



**IVORY PROPERTIES GROUP BERHAD**  
Company No.: 673211-M

**UNAUDITED INTERIM FINANCIAL REPORT – 30 SEPTEMBER 2016**

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**IVORY PROPERTIES GROUP BERHAD (673211-M)**

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2016 RM'000	Preceding Year Corresponding Quarter 30.09.2015 RM'000	Current Year- To-Date 30.09.2016 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2015 RM'000
Revenue	83,669	102,429	145,315	149,845
Cost of sales	(69,994)	(86,114)	(122,493)	(115,894)
<b>Gross profit</b>	<b>13,675</b>	<b>16,315</b>	<b>22,822</b>	<b>33,951</b>
Operating expenses	(15,276)	(15,187)	(27,430)	(30,441)
Other operating income	3,387	2,960	6,579	11,104
<b>Results from operating activities</b>	<b>1,786</b>	<b>4,088</b>	<b>1,971</b>	<b>14,614</b>
Finance costs	(2,252)	(2,537)	(4,642)	(5,173)
Share of profit/(loss) of equity accounted investees, net of tax				
- associates	338	(29)	(162)	(63)
- joint ventures	4,897	1,049	14,866	1,347
<b>Profit before tax</b>	<b>4,769</b>	<b>2,571</b>	<b>12,033</b>	<b>10,725</b>
Tax expense	(1,612)	(1,726)	(3,169)	(3,436)
<b>Profit for the period</b>	<b>3,157</b>	<b>845</b>	<b>8,864</b>	<b>7,289</b>
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>3,157</b>	<b>845</b>	<b>8,864</b>	<b>7,289</b>
<b>Profit, representing total comprehensive income attributable to:</b>				
Owners of the Company	3,158	845	8,865	7,437
Non-controlling interests	(1)	-	(1)	(148)
	<b>3,157</b>	<b>845</b>	<b>8,864</b>	<b>7,289</b>
<b>Earnings per share attributable to the owners of the Company:</b>				
Basic (sen)	0.64	0.19	1.89	1.67

Certain comparative figures have been restated to conform with the unaudited interim financial statements of current financial period ended 30 September 2016.

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 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 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>Unaudited as at 30.09.2016 RM'000</b>	<b>Audited as at 31.03.2016 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	43,762	46,654
Investment properties	57,117	58,209
Intangible assets	1	5
Investment in associates	3,216	3,011
Investment in joint ventures	144,212	128,503
Deferred tax assets	4,153	4,928
<b>Total non-current assets</b>	<b>252,461</b>	<b>241,310</b>
Property development costs	178,518	171,241
Inventories	164,357	169,943
Trade and other receivables	204,383	254,008
Current tax assets	1,563	3,080
Short term investments	78,134	26,945
Cash and bank balances	49,027	52,776
<b>Total current assets</b>	<b>675,982</b>	<b>677,993</b>
<b>Total assets</b>	<b>928,443</b>	<b>919,303</b>
<b>Equity</b>		
Share capital	226,440	204,164
Warrant reserve	27,900	27,900
Retained earnings	190,143	181,278
<b>Equity attributable to owners of the Company</b>	<b>444,483</b>	<b>413,342</b>
<b>Non-controlling interests</b>	<b>(249)</b>	<b>(248)</b>
<b>Total equity</b>	<b>444,234</b>	<b>413,094</b>
<b>Liabilities</b>		
Loans and borrowings	216,952	205,724
Deferred tax liabilities	5,740	6,323
<b>Total non-current liabilities</b>	<b>222,692</b>	<b>212,047</b>
Loans and borrowings	40,242	46,358
Trade and other payables	216,295	241,467
Current tax liabilities	4,980	6,337
<b>Total current liabilities</b>	<b>261,517</b>	<b>294,162</b>
<b>Total liabilities</b>	<b>484,209</b>	<b>506,209</b>
<b>Total equity and liabilities</b>	<b>928,443</b>	<b>919,303</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.91</b>	<b>0.93</b>

\* Computed based on 490,079,729 (31 March 2016: 445,527,027) ordinary shares of RM0.50 each in the Company (“Shares”)

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial period ended 31 March 2016 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 2016**

