



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 30 JUNE 2018**

<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 MFRS 134	7-13
Part B : Explanatory Notes Pursuant To Appendix 9B of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad	14-20

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

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

	Individual Quarter (1 <sup>st</sup> Quarter)		Changes  %	Cumulative Period (1 <sup>st</sup> Quarter)		Changes  %
	Current	(Restated) Previous year Corresponding		Current	(Restated) Previous year Corresponding	
	30.06.2018 RM'000	30.06.2017 RM'000		30.06.2018 RM'000	30.06.2017 RM'000	
Revenue	26,996	130,916	(79)	26,996	130,916	(79)
Cost of sales	(17,088)	(106,221)	(84)	(17,088)	(106,221)	(84)
<b>Gross profit</b>	9,908	24,695	(60)	9,908	24,695	(60)
Operating expenses	(12,514)	(14,913)	(16)	(12,514)	(14,913)	(16)
Other operating income	1,322	3,227	(59)	1,322	3,227	(59)
<b>Results from operating activities</b>	(1,284)	13,009	(110)	(1,284)	13,009	(110)
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(4)	(60)	(93)	(4)	(60)	(93)
- joint ventures	(510)	3,413	(115)	(510)	3,413	(115)
<b>(Loss)/Profit before interest &amp; tax</b>	(1,798)	16,362	(111)	(1,798)	16,362	(111)
Net finance costs	(158)	(861)	(82)	(158)	(861)	(82)
<b>(Loss)/Profit before tax</b>	(1,956)	15,501	(113)	(1,956)	15,501	(113)
Tax expense	(813)	(4,878)	(83)	(813)	(4,878)	(83)
<b>(Loss)/Profit for the period</b>	<b>(2,769)</b>	<b>10,623</b>	<b>(126)</b>	<b>(2,769)</b>	<b>10,623</b>	<b>(126)</b>
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	-	-	-
<b>Total comprehensive (expenses)/income for the period</b>	<b>(2,769)</b>	<b>10,623</b>	<b>(126)</b>	<b>(2,769)</b>	<b>10,623</b>	<b>(126)</b>
<b>Attributable to:</b>						
Owners of the Company	(2,769)	10,623	(126)	(2,769)	10,623	(126)
Non-controlling interests	-	-	-	-	-	-
	<b>(2,769)</b>	<b>10,623</b>	<b>(126)</b>	<b>(2,769)</b>	<b>10,623</b>	<b>(126)</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	(0.57)	2.17	(126)	(0.57)	2.17	(126)

