



IVORY PROPERTIES GROUP BERHAD
Company No.: 673211-M

UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 DECEMBER 2019

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IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

	Individual Quarter (3 rd Quarter)		Changes %	Cumulative Period (3 rd Quarter)		Changes %
	Current 31.12.2019 RM'000	Previous year Corresponding 31.12.2018 RM'000		Current 31.12.2019 RM'000	Previous year Corresponding 31.12.2018 RM'000	
Revenue	2,114	45,842	(95)	39,082	102,321	(62)
Cost of sales	(1,244)	(35,359)	(96)	(26,145)	(69,593)	(62)
Gross profit	870	10,483	(92)	12,937	32,728	(60)
Operating expenses	(8,606)	(11,285)	(24)	(26,791)	(38,001)	(29)
Other operating income	5,051	3,400	49	8,154	5,952	37
Results from operating activities	(2,685)	2,598	(203)	(5,700)	679	(939)
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(4)	(4)	-	(11)	(11)	-
- joint ventures	2,942	(411)	816	2,296	(1,448)	259
Profit/(Loss) before interest & tax	253	2,183	(88)	(3,415)	(780)	(338)
Net finance income/(costs)	701	(3,261)	121	(3,859)	(5,423)	(29)
Profit/(Loss) before tax	954	(1,078)	188	(7,274)	(6,203)	(17)
Tax (expense)/ income	(34)	(1,767)	(98)	474	(4,045)	112
Profit/(Loss) for the period	920	(2,845)	132	(6,800)	(10,248)	34
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	920	(2,845)	132	(6,800)	(10,248)	34
Attributable to:						
Owners of the Company	920	(2,840)	132	(6,792)	(10,234)	34
Non-controlling interests	-	(5)	100	(8)	(14)	43
	920	(2,845)	132	(6,800)	(10,248)	34
Earnings per share attributable to the owners of the Company:						
Basic (sen)	0.19	(0.58)	133	(1.39)	(2.09)	33

Certain comparative figures in financial year 2019 have been reclassified to conform with the unaudited interim financial statements of the current financial period ended 31 December 2019.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31.12.2019 RM'000	Audited as at 31.03.2019 RM'000
Assets		
Property, plant and equipment	34,095	36,192
Investment properties	14,450	14,860
Intangible assets	3,686	3,686
Investment in associates	587	598
Investment in joint ventures	-	38,091
Deferred tax assets	9,881	9,234
Total non-current assets	62,699	102,661
Inventories	273,863	265,442
Contract assets	4,609	4,172
Contract costs	4,000	5,389
Trade and other receivables	238,040	200,005
Current tax assets	925	2,885
Short term investments	28,090	48,251
Cash and bank balances	17,094	21,027
Total current assets	566,621	547,171
Total assets	629,320	649,832
Equity		
Share capital	226,440	226,440
Retained earnings	180,095	186,887
Equity attributable to owners of the Company	406,535	413,327
Non-controlling interests	(280)	(272)
Total equity	406,255	413,055
Liabilities		
Loans and borrowings	37,342	40,304
Deferred tax liabilities	2,004	2,764
Total non-current liabilities	39,346	43,068
Loans and borrowings	50,521	87,638
Trade and other payables	85,626	101,238
Contract liabilities	47,407	1,263
Current tax liabilities	165	3,570
Total current liabilities	183,719	193,709
Total liabilities	223,065	236,777
Total equity and liabilities	629,320	649,832
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.83	0.84

* Computed based on 490,079,729 ordinary shares in the Company (“Shares”)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Non- distributable Share capital RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance at 1 April 2019	226,440	186,887	413,327	(272)	413,055
Total comprehensive expenses for the period	-	(6,792)	(6,792)	(8)	(6,800)
Balance at 31 December 2019	226,440	180,095	406,535	(280)	406,255
Balance at 1 April 2018	226,440	202,147	428,587	(253)	428,334
Adjustment on initial application of MFRS 9	-	(3,476)	(3,476)	-	(3,476)
Balance at 1 April 2018 (Restated)	226,440	198,671	425,111	(253)	424,858
Total comprehensive expenses 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	176,185	402,625	(267)	402,358

