue derived from the property development and management segment which has increased from RM71.4 million in the preceding year's corresponding quarter to RM79.9 million in the current financial quarter. The revenue for the property development and management segment for the current financial quarter was mainly derived from City Mall and City Residence ("CMCR") which commenced development towards the end of the financial year, The Wave - Penang Times Square Phase 3 ("PTS 3"), The Peak Residences ("PR") and The Latitude ("LAT") projects. Whilst, in the preceding year's corresponding quarter, the revenue from property development and management segment was mainly derived from the disposal of Behrang River Estate land in November 2012 of RM38.0 million.

However, the 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 (under the Group's associate company, Ivory Continental Sdn Bhd) in December 2012 and lower contribution from the food and beverage segment.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 31 December 2013 recorded higher profit before tax of RM12.5 million as compared to RM0.5 million in the preceding year's corresponding quarter as a result of contribution from CMCR, PTS 3, PR and LAT projects, where PR project was completed in current financial quarter.

A lower profit before tax in the preceding year's corresponding quarter was due to high operating expenses in respect of overhead arising from acquisition of Ivory Villas Sdn Bhd and the full operation of the all-new Soju Room.

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

The Group recorded revenue of RM81.7 million for the current financial quarter as compared to the revenue of RM75.2 million recorded in the immediate preceding quarter. The Group also recorded profit before tax of RM12.5 million for the current financial quarter as compared to RM3.0 million recorded for the immediate preceding quarter ended 30 September 2013.

Revenue and profit before tax recorded for the current financial quarter were relatively higher following the completion of PR project, and acceptance of offer to purchase for CMCR and PTS 3 in the current financial quarter.

B3 Prospects for the next financial year

Moving forward, the Group will continue with development of its on-going projects, namely CMCR, LAT and Taman Bukit Erskine. In addition, the Group anticipate active progress for PTS 3 and the jointly development project, Penang World City - Phase 1A ("PWC 1A") in the next financial year. As for construction segment, pursuant to the Builder Agreement dated 30 December 2011, the Group was awarded the first builder contract of a whopping RM404.0 million by Tropicana Ivory Sdn Bhd, the joint venture company with Tropicana Corporation Berhad, for PWC 1A in the current financial year. These projects coupled with the construction contract will gradually generate better revenue and profit for the Group in financial year 2014.

Barring unforeseen circumstances, the Board of Directors expects the Group's business prospects for the financial year ending 31 December 2014 to be favourable.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year 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
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian - current year	5,139	3,124	17,169	5,279
- prior years	(184)	(361)	615	79
Deferred tax - current year	(1,493)	(1,752)	(7,527)	(2,457)
- prior years	788	-	(1,684)	-
	4,250	1,011	8,573	2,901

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 year-to-date under review.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 31 December 2013 are as follows:-

	Secured RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	257,780
Hire purchase	2,836
	<hr/>
	260,616
 <i>Short Term Borrowings</i>	
Term loans and bridging loans	42,757
Hire purchase	1,672
Overdrafts	1,706
	<hr/>
	46,135
 Total	 <u><u>306,751</u></u>

The Group has no foreign currency borrowings.

B8 Material Litigation

As at 27 February 2014, the Group is not engaged in any material litigation.

B9 Dividend

No interim ordinary dividend has been declared for the financial year ended 31 December 2013.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**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 year-to-date are computed as follows:-

	Individual Period		Cumulative Period	
	Current Quarter 31.12.2013	Preceding Year Corresponding Quarter 31.12.2012	Current Year- To-Date 31.12.2013	Preceding Year Corresponding Period 31.12.2012
Profit attributable to owners of the Company (RM'000)	8,397	(635)	14,509	31,978
Weighted average number of ordinary shares in issue ('000)	445,527	445,527	445,527	364,188
Basic earnings per share (sen)	1.88	(0.14)	3.26	8.78

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.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**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 31.12.2013 RM'000	Preceding Year Corresponding Quarter 31.12.2012 RM'000	Current Year- To-Date 31.12.2013 RM'000	Preceding Year Corresponding Period 31.12.2012 RM'000
Profit before tax is arrived at after charging :				
Amortisation of intangible assets	4	5	15	21
Depreciation of investment properties	538	459	1,980	1,830
Depreciation of property, plant and equipment	1,429	1,479	5,820	5,485
Interest expense	155	3,089	9,741	11,439
Intangible assets written off	22	5	22	5
Plant and equipment written off	1,026	192	1,038	353
and after crediting :				
Bargain purchase gain on acquisition of subsidiaries	-	-	-	26,512
Fair value of existing interest in investee	-	-	-	10,116
Gain on disposal of associate	-	-	34	-
Gain on disposal of investment properties	-	-	-	1,745
Gain on disposal of property, plant and equipment	23	97	338	652
Interest income	239	10	513	118
Rental income	354	1,954	5,127	6,727
Realised gain on foreign exchange	-	-	-	1

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 year-to-date.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**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 31 December 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 31.12.13 RM'000	As at 31.12.12 RM'000
Total retained earnings of Ivory Properties Group Berhad and its subsidiaries:		
- Realised gain	251,227	216,954
- Unrealised loss	<u>(15,394)</u>	<u>(24,987)</u>
	235,833	191,967
Share of retained earnings of associates:		
- Realised gain	<u>4,473</u>	<u>6,447</u>
	240,306	198,414
Share of retained earnings of jointly controlled entity:		
- Unrealised loss	<u>(4,901)</u>	<u>(1)</u>
	235,405	198,413
Less: Consolidated adjustments	(88,905)	(66,422)
Total retained earnings at 31 December	<u>146,500</u>	<u>131,991</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 27 February 2014.

By order of the Board of Directors

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

27 February 2014