



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

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

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

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

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

	Individual Quarter (2 <sup>nd</sup> Quarter)		Changes  %	Cumulative Period (2 <sup>nd</sup> Quarter)		Changes  %
	Current	(Restated) Previous year Corresponding		Current	(Restated) Previous year Corresponding	
	30.09.2018 RM'000	30.09.2017 RM'000		30.09.2018 RM'000	30.09.2017 RM'000	
Revenue	29,483	50,457	(42)	56,479	181,373	(69)
Cost of sales	(19,036)	(39,593)	(52)	(36,124)	(145,814)	(75)
<b>Gross profit</b>	10,447	10,864	(4)	20,355	35,559	(43)
Operating expenses	(14,202)	(11,469)	24	(26,716)	(26,382)	1
Other operating income	1,230	1,253	(2)	2,552	4,480	(43)
<b>Results from operating activities</b>	(2,525)	648	(490)	(3,809)	13,657	(128)
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(3)	(79)	(96)	(7)	(139)	(95)
- joint ventures	(527)	1,962	(127)	(1,037)	5,375	(119)
<b>(Loss)/Profit before interest &amp; tax</b>	(3,055)	2,531	(221)	(4,853)	18,893	(126)
Net finance costs	(114)	(840)	(86)	(272)	(1,701)	(84)
<b>(Loss)/Profit before tax</b>	(3,169)	1,691	(287)	(5,125)	17,192	(130)
Tax expense	(1,465)	(688)	113	(2,278)	(5,566)	(59)
<b>(Loss)/Profit for the period</b>	<b>(4,634)</b>	<b>1,003</b>	<b>(562)</b>	<b>(7,403)</b>	<b>11,626</b>	<b>(164)</b>
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	-	-	-
<b>Total comprehensive (expenses)/income for the period</b>	<b>(4,634)</b>	<b>1,003</b>	<b>(562)</b>	<b>(7,403)</b>	<b>11,626</b>	<b>(164)</b>
<b>Attributable to:</b>						
Owners of the Company	(4,625)	1,004	(561)	(7,394)	11,627	(164)
Non-controlling interests	(9)	(1)	800	(9)	(1)	800
	<b>(4,634)</b>	<b>1,003</b>	<b>(562)</b>	<b>(7,403)</b>	<b>11,626</b>	<b>(164)</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	(0.94)	0.20	(570)	(1.51)	2.37	(164)