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 2019 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 2019**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date 31.12.2019 RM'000	31.12.2018 RM'000
<u>Cash flows from operating activities</u>		
Loss before tax	(7,274)	(6,203)
Adjustments for :-		
Depreciation on :		
- Investment properties	284	285
- Property, plant and equipment	2,982	3,497
(Gain)/Loss on disposal of :		
- Investment properties	(34)	-
- Property, plant and equipment	7	(4)
- Investment in joint ventures	(2,850)	-
(Reversal of)/Impairment loss on receivables	(843)	3,000
Interest expense	5,054	7,894
Interest income	(1,195)	(2,471)
Written off of property, plant and equipment	5	426
Share of loss in associates, net of tax	11	11
Share of (profit)/loss in joint ventures, net of tax	(2,296)	1,448
Unrealised gain from downstream sale to joint ventures	-	(1,748)
Operating (loss)/profit before changes in working capital	(6,149)	6,135
Change in inventories	(7,018)	(45,338)
Change in contract assets	(437)	(251)
Change in contract costs	1,389	2,983
Change in trade and other receivables	(37,192)	(23,268)
Change in trade and other payables	(9,525)	28,765
Change in contract liabilities	46,144	6,263
Cash generated from operations	(12,788)	(24,711)
Tax paid	(2,378)	(3,493)
Net cash used in operating activities	(15,166)	(28,204)
<u>Cash flows from investing activities</u>		
Interest received	1,195	2,471
Acquisition of property, plant and equipment	(909)	(3,493)
Redemption of redeemable preference share	-	88,438
Proceeds from disposal of :		
- Investment properties	160	-
- Property, plant and equipment	12	4
- Investment in joint ventures	37,150	-
Placement of short-term deposits	(4,621)	(10,090)
Withdrawal/(Placement) of short-term investments	20,161	(35,273)
Net cash from investing activities	53,148	42,057

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

	Current Year-To-Date 31.12.2019 RM'000	31.12.2018 RM'000
<u>Cash flows from financing activities</u>		
Interest paid	(6,457)	(7,894)
Dividend paid	-	(12,252)
Repayment of finance lease liabilities (Repayment)/Drawdown of term loans	(800) (38,756)	(1,201) 5,461
Net cash used in financing activities	(46,013)	(15,886)
Net decrease in cash and cash equivalents	(8,031)	(2,033)
Cash and cash equivalents at beginning of period	15,940	21,046
Cash and cash equivalents at end of period	7,909	19,013
Cash and cash equivalents comprise the following:		
Cash and bank balances	17,094	22,093
Less: Bank Overdraft	-	(2,969)
Less: Short-term deposits	(9,185)	(111)
	7,909	19,013

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 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 2019

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

A1 Basis of Preparation

The interim financial statements has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2019. 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 2019.

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

The accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2019 except for the adoption of the following new/revised MFRSs, IC interpretation and Amendments to MFRSs:-

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRSs	Annual Improvements to MFRS Standards (2015-2017) Cycle
IC Interpretation 23	Uncertainty over Income Tax Treatments

The adoption of the above MFRSs, IC interpretation and Amendments does not have significant financial impact to the Group.

Standards and interpretations issued but not yet effective

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

MFRS 17	Insurance Contracts
Amendments to MRS 3	Business Combinations - <i>Definition of a Business</i>
Amendments to MFRS 101 & 108	Definition of Material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – <i>Definition of Material</i>
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.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

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 2019.

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 and financial period-to-date.

A6 Material Changes in Estimates

There were no changes in estimates that have had a material effect in the current financial quarter and financial period-to-date.

A7 Debt and Equity Securities

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 financial quarter and financial period-to-date.

A8 Dividends Paid

No dividends have been paid during the current financial quarter and financial period-to-date.

IVORY PROPERTIES GROUP BERHAD (673211-M)**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019****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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Financial period ended – 31 December 2019**Revenue**

External	32,855	6,227	-	-	39,082
Inter-segment	2,144	23,159	48,441	(73,744)	-
Total Revenue	34,999	29,386	48,441	(73,744)	39,082

Results

Segmental (loss)/profit	(4,509)	3,254	(6,019)	-	(7,274)
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Segmental assets	495,129	58,882	75,309	-	629,320
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Financial period ended - 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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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 2019**

**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 for current financial period-to-date are as follows:

	RM’000
Customer A	<u>19,840</u>

A10 Subsequent Material Events

There were no material events or transactions subsequent to the financial period ended 31 December 2019 till 20 February 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements).

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter and financial period-to-date, except as disclosed below.

The Company’s wholly owned subsidiary, Ikhlas Johan Sdn. Bhd. had on 1 August 2019 completed the transfer of 1 ordinary share representing 50% equity interest of Ivory Uno Venture Sdn. Bhd. (Formerly known as Ivory Koagro Uno Venture Sdn. Bhd.), Ivory Dos Venture Sdn. Bhd. (Formerly known as Ivory Koagro Dos Venture Sdn. Bhd.) and Ivory Tres Venture Sdn. Bhd. (Formerly known as Ivory Koagro Tres Venture Sdn. Bhd.) from Koperasi Agrotek Malaysia Berhad for a consideration of RM1.00 each.

