



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 30 JUNE 2017**

<b>Table of contents</b>	<b>Page</b>
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5-6
<b>Explanatory Notes To The Interim Financial Statements:</b>	
Part A : Explanatory Notes Pursuant to FRS134	7-11
Part B : Explanatory Notes Pursuant To Appendix 9B of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad	12-18

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

	Individual Quarter (1Q2018)		Changes %	Cumulative Period		Changes %
	Current Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000		Current Year- To-Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000	
Revenue	129,086	61,646	109	129,086	61,646	109
Cost of sales	(106,241)	(52,499)	102	(106,241)	(52,499)	102
<b>Gross profit</b>	<b>22,845</b>	<b>9,147</b>	<b>150</b>	<b>22,845</b>	<b>9,147</b>	<b>150</b>
Operating expenses	(14,913)	(12,154)	22	(14,913)	(12,154)	22
Other operating income	3,920	3,192	23	3,920	3,192	23
<b>Results from operating activities</b>	<b>11,852</b>	<b>185</b>	<b>6,306</b>	<b>11,852</b>	<b>185</b>	<b>6,306</b>
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(60)	(500)	88	(60)	(500)	88
- joint ventures	3,413	9,969	(66)	3,413	9,969	(66)
<b>Profit before interest &amp; tax</b>	<b>15,205</b>	<b>9,654</b>	<b>57</b>	<b>15,205</b>	<b>9,654</b>	<b>57</b>
Finance costs	(1,554)	(2,390)	(35)	(1,554)	(2,390)	(35)
<b>Profit before tax</b>	<b>13,651</b>	<b>7,264</b>	<b>88</b>	<b>13,651</b>	<b>7,264</b>	<b>88</b>
Tax expense	(4,878)	(1,557)	213	(4,878)	(1,557)	213
<b>Profit for the period</b>	<b>8,773</b>	<b>5,707</b>	<b>54</b>	<b>8,773</b>	<b>5,707</b>	<b>54</b>
<b>Other comprehensive income for the period, net of tax<sup>2</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>8,773</b>	<b>5,707</b>	<b>54</b>	<b>8,773</b>	<b>5,707</b>	<b>54</b>
<b>Attributable to:</b>						
Owners of the Company	8,773	5,707	54	8,773	5,707	54
Non-controlling interests	-	-	-	-	-	-
	<b>8,773</b>	<b>5,707</b>	<b>54</b>	<b>8,773</b>	<b>5,707</b>	<b>54</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	1.79	1.28	40	1.79	1.28	40

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>Unaudited as at 30.06.2017 RM'000</b>	<b>Audited as at 31.03.2017 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	37,607	37,763
Investment properties	15,255	15,350
Intangible assets	-	-
Investment in associates	2,969	3,029
Investment in joint ventures	149,571	144,026
Deferred tax assets	3,076	7,211
<b>Total non-current assets</b>	<b>208,478</b>	<b>207,379</b>
Property development costs	124,820	177,294
Inventories	124,860	113,850
Trade and other receivables	201,539	183,953
Current tax assets	3,549	1,327
Short term investments	71,921	55,074
Cash and bank balances	61,203	57,909
	<b>587,892</b>	<b>589,407</b>
Assets classified as held for sale	-	5,469
<b>Total current assets</b>	<b>587,892</b>	<b>594,876</b>
<b>Total assets</b>	<b>796,370</b>	<b>802,255</b>
<b>Equity</b>		
Share capital	226,440	226,440
Warrant reserve	-	27,900
Retained earnings	227,110	190,437
<b>Equity attributable to owners of the Company</b>	<b>453,550</b>	<b>444,777</b>
<b>Non-controlling interests</b>	<b>(251)</b>	<b>(251)</b>
<b>Total equity</b>	<b>453,299</b>	<b>444,526</b>
<b>Liabilities</b>		
Loans and borrowings	71,254	90,339
Deferred tax liabilities	5,677	6,054
<b>Total non-current liabilities</b>	<b>76,931</b>	<b>96,393</b>
Loans and borrowings	47,666	79,024
Trade and other payables	215,250	177,120
Current tax liabilities	3,224	5,192
<b>Total current liabilities</b>	<b>266,140</b>	<b>261,336</b>
<b>Total liabilities</b>	<b>343,071</b>	<b>357,729</b>
<b>Total equity and liabilities</b>	<b>796,370</b>	<b>802,255</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.92</b>	<b>0.91</b>

\* Computed based on 490,079,729 ordinary shares in the Company (“Shares”)