**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	Warrant reserve RM'000	Retained earnings RM'000			
<b>Balance at 1 April 2016</b>	204,164	27,900	181,278	413,342	(248)	413,094
Total comprehensive income/(expense) for the period	-	-	8,865	8,865	(1)	8,864
Issuance of ordinary shares, representing total transaction with owners	22,276	-	-	22,276	-	22,276
<b>Balance at 30 September 2016</b>	<b>226,440</b>	<b>27,900</b>	<b>190,143</b>	<b>444,483</b>	<b>(249)</b>	<b>444,234</b>
<b>Balance at 1 April 2015</b>	204,164	27,900	170,735	402,799	(1,605)	401,194
Total comprehensive income/(expense) for the period	-	-	7,437	7,437	(148)	7,289
Disposal of a subsidiary	-	-	-	-	1,506	1,506
<b>Balance at 30 September 2015</b>	<b>204,164</b>	<b>27,900</b>	<b>178,172</b>	<b>410,236</b>	<b>(247)</b>	<b>409,989</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 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 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current Year-To-Date 30.09.2016 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.09.2015 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	12,033	10,725
Adjustments for:-		
Amortisation of intangible assets	4	4
Bad debts recovered	(65)	-
Depreciation of investment properties	1,092	1,092
Depreciation of property, plant and equipment	3,143	3,547
Gain on disposal of investment in subsidiary	-	(6,021)
Gain on disposal of property, plant and equipment	(41)	-
Interest expense	4,642	5,173
Interest income	(989)	(530)
Impairment loss on investment in associate	10	-
Impairment loss on receivable	670	-
Impairment loss on property, plant and equipment	(18)	-
Plant and equipment written off	636	7
Share of loss in associates, net of tax	162	63
Share of profit in joint ventures, net of tax	(14,866)	(1,347)
Unrealised loss from downstream sale to associates	73	-
Unrealised loss from downstream sale to joint ventures	(843)	936
<b>Operating profit before changes in working capital</b>	<b>5,643</b>	<b>13,649</b>
Change in property development costs	(3,260)	(4,817)
Change in inventories	5,586	1,949
Change in trade and other receivables	49,020	(9,207)
Change in trade and other payables	(25,172)	53,458
<b>Cash from operations</b>	<b>31,817</b>	<b>55,032</b>
Tax paid	(2,817)	(7,070)
<b>Net cash from operating activities</b>	<b>29,000</b>	<b>47,962</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	989	530
Acquisition of property, plant and equipment	(868)	(1,440)
Cash outflow from disposal of subsidiary	-	(354)
Investment in associate	(450)	-
Proceeds from disposal of property, plant and equipment	40	-
Placement of fixed deposits	-	(809)
Placement of short term investments	(51,189)	-
<b>Net cash used in investing activities</b>	<b>(51,478)</b>	<b>(2,073)</b>

**IVORY PROPERTIES GROUP BERHAD (673211-M)**

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont'd)**

	<b>Current Year-To-Date 30.09.2016 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.09.2015 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(8,659)	(9,512)
Repayment of finance lease liabilities	(1,331)	(1,768)
Repayment of term loans and bridging loans	(15,691)	(40,546)
Proceeds from issuance of ordinary shares	22,276	-
Drawdown of finance lease liabilities	365	823
Drawdown of term loans and bridging loans	22,682	27,191
<b>Net cash from/(used in) financing activities</b>	<b>19,642</b>	<b>(23,812)</b>
Net (decrease)/increase in cash and cash equivalents	(2,836)	22,077
Cash and cash equivalents at beginning of year	51,448	25,767
<b>Cash and cash equivalents at end of year</b>	<b>48,612</b>	<b>47,844</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash in hand and at banks	48,194	46,575
Deposits with licensed banks (excluding deposits pledged)	833	2,208
Bank overdrafts	(415)	(939)
	<b>48,612</b>	<b>47,844</b>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 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 2016**

#### **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 March 2016 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 March 2016. 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 March 2016 except for the adoption of the following new/revised FRSs, amendments to FRSs and Interpretations:

- FRS 9, Financial Instruments
- FRS 14, Regulatory Deferral Accounts
- Amendments to FRS 10 and FRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 10, FRS 12 and FRS 128, Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 11, Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 101, Disclosure Initiative
- Amendments to FRS 116 and FRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127, Equity Method in Separate Financial Statements
- Annual Improvements 2012-2014 Cycle

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 PERIOD ENDED 30 SEPTEMBER 2016**

**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 March 2016.

**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 by the Company during 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 2016****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.

