



IVORY PROPERTIES GROUP BERHAD
Company No.: 673211-M

UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 DECEMBER 2018

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IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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

	Individual Quarter (3 rd Quarter)		Changes %	Cumulative Period (3 rd Quarter)		Changes %
	Current	(Restated) Previous year Corresponding		Current	(Restated) Previous year Corresponding	
	31.12.2018 RM'000	31.12.2017 RM'000		31.12.2018 RM'000	31.12.2017 RM'000	
Revenue	45,842	35,033	31	102,321	216,406	(53)
Cost of sales	(37,317)	(15,963)	134	(73,441)	(161,777)	(55)
Gross profit	8,525	19,070	(55)	28,880	54,629	(47)
Operating expenses	(11,285)	(12,747)	(11)	(38,001)	(39,129)	(3)
Other operating income	3,400	1,062	220	5,952	5,542	7
Results from operating activities	640	7,385	(91)	(3,169)	21,042	(115)
Share of (loss)/profit of equity accounted investees, net of tax						
- associates	(4)	(72)	(94)	(11)	(211)	(95)
- joint ventures	(411)	3,162	(113)	(1,448)	8,537	(117)
Profit/(Loss) before interest & tax	225	10,475	(98)	(4,628)	29,368	(116)
Net finance costs	(1,303)	(507)	157	(1,575)	(2,208)	(29)
(Loss)/Profit before tax	(1,078)	9,968	(111)	(6,203)	27,160	(128)
Tax expense	(1,767)	(4,168)	(58)	(4,045)	(9,734)	(58)
(Loss)/Profit for the period	(2,845)	5,800	(149)	(10,248)	17,426	(159)
Other comprehensive income for the year, net of tax	-	-		-	-	-
Total comprehensive (expenses)/income for the period	(2,845)	5,800	(149)	(10,248)	17,426	(159)
Attributable to:						
Owners of the Company	(2,840)	5,800	(149)	(10,234)	17,427	(159)
Non-controlling interests	(5)	-	(100)	(14)	(1)	1,300
	(2,845)	5,800	(149)	(10,248)	17,426	(159)
Earnings per share attributable to the owners of the Company:						
Basic (sen)	(0.58)	1.18	(149)	(2.09)	3.56	(159)

Certain comparative figures have been restated to conform with the unaudited interim financial statements of the current financial period ended 31 December 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 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 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.12.2018 RM'000	Restated as at 31.03.2018 RM'000	Restated as at 01.04.2017 RM'000
Assets			
Property, plant and equipment	37,060	37,200	37,763
Investment properties	14,956	15,241	15,350
Intangible assets	3,686	3,686	-
Investment in associates	601	612	3,029
Investment in joint ventures	37,921	156,826	144,026
Deferred tax assets	3,540	5,824	7,211
Total non-current assets	97,764	219,389	207,379
Inventories - property development costs	195,648	169,337	200,467
Inventories - completed properties & others	135,112	109,277	113,850
Trade and other receivables	186,070	144,826	155,768
Contract assets	251	-	23,736
Current tax assets	5,150	4,188	1,327
Short term investments	108,146	62,783	55,074
Cash and bank balances	22,093	21,157	57,909
	652,470	511,568	608,131
Assets classified as held for sale	-	-	5,469
Total current assets	652,470	511,568	613,600
Total assets	750,234	730,957	820,979
Equity			
Share capital	226,440	226,440	226,440
Warrant reserve	-	-	27,900
Retained earnings	197,330	219,816	182,113
Equity attributable to owners of the Company	423,770	446,256	436,453
Non-controlling interests	(267)	(253)	(251)
Total equity	423,503	446,003	436,202
Liabilities			
Loans and borrowings	41,356	44,697	90,339
Deferred tax liabilities	4,651	4,726	6,054
Total non-current liabilities	46,007	49,423	96,393
Loans and borrowings	104,670	93,810	79,024
Trade and other payables	168,325	139,560	163,419
Contract liabilities	7,206	943	40,749
Current tax liabilities	523	1,218	5,192
Total current liabilities	280,724	235,531	288,384
Total liabilities	326,731	284,954	384,777
Total equity and liabilities	750,234	730,957	820,979
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.86	0.91	0.89

