



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 DECEMBER 2017**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Quarter 31.12.2017 3QFY18 RM'000	Previous Corresponding Quarter 31.12.2016 3QFY17 RM'000		Current Year- To-Date 31.12.2017 3QFY18 RM'000	Previous Corresponding Period 31.12.2016 3QFY17 RM'000	
Revenue	35,691	100,211	(64)	220,828	245,526	(10)
Cost of sales	(15,565)	(85,846)	(82)	(165,669)	(208,339)	(20)
<b>Gross profit</b>	20,126	14,365	40	55,159	37,187	48
Operating expenses	(12,747)	(17,710)	(28)	(39,129)	(45,140)	(13)
Other operating income	1,062	16,011	(93)	5,542	21,601	(74)
<b>Results from operating activities</b>	8,441	12,666	(33)	21,572	13,648	58
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(72)	(74)	(3)	(211)	(236)	(11)
- joint ventures	3,162	(4,283)	174	8,537	10,583	(19)
<b>Profit before interest &amp; tax</b>	11,531	8,309	39	29,898	23,995	25
Net finance costs	(507)	(1,277)	(60)	(2,208)	(4,930)	(55)
<b>Profit before tax</b>	11,024	7,032	57	27,690	19,065	45
Tax expense	(4,169)	(2,497)	66	(9,735)	(5,666)	72
<b>Profit for the period</b>	<b>6,855</b>	<b>4,535</b>	<b>51</b>	<b>17,955</b>	<b>13,399</b>	<b>34</b>
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>6,855</b>	<b>4,535</b>	<b>51</b>	<b>17,955</b>	<b>13,399</b>	<b>34</b>
<b>Attributable to:</b>						
Owners of the Company	6,855	4,536	51	17,956	13,401	34
Non-controlling interests	-	(1)	(100)	(1)	(2)	(50)
	<b>6,855</b>	<b>4,535</b>	<b>51</b>	<b>17,955</b>	<b>13,399</b>	<b>34</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	1.40	0.93	51	3.66	2.84	29

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

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 statements.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>Unaudited as at 31.12.2017 RM'000</b>	<b>Audited as at 31.03.2017 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	32,946	37,763
Investment properties	15,336	15,350
Investment in associates	2,835	3,029
Investment in joint ventures	156,974	144,026
Deferred tax assets	2,662	7,211
<b>Total non-current assets</b>	<b>210,753</b>	<b>207,379</b>
Property development costs	181,316	177,294
Inventories	124,659	113,850
Trade and other receivables	142,262	183,953
Current tax assets	3,870	1,327
Short term investments	76,443	55,074
Cash and bank balances	54,561	57,909
	<b>583,111</b>	<b>589,407</b>
Assets classified as held for sale	-	5,469
<b>Total current assets</b>	<b>583,111</b>	<b>594,876</b>
<b>Total assets</b>	<b>793,864</b>	<b>802,255</b>
<b>Equity</b>		
Share capital	226,440	226,440
Warrant reserve	-	27,900
Retained earnings	236,293	190,437
<b>Equity attributable to owners of the Company</b>	<b>462,733</b>	<b>444,777</b>
<b>Non-controlling interests</b>	<b>(252)</b>	<b>(251)</b>
<b>Total equity</b>	<b>462,481</b>	<b>444,526</b>
<b>Liabilities</b>		
Loans and borrowings	95,377	90,339
Deferred tax liabilities	5,284	6,054
<b>Total non-current liabilities</b>	<b>100,661</b>	<b>96,393</b>
Loans and borrowings	34,270	79,024
Trade and other payables	193,650	177,120
Current tax liabilities	2,802	5,192
<b>Total current liabilities</b>	<b>230,722</b>	<b>261,336</b>
<b>Total liabilities</b>	<b>331,383</b>	<b>357,729</b>
<b>Total equity and liabilities</b>	<b>793,864</b>	<b>802,255</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.94</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 STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	-	-	17,956	17,956	(1)	17,955
Transfer to retained earnings	-	(27,900)	27,900	-	-	-
<b>Balance at 31 December 2017</b>	<b>226,440</b>	<b>-</b>	<b>236,293</b>	<b>462,733</b>	<b>(252)</b>	<b>462,481</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	-	-	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>224,440</b>	<b>27,900</b>	<b>194,679</b>	<b>449,019</b>	<b>(250)</b>	<b>448,769</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 statements.

