IVORY PROPERTIES GROUP BERHAD (673211–M)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR PERIOD 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31.3.2014 RM'000	Audited as at 31.12.2013 RM'000
Assets		
Property, plant and equipment	55,868	57,041
Investment properties	94,476	95,006
Intangible assets	548	550
Investment in associates	5,120	5,150
Investment in a jointly controlled entity	42,556	42,765
Deferred tax assets	2,606	2,500
Total non-current assets	201,174	203,012
Property development costs	305,848	322,184
Inventories	157,789	158,555
Current tax assets	7	4
Trade and other receivables	231,596	214,295
Cash and bank balances	27,168	34,025
Total current assets	722,408	729,063
Total assets	**923,582**	**932,075**
Equity		
Share capital	204,164	204,164
Warrant reserve	27,900	27,900
Retained earnings	150,848	147,222
Equity attributable to owners of the Company	382,912	379,286
Non-controlling interests	(367)	(267)
Total equity	382,545	379,019
Liabilities		
Loans and borrowings	285,245	273,770
Deferred tax liabilities	15,832	18,275
Total non-current liabilities	301,077	292,045
Loans and borrowings	47,663	46,009
Trade and other payables	171,540	197,637
Current tax liabilities	20,757	17,365
Total current liabilities	239,960	261,011
Total liabilities	541,037	553,056
Total equity and liabilities	**923,582**	**932,075**
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.86	0.85

* *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 2013 and the accompanying explanatory notes attached to this interim financial report.

IVORY PROPERTIES GROUP BERHAD (673211–M)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2014 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000	Current Year-To-Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Revenue	59,419	53,252	59,419	53,252
Cost of sales	(42,590)	(34,652)	(42,590)	(34,652)
Gross profit	16,829	18,600	16,829	18,600
Other operating expenses	(10,018)	(13,224)	(10,018)	(13,224)
Other operating income	1,941	1,448	1,941	1,448
Results from operating activities	8,752	6,824	8,752	6,824
Finance costs	(2,562)	(3,174)	(2,562)	(3,174)
Share of loss of equity accounted investees, net of tax				
- associates	(30)	(312)	(30)	(312)
- joint ventues	(209)	(124)	(209)	(124)
Profit before tax	5,951	3,214	5,951	3,214
Tax expense	(2,425)	(1,196)	(2,425)	(1,196)
Profit for the period/ year	**3,526**	**2,018**	**3,526**	**2,018**
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period/ year	**3,526**	**2,018**	**3,526**	**2,018**
Profit/(Loss) attributable to:				
Owners of the Company	3,626	2,098	3,626	2,098
Non-controlling interests	(100)	(80)	(100)	(80)
	3,526	**2,018**	**3,526**	**2,018**
Total comprehensive income/(expense) attributable to:				
Owners of the Company	3,626	2,098	3,626	2,098
Non-controlling interests	(100)	(80)	(100)	(80)
	3,526	**2,018**	**3,526**	**2,018**
Earnings per share attributable to the owners of the Company:				
Basic (sen)	0.81	0.47	0.81	0.47

Certain comparative figures have been restated to conform with the unaudited interim financial statements of current financial period ended 31 March 2014.

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 2013 and the accompanying explanatory notes attached to this interim financial report.

IVORY PROPERTIES GROUP BERHAD (673211–M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Non-distributable			Distributable			
	Share capital RM'000	**Share premium RM'000**	**Warrant reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Balance at 1 January 2014	204,164	-	27,900	147,222	379,286	(267)	379,019
Total comprehensive income/(expense) for the period	-	-	-	3,626	3,626	(100)	3,526
Balance at 31 March 2014	**204,164**	**-**	**27,900**	**150,848**	**382,912**	**(367)**	**382,545**
Balance at 1 January 2013	204,164	-	27,900	131,991	364,055	274	364,329
Total comprehensive income/(expense) for the period	-	-	-	2,098	2,098	(80)	2,018
Balance at 31 March 2013	**204,164**	**-**	**27,900**	**134,089**	**366,153**	**194**	**366,347**

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 2013 and the accompanying explanatory notes attached to this interim financial report.