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 2018 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 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited as at <b>30.06.2018</b> RM'000	Restated as at <b>31.03.2018</b> RM'000	Restated as at <b>01.04.2017</b> RM'000
<b>Assets</b>			
Property, plant and equipment	37,983	37,200	37,763
Investment properties	15,146	15,241	15,350
Intangible assets	3,686	3,686	-
Investment in associates	608	612	3,029
Investment in joint ventures	112,664	156,826	144,026
Deferred tax assets	5,011	5,824	7,211
<b>Total non-current assets</b>	<b>175,098</b>	<b>219,389</b>	<b>207,379</b>
Inventories - property development costs	175,662	169,337	200,467
Inventories - completed properties & others	108,822	109,277	113,850
Trade and other receivables	146,966	144,826	155,768
Contract assets	11,870	-	23,736
Current tax assets	4,762	4,188	1,327
Short term investments	91,240	62,783	55,074
Cash and bank balances	19,931	21,157	57,909
	<b>559,253</b>	<b>511,568</b>	<b>608,131</b>
Assets classified as held for sale	-	-	5,469
<b>Total current assets</b>	<b>559,253</b>	<b>511,568</b>	<b>613,600</b>
<b>Total assets</b>	<b>734,351</b>	<b>730,957</b>	<b>820,979</b>
<b>Equity</b>			
Share capital	226,440	226,440	226,440
Warrant reserve	-	-	27,900
Retained earnings	217,047	219,816	182,113
<b>Equity attributable to owners of the Company</b>	<b>443,487</b>	<b>446,256</b>	<b>436,453</b>
<b>Non-controlling interests</b>	<b>(253)</b>	<b>(253)</b>	<b>(251)</b>
<b>Total equity</b>	<b>443,234</b>	<b>446,003</b>	<b>436,202</b>
<b>Liabilities</b>			
Loans and borrowings	43,349	44,697	90,339
Deferred tax liabilities	4,726	4,726	6,054
<b>Total non-current liabilities</b>	<b>48,075</b>	<b>49,423</b>	<b>96,393</b>
Loans and borrowings	101,608	93,810	79,024
Trade and other payables	140,569	139,560	163,419
Contract liabilities	-	943	40,749
Current tax liabilities	865	1,218	5,192
<b>Total current liabilities</b>	<b>243,042</b>	<b>235,531</b>	<b>288,384</b>
<b>Total liabilities</b>	<b>291,117</b>	<b>284,954</b>	<b>384,777</b>
<b>Total equity and liabilities</b>	<b>734,351</b>	<b>730,957</b>	<b>820,979</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.90</b>	<b>0.91</b>	<b>0.89</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 2018 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 30 JUNE 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		
<b>Balance at 1 April 2018</b>	226,440	-	228,871	455,311	(253)	455,058
Effect of adoption of the MFRS Framework	-	-	(9,055)	(9,055)	-	(9,055)
<b>Balance at 1 April 2018 (Restated)</b>	226,440	-	219,816	446,256	(253)	446,003
Total comprehensive loss for the period	-	-	(2,769)	(2,769)	-	(2,769)
<b>Balance at 30 June 2018</b>	<b>226,440</b>	<b>-</b>	<b>217,047</b>	<b>443,487</b>	<b>(253)</b>	<b>443,234</b>
<b>Balance at 1 April 2017</b>	226,440	27,900	190,437	444,777	(251)	444,526
Effect of adoption of the MFRS Framework	-	-	(8,324)	(8,324)	-	(8,324)
<b>Balance at 1 April 2017 (Restated)</b>	<b>226,440</b>	<b>27,900</b>	<b>182,113</b>	<b>436,453</b>	<b>(251)</b>	<b>436,202</b>
Total comprehensive income for the period	-	-	10,623	10,623	-	10,623
Transfer to retained earnings	-	(27,900)	27,900	-	-	-
<b>Balance at 30 June 2017</b>	<b>226,440</b>	<b>-</b>	<b>220,636</b>	<b>447,076</b>	<b>(251)</b>	<b>446,825</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 2018 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 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 30.06.2018</b>	<b>Restated 30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
(Loss)/Profit before tax	(1,956)	15,501
Adjustments for:-		
Depreciation of :		
- Investment properties	95	95
- Property, plant and equipment	1,285	1,404
Gain on disposal of :		
- Investment properties	-	(1,808)
- Property, plant and equipment	(4)	-
Impairment loss on receivable	1,000	700
Interest expense	1,091	1,554
Interest income	(933)	(693)
Written off of :		
- Property, plant and equipment	2	96
Share of loss in associates, net of tax	4	60
Share of profit in joint ventures, net of tax	510	(3,413)
Unrealised gain from downstream sale to joint ventures	(61)	(2,132)
<b>Operating profit before changes in working capital</b>	<b>1,033</b>	<b>11,364</b>
Change in inventories – property development costs	(5,239)	53,043
Change in inventories – completed properties & others	455	(11,010)
Change in trade and other receivables	(3,140)	(37,414)
Change in contract assets	(11,870)	23,733
Change in trade and other payables	1,009	51,831
Change in contract liabilities	(943)	(20,137)
<b>Cash (used in)/from operations</b>	<b>(18,695)</b>	<b>71,410</b>
Tax paid	(927)	(5,310)
<b>Net cash (used in)/from operating activities</b>	<b>(19,622)</b>	<b>66,100</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	933	693
Acquisition of property, plant and equipment	(2,070)	(1,348)
Redemption of redeemable preference share	43,713	-
Proceeds from disposal of property, plant and equipment	4	4
Proceeds from disposal of investment properties	-	7,277
Withdrawal of fixed deposits	-	501
Placement of short term investments	(28,457)	(16,847)
<b>Net cash from/(used in) investing activities</b>	<b>14,123</b>	<b>(9,720)</b>