**IVORY PROPERTIES GROUP BERHAD (673211-M)**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 31.12.2017 RM'000</b>	<b>Previous Corresponding Year-To-Date 31.12.2016 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	27,690	19,065
Adjustments for:-		
Amortisation of intangible assets	-	5
Bad debts recovered	-	(65)
Bargain purchase gain on acquisition of subsidiary	-	(5,419)
Depreciation of :		
- Investment properties	286	1,592
- Property, plant and equipment	4,283	4,689
Gain on disposal of :		
- Investment properties	(2,080)	(9,133)
- Property, plant and equipment	(18)	(62)
Interest expense	3,839	6,670
Interest income	(1,631)	(1,740)
Impairment loss on :		
- Investment in associate	-	10
- Property, plant and equipment	-	(18)
- Receivables	700	1,670
Written off of :		
- Investment properties	-	226
- Property, plant and equipment	2,234	1,510
Share of loss in associates, net of tax	211	236
Share of profit in joint ventures, net of tax	(8,537)	(10,583)
Unrealised (gain)/loss from downstream sale to associates	(17)	73
Unrealised gain from downstream sale to joint ventures	(4,410)	(1,272)
<b>Operating profit before changes in working capital</b>	<b>22,550</b>	<b>7,454</b>
Change in property development costs	(2,236)	(5,256)
Change in inventories	(10,809)	22,173
Change in trade and other receivables	40,990	23,909
Change in trade and other payables	16,530	(9,630)
<b>Cash from operations</b>	<b>67,025</b>	<b>38,650</b>
Tax paid	(10,889)	(9,059)
<b>Net cash from operating activities</b>	<b>56,136</b>	<b>29,591</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	1,631	1,740
Acquisition of property, plant and equipment	(1,723)	(913)
Acquisition of investment properties	-	(925)
Acquisition of subsidiary	-	(17,760)
Investment in associate	-	(450)
Proceeds from disposal of property, plant and equipment	41	62
Proceeds from disposal of investment properties	7,277	32,846
Withdrawal/(Placement) of fixed deposits	762	(218)
Placement of short term investments	(21,370)	(35,298)
<b>Net cash used in investing activities</b>	<b>(13,382)</b>	<b>(20,916)</b>

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

	<b>Current Year-To-Date 31.12.2017 RM'000</b>	<b>Previous Corresponding Year-To-Date 31.12.2016 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(5,625)	(12,701)
Repayment of finance lease liabilities	(1,876)	(1,995)
Repayment of term loans and bridging loans	(71,698)	(47,745)
Proceeds from issuance of ordinary shares	-	22,276
Drawdown of finance lease liabilities	1,390	365
Drawdown of term loans and bridging loans	32,977	34,325
<b>Net cash used in financing activities</b>	<b>(44,832)</b>	<b>(5,475)</b>
Net (decrease)/increase in cash and cash equivalents	(2,078)	3,200
Cash and cash equivalents at beginning of period	56,531	50,803
<b>Cash and cash equivalents at end of period</b>	<b>54,453</b>	<b>54,003</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash in hand and at banks	54,453	54,003

The Condensed Consolidated Statements of Cash Flows 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 this interim financial statements.

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

### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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**

###### **Adoption of Malaysia Financial Reporting Standards**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”), a fully-IFRS compliant framework. Entities other than private entities should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 31 March 2019, being the first set of financial statements prepared in accordance with the new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group’s first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

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

### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

##### **A2 Changes in Accounting Policies (*Cont’d*)**

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, except as discussed below:

##### **FRS 9 Financial Instruments**

FRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. FRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of FRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of FRS 9:

- All recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under FRS 9, entities may make an irrevocable election to present subsequent changes in fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

**A2 Changes in Accounting Policies (*Cont’d*)**

Key requirements of FRS 9: (*Cont’d*)

- With regards to the measurement of financial liabilities designated as at fair value through profit or loss, FRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liabilities, be presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, FRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 139. Under FRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about any entity’s risk management activities have also been introduced.

The directors anticipate that the application of FRS 9 in the future may have a material impact on amounts reported in respect of the Group’s financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of FRS 9 until the Group complete a detailed review.

**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.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

**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.

**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 31 DECEMBER 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>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 2017</b>					
<b>Revenue</b>					
External	153,049	67,371	408	-	220,828
Inter-segment	3,114	99,401	5,263	(107,778)	-
Total Revenue	<u>156,163</u>	<u>166,772</u>	<u>5,671</u>	<u>(107,778)</u>	<u>220,828</u>
<b>Results</b>					
Segmental profit/(loss)	<u>8,014</u>	<u>23,400</u>	<u>(3,724)</u>	<u>-</u>	<u>27,690</u>
Segmental assets	<u>318,116</u>	<u>154,961</u>	<u>320,787</u>	<u>-</u>	<u>793,864</u>
<b>For the financial period ended 31 December 2016</b>					
<b>Revenue</b>					
External	89,216	155,659	651	-	245,526
Inter-segment	5,072	159,923	4,645	(169,640)	-
Total Revenue	<u>94,288</u>	<u>315,582</u>	<u>5,296</u>	<u>(169,640)</u>	<u>245,526</u>
<b>Results</b>					
Segmental profit/(loss)	<u>(659)</u>	<u>15,325</u>	<u>4,399</u>	<u>-</u>	<u>19,065</u>
Segmental assets	<u>452,319</u>	<u>199,346</u>	<u>277,582</u>	<u>-</u>	<u>929,247</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 31 DECEMBER 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	11,890
Customer B	<u>12,694</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 2017 to 20 February 2018 (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 27 December 2017, the Company entered into a Shares Sale Agreement with Dato’ Tan Yew Thong and Dato’ Teh Yeong Keat to acquire 1,020,000 ordinary shares representing the remaining 51% equity interest of Ivory Continental Sdn Bhd (“Sale Shares”) for a total cash consideration of RM8,000,000.