IVORY PROPERTIES GROUP BERHAD (673211–M)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Cash flows from operating activities		
Profit before tax	5,951	3,214
Adjustments for:-		
Amortisation of intangible assets	2	3
Depreciation of investment properties	538	460
Depreciation of property, plant and equipment	1,507	1,510
Interest expense	2,562	3,174
Plant and equipment written off	6	4
Gain on disposal of property, plant and equipment	(370)	-
Interest income	(46)	(44)
Share of loss in associates, net of tax	30	312
Share of loss in joint ventures, net of tax	209	124
Unrealised profit from downstream sale to associates	-	3
Operating profit before changes in working capital	10,389	8,760
Change in property development costs	16,336	(12,403)
Change in inventories	766	7,957
Change in trade and other receivables	(17,301)	1,493
Change in trade and other payables	(26,097)	(17,869)
Cash used in operations	(15,907)	(12,062)
Tax paid	(1,585)	(1,351)
Net cash used in operating activities	(17,492)	(13,413)
Cash flows from investing activities		
Interest received	46	44
Acquisition of investment properties	-	(1,066)
Acquisition of property, plant and equipment	(348)	(1,589)
Acquisition of investment property	(8)	-
Proceeds from disposal of property, plant and equipment	378	-
Net cash used in investing activities	68	(2,611)

IVORY PROPERTIES GROUP BERHAD (673211–M)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Cont'd)*

	Current Year-To-Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Cash flows from financing activities		
Interest paid	(2,562)	(3,174)
Drawdown of term loans	21,963	576
Repayment of finance lease liabilities	(431)	(762)
Repayment of term loans and bridging loans	(8,457)	(5,060)
Net cash from/(used in) financing activities	10,513	(8,420)
Net decrease in cash and cash equivalents	(6,911)	(24,444)
Cash and cash equivalents at beginning of year	29,387	54,930
Cash and cash equivalents at end of year	22,476	30,486
Cash and cash equivalents comprise the following:-		
Cash in hand and at banks	22,678	28,689
Deposits with licensed banks (excluding deposits pledged)	1,557	3,666
Bank overdrafts	(1,759)	(1,869)
	22,476	30,486

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

IVORY PROPERTIES GROUP BERHAD (673211–M)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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 2013 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 2013. 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 2013 except for the adoption of the following new/revised FRSs, amendments to FRSs and Interpretations that are effective for annual periods beginning on 1 January 2014, as disclosed below:

- Amendments to FRS 132, Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10, FRS 12 and FRS 127, Investment Entities
- Amendments to FRS 136, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139, Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies
- Amendments to FRS 201, Property Development Activities

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.

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 2013.

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.

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 March 2014					
External revenue	45,197	11,288	1,440	1,494	59,419
Inter-segment revenue	2,446	15,953	-	1,989	20,388
Segment profit/(loss)	5,815	1,903	(243)	(1,524)	5,951
Segment assets (excluding associates and joint venture)	352,410	330,376	12,734	180,386	875,906
For the financial year ended 31 March 2013					
External revenue	42,591	7,907	2,743	11	53,252
Inter-segment revenue	6,540	12,706	-	1,368	20,614
Segment profit/(loss)	8,305	(1,324)	(499)	(3,268)	3,214
Segment assets (excluding associates and joint venture)	518,609	187,088	15,695	40,712	762,104

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 Ventures	11,278

A10 Subsequent Material Events

There were no material events or transactions subsequent to the end of the current financial quarter ended 31 March 2014 to 22 May 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 period-to-date.

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 other commitments as at 31 March 2014 are as follows:-

	RM'000
Investment in a joint venture	4,500

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.

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

B1 Review of Performance

	Current Year Quarter 31.3.2014 RM'000	Immediate Preceding Quarter 31.12.2013 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000	Current Year-To-Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Revenue					
- Property development and management	45,197	96,082	42,591	45,197	42,591
- Construction contracts	11,288	218	7,907	11,288	7,907
- Food and beverage	1,440	1,437	2,743	1,440	2,743
- Investment holding and others	1,494	122	11	1,494	11
Total	**59,419**	**97,859**	**53,252**	**59,419**	**53,252**
Profit/(Loss) before tax					
- Property development and management	5,815	16,954	8,305	5,815	8,305
- Construction contracts	1,903	2,407	(1,324)	1,903	(1,324)
- Food and beverage	(243)	(2,419)	(499)	(243)	(499)
- Investment holding and others	(1,524)	(3,656)	(3,268)	(1,524)	(3,268)
Total	**5,951**	**13,286**	**3,214**	**5,951**	**3,214**

Comparison between current year quarter and preceding year corresponding quarter

Revenue:
The Group recorded revenue of RM59.4 million for the current financial quarter as compared to RM53.3 million recorded in the preceding year's corresponding quarter.

