



IVORY PROPERTIES GROUP BERHAD
Company No.: 673211-M

UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 MARCH 2018

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IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Quarter 31.03.2018 4QFY18 RM'000	Previous Corresponding Quarter 31.03.2017 4QFY17 RM'000		Current Year- To-Date 31.03.2018 4QFY18 RM'000	Previous Corresponding Year 31.03.2017 4QFY17 RM'000	
Revenue	16,982	127,325	(87)	237,810	372,851	(36)
Cost of sales	(14,383)	(122,111)	(89)	(180,052)	(330,450)	(46)
Gross profit	2,599	5,214	(50)	57,758	42,401	36
Operating expenses	(13,228)	(19,757)	(33)	(52,357)	(64,897)	(19)
Other operating income	1,165	6,436	(82)	6,707	28,037	(76)
Results from operating activities	(9,464)	(8,107)	(17)	12,108	5,541	119
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(28)	(94)	(70)	(239)	(330)	(28)
- joint ventures	(397)	5,038	(108)	8,140	15,621	(48)
(Loss)/Profit before interest & tax	(9,889)	(3,163)	(213)	20,009	20,832	(4)
Net finance costs	(576)	(3,498)	(84)	(2,784)	(8,428)	(67)
(Loss)/Profit before tax	(10,465)	(6,661)	(57)	17,225	12,404	39
Tax income/(expense)	3,013	2,418	25	(6,722)	(3,248)	107
(Loss)/Profit for the year	(7,452)	(4,243)	(76)	10,503	9,156	15
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive (expenses)/income for the year	(7,452)	(4,243)	(76)	10,503	9,156	15
Attributable to:						
Owners of the Company	(7,451)	(4,242)	(76)	10,505	9,159	15
Non-controlling interests	(1)	(1)	-	(2)	(3)	(33)
	(7,452)	(4,243)	(76)	10,503	9,156	15
Earnings per share attributable to the owners of the Company:						
Basic (sen)	(1.52)	(0.87)	(75)	2.14	1.92	11

Certain comparative figures have been restated to conform with the unaudited interim financial statements of the current financial year ended 31 March 2018.

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 YEAR ENDED 31 MARCH 2018**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.03.2018 RM'000	Audited as at 31.03.2017 RM'000
Assets		
Property, plant and equipment	37,047	37,763
Investment properties	15,241	15,350
Investment in associates	604	3,029
Investment in joint ventures	156,834	144,026
Deferred tax assets	6,054	7,211
Total non-current assets	215,780	207,379
Property development costs	150,610	177,294
Inventories	109,277	113,850
Trade and other receivables	175,504	183,953
Current tax assets	4,188	1,327
Short term investments	62,783	55,074
Cash and bank balances	21,157	57,909
	523,519	589,407
Assets classified as held for sale	-	5,469
Total current assets	535,519	594,876
Total assets	739,299	802,255
Equity		
Share capital	226,440	226,440
Warrant reserve	-	27,900
Retained earnings	228,842	190,437
Equity attributable to owners of the Company	455,282	444,777
Non-controlling interests	(253)	(251)
Total equity	455,029	444,526
Liabilities		
Loans and borrowings	117,636	90,339
Deferred tax liabilities	4,726	6,054
Total non-current liabilities	122,362	96,393
Loans and borrowings	20,871	79,024
Trade and other payables	139,560	177,120
Current tax liabilities	1,477	5,192
Total current liabilities	161,908	261,336
Total liabilities	284,270	357,729
Total equity and liabilities	739,299	802,255
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.93	0.91

* 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 YEAR ENDED 31 MARCH 2018
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		
Balance at 1 April 2017	226,440	27,900	190,437	444,777	(251)	444,526
Total comprehensive income for the year	-	-	10,505	10,505	(2)	10,503
Transfer to retained earnings	-	(27,900)	27,900	-	-	-
Balance at 31 March 2018	226,440	-	228,842	455,282	(253)	455,029
Balance at 1 April 2016	204,164	27,900	181,278	413,342	(248)	413,094
Total comprehensive income for the year	-	-	9,159	9,159	(3)	9,156
Issuance of ordinary shares, representing total transaction with owners	22,276	-	-	22,276	-	22,276
Balance at 31 March 2017	226,440	27,900	190,437	444,777	(251)	444,526