* 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 31 DECEMBER 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 2018	226,440	-	228,871	455,311	(253)	455,058
Effect of adoption of the MFRS Framework	-	-	(9,055)	(9,055)	-	(9,055)
Balance at 1 April 2018 (Restated)	226,440	-	219,816	446,256	(253)	446,003
Total comprehensive loss for the period	-	-	(10,234)	(10,234)	(14)	(10,248)
Dividends to owner of the company	-	-	(12,252)	(12,252)	-	(12,252)
Balance at 31 December 2018	226,440	-	197,330	423,770	(267)	423,503
Balance at 1 April 2017	226,440	27,900	190,437	444,777	(251)	444,526
Effect of adoption of the MFRS Framework	-	-	(8,324)	(8,324)	-	(8,324)
Balance at 1 April 2017 (Restated)	226,440	27,900	182,113	436,453	(251)	436,202
Total comprehensive income for the period	-	-	17,427	17,427	(1)	17,426
Transfer to retained earnings	-	(27,900)	27,900	-	-	-
Balance at 31 December 2017	226,440	-	227,440	453,880	(252)	453,628

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 31 DECEMBER 2018**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date 31.12.2018	Restated 31.12.2017
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
(Loss)/Profit before tax	(6,203)	27,160
Adjustments for:-		
Depreciation of :		
- Investment properties	285	286
- Property, plant and equipment	3,497	4,283
Gain on disposal of :		
- Investment properties	-	(2,080)
- Property, plant and equipment	(4)	(18)
Impairment loss on receivable	3,000	700
Interest expense	4,046	3,839
Interest income	(2,471)	(1,631)
Written off of :		
- Property, plant and equipment	426	2,234
Share of loss in associates, net of tax	11	211
Share of loss/(profit) in joint ventures, net of tax	1,448	(8,537)
Unrealised gain from downstream sale to associates	-	(17)
Unrealised gain from downstream sale to joint ventures	(1,748)	(4,411)
Operating profit before changes in working capital	2,287	22,019
Change in inventories – property development costs	(24,057)	(6,128)
Change in inventories – completed properties & others	(16,044)	(10,809)
Change in trade and other receivables	(23,268)	33,306
Change in contract assets	(251)	23,730
Change in trade and other payables	28,765	29,925
Change in contract liabilities	6,263	(25,018)
Cash (used in)/from operations	(26,305)	67,025
Tax paid	(3,493)	(10,889)
Net cash (used in)/from operating activities	(29,798)	56,136
<u>Cash flows from investing activities</u>		
Interest received	2,471	1,631
Acquisition of property, plant and equipment	(3,493)	(1,723)
Redemption of redeemable preference share	88,438	-
Proceeds from disposal of property, plant and equipment	4	41
Proceeds from disposal of investment properties	-	7,277
Withdrawal of fixed deposits	-	762
Placement of short term investments	(45,363)	(21,370)
Net cash from/(used in) investing activities	42,057	(13,382)

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year-To-Date 31.12.2018	Restated 31.12.2017
	RM'000	RM'000
<u>Cash flows from financing activities</u>		
Interest paid	(6,300)	(5,625)
Dividend paid	(12,252)	-
Drawdown of finance lease liabilities	-	1,390
Repayment of finance lease liabilities	(1,201)	(1,876)
Repayment of term loans and bridging loans	(6,660)	(71,698)
Drawdown of term loans and bridging loans	12,121	32,977
Net cash used in financing activities	(14,292)	(44,832)
Net decrease in cash and cash equivalents	(2,033)	(2,078)
Cash and cash equivalents at beginning of period	21,046	56,531
Cash and cash equivalents at end of period	19,013	54,453