The Company had on 16 January 2018, completed the transfer of the Sale Shares from Dato’ Tan Yew Thong and Dato’ Teh Yeong Keat to the Company.

Following the above transfer of shares, Ivory Continental Sdn Bhd is now a wholly-owned subsidiary company of the Company.

**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.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

**A13 Capital Commitments**

**RM’000**

**Contracted but not provided for:-**

- Acquisition of subsidiary

6,500

**A14 Capital Expenditure**

There were no major additions and disposals of property, plant and equipment during the current financial quarter and financial period-to-date.

**A15 Significant Related Party Transactions**

There were no significant related party transactions entered into by the Group during the current financial quarter.

**IVORY PROPERTIES GROUP BERHAD (673211-M)****UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS****B1 Review of Performance****Current quarter (3QFY18) vs previous corresponding quarter (3QFY17)**

The Group's revenue decreased by 64% to RM35.7 million for the current quarter compared to RM100.2 million reported in the previous corresponding quarter. The decrease was attributable to both the property development division and construction division's decreased activity, with revenues falling from RM40.5 million to RM24.3 million and RM59.8 million to RM11.5 million respectively. The only current on-going project is the Wave & Commercial at Penang Times Square.

Gross profit, however, increased by 40% as a result of additional profits recognised during the quarter from Penang WorldCity phase 1A upon finalisation of the account due to better cost management. With these additional profits and decreased operating expenses, the Group was able to deliver a better bottom line with profit before tax of RM11.0 million and profit after tax of RM6.8 million compared to RM7.0 million and RM4.5 million respectively reported in the previous corresponding quarter.

The improved bottom line with profit after tax of RM11.0 million were also attributable to positive contributions from the joint-venture company of RM3.2 million compared to a loss of RM4.3 million reported in the previous corresponding quarter, which helped to compensate for the performance of this quarter in the absence of a one-time profit from the disposal of investment properties and gain on bargain purchase from business combination for a total of RM14.6 million reported in the previous corresponding quarter.

**B2 Material changes in the quarterly results compared with the immediate preceding quarter  
(Quarter-Over-Quarter comparison)**

	<b>Current Quarter (3Q2018) 31.12.2017 RM'000</b>	<b>Immediate Preceding Quarter (2Q2018) 30.09.2017 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	35,691	56,051	(20,360)	(36)
Profit from operations	8,441	1,972	6,469	328
Profit Before Interest and Tax	11,531	3,855	7,676	199
Profit Before Tax	11,024	3,015	8,009	265
Profit After Tax	6,855	2,327	4,528	195
Profit Attributable to Equity Holders of the Company	6,855	2,328	4,527	194

**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*)**

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

The Group's revenue decreased from RM56.1 million in the last quarter to RM35.7 million in the current quarter due to a decrease in revenue from both the property development and the construction division following the completion of Penang WorldCity phase 1A in September 2017.

Despite decreased revenues, net profit for the current quarter improved by 195% from RM2.3 million in the last quarter to RM6.8 million due to a 61% improvement in the share of profit from the joint-venture company and the additional profits recognised from Penang WorldCity phase 1A.

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

The Malaysian economy is showing positive signs of recovery with GDP growth estimated at 5.9% and a generally improved market sentiment. Though still a very challenging property market, the Group's current on-going project, together with a total unbilled sales of RM665 million will continue to contribute positively to the earnings of the Group for the financial year ending 31 March 2018.

Having delivered an acceptable 9-months results, The Board of Directors remains positive about the Group's performance and its ability to achieve a satisfactory results for the financial year ending 31 March 2018.

**B4 Variance between Actual Profit and Forecast Profit**

The Group did not issue any profit forecasts nor profit guarantees for the 12 months financial year under review.