Following the above transfer of shares, Ivory Uno Venture Sdn. Bhd. (Formerly known as Ivory Koagro Uno Venture Sdn. Bhd.), Ivory Dos Venture Sdn. Bhd. (Formerly known as Ivory Koagro Dos Venture Sdn. Bhd.) and Ivory Tres Venture Sdn. Bhd. (Formerly known as Ivory Koagro Tres Venture Sdn. Bhd.) are now become 100% wholly-owned subsidiaries of the Company.

On 1 November 2019, Ivory Utilities Sdn. Bhd. (“IUSB”), a wholly-owned subsidiary of the Company had disposed of its entire 45% equity interest in Tropicana Ivory Sdn Bhd (“TISB”) for a total cash consideration of RM56,089,234, and the disposal was completed on 13 November 2019. TISB ceased to be a joint venture company of IUSB after the completion of the disposal.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

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 31 December 2019 is as follows:

	As at 31.12.2019 RM’000	As at 31.03.2019 RM’000
Approved and contracted for:		
- Land acquisition to be held for property development	152,701	100,222

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 and financial period-to-date.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

B1 Review of Performance

Quarter Results (3QFY2020 vs 3QFY2019)

The Group's revenue for the current quarter fell by 95% to RM2.1 million from RM45.8 million recorded a year ago with contribution primarily from the construction division. The negative revenue from the property development division was due to an adjustment made to revenue in the current quarter in accordance with MFRS 15 to rectify over-recognition for the past two quarters. Accordingly, gross profit declined by 92% year-over-year to RM0.9 million from RM10.5 million.

The negative impact caused by the deteriorating revenue was remedied by lower operating expenses, a higher share of the joint venture company's net profit, and the gain on disposal of the investment in the joint venture company, which was completed during the quarter. In addition to these, the adoption of a new amendment to MFRS 123 has resulted in an interest cost of RM1.4 million being re-allocated and capitalised in inventories and thus reducing the net finance cost to an income position of RM0.7 million against the net finance cost of RM3.3 million last year.

As a result of the above-mentioned, the Group's net profit after tax stood at RM0.9 million compared to a loss of RM2.8 million recorded last year.

9-month Year-to-date Results (YTD FY2020 vs YTD FY2019)

The 9-month revenue slipped by 62% to RM39.1 million compared to RM102.3 million a year ago. The reduction in income was evident in all divisions, with the main contributor being the property development division.

The Group recorded a net loss after tax of RM6.8 million compared to RM10.2 million reported last year.

IVORY PROPERTIES GROUP BERHAD (673211-M)**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019****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
(3QFY2020 vs 2QFY2020)**

	Current Quarter (3QFY2020) 31.12.2019 RM'000	Preceding Quarter (2QFY2020) 30.09.2019 RM'000	Changes	
			RM'000	%
Revenue	2,114	13,478	(11,364)	(84)
Loss from operations	(2,685)	(2,202)	(483)	(22)
Profit/(Loss) Before Interest and Tax	253	(2,929)	3,182	109
Profit/(Loss) Before Tax	954	(4,208)	5,162	123
Profit/(Loss) After Tax	920	(3,218)	4,138	129
Profit/(Loss) Attributable to Equity Holders of the Company	920	(3,214)	4,134	129

Total revenue declined 84% or RM11.4 million to RM2.1 million from RM13.5 million recorded in the immediate preceding quarter due to an adjustment made to the revenue during the quarter in accordance with MFRS 15.

Despite the lower gross profit, net profit for the current quarter stood at RM0.9 million compared to a net loss of RM3.2 million reported in the immediate preceding quarter. The improved results were due to the same reasons mentioned in B1 above.

B3 Prospects for the financial year ending 31 March 2020

The Group continues to pursue the necessary planning approval for the launching of new projects with the first project scheduled to hit the market by the end of 2020. The financial performance for the current year, ending 31 March 2020, depends on the selling of completed properties and the on-going project, namely phase 3 of Penang Times Square, to deliver revenue for the remaining quarter. Given the 9-month net loss of RM6.8 million, the Group is most probably ending the year with a flat note on lower revenue recognition from the property development division.

