



IVORY PROPERTIES GROUP BERHAD
Company No.: 673211-M

UNAUDITED INTERIM FINANCIAL REPORT – 31 MARCH 2017

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IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.03.2017 RM'000	Preceding Year Corresponding Quarter 31.03.2016 RM'000	Current Year- To-Date 31.03.2017 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2016 RM'000
Revenue	128,412	115,882	373,938	423,007
Cost of sales	(120,185)	(98,345)	(328,524)	(354,932)
Gross profit	8,227	17,537	45,414	68,075
Operating expenses	(20,665)	(16,696)	(65,805)	(64,042)
Other operating income	6,487	20	29,828	15,040
Results from operating activities	(5,951)	861	9,437	19,073
Finance costs	(4,353)	(2,569)	(11,023)	(10,269)
Share of profit/(loss) of equity accounted investees, net of tax				
- associates	(94)	(2,204)	(330)	(1,895)
- joint ventures	3,947	6,420	14,530	10,841
(Loss)/Profit before tax	(6,451)	2,508	12,614	17,750
Tax expense	2,205	(2,331)	(3,461)	(7,356)
(Loss)/Profit for the year	(4,246)	177	9,153	10,394
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	(4,246)	177	9,153	10,394
(Loss)/Profit, representing total comprehensive income attributable to:				
Owners of the Company	(4,245)	177	9,156	10,543
Non-controlling interests	(1)	-	(3)	(149)
	(4,246)	177	9,153	10,394
Earnings per share attributable to the owners of the Company:				
Basic (sen)	(0.87)	0.04	1.91	2.37

Certain comparative figures have been restated to conform with the unaudited interim financial statements of current financial year ended 31 March 2017.

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 YEAR ENDED 31 MARCH 2017**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.03.2017 RM'000	Audited as at 31.03.2016 RM'000
Assets		
Property, plant and equipment	37,763	46,654
Investment properties	15,350	58,209
Intangible assets	-	5
Investment in associates	3,029	3,011
Investment in joint ventures	144,022	128,503
Deferred tax assets	7,211	4,928
Total non-current assets	207,375	241,310
Property development costs	177,295	171,241
Inventories	113,850	169,943
Trade and other receivables	188,490	254,008
Current tax assets	1,327	3,080
Short term investments	55,074	26,945
Cash and bank balances	57,909	52,776
	593,945	677,993
Assets classified as held for sale	5,469	-
Total current assets	599,414	677,993
Total assets	806,789	919,303
Equity		
Share capital	226,440	204,164
Warrant reserve	27,900	27,900
Retained earnings	190,434	181,278
Equity attributable to owners of the Company	444,774	413,342
Non-controlling interests	(251)	(248)
Total equity	444,523	413,094
Liabilities		
Loans and borrowings	90,339	205,724
Deferred tax liabilities	6,054	6,323
Total non-current liabilities	96,393	212,047
Loans and borrowings	79,024	46,358
Trade and other payables	181,657	241,467
Current tax liabilities	5,192	6,337
Total current liabilities	265,873	294,162
Total liabilities	362,266	506,209
Total equity and liabilities	806,789	919,303
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.91	0.93

* Computed based on 490,079,729 (31 March 2016: 445,527,027) ordinary shares in the Company ("Shares")

The Condensed Consolidated Statements of Financial Position 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 YEAR ENDED 31 MARCH 2017

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			
Balance at 1 April 2016	204,164	27,900	181,278	413,342	(248)	413,094
Total comprehensive income/(expense) for the year	-	-	9,156	9,156	(3)	9,153
Issuance of ordinary shares, representing total transaction with owners	22,276	-	-	22,276	-	22,276
Balance at 31 March 2017	226,440	27,900	190,434	444,774	(251)	444,523
Balance at 1 April 2015	204,164	27,900	170,735	402,799	(1,605)	401,194
Total comprehensive income/(expense) for the year	-	-	10,543	10,543	(149)	10,394
Disposal of a subsidiary	-	-	-	-	1,506	1,506
Balance at 31 March 2016	204,164	27,900	181,278	413,342	(248)	413,094

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 YEAR ENDED 31 MARCH 2017**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year-To-Date 31.03.2017 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2016 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	12,614	17,750
Adjustments for:-		
Amortisation of intangible assets	5	8
Bad debts recovered	(65)	(276)
Bad debts written off	-	149
Depreciation of :		
- Investment properties	1,769	2,184
- Property, plant and equipment	6,089	6,605
Gain on disposal of :		
- Investment in subsidiary	-	(6,021)
- Investment properties	(18,482)	-
- Property, plant and equipment	(68)	(36)
Interest expense	11,023	10,269
Interest income	(2,595)	(1,432)
Impairment loss on :		
- Investment in associate	10	-
- Receivable	4,003	2,586
Write off of :		
- Property, plant and equipment	2,074	14
- Renovation cost of investment properties	225	-
Share of loss in associates, net of tax	330	1,895
Share of profit in joint ventures, net of tax	(14,530)	(10,841)
Unrealised loss from downstream sale to associates	92	79
Unrealised (gain)/loss from downstream sale to joint ventures	(989)	4,720
Operating profit before changes in working capital	1,505	27,653
Change in property development costs	1,855	108,639
Change in inventories	78,720	4,592
Change in trade and other receivables	61,598	(39,555)
Change in trade and other payables	(59,838)	62,635
Cash from operations	83,840	163,964
Tax paid	(10,264)	(15,053)
Net cash from operating activities	73,576	148,911