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 YEAR ENDED 31 MARCH 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date 31.03.2018 RM'000	Previous Corresponding Year-To-Date 31.03.2017 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	17,225	12,404
Adjustments for:-		
Amortisation of intangible assets	-	5
Depreciation of :		
- Investment properties	381	1,769
- Property, plant and equipment	5,606	6,089
Gain on disposal of :		
- Investment properties	(2,080)	(18,482)
- Property, plant and equipment	(23)	(68)
Impairment loss on :		
- Investment in associate	-	10
- Receivables	700	4,804
Interest expense	4,907	11,023
Interest income	(2,123)	(2,595)
Inventory written down	-	1,520
Reversal of impairment losses on :		
- Receivables	-	(866)
- Investment in associate	(10)	-
Written off of :		
- Investment properties	-	225
- Property, plant and equipment	3,026	2,074
Share of loss in associates, net of tax	239	330
Share of profit in joint ventures, net of tax	(8,140)	(15,621)
Unrealised (gain)/loss from downstream sale to associates	(17)	92
Unrealised gain from downstream sale to joint ventures	(4,668)	98
Operating profit before changes in working capital	15,023	2,811
Change in property development costs	38,885	(936)
Change in inventories	7,986	77,199
Change in trade and other receivables	9,260	65,135
Change in trade and other payables	(50,120)	(63,374)
Cash from operations	21,034	80,835
Tax paid	(11,821)	(10,051)
Net cash from operating activities	9,213	70,784
<u>Cash flows from investing activities</u>		
Interest received	2,123	2,595
Acquisition of property, plant and equipment	(2,060)	(646)
Acquisition of investment properties	-	(925)
Acquisition of subsidiary	(5,824)	(17,760)
Investment in associate	-	(450)
Proceeds from disposal of property, plant and equipment	75	1,809
Proceeds from disposal of investment properties	7,277	54,803
Withdrawal/(Placement) of fixed deposits	758	(224)
Placement of short term investments	(7,709)	(28,129)
Net cash (used in)/from investing activities	(5,360)	11,073

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year-To-Date 31.03.2018 RM'000	Previous Corresponding Year-To-Date 31.03.2017 RM'000
<u>Cash flows from financing activities</u>		
Interest paid	(7,601)	(16,140)
Repayment of finance lease liabilities	(2,431)	(2,797)
Repayment of term loans and bridging loans	(73,447)	(119,162)
Proceeds from issuance of ordinary shares	-	22,276
Drawdown of term loans and bridging loans	44,141	39,694
Net cash used in financing activities	(39,338)	(76,129)
Net (decrease)/increase in cash and cash equivalents	(35,485)	5,728
Cash and cash equivalents at beginning of year	56,531	50,803
Cash and cash equivalents at end of year	21,046	56,531
Cash and cash equivalents comprise the following:-		
Cash in hand and at banks	21,046	57,040
Bank overdrafts	-	509
	21,046	56,531