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 SEPTEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited as at 30.09.2018 RM'000	Restated as at 31.03.2018 RM'000	Restated as at 01.04.2017 RM'000
<b>Assets</b>			
Property, plant and equipment	37,439	37,200	37,763
Investment properties	15,051	15,241	15,350
Intangible assets	3,686	3,686	-
Investment in associates	605	612	3,029
Investment in joint ventures	42,023	156,826	144,026
Deferred tax assets	3,750	5,824	7,211
<b>Total non-current assets</b>	<b>102,554</b>	<b>219,389</b>	<b>207,379</b>
Inventories - property development costs	177,592	169,337	200,467
Inventories - completed properties & others	116,498	109,277	113,850
Trade and other receivables	189,452	144,826	155,768
Contract assets	5,647	-	23,736
Current tax assets	5,069	4,188	1,327
Short term investments	158,968	62,783	55,074
Cash and bank balances	20,449	21,157	57,909
	673,675	511,568	608,131
Assets classified as held for sale	-	-	5,469
<b>Total current assets</b>	<b>673,675</b>	<b>511,568</b>	<b>613,600</b>
<b>Total assets</b>	<b>776,229</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	212,422	219,816	182,113
<b>Equity attributable to owners of the Company</b>	<b>438,862</b>	<b>446,256</b>	<b>436,453</b>
<b>Non-controlling interests</b>	<b>(262)</b>	<b>(253)</b>	<b>(251)</b>
<b>Total equity</b>	<b>438,600</b>	<b>446,003</b>	<b>436,202</b>
<b>Liabilities</b>			
Loans and borrowings	42,460	44,697	90,339
Deferred tax liabilities	4,714	4,726	6,054
<b>Total non-current liabilities</b>	<b>47,174</b>	<b>49,423</b>	<b>96,393</b>
Loans and borrowings	104,479	93,810	79,024
Trade and other payables	177,717	139,560	163,419
Contract liabilities	7,664	943	40,749
Current tax liabilities	595	1,218	5,192
<b>Total current liabilities</b>	<b>290,455</b>	<b>235,531</b>	<b>288,384</b>
<b>Total liabilities</b>	<b>337,629</b>	<b>284,954</b>	<b>384,777</b>
<b>Total equity and liabilities</b>	<b>776,229</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 SEPTEMBER 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	-	-	(7,394)	(7,394)	(9)	(7,403)
<b>Balance at 30 September 2018</b>	<b>226,440</b>	<b>-</b>	<b>212,422</b>	<b>438,862</b>	<b>(262)</b>	<b>438,600</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	-	-	11,627	11,627	(1)	11,626
Transfer to retained earnings	-	(27,900)	27,900	-	-	-
<b>Balance at 30 September 2017</b>	<b>226,440</b>	<b>-</b>	<b>221,640</b>	<b>448,080</b>	<b>(252)</b>	<b>447,828</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 SEPTEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 30.09.2018</b>	<b>Restated 30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
(Loss)/Profit before tax	(5,125)	17,192
Adjustments for:-		
Depreciation of :		
- Investment properties	190	191
- Property, plant and equipment	2,546	2,846
Gain on disposal of :		
- Investment properties	-	(2,080)
- Property, plant and equipment	(4)	-
Impairment loss on receivable	2,000	700
Interest expense	2,179	2,835
Interest income	(1,907)	(1,134)
Written off of :		
- Property, plant and equipment	115	100
Share of loss in associates, net of tax	7	139
Share of profit in joint ventures, net of tax	1,037	(5,375)
Unrealised gain from downstream sale to joint ventures	(1,214)	(3,385)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(176)</b>	<b>12,029</b>
Change in inventories – property development costs	(6,001)	9,137
Change in inventories – completed properties & others	2,570	(11,184)
Change in trade and other receivables	(25,650)	(29,725)
Change in contract assets	(5,647)	23,736
Change in trade and other payables	38,157	(6,653)
Change in contract liabilities	6,721	19,039
<b>Cash from operations</b>	<b>9,974</b>	<b>16,379</b>
Tax paid	(1,720)	(6,523)
<b>Net cash from operating activities</b>	<b>8,254</b>	<b>9,856</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	1,907	1,134
Acquisition of property, plant and equipment	(2,610)	(34)
Redemption of redeemable preference share	84,213	-
Proceeds from disposal of property, plant and equipment	4	4
Proceeds from disposal of investment properties	-	7,277
Withdrawal of fixed deposits	-	501
(Placement)/withdrawal of short term investments	(96,185)	23,354
<b>Net cash (used in)/from investing activities</b>	<b>(12,671)</b>	<b>32,236</b>