	<b>Property development and management RM’000</b>	<b>Construction contracts RM’000</b>	<b>Food and beverage RM’000</b>	<b>Investment holding and others RM’000</b>	<b>Elimination RM’000</b>	<b>Total RM’000</b>
<b>For the financial period ended 30 September 2016</b>						
<b>Revenue</b>						
External	48,600	95,825	452	438	-	145,315
Inter-segment	3,980	99,263	-	2,450	(105,693)	-
Total Revenue	52,580	195,088	452	2,888	(105,693)	145,315
<b>Results</b>						
Segmental profit/(loss)	(3,827)	8,804	(290)	7,346	-	12,033
Segmental assets	468,622	187,678	3,420	268,723	-	928,443
<b>For the financial period ended 30 September 2015</b>						
<b>Revenue</b>						
External	78,411	69,436	1,131	507	-	149,485
Inter-segment	23,769	23,916	-	5,573	(53,258)	-
Total Revenue	102,180	93,352	1,131	6,080	(53,258)	149,485
<b>Results</b>						
Segmental profit/(loss)	4,546	4,848	(1,241)	2,572	-	10,725
Segmental assets	586,866	157,373	3,704	197,200	-	945,143

**Geographical Segments**

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

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

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

**A9 Operating Segments (Cont’d)**

**Major Customers**

Major customers with revenue equal or more than 10% of the Group’s total revenue as at the end of current financial period are as follows:

	<b>RM’000</b>
Joint ventures	<u>59,850</u>

**A10 Subsequent Material Events**

There were no other material events or transactions subsequent to the end of the current financial quarter ended 30 September 2016 to 18 November 2016 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), except as disclosed below.

The Company had on 17 October 2016, completed the transfer of the entire issued and paid-up share capital in Alshem Development Sdn Bhd from Alshem Venture Sdn Bhd to the Company for a total consideration of RM17,760,000.

On 18 October 2016, the Company has acquired the entire issued and paid up share capital of Ikhlas Johan Sdn Bhd for a total cash consideration of RM2.00.

Following the above transfer and acquisition of shares, both Alshem Development Sdn Bhd and Ikhlas Johan Sdn Bhd are now a wholly-owned subsidiary company of the Company

On 8 November 2016, the Company via its wholly owned subsidiary Ivory Residence Sdn Bhd (“IRSB”) entered into a Joint Development Agreement with Grand Uptown Sdn Bhd (“GUSB”) to undertake construction of the Project on Government/FLC Owned STP Land and the Private Owned STP Land in return for the Exchange land located at Mukim Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan measuring 20,330 square meter on which IRSB and GUSB shall jointly develop.

**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 are 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 2016**

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

**A13 Capital Commitments**

There are no material capital commitments as at 30 September 2016.

**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

**IVORY PROPERTIES GROUP BERHAD (673211-M)**

**UNAUDITED INTERIM FINANCIAL REPORT  
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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS**

**B1 Review of Performance**

The Group's revenue for the current quarter dropped by 18.3% to RM83.7 million as compared to RM102.4 million reported in the previous year corresponding quarter while profit after tax increased from RM0.8 million in the previous year corresponding quarter to RM3.2 million in the current quarter.

Revenue from the property development division decreased significantly from RM46.4 million to RM21.5 million as a result of suppressed new sales and minimum construction progress of City Residence and City Mall at its close-completion stage, while Phase 3 and Phase 4 of Penang Times Square are at its respective early stages of construction and planning approval. Nevertheless this result was partly offset by sales of completed properties.

Revenue from construction division grew to RM61.6 million during the current quarter as compared to RM55.5 million reported in the previous corresponding quarter as the construction work at phase 1A of Penang WorldCity intensify, geared towards the completion by middle of next year.

Despite lower revenue recorded as highlighted above, profit before tax for the current quarter improved from RM2.6 million to RM4.8 million. Contribution to the Group's earnings by its 45%-owned joint venture company surged by more than 300% from RM1.1 million in the previous corresponding quarter to RM4.9 million in the current quarter due to the advanced stage of construction and high percentage of sales from phase 1A Penang WorldCity. The subsequent share of results of the joint venture company is expected to contribute substantially to the Group's performance of the year.