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 YEAR ENDED 31 MARCH 2018

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 YEAR ENDED 31 MARCH 2018

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 YEAR ENDED 31 MARCH 2018**

**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 YEAR ENDED 31 MARCH 2018**

**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 YEAR ENDED 31 MARCH 2018****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	Investment holding and others RM’000	Elimination RM’000	Total RM’000
For the financial year ended 31 March 2018					
Revenue					
External	171,019	66,362	429	-	237,810
Inter-segment	4,759	110,185	12,992	(127,936)	-
Total Revenue	<u>175,778</u>	<u>176,547</u>	<u>13,421</u>	<u>(127,936)</u>	<u>237,810</u>
Results					
Segmental profit/(loss)	<u>4,046</u>	<u>23,308</u>	<u>(10,129)</u>	<u>-</u>	<u>17,225</u>
Segmental assets	<u>356,510</u>	<u>110,882</u>	<u>271,907</u>	<u>-</u>	<u>739,299</u>
For the financial year ended 31 March 2017					
Revenue					
External	150,725	219,885	2,241	-	372,851
Inter-segment	25,815	208,977	20,622	(255,414)	-
Total Revenue	<u>176,540</u>	<u>428,862</u>	<u>22,863</u>	<u>(255,414)</u>	<u>372,851</u>
Results					
Segmental profit/(loss)	<u>(15,014)</u>	<u>29,694</u>	<u>(2,276)</u>	<u>-</u>	<u>12,404</u>
Segmental assets	<u>353,371</u>	<u>171,681</u>	<u>277,203</u>	<u>-</u>	<u>802,255</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 YEAR ENDED 31 MARCH 2018**

**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	7,057
Customer B	<u>2,548</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 2018 to 24 May 2018 (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 during the current quarter and financial year to-date, save as disclosed below.

The Company had on 16 January 2018, completed the transfer of 1,020,000 ordinary shares representing the remaining 51% equity interest of Ivory Continental Sdn Bhd from Dato’ Tan Yew Thong and Dato’ Teh Yeong Keat to the Company for a total consideration of RM8,000,000.

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

A12 Changes in Contingent Liabilities or Contingent Assets

There are no material changes in contingent liabilities or contingent assets as at the end of the current financial quarter.

A13 Capital Commitments

There are no material capital commitments as at 31 March 2018.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**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 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 STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE
LISTING REQUIREMENTS****B1 Review of Performance****Current quarter (4QFY18) vs previous corresponding quarter (4QFY17)**

The Group's revenue decreased by 87% to RM17.0 million for the current quarter compared to RM127.3 million reported in the previous corresponding quarter. The decrease was a direct consequence of lower revenue recognition from the property development division based on a single project following the completion of City Residence & City Mall @ Tanjung Tokong and the construction contract at Penang WorldCity phase 1A in the previous quarter.

Gross profit decreased by 50% from RM5.2 million reported in the previous corresponding quarter to RM2.6 million in the current quarter as a result of lower revenue as stated above. However, the gross profit margin for the current quarter is 11.2% higher than the 4.1% recorded in the previous corresponding quarter despite a very price sensitive and less speculative property market.

The lower level of business activities, evident from the lower revenue and thus lower gross profit has caused the results after tax for the current quarter to deteriorate further from a loss of RM4.2 million reported in the previous corresponding quarter to a loss of RM7.5 million for the current quarter. This lowered bottom line was also caused by the negative contribution of the share of profit from the joint-venture company; from a profit of RM5.0 million in the previous corresponding quarter to a loss of RM0.4 million for the current quarter.

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

	Current Quarter (4Q2018) 31.03.2018 RM'000	Immediate Preceding Quarter (3Q2018) 31.12.2017 RM'000	Changes	
			RM'000	%
Revenue	16,982	35,691	(18,709)	(52)
(Loss)/Profit from operations	(9,464)	8,441	(17,905)	(212)
(Loss)/Profit Before Interest and Tax	(9,889)	11,531	(21,420)	(186)
(Loss)/Profit Before Tax	(10,465)	11,024	(21,489)	(195)
(Loss)/Profit After Tax	(7,452)	6,855	(14,307)	(209)
(Loss)/Profit Attributable to Equity Holders of the Company	(7,451)	6,855	(14,306)	(209)

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**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 RM35.7 million reported in the immediate preceding quarter to RM17.0 million for the current quarter due to completion of the project and construction contract. The only revenue contribution for the current quarter is from a single on-going project at Penang Times Square, phase 3.

The net profit for the current quarter decreased by 209% from a profit of RM6.82 million in the immediate preceding quarter to a loss of RM7.5 million due to higher contributions from the joint-venture company and the additional gains recognised from Penang WorldCity phase 1A reported in the last quarter.