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

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

	<b>Current Year-To-Date 30.06.2018</b>	<b>Restated 30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(2,177)	(2,142)
Repayment of finance lease liabilities	(430)	(644)
Repayment of term loans and bridging loans	(933)	(53,961)
Drawdown of finance lease liabilities	-	1,140
Drawdown of term loans and bridging loans	7,813	3,531
<b>Net cash from/(used in) financing activities</b>	<b>4,273</b>	<b>(52,076)</b>
Net (decrease)/increase in cash and cash equivalents	(1,226)	4,304
Cash and cash equivalents at beginning of year	21,046	56,531
<b>Cash and cash equivalents at end of year</b>	<b>19,820</b>	<b>60,835</b>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 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 30 JUNE 2018**

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

**A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirement of MFRS 134 Interim Financial Reporting and other MFRSs issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2018 which were prepared under Financial Reporting Standards (“FRS”). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

The Group is adopting the MFRS framework for the current financial reporting period beginning 1 April 2018 and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied. The Group has consistently applied the same accounting policies in its opening MFRS Statement of Financial Position as at 1 April 2017, being the transition date, and throughout all comparable interim financial statements presented, as if these policies had always been in effect.

**A2 Changes in Accounting Policies arising from adoption of new standards, amendments and interpretations**

A number of new standards and amendments to Standards and Issues Committee (“IC”) Interpretations are effective for the current financial period beginning 1 April 2018. None of these is expected to have a significant effect on the consolidated financial statements of the Group except for the following:

MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 15:	Revenue from Contracts with Customers

The financial impact to the interim financial statements of the Group arising from the adoption of MFRS 15 are shown below:

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

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

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

**Reconciliation of statements of comprehensive income**

	Individual Quarter			Cumulative Period		
	As previously reported	Effect of MFRS 15	Restated	As previously reported	Effect of MFRS 15	Restated
	<u>30.06.2017</u> RM'000	<u>30.06.2017</u> RM'000	<u>30.06.2017</u> RM'000	<u>30.06.2017</u> RM'000	<u>30.06.2017</u> RM'000	<u>30.06.2017</u> RM'000
Revenue	129,086	1,830	130,916	129,086	1,830	130,916
Cost of sales	(106,241)	(20)	(106,221)	(106,241)	(20)	(106,221)
<b>Gross profit</b>	<b>22,845</b>	<b>1,850</b>	<b>24,695</b>	<b>22,845</b>	<b>1,850</b>	<b>24,695</b>
Operating expenses	(14,913)	-	(14,913)	(14,913)	-	(14,913)
Other operating income	3,227	-	3,227	3,227	-	3,227
<b>Results from operating activities</b>	<b>11,159</b>	<b>1,850</b>	<b>13,009</b>	<b>11,159</b>	<b>1,850</b>	<b>13,009</b>
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(60)	-	(60)	(60)	-	(60)
- joint ventures	3,413	-	3,413	3,413	-	3,413
Net finance costs	(861)	-	(861)	(861)	-	(861)
<b>Profit before tax</b>	<b>13,651</b>	<b>1,850</b>	<b>15,501</b>	<b>13,651</b>	<b>1,850</b>	<b>15,501</b>
Tax expense	(4,878)	-	(4,878)	(4,878)	-	(4,878)
<b>Profit for the period</b>	<b>8,773</b>	<b>1,850</b>	<b>10,623</b>	<b>8,773</b>	<b>1,850</b>	<b>10,623</b>
<b>Total comprehensive income for the period</b>	<b>8,773</b>	<b>1,850</b>	<b>10,623</b>	<b>8,773</b>	<b>1,850</b>	<b>10,623</b>
<b>Attributable to:</b>						
Owners of the Company	8,773	1,850	10,623	8,773	1,850	10,623
Non-controlling interests	-	-	-	-	-	-
	<b>8,773</b>	<b>1,850</b>	<b>10,623</b>	<b>8,773</b>	<b>1,850</b>	<b>10,623</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	1.79	0.38	2.17	1.79	0.38	2.17