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LISTING REQUIREMENTS (Cont'd)****B5 Taxation**

The taxation for the Group comprises the following:-

	Individual Quarter		Cumulative Period	
	Current Quarter 31.12.2017 RM'000	Previous Corresponding Quarter 31.12.2016 RM'000	Current Year-To-Date 31.12.2017 RM'000	Previous Corresponding Period 31.12.2016 RM'000
Income Tax - current	3,592	1,561	4,615	4,563
- prior year	781	195	1,342	170
Deferred tax - current	(204)	741	3,778	933
	<b>4,169</b>	<b>2,497</b>	<b>9,735</b>	<b>5,666</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 31 December 2017 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	93,357
Hire purchase	2,020
	<u>95,377</u>
<i>Short Term Borrowings</i>	
Term loans and bridging loans	17,031
Hire purchase	1,739
Revolving credit	15,500
	<u>34,270</u>
<b>Total</b>	<b><u>129,647</u></b>

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



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LISTING REQUIREMENTS (*Cont'd*)**

**B8 Material Litigation**

**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 Ivory Indah Sdn Bhd (“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 on 2 October 2017 struck out the Plaintiff’s (the Appellant’s) appeal.

**IB Capital Sdn Bhd – Civil Suit No. 22NCVC-20-01/2014 at Penang High Court**

On 29 January 2014, IB Capital Sdn Bhd (“the Plaintiff”) had filed a suit against IISB seeking a declaration that the transfer of land held under Geran No. 1272, Lot No. 2838, Mukim 18, Daerah Timor Laut, Negeri Pulau Pinang (“Land”) from Krishna Kumar T.N. Sharma (the previous registered land owner) to IISB and the charge of the Land by IISB to CIMB Islamic Bank Berhad is null and void and alternatively for payment of a sum of RM10,256,098.66 as at 31 August 2008 with interest and damages.

On 23 July 2015, the Court of Appeal upon IISB’s appeal, had struck out the Plaintiff’s Writ and Statement of Claim with costs upon the grounds of there not being a proper Cause of Action against IISB.

As the Court of Appeal had “Struck Out” the case, this litigation had no material impact to the Group until 17 October 2017 when the Federal Court allowed the Plaintiff’s appeal against the Striking Out of their case by the Court of Appeal and the case is to proceed to full trial at the Penang High Court.

Our solicitors have been served with an Application by the Plaintiff to “Re-Amend” their “Statement of Claim” (“Re-Amendment Application”) and our solicitors have put on record that IISB is objecting to the Re-Amendment Application.

IISB has filed the Affidavit in reply to the Re-Amendment Application on 23 February 2018 and it is now waiting for the Plaintiff to reply to IISB’s reply to the Re-Amendment Application. The next Case Management is fixed on 26 March 2018.

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#### 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 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 31 December 2017.

	Individual Quarter		Cumulative Period	
	Current Quarter 31.12.2017	Previous Corresponding Quarter 31.12.2016	Current Year- To-Date 31.12.2017	Previous Corresponding Period 31.12.2016
Profit attributable to owners of the Company (RM'000)	6,855	4,536	17,956	13,401
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	471,773
<b>Basic earnings per share (sen)</b>	<b>1.40</b>	<b>0.93</b>	<b>3.66</b>	<b>2.84</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.

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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 Quarter		Cumulative Period	
	Current Quarter 31.12.2017 RM'000	Previous Corresponding Quarter 31.12.2016 RM'000	Current Year- To-Date 31.12.2017 RM'000	Previous Corresponding Period 31.12.2016 RM'000
<b>Profit before tax is arrived at after charging :</b>				
Amortisation of intangible assets	-	1	-	5
Depreciation of :				
- Investment properties	95	500	286	1,592
- Property, plant and equipment	1,437	1,546	4,283	4,689
Impairment loss on :				
- Investment in associate	-	-	-	10
- Property, plant and equipment	-	-	-	(18)
- Receivables	-	1,000	700	1,670
Interest expense	1,003	2,028	3,839	6,670
Written off of :				
- Investment properties	-	226	-	226
- Property, plant and equipment	2,134	874	2,234	1,510
<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	18	21	18	62
- Investment properties	-	9,133	2,080	9,133
Interest income	497	751	1,631	1,740
Rental income	748	1,948	2,383	5,434

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.

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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 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 31.12.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	318,917	302,433
- Unrealised loss	(2,622)	(8,904)
	<u>316,295</u>	<u>293,529</u>
Share of retained earnings of associates:		
- Realised gain	1,101	1,409
- Unrealised gain	880	880
	<u>318,276</u>	<u>295,818</u>
Share of retained earnings of joint ventures:		
- Realised gain	37,645	21,028
- Unrealised gain	12	12
	<u>355,933</u>	<u>316,858</u>
Less: Consolidated adjustments	(119,640)	(122,179)
Total retained earnings as at 31 December	<u><b>236,293</b></u>	<u><b>194,679</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 27 February 2018.

By order of the Board of Directors

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