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company				Non-controlling interests RM'000	Total equity RM'000
	Non-distributable		Distributable			
	Share capital RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>Balance at 1 April 2017</b>	226,440	27,900	190,437	444,777	(251)	444,526
Total comprehensive income for the period	-	-	8,773	8,773	-	8,773
Transfer to retained earnings	-	(27,900)	27,900	-	-	-
<b>Balance at 30 June 2017</b>	<b>226,440</b>	<b>-</b>	<b>227,110</b>	<b>453,550</b>	<b>(251)</b>	<b>453,299</b>
<b>Balance at 1 April 2016</b>	204,164	27,900	181,278	413,342	(248)	413,094
Total comprehensive income for the period	-	-	5,707	5,707	-	5,707
<b>Balance at 30 June 2016</b>	<b>204,164</b>	<b>27,900</b>	<b>186,985</b>	<b>419,049</b>	<b>(248)</b>	<b>418,801</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statement.

**IVORY PROPERTIES GROUP BERHAD (673211-M)**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 30.06.2017 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.06.2016 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	13,651	7,264
Adjustments for:-		
Amortisation of intangible assets	-	2
Depreciation of :		
- Investment properties	95	501
- Property, plant and equipment	1,404	1,561
Gain on disposal of :		
- Investment properties	(1,808)	-
- Property, plant and equipment	-	(14)
Interest expense	1,554	2,390
Interest income	(693)	(363)
Impairment loss on receivable	700	500
Property, plant and equipment written off	96	1
Share of loss in associates, net of tax	60	499
Share of profit in joint ventures, net of tax	(3,413)	(9,969)
Unrealised loss from downstream sale to associates	-	74
Unrealised gain from downstream sale to joint ventures	(2,132)	(622)
<b>Operating profit before changes in working capital</b>	<b>9,514</b>	<b>1,824</b>
Change in property development costs	53,062	5,648
Change in inventories	(11,010)	(5,174)
Change in trade and other receivables	(18,286)	3,384
Change in trade and other payables	38,130	(2,673)
<b>Cash from operations</b>	<b>71,410</b>	<b>3,009</b>
Tax paid	(5,310)	(724)
<b>Net cash from operating activities</b>	<b>66,100</b>	<b>2,285</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	693	363
Acquisition of property, plant and equipment	(1,348)	(325)
Investment in associate	-	(450)
Proceeds from disposal of property, plant and equipment	4	14
Proceeds from disposal of investment properties	7,277	-
Withdrawal/(Placement) of fixed deposits	501	(183)
Placement of short term investments	(16,847)	(3,346)
<b>Net cash used in investing activities</b>	<b>(9,720)</b>	<b>(3,927)</b>

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

	<b>Current Year-To-Date 30.06.2017 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.06.2016 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(2,142)	(3,832)
Repayment of finance lease liabilities	(644)	(675)
Repayment of term loans and bridging loans	(53,961)	(9,735)
Drawdown of finance lease liabilities	1,140	-
Drawdown of term loans and bridging loans	3,531	19,222
<b>Net cash used in financing activities</b>	<b>(52,076)</b>	<b>4,980</b>
Net increase in cash and cash equivalents	4,304	3,338
Cash and cash equivalents at beginning of period	56,531	50,803
<b>Cash and cash equivalents at end of period</b>	<b>60,835</b>	<b>54,141</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash in hand and at banks	60,835	55,338
Bank overdrafts	-	(1,197)
	<b>60,835</b>	<b>54,141</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 2017 and the accompanying explanatory notes attached to this interim financial report.

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

### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

##### **A1 Basis of Preparation**

The interim financial statements are unaudited and have 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 statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

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 2017. The interim consolidated financial statements 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 the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2017 except for the adoption of the following standards, amendments and interpretations that have been issued by the Malaysian Accounting Standard Board (MASB) but have not been adopted by the Group:

- FRS 9, Financial Instruments (2014)
- Amendments to FRS 10 and FRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 107, Statement of Cash Flows – Disclosure Initiative
- Amendments to FRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
- IC Interpretation 22, Foreign Currency Transaction and Advance Consideration
- Amendments to FRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 4, Insurance Contracts – Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts
- Amendments to FRS 140, Investment Property – Transfer of Investment Property
- Annual Improvements 2014 – 2016 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 STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 2017.

**A4 Seasonal or Cyclical Factors**

The Group’s business operations are not subject to any significantly seasonal or 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**

Save as disclosed below, 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 quarter.

Expiry of warrant exercise period:

As of the warrant expiry date on 26 April 2017, a total of 186,000,000 warrants remained outstanding and not exercised. The unexercised warrants lapsed, became null and void, and ceased to be exercisable after 26 April 2017. The warrant reserve of RM27,900.000 was thus transferred to retained earnings.

**A8 Dividends Paid**

No dividends have been paid during the current financial quarter.