## IVORY PROPERTIES GROUP BERHAD (673211-M)

### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

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

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

###### Reconciliation of statements of financial position (extract)

	<b>Audited as at <u>31.03.2018</u> RM'000</b>	<b>Effect of MFRS 15 <u>31.03.2018</u> RM'000</b>	<b>Restated as at <u>31.03.2018</u> RM'000</b>	<b>Audited as at <u>01.04.2017</u> RM'000</b>	<b>Effect of MFRS 15 <u>01.04.2017</u> RM'000</b>	<b>Restated as at <u>01.04.2017</u> RM'000</b>
Inventories - property development costs	146,924	22,413	<b>169,337</b>	177,294	23,173	<b>200,467</b>
Trade and other receivables	175,351	(30,525)	<b>144,826</b>	183,953	(28,185)	<b>155,768</b>
Contract assets	-	-	-	-	23,736	<b>23,736</b>
Retained earnings	228,871	(9,055)	<b>219,816</b>	190,437	(8,324)	<b>182,113</b>
Trade and other payables	139,560	-	<b>139,560</b>	177,120	(13,701)	<b>163,419</b>
Contract liabilities	-	943	<b>943</b>	-	40,749	<b>40,749</b>

##### Standards and interpretations issued but not yet effective

The following are new standards, amendments and interpretations that have been issued by the MASB but have not been early adopted by the Group:

MFRS 16	Leases
MFRS 17	Contracts
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MRS 3 and MFRS 11	Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015- 2017 Cycle)
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015- 2017 Cycle)
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These new and amended standards will have no material impact on the financial statements of the Group upon their initial application.

##### 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 2018.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

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

**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.

**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 2018****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL  
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)****A9 Operating Segments**

The Group has three reportable segments, as described below, which are the Group’s strategic business units.

<b>Business Segments</b>	<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>
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**Individual Quarter – 30 June 2018****Revenue**

External	26,948	48	-	-	26,996
Inter-segment	776	17,129	1,871	(19,776)	-
Total Revenue	27,724	17,177	1,871	(19,776)	26,996

**Results**

Segmental profit/(loss)	4,024	(1,253)	(4,727)	-	(1,956)
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Segmental assets	422,410	108,764	203,177	-	734,351
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**Individual Quarter - 30 June 2017  
(Restated)****Revenue**

External	102,831	27,912	173	-	130,916
Inter-segment	2,566	30,116	1,700	(34,382)	-
Total Revenue	105,397	58,028	1,873	(34,382)	130,916

**Results**

Segmental profit/(loss)	12,707	3,796	(1,002)	-	15,501
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Segmental assets	323,933	222,709	263,866	-	810,508
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**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 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL  
REPORTING STANDARD (“MFRS”) 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	<u>9,743</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 2018 to 22 August 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.

The Memorandum of Understanding (“MOU”) entered between the Company with Taman Segar Management Corporation and Upper Label Sdn Bhd on 12 July 2017 to jointly re-develop/develop the land located at Kuala Lumpur had lapsed on 11 July 2018 and accordingly, the Parties to the MOU had on 27 July 2018 mutually agreed not to proceed with the MOU and the said MOU is hereby terminated with immediate effect.

**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**

The amount of capital commitments as at 30 June 2018 is as follows:

	<b>As at 30.06.2018 RM’000</b>	<b>As at 31.03.2018 RM’000</b>
Approved and contracted for:		
- Land held for property development	<u>120,472</u>	<u>120,472</u>

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL  
REPORTING STANDARD (“MFRS”) 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 2018**

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

**B1 Review of Performance**

**Current quarter (1QFY19) vs previous corresponding quarter (1QFY18)**

Revenue for the current quarter stood at RM27.0 million, a result derived mainly from the development of the third phase of Penang Times Square (“PTS3”). Total revenue decreased by 79% or RM103.9 million compared to RM130.9 million reported in the previous corresponding quarter due to the lack of construction contracts and a 74% decrease in revenue from the property development division.

Note that the previous corresponding quarter’s results came mainly from the sale of the completed units totaling RM71.7 million, representing 43% of the group’s inventory at the beginning of the previous corresponding quarter. Revenue from on-going projects decreased slightly from RM26.8 million to RM22.7 million due to the completion of City Mall & City Residence at Tajong Tokong which was partly compensated by the higher percentage of progress in construction at PTS3.

Gross profit decreased by 60% from RM24.7 million reported in the previous corresponding quarter to RM9.9 million as a direct result of lower revenue. The lower gross profit as a direct result of lower revenue was mitigated by an improved profit margin from the property development division, from 19% to 34% due to a higher estimated gross development value arising from the revised selling price.