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont'd)

	Current Year-To-Date 31.03.2017 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2016 RM'000
<u>Cash flows from investing activities</u>		
Interest received	2,595	1,432
Acquisition of property, plant and equipment	(1,011)	(1,449)
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	-	(42,742)
Proceeds from disposal of property, plant and equipment	1,809	70
Proceeds from disposal of investment properties	54,803	-
Placement of short term investments	(28,129)	(22,028)
Net cash generated from / (used in) investing activities	10,932	(65,071)
<u>Cash flows from financing activities</u>		
Interest paid	(18,932)	(10,269)
Repayment of finance lease liabilities	(2,797)	(3,529)
Repayment of term loans and bridging loans	(119,162)	(92,986)
Proceeds from issuance of ordinary shares	22,276	2-
Drawdown of finance lease liabilities	365	-
Drawdown of term loans and bridging loans	39,694	48,625
Net cash used in financing activities	(78,556)	(58,159)
Net increase in cash and cash equivalents	5,952	25,681
Cash and cash equivalents at beginning of year	51,448	25,767
Cash and cash equivalents at end of year	57,400	51,448
Cash and cash equivalents comprise the following:-		
Cash in hand and at banks	57,040	52,131
Deposits with licensed banks (excluding deposits pledged)	869	645
Bank overdrafts	(509)	(1,328)
	57,400	51,448

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 YAER ENDED 31 MARCH 2017

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 YAER ENDED 31 MARCH 2017**

**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.

As at 31 March 2017, there was a total of 186,000,000 warrants remain outstanding with expiry date on 26 April 2017. Each of the said warrant entitles the holder to subscribe for one ordinary share at exercise price of RM0.75 per share.

Notice to inform warrant holders on the expiry and last date for the exercise of warrants was sent on 24 March 2017, subsequently the warrants were suspended for trading on 11 April 2017 and were delisted from Bursa Securities on 27 April 2017.

There was no warrant exercised for the period 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 YAER ENDED 31 MARCH 2017****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	Elimination RM’000	Total RM’000
For the financial year ended 31 March 2017						
Revenue						
External	150,725	220,972	828	1,413	-	373,938
Inter-segment	25,815	208,978	-	20,622	(255,415)	-
Total Revenue	176,540	429,950	828	22,035	(255,415)	373,938
Results						
Segmental profit/(loss)	(15,014)	29,692	(930)	(1,134)	-	12,614
Segmental assets	353,373	175,213	1,357	276,846	-	806,789
For the financial year ended 31 March 2016						
Revenue						
External	297,404	122,388	1,605	1,610	-	423,007
Inter-segment	17,070	173,206	-	15,218	(205,494)	-
Total Revenue	314,474	295,594	1,605	16,828	(205,494)	423,007
Results						
Segmental profit/(loss)	13,090	5,130	(1,698)	1,228	-	17,750
Segmental assets	653,997	167,520	3,696	94,090	-	919,303

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 YEAR ENDED 31 MARCH 2017**

**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:

	RM’000
Customer A	70,854
Customer B	28,488
Customer C	<u>14,363</u>

A10 Subsequent Material Events

There were no other material events or transactions subsequent to the end of the current financial quarter ended 31 March 2017 to 30 May 2017 (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.

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.

A13 Capital Commitments

There are no material capital commitments as at 31 March 2017.

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.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**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 improved by 10.8% to RM128.4 million compared to RM115.9 million reported in the previous year corresponding quarter while profit after tax decreased from RM0.2 million in the previous year corresponding quarter to a loss of RM4.2 million in the current quarter.

Revenue from the property development division decreased from RM87.5 million to RM61.6 million as a result of minimal new sales and minimal construction progress due to the near-completion stage of City Residence and Citi Mall and initial stage of construction of The Wave (Phase 3), and The Central (Phase 4) of Penang Times Square.

Revenue from the construction division increased from RM27.4 million reported in previous year corresponding quarter to RM65.3 million due to the higher percentage of work done at phase 1A of Penang World City which is targeted to be completed by middle of 2017.

Profit before tax for the current quarter dropped from RM2.5 million in the previous corresponding quarter to a loss of RM6.4 million in the current quarter. The decline profit was the direct result of lower contribution from property development division.

The Group's share of net results from a joint venture company dropped from a profit of RM6.4 million reported in previous corresponding period to a profit of RM3.9 million in current quarter.

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

The Group's revenue improved by 28.1% to RM128.4 million in the current quarter compared to RM100.2 million reported in the immediate preceding quarter. The increase of revenue was due to higher billings from property development division derived from the sales of completed properties at Penang Times Square.

The Group recorded a pre-tax loss of RM6.4 million for the current quarter compared to a profit RM7.0 million in the immediate preceding quarter. The lower pre-tax profit was due to the revision of cost estimation and lower billings from property development division.