**IVORY PROPERTIES GROUP BERHAD (673211-M)****UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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.

	<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 June 2017</b>						
<b>Revenue</b>						
External	100,900	27,912	172	102	-	129,086
Inter-segment	2,566	30,116	-	1,700	(34,382)	-
Total Revenue	<u>103,466</u>	<u>58,028</u>	<u>172</u>	<u>1,802</u>	<u>(34,382)</u>	<u>129,086</u>
<b>Results</b>						
Segmental profit/(loss)	<u>10,876</u>	<u>3,796</u>	<u>(66)</u>	<u>(955)</u>	<u>-</u>	<u>13,651</u>
Segmental assets	<u>291,672</u>	<u>222,709</u>	<u>1,715</u>	<u>280,274</u>	<u>-</u>	<u>796,370</u>
<b>For the financial period ended 30 June 2016</b>						
<b>Revenue</b>						
External	27,070	34,231	243	102	-	61,646
Inter-segment	2,642	41,847	-	1,296	(45,785)	-
Total Revenue	<u>29,712</u>	<u>76,078</u>	<u>243</u>	<u>1,398</u>	<u>(45,785)</u>	<u>61,646</u>
<b>Results</b>						
Segmental profit/(loss)	<u>(1,319)</u>	<u>2,553</u>	<u>(167)</u>	<u>6,197</u>	<u>-</u>	<u>7,264</u>
Segmental assets	<u>484,158</u>	<u>199,864</u>	<u>3,608</u>	<u>241,140</u>	<u>-</u>	<u>928,770</u>

**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 STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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:

	<b>RM’000</b>
Customer A	28,601
Customer B	27,637
Customer C	22,895
Customer D	<u>20,789</u>

**A10 Subsequent Material Events**

There were no other material events or transactions subsequent to the end of the current financial quarter ended 30 June 2017 to 21 August 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

On 12 July 2017, the Company entered into a Memorandum of Understanding (“MoU”) with Taman Segar Management Corporation and Upper Label Sdn Bhd for the establishment of a strategic alliance to jointly re-develop/develop the land located at Mukim Kuala Lumpur, Daerah Kuala Lumpur.

**A11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current 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.

**A13 Capital Commitments**

There are no material capital commitments as at 30 June 2017.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

**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 STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

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

##### B1 Review of Performance

###### Current quarter vs previous corresponding quarter

The Group's revenue for the current quarter increased by 109% to RM129.1 million compared to RM61.6 million reported in the previous year corresponding quarter while pre-tax profit was RM13.6 million or 88% higher than the previous corresponding quarter. Net profit attributable to equity holders improved by RM3.1 million or 54% to RM8.8 million.

Revenue from property development division increased from RM27.1 million to RM100.9 million as a result of RM71.7 million sales from completed commercial lots of Penang Times Square while the balance revenue was derived from City Residence and City Mall which was completed in June 2017 and on-going development of The Wave & Commercial of Penang Times Square.

Revenue from the construction division slipped by RM6.3 million or 18% from RM34.2 million to RM27.9 million, due to near-completion of Penang WorldCity, phase 1A where Certificate of Practical Completion is targeted to be issued by next quarter.

Despite a drop of RM6.6 million or 66% of the Group's share of profit of equity-accounted joint-venture from RM10.0 million to RM3.4 million, the improved pre-tax profit was mainly supported by profit from the sales of completed commercial lots at Penang Times Square.

##### B2 Material changes in the quarterly results compared with the immediate preceding quarter

	Current Quarter (1Q2018) 30.06.2017 RM'000	Immediate Preceding Quarter 31.03.2017 RM'000	Changes	
			RM'000	%
Revenue	129,086	127,325	1,761	1.4
Profit/(Loss) from operations	11,852	(7,252)	19,104	263
Profit/(Loss) Before Interest and Tax	15,205	(2,308)	17,512	759
Profit/(Loss) Before Tax	13,651	(6,661)	20,311	305
Profit/(Loss) After Tax	8,773	(4,243)	13,016	307
Profit/(Loss) Attributable to Equity Holders of the Company	8,773	(4,242)	13,015	307

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

**B2 Material Changes in the Quarterly Results compared with the Immediate Preceding  
Quarter (*Cont'd*)**

The Group's revenue improved marginally by RM1.8 million or 1.4% to RM129.1 million in the current quarter compared to RM127.3 million reported in the immediate preceding quarter. Though maintaining its revenue, pre-tax results leaped from a loss of RM6.7 million to profit of RM13.7 million attributed by the absence of an adverse impact to the financial results due to the revision of cost estimation in the immediate preceding quarter. Net profit attributable to equity holders improved by RM13.0 million or 307% to RM8.8 million from a loss of RM4.2 million as a direct result of better pre-tax results.