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

The Group's revenue improved by 35.7% to RM83.7 million in the current quarter as compared to RM61.6 million reported for the immediate preceding quarter. The significant increase of the revenue was due to higher billings from the construction division for work done at phase 1A Penang WorldCity.

The Group recorded a pre-tax profit of RM4.8 million for the current quarter as compared to RM7.3 million in the immediate preceding quarter. The lower pre-tax profit was due to lower contribution from the share of results from joint venture from RM10.0 million in immediate preceding quarter to RM4.9 million in current quarter.

**B3 Prospects for the Current Financial year ending 31 March 2017**

Based on the current uncertain economic conditions and weak property market sentiment, the property market is expected to be stable and flat in 2017. Nevertheless, the significant sales secured to-date and the on-going development activities on all the projects coupled with the share of results from joint venture company will contribute positively to the future earnings of the Group.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for its financial year ending 31 March 2017.

**IVORY PROPERTIES GROUP BERHAD (673211-M)**

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**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 12 months financial year under review.

**B5 Taxation**

The taxation for the Group comprises the following:-

	Individual Period		Cumulative Period	
	Current Quarter 30.09.2016 RM'000	Preceding Year Corresponding Quarter 30.09.2015 RM'000	Current Year-To-Date 30.09.2016 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2015 RM'000
Income Tax - current	1,590	2,458	3,002	4,280
- prior year	-	306	(25)	306
Deferred tax - current	22	(1,038)	192	(1,274)
- prior years	-	-	-	124
	<b>1,612</b>	<b>1,726</b>	<b>3,169</b>	<b>3,436</b>

The effective tax rate (excluding share of profit/(loss) from associates and joint ventures) 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 purposes.

**IVORY PROPERTIES GROUP BERHAD (673211-M)**

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

**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.

**Private placement**

Following the completion of private placement exercise on 22 July 2016, the status of utilisation of proceeds raised from the private placement of 44,552,702 Shares at the issued price of RM0.50 per share amounting RM 22,276,351 as at 18 November 2016 are as follow:-

<b>Details of utilisation</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance of proceeds RM'000</b>	<b>Time frame for the utilisation of the proceeds</b>
Expansion of landbanks and/or potential joint ventures	15,000	14,120	880	Within twelve (12) months
Working capital	7,076	7,076	-	Within six (6) months
Expenses in relation to the Proposed Private Placement	200	175	25	Within three (3) months
<b>Total</b>	<b>22,276</b>	<b>21,371</b>	<b>905</b>	

**B7 Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 September 2016 are as follows:-

	<b>Secured RM'000</b>
<i>Long Term Borrowings</i>	
Term loans and bridging loans	213,793
Hire purchase	3,159
	<hr/>
	216,952
<i>Short Term Borrowings</i>	
Term loans and bridging loans	11,377
Hire purchase	2,552
Revolving credit	25,898
Overdrafts	415
	<hr/>
	40,242
<b>Total</b>	<hr/> <b>257,194</b> <hr/>

The Group has no foreign currency borrowings.

**IVORY PROPERTIES GROUP BERHAD (673211-M)**

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

**B8 Material Litigation**

**Diamex Sdn. Bhd. – Civil Suit No. 21NCVC-54-09/2015 filed at the Kuala Lumpur High Court**

On 17 September 2015, Ivory Indah Sdn. Bhd. (“IISB”), a wholly owned subsidiary, was served with a Civil Suit No: 21NCVC-54-09/2015 filed at the Kuala Lumpur High Court on the 3 September 2015 (“Civil Suit”) from Diamex Sdn. Bhd. (“the Plaintiff”) against IISB as the 1<sup>st</sup> Defendant and 4 other Defendants claiming for several declarations and orders in connection with the sale of a parcel of freehold land held under Geran No. 1272, Lot No. 2838, Mukim 18, Daerah Timor Laut, Negeri Pulau Pinang owned by IISB.

The High Court has on 14 June 2016 allowed IISB’s application to strike out the Plaintiff’s Claim and dismissed the Plaintiff’s application for injunction.

