



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

**UNAUDITED INTERIM FINANCIAL REPORT – 31 DECEMBER 2016**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year- To-Date 31.12.2016 RM'000	Preceding Year Corresponding Year-To-Date 31.12.2015 RM'000
Revenue	100,211	157,280	245,526	307,125
Cost of sales	(85,846)	(140,693)	(208,339)	(256,587)
<b>Gross profit</b>	<b>14,365</b>	<b>16,587</b>	<b>37,187</b>	<b>50,538</b>
Operating expenses	(17,710)	(16,905)	(45,140)	(47,346)
Other operating income	16,011	2,410	21,601	13,514
<b>Results from operating activities</b>	<b>12,666</b>	<b>2,092</b>	<b>13,648</b>	<b>16,706</b>
Finance costs	(1,277)	(2,527)	(4,930)	(7,700)
Share of profit/(loss) of equity accounted investees, net of tax				
- associates	(74)	372	(236)	309
- joint ventures	(4,283)	3,074	10,583	4,421
<b>Profit before tax</b>	<b>7,032</b>	<b>3,011</b>	<b>19,065</b>	<b>13,736</b>
Tax expense	(2,497)	(1,589)	(5,666)	(5,025)
<b>Profit for the period</b>	<b>4,535</b>	<b>1,422</b>	<b>13,399</b>	<b>8,711</b>
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,535</b>	<b>1,422</b>	<b>13,399</b>	<b>8,711</b>
<b>Profit, representing total comprehensive income attributable to:</b>				
Owners of the Company	4,536	1,423	13,401	8,860
Non-controlling interests	(1)	(1)	(2)	(149)
	<b>4,535</b>	<b>1,422</b>	<b>13,399</b>	<b>8,711</b>
<b>Earnings per share attributable to the owners of the Company:</b>				
Basic (sen)	0.93	0.32	2.73	1.99

Certain comparative figures have been restated to conform with the unaudited interim financial statements of current financial period ended 31 December 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 31 DECEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>Unaudited as at 31.12.2016 RM'000</b>	<b>Audited as at 31.03.2016 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	41,388	46,654
Investment properties	33,603	58,209
Intangible assets	-	5
Investment in associates	3,142	3,011
Investment in joint ventures	140,357	128,503
Deferred tax assets	2,643	4,928
<b>Total non-current assets</b>	<b>221,133</b>	<b>241,310</b>
Property development costs	182,528	171,241
Inventories	177,527	169,943
Trade and other receivables	228,512	254,008
Current tax assets	2,438	3,080
Short term investments	62,243	26,945
Cash and bank balances	54,866	52,776
<b>Total current assets</b>	<b>708,114</b>	<b>677,993</b>
<b>Total assets</b>	<b>929,247</b>	<b>919,303</b>
<b>Equity</b>		
Share capital	226,440	204,164
Warrant reserve	27,900	27,900
Retained earnings	194,679	181,278
<b>Equity attributable to owners of the Company</b>	<b>449,019</b>	<b>413,342</b>
<b>Non-controlling interests</b>	<b>(250)</b>	<b>(248)</b>
<b>Total equity</b>	<b>448,769</b>	<b>413,094</b>
<b>Liabilities</b>		
Loans and borrowings	144,090	205,724
Deferred tax liabilities	11,547	6,323
<b>Total non-current liabilities</b>	<b>155,637</b>	<b>212,047</b>
Loans and borrowings	91,613	46,358
Trade and other payables	231,865	241,467
Current tax liabilities	1,363	6,337
<b>Total current liabilities</b>	<b>324,841</b>	<b>294,162</b>
<b>Total liabilities</b>	<b>480,478</b>	<b>506,209</b>
<b>Total equity and liabilities</b>	<b>929,247</b>	<b>919,303</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.92</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 31 DECEMBER 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	-	-	13,401	13,401	(2)	13,399
Issuance of ordinary shares, representing total transaction with owners	22,276	-	-	22,276	-	22,276
<b>Balance at 31 December 2016</b>	<b>226,440</b>	<b>27,900</b>	<b>194,679</b>	<b>449,019</b>	<b>(250)</b>	<b>448,769</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	-	-	8,860	8,860	(149)	8,711
Disposal of a subsidiary	-	-	-	-	1,506	1,506
<b>Balance at 31 December 2015</b>	<b>204,164</b>	<b>27,900</b>	<b>179,595</b>	<b>411,659</b>	<b>(248)</b>	<b>411,411</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 31 DECEMBER 2016**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current Year-To-Date 31.12.2016 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 31.12.2015 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	19,065	13,736
Adjustments for:-		
Amortisation of intangible assets	5	6
Bad debts recovered	(65)	-
Depreciation of investment properties	1,592	1,638
Depreciation of property, plant and equipment	4,689	5,202
Bargain purchase gain on acquisition of subsidiary	(5,419)	-
Gain on disposal of investment in subsidiary	-	(6,021)
Gain on disposal of investment properties	(9,133)	-
Gain on disposal of property, plant and equipment	(62)	(36)
Interest expense	6,670	7,700
Interest income	(1,740)	(1,054)
Impairment loss on investment in associate	10	-
Impairment loss on receivable	1,670	-
Impairment loss on property, plant and equipment	(18)	-
Plant and equipment written off	1,510	8
Renovation cost of investment properties written off	226	-
Share of loss/(profit) in associates, net of tax	236	(309)
Share of profit in joint ventures, net of tax	(10,583)	(4,421)
Unrealised loss from downstream sale to associates	73	-
Unrealised (gain)/loss from downstream sale to joint ventures	(1,272)	2,561
<b>Operating profit before changes in working capital</b>	<b>7,454</b>	<b>19,010</b>
Change in property development costs	(5,256)	62,126
Change in inventories	22,173	(8,142)
Change in trade and other receivables	23,909	17,604
Change in trade and other payables	(9,630)	61,864
<b>Cash from operations</b>	<b>38,650</b>	<b>152,462</b>
Tax paid	(9,059)	(11,339)
<b>Net cash from operating activities</b>	<b>29,591</b>	<b>141,123</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	1,740	1,054
Acquisition of property, plant and equipment	(913)	(3,145)
Acquisition of investment properties	(925)	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	(17,760)	-
Cash outflow from disposal of subsidiary	-	(354)
Investment in associate	(450)	-
Investment in joint venture	-	(42,744)
Proceeds from disposal of property, plant and equipment	62	70
Proceeds from disposal of investment properties	32,846	-
Placement of fixed deposits	-	(5,024)
Placement of short term investments	(35,298)	-
<b>Net cash used in investing activities</b>	<b>(20,698)</b>	<b>(50,143)</b>