**B3 Prospects for the Current Financial year ending 31 March 2018**

Property market remains challenging despite upward revision of Malaysia's GDP growth rate by World Bank to 4.9% for 2017. The Group is maintaining its focus to work on the on-going development projects to deliver the desired revenue and financial results to the Group; and at the same time strives its effort to launch new projects with innovative marketing strategies, and right product and pricing that withstand a rather stable and flat market condition.

The Board of Directors maintain positive about the performance of the Group at the backdrop of satisfactory performance in the current quarter and total unbilled sales of RM670 million at as end of the current quarter. The Board of Directors recognise the challenges ahead, but remains cautiously optimistic on the Group to achieve a satisfactory result 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.

**IVORY PROPERTIES GROUP BERHAD (673211-M)****UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS (Cont'd)****B5 Taxation**

The taxation for the Group comprises the following:-

	Individual Quarter		Cumulative Period	
	Current Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000	Current Year-To-Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Income Tax - current	1,120	1,412	1,120	1,412
- prior year	-	(25)	-	(25)
Deferred tax - current	3,758	170	3,758	170
	<b>4,878</b>	<b>1,557</b>	<b>4,878</b>	<b>1,557</b>

The effective tax rate (excluding share of profit/(loss) from associates and joint ventures) for the current quarter and financial period-to-date was higher than the statutory tax rate mainly due to certain expenses being not deductible for tax purposes.

**B6 Status of Corporate Proposals**

There were no corporate proposals that have been announced but not yet completed during the current quarter and financial period-to-date under review.

**B7 Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 June 2017 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	68,696
Hire purchase	2,558
	<hr/>
	71,254
<i>Short Term Borrowings</i>	
Term loans and bridging loans	16,867
Hire purchase	2,183
Revolving credit	28,616
	<hr/>
	47,666
<b>Total</b>	<hr/> <b>118,920</b> <hr/>

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 STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 of the Company, was served with a Civil Suit No: 21NCVC-54-09/2015 filed at the Kuala Lumpur High Court on 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 Plaintiff’s (the Appellant’s) appeal has been struck out by the Court of Appeal, Putrajaya with no liberty to file afresh.

**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”) filed a Writ & Statement of Claim (“Writ & Claim”) against IISB in the High Court of Malaya at Kuala Lumpur which was subsequently transferred to the 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 Court of Appeal has adjourned the appeal for hearing to 4 September 2017.

## IVORY PROPERTIES GROUP BERHAD (673211-M)

### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 period ended 30 June 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 and the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 30 June 2017.

	Individual Quarter		Cumulative Period	
	Current Quarter 30.06.2017	Preceding Year Corresponding Quarter 30.06.2016	Current Year- To-Date 30.06.2017	Preceding Year Corresponding Period 30.06.2016
Profit attributable to owners of the Company (RM'000)	8,773	5,707	8,773	5,707
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>1.79</b>	<b>1.28</b>	<b>1.79</b>	<b>1.28</b>

###### B10.2 Diluted Earnings per Share

There are no diluted earnings per share as there were no potential dilutive ordinary shares for the period under review.



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

**B11 Profit before tax**

	Individual Quarter		Cumulative Period	
	Current Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000	Current Year- To-Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
<b>Profit before tax is arrived at after charging :</b>				
Amortisation of intangible assets	-	2	-	2
Depreciation of :				
- Investment properties	95	501	95	501
- Property, plant and equipment	1,404	1,561	1,404	1,561
Impairment loss on receivable	700	500	700	500
Interest expense	1,554	2,390	1,554	2,390
Property, plant and equipment written off	96	1	96	1
<b>and after crediting :</b>				
Gain on disposal of :				
- Property, plant and equipment	-	14	-	14
- Investment properties	1,808	-	1,808	-
Interest income	693	363	693	363
Rental income	995	1,700	995	1,700

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 STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

**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 June, 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 30.06.2017 RM'000</b>	<b>As at 30.06.2016 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	316,943	293,668
- Unrealised loss	(2,602)	(1,565)
	<u>314,341</u>	<u>292,103</u>
Share of retained earnings of associates:		
- Realised gain	1,236	1,144
- Unrealised gain	880	880
	<u>316,457</u>	<u>294,127</u>
Share of retained earnings of joint ventures:		
- Realised gain	30,242	19,765
- Unrealised gain	12	12
	<u>346,711</u>	<u>313,904</u>
Less: Consolidated adjustments	(119,601)	(126,919)
Total retained earnings as at 30 June	<u><b>227,110</b></u>	<u><b>186,985</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 28 August 2017.

By order of the Board of Directors

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