Total operating expenses was RM12.5 million a reduction of 16% or RM2.4 million comparing the two quarters. Other operating income was RM1.3 million, a reduction of RM1.9 million due to the absence of a one-time profits from the disposal of the investment properties. All these factors, coupled with the share of loss in a joint venture company of RM0.5 million in the current quarter compared to a net profit of RM3.4 million in the preceding quarter has caused the bottom line of the Group in a net loss of RM2.8 million for the current quarter compared to a profit of RM10.6 million in the previous corresponding quarter.

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

	Current Quarter (1Q2019) 30.06.2018 RM’000	Preceding Quarter Restated (4Q2018) 31.03.2018 RM’000	Changes	
			RM’000	%
Revenue	26,996	21,432	5,564	26
Loss from operations	(1,284)	(9,664)	8,380	87
Loss Before Interest and Tax	(1,798)	(10,089)	8,291	82
Loss Before Tax	(1,956)	(10,488)	8,532	81
Loss After Tax	(2,769)	(7,625)	4,856	64
Loss Attributable to Equity Holders of the Company	(2,769)	(7,624)	4,522	64

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 increased from RM21.4 million reported in the immediate preceding quarter to RM27.0 million for the current quarter due to steady progress in construction at Penang Times Square, phase 3.

The net loss for the current quarter of RM2.9 million is an improvement compared to the net loss of RM7.6 million in the immediate preceding quarter due to a one-time cost relocation for City Residence which had caused a negative impact to the preceding quarter's result by RM4.5 million.

**B3 Prospects for the financial year ending 31 March 2019**

The property market remains challenging and flat. As such the Group is taking a very cautious approach in the launching of new projects. The Group will continue to focus on the current on-going project at Penang Times Square, considering the sale of nearly 100% of phase 3 and 4 of Penang Times Square, the Board anticipates a decent performance for the 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 PERIOD ENDED 30 JUNE 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	
	30.06.2018	Restated 30.06.2017	30.06.2018	Restated 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Income Tax - current	-	1,120	-	1,120
Deferred tax - current	813	3,758	813	3,758
	<b>813</b>	<b>4,878</b>	<b>813</b>	<b>4,878</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 2018 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	41,977
Hire purchase	1,372
	<u>43,349</u>
<i>Short Term Borrowings</i>	
Term loans and bridging loans	84,706
Hire purchase	1,402
Revolving credit	15,500
	<u>101,608</u>
<b>Total</b>	<b><u>144,957</u></b>

All borrowings are denominated in Ringgit Malaysia and are secured.



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

**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.

The Case Management is fixed on 14 September 2018. The Court has also fixed trial date on 4 October 2018, 5 October 2018, 12 October 2018 and 8 November 2018.

## IVORY PROPERTIES GROUP BERHAD (673211-M)

### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

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

##### B9 Dividend

The Board of Directors has approved an interim dividend of 2.50 sen per ordinary share in respect of the financial year ending 31 March 2019 amounting to RM12,251,993 which is payable on 17 October 2018.

##### B10 Earnings per Share

###### B10.1 Basic Earnings per Share

Basic earnings per ordinary share of the Group were calculated by dividing the Group's profit for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and the financial period.

	Individual Quarter		Cumulative Period	
	30.06.2018	Restated 30.06.2017	30.06.2018	Restated 30.06.2017
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)	(2,769)	10,623	(2,769)	10,623
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	490,080
<b>Basic earnings per share (sen)</b>	<b>(0.57)</b>	<b>2.17</b>	<b>(0.57)</b>	<b>2.17</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 2018**

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

**B11 Notes to the Statements of Comprehensive Income**

	Individual Quarter		Cumulative Period	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit before tax is arrived at after charging :</b>				
Depreciation of :				
- Investment properties	95	95	95	95
- Property, plant and equipment	1,285	1,404	1,285	1,404
Impairment loss on :				
- Receivables	1,000	700	1,000	700
Interest expense	1,091	1,554	1,091	1,554
Written off of :				
- Property, plant and equipment	2	96	2	296
<b>and after crediting :</b>				
Gain on disposal of :				
- Property, plant and equipment	4	-	4	-
- Investment properties	-	1,808	-	1,808
Interest income	933	693	933	693
Rental income	686	995	686	995

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 30 JUNE 2018**

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

**B12 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 29 August 2018.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Thum Sook Fun (f) (MIA 24701)

Company Secretaries