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 31 DECEMBER 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 31 DECEMBER 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>31.12.2017</u> RM'000	<u>31.12.2017</u> RM'000	<u>31.12.2017</u> RM'000	<u>31.12.2017</u> RM'000	<u>31.12.2017</u> RM'000	<u>31.12.2017</u> RM'000
Revenue	35,691	(658)	35,033	220,828	(4,422)	216,406
Cost of sales	(15,565)	(398)	(15,963)	(165,669)	3,892	(161,777)
Gross profit	20,126	(1,056)	19,070	55,159	(530)	54,629
Operating expenses	(12,747)	-	(12,747)	(39,129)	-	(39,129)
Other operating income	1,062	-	1,062	5,542	-	5,542
Results from operating activities	8,441	(1,056)	7,385	21,572	(530)	21,042
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(72)	-	(72)	(211)	-	(211)
- joint ventures	3,162	-	3,162	8,537	-	8,537
Profit before tax	11,531	(1,056)	10,475	29,898	(530)	29,368
Net finance costs	(507)	-	(507)	(2,208)	-	(2,208)
Profit/(Loss) before tax	11,024	(1,056)	9,968	27,690	(530)	27,160
Tax expense	(4,169)	1	(4,168)	(9,735)	1	(9,734)
Profit for the period	6,855	(1,055)	5,800	17,955	(529)	17,426
Total comprehensive income for the period	6,855	(1,055)	5,800	17,955	(529)	17,426
Attributable to:						
Owners of the Company	6,855	(1,055)	5,800	17,956	(529)	17,427
Non-controlling interests	-	-	-	(1)	-	(1)
	6,855	(1,055)	5,800	17,955	(529)	17,426
Earnings per share attributable to the owners of the Company:						
Basic (sen)	1.40	(0.22)	1.18	3.66	0.10	3.56

IVORY PROPERTIES GROUP BERHAD (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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)

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

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 31 DECEMBER 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

Dividends amounted RM12,251,993 has been paid during the current financial quarter.

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

Business Segments	Property development and management RM’000	Construction contracts RM’000	Investment holding and others RM’000	Elimination RM’000	Total RM’000
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Individual Quarter – 31 December 2018**Revenue**

External	100,054	2,267	-	-	102,321
Inter-segment	2,894	53,482	52,391	(108,767)	-
Total Revenue	102,948	55,749	52,391	(108,767)	102,321

Results

Segmental profit/(loss)	5,054	(3,780)	(7,477)	-	(6,203)
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Segmental assets	475,154	100,078	175,002	-	750,234
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**Individual Quarter - 31 December 2017
(Restated)****Revenue**

External	148,628	67,371	407	-	216,406
Inter-segment	3,114	99,401	5,262	(107,777)	-
Total Revenue	151,742	166,772	5,669	(107,777)	216,406

Results

Segmental profit/(loss)	7,486	23,398	(3,724)	-	27,160
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Segmental assets	390,965	110,882	229,110	-	730,957
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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 31 DECEMBER 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:

	RM’000
Customer A	<u>16,980</u>

A10 Subsequent Material Events

There were no material events or transactions subsequent to the end of the current financial quarter ended 31 December 2018 that have not been reflected in the financial statements for the interim period.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period to-date.

A12 Changes in Contingent Liabilities or Contingent Assets

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

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31 December 2018 is as follows:

	As at 31.12.2018 RM’000	As at 31.03.2018 RM’000
Approved and contracted for:		
- Land acquisition to be held for property development	102,922	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 31 DECEMBER 2018**

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

B1 Review of Performance

Quarter Results (3QFY2019 vs 3QFY2018)

The Group recorded revenue of RM45.8 million for the current quarter, an increase of 31% or RM10.8 million from the year-ago quarter with close to 100% contributed by the property development division that derived its revenue from the steady development progress at phase 3 of Penang Times Square and the sales of the completed properties.

The gross profit decreased by 55% from RM19.1 million recorded in the year-ago quarter to RM8.5 million for the current quarter despite an increase in revenue. The higher gross profit recorded in the year-ago quarter was contributed by the one-off profit recognised upon finalisation of a turnkey contract due to effective cost management.