B3 Prospects for the next financial year ending 31 March 2019

The property market remains challenging and flat and the Group will continue to focus its resources on building the current on-going project at Penang Times Square. Considering sales of nearly 100% in phase 3 and phase 4 of Penang Times Square, the Board is cautiously optimistic about the performance of the Group for the next financial year if the Group is able to control its other operating expenses effectively and efficiently.

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.

IVORY PROPERTIES GROUP BERHAD (673211-M)**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018****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 31.03.2018 RM'000	Previous Corresponding Quarter 31.03.2017 RM'000	Current Year-To-Date 31.03.2018 RM'000	Previous Corresponding Period 31.03.2017 RM'000
Income Tax - current	(855)	1,280	3,760	5,843
- prior year	144	(213)	1,486	(43)
Deferred tax - current	(2,302)	(3,473)	1,476	(2,540)
- prior year	-	(12)	-	(12)
	(3,013)	(2,418)	6,722	3,248

The effective tax rate (excluding share of profit/(loss) from associates and joint ventures) for the current quarter and financial year-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 year-to-date under review.

B7 Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2018 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	116,010
Hire purchase	1,626
	<u>117,636</u>
<i>Short Term Borrowings</i>	
Term loans and bridging loans	3,793
Hire purchase	1,578
Revolving credit	15,500
	<u>20,871</u>
Total	<u>138,507</u>

All borrowings are denominated in Ringgit Malaysia and are secured.

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

B8 Material Litigation

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.

On 22 May 2018, the Penang High Court has allowed the Plaintiff application for Re-Amendment and fixed 29 June 2018 for Case Management for the main suit.

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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 year ended 31 March 2018.

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 year ended 31 March 2018.

	Individual Quarter		Cumulative Period	
	Current Quarter 31.03.2018	Previous Corresponding Quarter 31.03.2017	Current Year- To-Date 31.03.2018	Previous Corresponding Period 31.03.2017
(Loss)/Profit attributable to owners of the Company (RM'000)	(7,451)	(4,242)	10,505	9,159
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	476,653
Basic earnings per share (sen)	(1.52)	(0.87)	2.14	1.92

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 31.03.2018 RM'000	Previous Corresponding Quarter 31.03.2017 RM'000	Current Year- To-Date 31.03.2018 RM'000	Previous Corresponding Period 31.03.2017 RM'000
(Loss)/Profit before tax is arrived at after charging :				
Amortisation of intangible assets	-	-	-	5
Depreciation of :				
- Investment properties	95	177	381	1,769
- Property, plant and equipment	1,323	1,400	5,606	6,089
Impairment loss on :				
- Investment in associate	-	-	-	10
- Receivables	-	3,134	700	4,804
Interest expense	1,068	4,353	4,907	11,023
Inventories written down	-	1,520	-	1,520
Written off of :				
- Investment properties	-	-	-	225
- Property, plant and equipment	792	564	3,026	2,074
and after crediting :				
Reversal of impairment loss on :				
- Receivables	-	801	-	866
- Investment in associate	10	-	10	-
Gain on disposal of :				
- Property, plant and equipment	5	6	23	68
- Investment properties	-	9,349	2,080	18,482
Interest income	492	855	2,123	2,595
Rental income	617	1,160	3,000	6,594

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.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
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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:

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised gain	306,710	280,114
- Unrealised gain	933	1,157
	<u>307,643</u>	<u>281,271</u>
Share of retained earnings of associates:		
- Realised (loss)/gain	(915)	1,296
- Unrealised gain	879	880
	<u>307,607</u>	<u>283,447</u>
Share of retained earnings of joint ventures:		
- Realised gain	37,505	24,697
- Unrealised gain	12	12
	<u>345,124</u>	<u>308,156</u>
Less: Consolidated adjustments	(116,282)	(117,719)
Total retained earnings as at 31 March	<u>228,842</u>	<u>190,437</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 31 May 2018.

By order of the Board of Directors

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