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

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

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

	<b>Current Year-To-Date 30.09.2018</b>	<b>Restated 30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(4,433)	(3,992)
Repayment of finance lease liabilities	(839)	(1,255)
Repayment of term loans and bridging loans	(4,641)	(69,767)
Drawdown of term loans and bridging loans	12,121	14,327
<b>Net cash from/(used in) financing activities</b>	<b>2,208</b>	<b>(60,687)</b>
Net decrease in cash and cash equivalents	(2,209)	(18,595)
Cash and cash equivalents at beginning of period	21,046	56,531
<b>Cash and cash equivalents at end of period</b>	<b>18,837</b>	<b>37,936</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 SEPTEMBER 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 SEPTEMBER 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>30.09.2017</u> RM'000	<u>30.09.2017</u> RM'000	<u>30.09.2017</u> RM'000	<u>30.09.2017</u> RM'000	<u>30.09.2017</u> RM'000	<u>30.09.2017</u> RM'000
Revenue	56,051	(5,594)	50,457	185,137	(3,764)	181,373
Cost of sales	(43,863)	4,270	(39,593)	(150,104)	4,290	(145,814)
<b>Gross profit</b>	12,188	(1,324)	10,864	35,033	526	35,559
Operating expenses	(11,469)	-	(11,469)	(26,382)	-	(26,382)
Other operating income	1,253	-	1,253	4,480	-	4,480
<b>Results from operating activities</b>	1,972	(1,324)	648	13,131	526	13,657
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(79)	-	(79)	(139)	-	(139)
- joint ventures	1,962	-	1,962	5,375	-	5,375
Net finance costs	(840)	-	(840)	(1,701)	-	(1,701)
<b>Profit before tax</b>	3,015	(1,324)	1,691	16,666	526	17,192
Tax expense	(688)	-	(688)	(5,566)	-	(5,566)
<b>Profit for the period</b>	<b>2,327</b>	<b>(1,324)</b>	<b>1,003</b>	<b>11,100</b>	<b>526</b>	<b>11,626</b>
<b>Total comprehensive income for the period</b>	<b>2,327</b>	<b>(1,324)</b>	<b>1,003</b>	<b>11,100</b>	<b>-</b>	<b>11,626</b>
<b>Attributable to:</b>						
Owners of the Company	2,328	(1,324)	1,004	11,101	526	11,627
Non-controlling interests	(1)	-	(1)	(1)	-	(1)
	<b>2,327</b>	<b>(1,324)</b>	<b>1,003</b>	<b>11,100</b>	<b>526</b>	<b>11,626</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	0.48	(0.28)	0.20	2.27	0.10	2.37



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER 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 September 2018****Revenue**

External	54,212	2,267	-	-	56,479
Inter-segment	1,179	31,346	4,249	(36,774)	-
Total Revenue	55,391	33,613	4,249	(36,774)	56,479

**Results**

Segmental profit/(loss)	5,518	(3,314)	(7,329)	-	(5,125)
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Segmental assets	463,176	117,432	195,621	-	776,229
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**Individual Quarter - 30 September 2017  
(Restated)****Revenue**

External	125,207	55,835	331	-	181,373
Inter-segment	2,697	58,823	3,638	(65,158)	-
Total Revenue	127,904	114,658	3,969	(65,158)	181,373

**Results**

Segmental profit/(loss)	14,167	6,229	(3,204)	-	17,192
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Segmental assets	310,249	207,052	269,684	-	786,985
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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 SEPTEMBER 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>10,628</u>

**A10 Subsequent Material Events**

Except as disclosed below, there were no other material events or transactions subsequent to the end of the current financial quarter ended 30 September 2018 to 19 November 2018 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

Sunlink Properties Sdn. Bhd, a wholly owned subsidiary of Ivory, entered into a Supplemental Agreement (“SA”) on 15 November 2018 to revise the terms of the payment defined in the Sale and Purchase Agreement dated 31 October 2017 for the acquisition of a leasehold land held under PN361197, Lot 54140, Mukim of Sitiawan, Daerah Manjung.

In accordance with the SA, both parties agreed to a seven-month extension of the completion date from 31 January 2019 to 31 August 2019. The Part Balance Purchase Price of RM27 million (“PBPP”) will be spread over ten instalments of RM1.35 million each one month apart, the first of which, due 1 November 2018, includes the first half of the PBPP totalling RM13.5 million in addition to the RM1.35 million for a total of RM14.85 million; the last instalment will be due on 1 August 2019, extended from its original of 1 November 2018. The due date of the final Purchase Price of RM93.47 million has also been extended to 31 August 2019 from the original on 31 January 2019. All these extensions are subject to a 7% per annum interest.

**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 30 SEPTEMBER 2018**

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

**A13 Capital Commitments**

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

	<b>As at 30.09.2018 RM’000</b>	<b>As at 31.03.2018 RM’000</b>
Approved and contracted for:		
- Land held for property development	120,472	120,472

**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 SEPTEMBER 2018****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS****B1 Review of Performance****Current quarter (2QFY19) vs previous year corresponding quarter (2QFY18)**

The Group reported a revenue of RM29.5 million for the current quarter, a decrease of 42% or RM21.0 million from the year-ago quarter. The property development division accounted for 92% of the quarter's revenue while the construction division made up the balance which is a decrease of 92% or 25.7 million from the year-ago quarter.