The net loss before tax for the quarter was RM1.1 million compared to a profit of RM10 million recorded in the year-ago quarter. Besides the absence of the one-off profit from the construction division as mentioned above, the share of net loss from the joint venture company against profit of RM3.2 million in the year-ago quarter and higher financing cost were the main factors contributed to the deteriorated results for the current quarter.

9 months Year-to-date Results (FY2019 vs FY2018)

The Group recorded revenue of RM102.3 million, a decrease of RM114.1 million or 53% against the previous financial year. The decrease was caused by the declined activities from both the property development division and the construction division following the completion of City Residence at Tanjong Tokong and the turnkey contract of phase 1A at Penang World City.

Following the decrease in revenue, the Group recorded a loss after tax of RM10.2 million compared to a profit of RM17.4 million recorded in the previous year.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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
(Quarter-Over-Quarter comparison)**

	Current Quarter (3Q2019) 31.12.2018 RM'000	Preceding Quarter Restated (2Q2019) 30.09.2018 RM'000	Changes	
			RM'000	%
Revenue	45,842	29,483	16,359	55
Profit/(Loss) from operations	640	(2,525)	3,165	125
Profit/(Loss) Before Interest and Tax	225	(3,055)	3,280	107
(Loss) Before Tax	(1,078)	(3,169)	2,091	66
(Loss) After Tax	(2,845)	(4,634)	1,789	39
(Loss) Attributable to Equity Holders of the Company	(2,840)	(4,625)	1,785	39

The Group's revenue increased from RM29.5 million reported in the immediate preceding quarter to RM45.8 million for the current quarter due to higher progress billings from the phase 3 of Penang Times Square and sales of completed properties.

The Group's net loss after tax has therefore been reduced by RM1.8 million or 39% to RM2.8 million in the current quarter compared to RM4.6 million in the year-ago quarter.

B3 Prospects for the financial year ending 31 March 2019

Property market continues to remain soft and challenging. Despite Government initiatives, potential buyers continue to face stringent mortgage loan approval policies from financial institutions. Taking into consideration the 9-month results and the overall glooming global economy, the Board expects the Group's 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
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	
	31.12.2018 RM'000	Restated 31.12.2017 RM'000	31.12.2018 RM'000	Restated 31.12.2017 RM'000
Income Tax - current	1,627	3,592	1,843	4,615
- prior year	(6)	781	(6)	1,342
Deferred tax - current	146	(205)	2,207	3,777
- prior year	-	-	1	-
	1,767	4,168	4,045	9,734

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

B6 Status of Corporate Proposals

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

B7 Borrowings and Debt Securities

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

	RM'000
<i>Long Term Borrowings</i>	
Term loans and bridging loans	40,175
Hire purchase	1,181
	<u>41,356</u>
<i>Short Term Borrowings</i>	
Term loans and bridging loans	85,089
Hire purchase	1,112
Revolving credit	15,500
Bank overdraft	2,969
	<u>104,670</u>
Total	<u>146,026</u>

All borrowings are denominated in Ringgit Malaysia and are secured.

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*)**

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 14th January 2019 , the High Court has fixed 19th April 2019 for decision.

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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	
	31.12.2018 RM'000	Restated 31.12.2017 RM'000	31.12.2018 RM'000	Restated 31.12.2017 RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)	(2,840)	5,800	(10,234)	17,427
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	490,080
Basic earnings per share (sen)	(0.58)	1.18	(2.09)	3.56

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 31 DECEMBER 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax is arrived at after charging :				
Depreciation of :				
- Investment properties	95	95	285	286
- Property, plant and equipment	951	1,437	3,497	4,283
Impairment loss on :				
- Receivables	1,000	-	3,000	700
Interest expense	1,867	1,004	4,046	3,839
Written off of :				
- Property, plant and equipment	311	2,134	426	2,234
and after crediting :				
Gain on disposal of :				
- Property, plant and equipment	-	18	4	18
- Investment properties	-	-	-	2,080
Interest income	564	497	2,471	1,631
Rental income	245	676	1,706	2,383

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 21 February 2019.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Thum Sook Fun (f) (MIA 24701)

Company Secretaries