The Plaintiff’s has filed an appeal to the Court of Appeal against the High Court’s decision in allowing IISB’s application to strike out the Plaintiff’s Claim. The matter is fixed for Hearing of the Plaintiff’s (Appellant’s) motion to consolidate three appeals (this appeal, their appeal against Jabatan Insolvensi Malaysia and their appeal against CIMB Islamic Bank Berhad) on 13 December 2016.

**Krishna Kumar a/l T.N. Sharma – Civil Suit No. 22NCVC-102-06/2015 at Penang High Court**

On 5 March 2015, Krishna Kumar a/l T.N. Sharma (“the Plaintiff”) had filed a Writ of Summons & Statement of Claim (“Writ & Claim”) against IISB in the High Court of Malaya at Kuala Lumpur which was subsequently transferred to High Court of Malaya at Penang under Civil Suit No. 22NCVC-102-06/2015.

The Writ & Claim was in relation to the sales of property by the Plaintiff to IISB in Years 2007 and 2008, with claims that IISB has abrogated the sales agreement and orders to restrain IISB from disposing and dealing with the property until the final disposal of this case.

The matter was struck off by the High Court on 8 September 2015. The Plaintiff’s application for reinstatement was allowed by the High Court on 25 March 2016. The High Court has subsequently dismissed IISB’s appeal against the reinstatement with cost.

On 12 August 2016, IISB succeeded in its application to strike out the Plaintiff’s Writ and Statement of Claim and the Court has thereby struck out the Plaintiff’s case.

The Plaintiff’s has filed an appeal to the Court of Appeal against the High Court’s decision in allowing IISB’s application to strike out the Plaintiff’s Writ & Claim. The matter is fixed for Case Management on 30 November 2016 at the Court of Appeal.

**B9 Dividend**

No interim ordinary dividend has been declared for the financial period ended 30 September 2016.

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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 year-to-date are computed as follows:-

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>Current Quarter 30.09.2016</b>	<b>Preceding Year Corresponding Quarter 30.09.2015</b>	<b>Current Year- To-Date 30.09.2016</b>	<b>Preceding Year Corresponding Year-To-Date 30.09.2015</b>
Profit attributable to owners of the Company (RM'000)	3,158	845	8,865	7,437
Weighted average number of ordinary shares in issue ('000)	490,080	445,527	467,928	445,527
<b>Basic earnings per share (sen)</b>	<b>0.64</b>	<b>0.19</b>	<b>1.89</b>	<b>1.67</b>

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 year 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 30.09.2016 RM'000	Preceding Year Corresponding Quarter 30.09.2015 RM'000	Current Year- To-Date 30.09.2016 RM'000	Preceding Year Corresponding Period 30.09.2015 RM'000
<b>Profit before tax is arrived at after charging :</b>				
Amortisation of intangible assets	2	2	4	4
Depreciation of investment properties	591	546	1,092	1,092
Depreciation of property, plant and equipment	1,582	1,687	3,143	3,547
Impairment loss on investment in associates	10	-	10	-
Impairment loss on receivable	170	-	670	-
Impairment loss on property, plant and equipment	(18)	-	(18)	-
Interest expense	2,252	2,537	4,642	5,173
Plant and equipment written off	635	6	636	7
<b>and after crediting :</b>				
Bad debts recovered	65	-	65	-
Gain on disposal of property, plant and equipment	27	-	41	-
Gain on disposal of investment in subsidiary	-	-	-	6,021
Interest income	626	337	989	530
Rental income	1,786	1,941	3,486	3,648

Other than the above items, there were no impairment of assets, provision for and write off of exceptional items for the current financial quarter and financial period-to-date.

**IVORY PROPERTIES GROUP BERHAD (673211-M)**

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

	<b>As at 30.09.16 RM'000</b>	<b>As at 30.09.15 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	291,059	295,149
- Unrealised loss	(1,588)	(2,401)
	<u>289,471</u>	<u>292,748</u>
Share of retained earnings of associates:		
- Realised gain	1,483	3,628
- Unrealised gain	880	880
	<u>291,834</u>	<u>297,256</u>
Share of retained earnings of joint ventures:		
- Realised gain	24,884	3,462
- Unrealised gain	12	16
	<u>316,730</u>	<u>300,734</u>
Less: Consolidated adjustments	(126,587)	(122,562)
Total retained earnings as at 30 September	<u><b>190,143</b></u>	<u><b>178,172</b></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 25 November 2016.

By order of the Board of Directors

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