The revenue reported by property development was the result of steady development progress at phase 3 of Penang Times Square ("PTS3"), and revenue from the construction division was contributed by the final claim of additional work performed at phase 1A of Penang World City, completed during the quarter.

The gross profit decreased by 4% from RM10.9 million reported in the year-ago quarter to RM10.4 million as a direct result of lower revenue; this is, however, mitigated by an increased profit margin from 22% to 35%.

The share of profit reported by the joint venture company decreased from a profit of RM2.0 in the year-ago quarter to a loss of RM0.5 million in the current quarter. The lowered level of business activities has caused the Group to report a net loss of RM4.6 million compared to a profit of RM1.0 million reported in the year-ago quarter.

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

	Current Quarter (2Q2019) 30.09.2018 RM'000	Preceding Quarter Restated (1Q2019) 30.06.2018 RM'000	Changes	
			RM'000	%
Revenue	29,483	26,996	2,487	9
Loss from operations	(2,525)	(1,284)	(1,241)	(97)
Loss Before Interest and Tax	(3,055)	(1,798)	(1,257)	(70)
Loss Before Tax	(3,169)	(1,956)	(1,213)	(62)
Loss After Tax	(4,634)	(2,769)	(1,865)	(67)
Loss Attributable to Equity Holders of the Company	(4,625)	(2,769)	(1,856)	(67)

**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 increased from RM27.0 million reported in the immediate preceding quarter to RM29.5 million for the current quarter due to steady progress in the development of PTS3.

The net loss for the current quarter further increased from RM2.8 million reported by the immediate preceding quarter to RM4.6 million due to higher tax and other expenses.

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

The underlying 6-month results reflect a very challenging microenvironment and require the Group to consolidate its recourses in identifying new source of revenue and implementing efficient cost control. The Board remains cautious on new launches and cost control and expects performance to be challenging for the financial year ending 31 March 2019.

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

The taxation for the Group comprises the following:

	Individual Quarter		Cumulative Period	
	30.09.2018 RM'000	Restated 30.09.2017 RM'000	30.09.2018 RM'000	Restated 30.09.2017 RM'000
Income Tax - current	216	(97)	216	1,023
- prior year	-	561	-	561
Deferred tax - current	1,249	224	2,062	3,982
	<b>1,465</b>	<b>688</b>	<b>2,278</b>	<b>5,566</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 September 2018 are as follows:-

	<b>RM'000</b>
<i>Long Term Borrowings</i>	
Term loans and bridging loans	41,052
Hire purchase	1,408
	<u>42,460</u>
<i>Short Term Borrowings</i>	
Term loans and bridging loans	86,231
Hire purchase	1,247
Revolving credit	15,500
Bank overdraft	1,501
	<u>104,479</u>
<b>Total</b>	<b><u>146,939</u></b>

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.

Further to the trial held on the 4th, 5th and 12th of October 2018, the Court has fixed the subsequent trial dates on 7 and 8 December 2018.

## IVORY PROPERTIES GROUP BERHAD (673211-M)

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

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

##### B9 Dividend

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 has been paid 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	
	30.09.2018 RM'000	Restated 30.09.2017 RM'000	30.09.2018 RM'000	Restated 30.09.2017 RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)	(4,625)	1,004	(7,394)	11,627
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>(0.94)</b>	<b>0.20</b>	<b>(1.51)</b>	<b>2.37</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 Notes to the Statements of Comprehensive Income**

	Individual Quarter		Cumulative Period	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit before tax is arrived at after charging :</b>				
Depreciation of :				
- Investment properties	95	96	190	191
- Property, plant and equipment	1,261	1,442	2,546	2,846
Impairment loss on :				
- Receivables	1,000	-	2,000	700
Interest expense	1,088	1,281	2,179	2,835
Written off of :				
- Property, plant and equipment	113	4	115	100
<b>and after crediting :</b>				
Gain on disposal of :				
- Property, plant and equipment	-	-	4	-
- Investment properties	-	272	-	2,080
Interest income	974	441	1,907	1,134
Rental income	775	640	1,461	1,635

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  
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**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 26 November 2018.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Thum Sook Fun (f) (MIA 24701)

Company Secretaries