IVORY PROPERTIES GROUP BERHAD (673211-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YAER ENDED 31 MARCH 2017

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

The Malaysian economy is expected to sustain growth rate of between 4.3% and 4.8% in 2017, notwithstanding domestic and external headwinds and the current property market glut.

The Group is maintaining its focus to deliver on-going development projects on time and strive its effort to launch new projects with right product and pricing that withstand the moderated property market.

The Board of Directors recognize the challenges ahead, but remains cautiously optimistic on the Group to achieve a satisfactory results for financial year ending 31 March 2018.

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 31.03.2017 RM'000	Preceding Year Corresponding Quarter 31.03.2016 RM'000	Current Year-To-Date 31.03.2017 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2016 RM'000
Income Tax - current	6,144	4,468	10,707	8,047
- prior year	-	491	170	1,464
Deferred tax - current	(8,346)	(2,142)	(7,413)	(1,792)
- prior years	(3)	(486)	(3)	(363)
	(2,205)	2,331	3,461	7,356

The effective tax rate (excluding share of profit/(loss) from associates and joint ventures) for the current financial quarter and financial year-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
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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, 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 (“JVA”) with Asia Green Development Sdn Bhd (“AGDSB”) for the proposed development of land located at Batu Uban, Mukim 12 Daerah Timur Laut, Pulau Pinang. The JVA is pending the fulfilment of conditions precedent as at end of the period under review.

B7 Borrowings and Debt Securities

Details of the Group’s borrowings as at 31 March 2017 are as follows:-

	Secured RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	88,330
Hire purchase	2,009
	<hr/>
	90,339
<i>Short Term Borrowings</i>	
Term loans and bridging loans	51,194
Hire purchase	2,236
Revolving credit	25,085
Bank overdrafts	509
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	79,024
	<hr/>
Total	169,363

All borrowings are denominated in Ringgit Malaysia and are secured except for RM10,000,000 revolving credit facilities which are unsecured.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**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 1st 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 matter is now fixed on 20 June 2017 for the hearing of disposal of the matter.

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 Plaintiff’s (the Appellant’s) “Application for Abridgement of Time” and the “Full Appeal” is now fixed for hearing on 12 July 2017.

IVORY PROPERTIES GROUP BERHAD (673211-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 year ended 31 March 2017.

B10 Earnings per Share

B10.1 Basic Earnings per Share

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group's profit attributable to equity holders of the Company of RM1,738,000 and RM15,139,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial year ended 31 March 2017.

	Individual Period		Cumulative Period	
	Current Quarter 31.03.2017	Preceding Year Corresponding Quarter 31.03.2016	Current Year- To-Date 31.03.2017	Preceding Year Corresponding Year-To-Date 31.03.2016
(Loss)/Profit attributable to owners of the Company (RM'000)	(4,245)	177	9,156	10,543
Weighted average number of ordinary shares in issue ('000)	490,080	445,527	478,972	445,527
Basic earnings per share (sen)	(0.87)	0.04	1.91	2.37

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
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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 31.03.2017 RM'000	Preceding Year Corresponding Quarter 31.03.2016 RM'000	Current Year- To-Date 31.03.2017 RM'000	Preceding Year Corresponding Period 31.03.2016 RM'000
Profit before tax is arrived at after charging :				
Amortisation of intangible assets	-	2	5	8
Bad debts written off	-	149	-	149
Depreciation of :				
- Investment properties	177	546	1,769	2,184
- Property, plant and equipment	1,400	1,403	6,089	6,605
Impairment loss on :				
- Investment in associates	-	-	10	-
- Receivable	2,333	2,586	4,003	2,586
Interest expense	4,353	2,569	11,023	10,269
Write off of :				
- Property, plant and equipment	564	6	2,074	14
- Renovation cost of investment properties	-	-	225	-
and after crediting :				
Bad debts recovered	-	276	65	276
Gain on disposal of :				
- Property, plant and equipment	6	-	68	36
- Investment properties	9,349	-	18,482	-
- Investment in subsidiary	-	-	-	6,021
Interest income	855	378	2,595	1,432
Rental income	1,318	1,359	6,334	5,329

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 year-to-date.

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

B12 Realised and Unrealised Profits

The breakdown of the retained earnings of the Group as at 31 March, 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:

	As at 31.03.2017 RM'000	As at 31.03.2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	296,287	295,983
- Unrealised loss	1,156	(1,396)
	<u>297,443</u>	<u>294,587</u>
Share of retained earnings of associates:		
- Realised gain	1,296	1,720
- Unrealised gain	880	880
	<u>299,619</u>	<u>297,187</u>
Share of retained earnings of joint ventures:		
- Realised gain	24,693	9,174
- Unrealised gain	12	12
	<u>324,324</u>	<u>306,373</u>
Less: Consolidated adjustments	(133,890)	(125,095)
Total retained earnings as at 31 March	<u>190,434</u>	<u>181,278</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 30 May 2017.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)
Thum Sook Fun (f) (MIA 24701)
Company Secretaries