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

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

	<b>Current Year-To-Date 31.12.2016 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 31.12.2015 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(12,701)	(7,700)
Repayment of finance lease liabilities	(1,995)	(2,661)
Repayment of term loans and bridging loans	(47,745)	(69,182)
Proceeds from issuance of ordinary shares	22,276	-
Drawdown of finance lease liabilities	365	822
Drawdown of term loans and bridging loans	34,325	35,411
<b>Net cash used in financing activities</b>	<b>(5,475)</b>	<b>(43,310)</b>
Net increase in cash and cash equivalents	3,418	47,670
Cash and cash equivalents at beginning of year	51,448	25,767
<b>Cash and cash equivalents at end of year</b>	<b>54,866</b>	<b>73,437</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash in hand and at banks	54,003	67,218
Deposits with licensed banks (excluding deposits pledged)	863	8,000
Bank overdrafts	-	(1,781)
	<b>54,866</b>	<b>73,437</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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31 December 2016</b>						
<b>Revenue</b>						
External	89,083	155,659	651	133	-	245,526
Inter-segment	5,072	159,923	-	4,645	(169,640)	-
Total Revenue	94,155	315,582	651	4,778	(169,640)	245,526
<b>Results</b>						
Segmental profit/(loss)	(336)	15,325	(846)	4,922	-	19,065
Segmental assets	452,200	199,346	2,981	274,720	-	929,247
<b>For the financial period ended 31 December 2015</b>						
<b>Revenue</b>						
External	186,147	118,736	1,319	923	-	307,125
Inter-segment	26,595	67,065	-	6,669	(100,329)	-
Total Revenue	212,742	185,801	1,319	7,592	(100,329)	307,125
<b>Results</b>						
Segmental profit/(loss)	12,489	820	(1,449)	1,876	-	13,736
Segmental assets	542,549	160,014	3,693	227,138	-	933,394

**Geographical Segments**

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

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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>59,634</u>

**A10 Subsequent Material Events**

There were no other material events or transactions subsequent to the end of the current financial quarter ended 31 December 2016 to 17 February 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), except as disclosed below.

On 17 February 2017, the Company via its wholly owned subsidiary Ivory Villas Sdn Bhd (“IVSB”) entered into a Joint Venture Agreement with Asia Green Development Sdn Bhd (“AGDSB”) for the proposed development of land located at Batu Uban, Mukim 12 Daerah Timur Laut, Pulau Pinang.

**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 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

**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 31 DECEMBER 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 31 December 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  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**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 36.3% to RM100.2 million compared to RM157.3 million reported in the previous year corresponding quarter while profit after tax increased from RM1.4 million in the previous year corresponding quarter to RM4.5 million in the current quarter.

Revenue from the property development division decreased significantly from RM107.4 million to RM40.5 million as a result of minimal new sales and minimal construction progress due to near-completion stage of City Residence and City Mall and initial stage of construction of The Wave (Phase 3), and The Central (Phase 4) of Penang Times Square; nevertheless, this result was partly offset by sales of completed properties at Penang Times Square.

Revenue from the construction division grew marginally from 49.3 million, as reported in previous year corresponding quarter to RM59.8 million, with steady construction progress at phase 1A of Penang WorldCity targeted to be completed by middle of 2017.

Despite decreased revenue, the Group reported a profit before interest and tax of RM12.7 million in the current quarter ended 31 December 2016 compared with RM2.1 million in the previous year corresponding quarter. The increase was mainly due to the bargain purchase derived from the acquisition of 100% equity interest in Alshem Development Sdn Bhd amounting to RM5.4 million coupled with gain from the sales of completed properties at Penang Times Square.