Revenue for the current financial quarter was principally derived from the property development and management segment which has slightly increased from RM42.6 million in the preceding year's corresponding quarter to RM45.2 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") and The Latitude projects. Higher revenue of RM11.3 million from construction contracts in the current financial quarter was mainly derived from Penang WorldCity – Phase 1A.

Profit before Tax:
Current year's financial quarter ended 31 March 2014 recorded higher profit before tax of RM6.0 million as compared to RM3.2 million in the preceding year's corresponding quarter. Higher profit before tax was mainly contributed by higher revenue achieved in construction contracts segment. However, the profit was partially offset by the lower profit contribution from property development and management segment.

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

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

The Group recorded revenue of RM59.4 million for the current financial quarter as compared to the revenue of RM97.9 million recorded in the immediate preceding quarter ended 31 December 2013. The Group also recorded profit before tax of RM6.0 million for the current financial quarter as compared to RM13.3 million recorded for the said immediate preceding quarter.

The revenue and profit before tax recorded for the current financial quarter are lower as compared to the immediate preceding quarter due to exceptional revenue and profit recognition from the acceptance of offer to purchase for CMCR and Penang Times Square Phase 3 in the immediate preceding quarter.

B3 Prospects 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 2014 to be favourable.

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 31.3.2014 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000	Current Year-To-Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Current income tax				
- Malaysian - current year	4,283	2,961	4,283	2,961
- prior years		-	-	-
Deferred tax - current year	(1,607)	(1,765)	(1,607)	(1,765)
- prior years	(251)	-	(251)	-
	2,425	**1,196**	**2,425**	**1,196**

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

B5 Taxation *(Cont'd)*

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.

B7 Borrowings and Debt Securities

Details of the Group's borrowings as at 31 December 2013 are as follows:-

	Secured RM'000
Long Term Borrowings	
Term loans and bridging loans	282,823
Hire purchase	2,422
	285,245
Short Term Borrowings	
Term loans and bridging loans	44,248
Hire purchase	1,656
Overdrafts	1,759
	47,663
Total	**332,908**

The Group has no foreign currency borrowings.

B8 Material Litigation

As at 29 May 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 March 2014.

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 31.3.2014	Preceding Year Corresponding Quarter 31.3.2013	Current Year-To-Date 31.3.2014	Preceding Year Corresponding Period 31.3.2013
Profit attributable to owners of the Company (RM'000)	3,626	2,098	3,626	2,098
Weighted average number of ordinary shares in issue ('000)	445,527	445,527	445,527	445,527
Basic earnings per share (sen)	**0.81**	**0.47**	**0.81**	**0.47**

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.

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 31.3.2014 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000	Current Year-To-Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Profit before tax is arrived at after charging :				
Amortisation of intangible assets	2	3	2	3
Depreciation of investment properties	538	460	538	460
Depreciation of property, plant and equipment	1,507	1,510	1,507	1,510
Interest expense	2,562	3,174	2,562	3,174
Plant and equipment written off	6	4	6	4
and after crediting :				
Interest income	46	44	46	44
Rental income	412	480	412	480
Gain on disposal of property, plant and equipment	370	-	370	-

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.

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 March, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements are as follows:

	As at 31.3.14 RM'000	**As at 31.3.13 RM'000**
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	258,991	220,403
- Unrealised loss	(13,226)	(23,222)
	245,765	197,181
Share of retained earnings of associates:		
- Realised gain	3,858	6,973
- Unrealised gain/(loss)	848	(1)
	250,471	204,153
Share of retained earnings of joint ventures:		
- Realised loss	(6,110)	(964)
- Unrealised gain	993	-
	245,354	203,189
Less: Consolidated adjustments	(94,506)	(69,100)
Total retained earnings at 31 March	**150,848**	**134,089**

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 29 May 2014.

By order of the Board of Directors

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

29 May 2014