The Group's share of net results from a joint venture company dropped from a profit of RM3.0 million to a loss of RM4.3 million during the quarter due to the revision of cost estimation and higher marketing costs incurred by the joint venture company.

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

The Group's revenue improved by 19.8% to RM100.2 million in the current quarter compared to RM83.7 million reported for the immediate preceding quarter. The significant increase of revenue was due to higher billings from the construction division for work done at phase 1A Penang WorldCity and the sales of completed properties at Penang Times Square.

The Group recorded a pre-tax profit of RM7.0 million for the current quarter compared to RM4.8 million in the immediate preceding quarter. The higher pre-tax profit was due to the contribution from the bargain purchase resulting from the acquisition of 100% equity interest in Alshem Development Sdn Bhd.

**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 (Cont'd)**

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

Based on current uncertainty about US economic policies and volatile exchange rate movements, property market sentiment is expected to remain soft. Nevertheless, the Group's current order book and unbilled sales stand at a healthy level, providing earnings visibility for 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.

**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 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year-To-Date 31.12.2016 RM'000	Preceding Year Corresponding Year-To-Date 31.12.2015 RM'000
Income Tax - current	1,561	(701)	4,563	3,579
- prior year	195	667	170	973
Deferred tax - current	741	1,624	933	350
- prior years	-	(1)	-	123
	<b>2,497</b>	<b>1,589</b>	<b>5,666</b>	<b>5,025</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)**

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**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 17 February 2017 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	15,000	-	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
Overprovision of expenses in relation to Proposed Private Placement	-	-	(25)	
<b>Total</b>	<b>22,276</b>	<b>22,251</b>	<b>-</b>	

**B7 Borrowings and Debt Securities**

Details of the Group's borrowings as at 31 December 2016 are as follows:-

	<b>Secured RM'000</b>
<i>Long Term Borrowings</i>	
Term loans and bridging loans	141,504
Hire purchase	2,586
	<hr/>
	144,090
<i>Short Term Borrowings</i>	
Term loans and bridging loans	60,946
Hire purchase	2,461
Revolving credit	28,206
	<hr/>
	91,613
<b>Total</b>	<hr/> <b>235,703</b> <hr/>

The Group has no foreign currency borrowings.

**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 (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 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 Court of Appeal has fixed the matter for Case Management on the 16 March 2017.

**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 & 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 & 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 final Case Management on 4 April 2017 and the hearing of the appeal is fixed on 21 April 2017.

## IVORY PROPERTIES GROUP BERHAD (673211-M)

### UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

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

##### B9 Dividend

No interim ordinary dividend has been declared for the financial period ended 31 December 2016.

##### 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 31.12.2016	Preceding Year Corresponding Quarter 31.12.2015	Current Year- To-Date 31.12.2016	Preceding Year Corresponding Year-To-Date 31.12.2015
Profit attributable to owners of the Company (RM'000)	4,536	1,423	13,401	8,860
Weighted average number of ordinary shares in issue ('000)	490,080	445,527	490,080	445,527
<b>Basic earnings per share (sen)</b>	<b>0.93</b>	<b>0.32</b>	<b>2.73</b>	<b>1.99</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.



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**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 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year- To-Date 31.12.2016 RM'000	Preceding Year Corresponding Period 31.12.2015 RM'000
<b>Profit before tax is arrived at after charging :</b>				
Amortisation of intangible assets	1	2	5	6
Depreciation of investment properties	500	546	1,592	1,638
Depreciation of property, plant and equipment	1,546	1,655	4,689	5,202
Impairment loss on investment in associates	-	-	10	-
Impairment loss on receivable	1,000	-	1,670	-
Impairment loss on property, plant and equipment	-	-	(18)	-
Interest expense	2,028	2,527	6,670	7,700
Plant and equipment written off	874	1	1,510	8
Renovation cost of investment properties written off	226	-	226	-
<b>and after crediting :</b>				
Bad debts recovered	-	-	65	-
Bargain purchase gain on acquisition of a subsidiary	5,419	-	5,419	-
Gain on disposal of property, plant and equipment	21	36	62	36
Gain on disposal of investment properties	9,133	-	9,133	-
Gain on disposal of investment in subsidiary	-	-	-	6,021
Interest income	751	524	1,740	1,054
Rental income	1,948	1,963	5,434	5,611

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)**

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**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, 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 31.12.2016 RM'000</b>	<b>As at 31.12.2015 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	302,433	287,776
- Unrealised loss	(8,904)	(4,024)
	<u>293,529</u>	<u>283,752</u>
Share of retained earnings of associates:		
- Realised gain	1,409	4,000
- Unrealised gain	880	880
	<u>295,818</u>	<u>288,632</u>
Share of retained earnings of joint ventures:		
- Realised gain	21,028	4,915
- Unrealised gain	12	12
	<u>316,858</u>	<u>293,559</u>
Less: Consolidated adjustments	(122,179)	(113,964)
Total retained earnings as at 31 December	<u><b>194,679</b></u>	<u><b>179,595</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 20 February 2017.

By order of the Board of Directors

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