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 2019**

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

B5 Taxation

The tax expenses and tax credit of the Group are as follows:

	Individual Quarter		Cumulative Period	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Income Tax - current	625	1,627	1,788	1,843
- prior year	(856)	(6)	(856)	(6)
Deferred tax - current	265	146	(1,406)	2,207
- prior year	-	-	-	1
	34	1,767	(474)	4,045

The lower effective tax rate for current financial quarter and tax credit for financial period-to-date was due to overprovision of prior year income tax and reversal of overprovision of deferred tax liabilities.

B6 Status of Corporate Proposals

Corporate proposals announced by the Company that have not been completed as at 20 February 2020, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report are as follows:

- a) On 14 January 2015, Ivory Indah Sdn Bhd (“IISB”), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement (“SPA”) with Jesselton Peak Sdn Bhd (“JPSB”) for the proposed disposal of a piece of vacant freehold land measuring approximately 217,771.1156 square metre located in Penang, for a total cash consideration of RM150,000,000.00. The conditions precedent fulfillment period of the SPA has been extended to 15 December 2020, and the SPA remains conditional at the date of this report.
- b) On 31 October 2017, Sunlink Properties Sdn Bhd (“SPSB”), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement (“SPA”) with Remco Engineering & Construction Sdn Bhd (“REMCO”) for the proposed acquisition of a piece of vacant leasehold land in Sitiawan, Perak Darul Ridzuan measuring approximately 259,100 square metres (“Land”), for a purchase consideration of RM133,858,137.60.

On 31 October 2018, SPSB and REMCO entered into a Supplemental Agreement (“SA”) to revise the terms of payment defined in the SPA.

On 14 October 2019, the Completion Period which was set to be on or before 31 August 2019 under the SA was deferred due to the encroachment on the Land by an adjacent temple and an underground water pipe. REMCO and SPSB have agreed that all outstanding instalment payments due to REMCO under the SA shall be suspended until both the encroachments are resolved by REMCO.

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

B6 Status of Corporate Proposals (continued)

- c) On 11 November 2019, Ivory Meadows Sdn. Bhd. (“Purchaser”), a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement (“SPA”) with Zenith Urban Development Sdn. Bhd. (“Vendor”) for the proposed acquisition of a piece of freehold land in Bandar Tanjung Pinang, Daerah Timor Laut, Pulau Pinang, measuring approximately 8,093 square metres (2 acres), for a total purchase consideration of RM65,000,000. The SPA is subject to the Conditions Precedent to be obtained by the Vendor within 6 months from the date of the SPA (“1st Compliance Date”) or a further extension of time of 3 months from the 1st Compliance Date to secure the Conditions Precedent and requisite approvals (“2nd Compliance Date”) or further extension of time(s) from the expiry of the 2nd Compliance Date to be granted by the Purchaser to Vendor in order to secure the Conditions Precedent and/or requisite approvals. Barring any unforeseen circumstances, the SPA is expected to be completed by middle of year 2020.
- d) On 1 November 2019, Ivory Utilities Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Shares Sale Agreement with Hemat Tuah Sdn Bhd (“HTSB”) to dispose of its entire 45% equity interest in Tropicana Ivory Sdn Bhd to HTSB for a cash consideration of RM56,089,234 (“the Disposal”). The Disposal was completed in the same quarter under review on 13 November 2019.

The details of the utilisation of the proceeds from the Disposal which was completed on 13 November 2019 for the current quarter under review are as follows:

Details of Utilisation of Proceeds:

Purpose of Utilisation within 6 months from the Completion date	Proposed Utilisation RM	Actual Utilisation RM	Balance RM
** Working Capital	16,089,234	20,614,234	(4,525,000)
Initial Capital outlay for new land(s)	30,000,000	6,500,000	23,500,000
Payment for joint venture arrangements	10,000,000	2,975,000	7,025,000
Total	56,089,234	30,089,234	26,000,000

** included in the actual utilisation of proceeds are direct expenses for the Disposal of RM8,939,409

IVORY PROPERTIES GROUP BERHAD (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

B7 Borrowings and Debt Securities

Details of the Group's borrowings are as follows:-

	As at 31.12.2019 RM'000	As at 31.03.2019 RM'000
<i>Long Term Borrowings</i>		
Term loans and bridging loans	36,582	39,121
Hire purchase	760	1,183
	<hr/> 37,342	<hr/> 40,304
<i>Short Term Borrowings</i>		
Term loans and bridging loans	41,507	75,998
Hire purchase	630	1,007
Revolving credit	8,384	10,110
Bank overdraft	-	523
	<hr/> 50,521	<hr/> 87,638
Total	<hr/> 87,863	<hr/> 127,942

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 31 DECEMBER 2019**

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

B8 Material Litigation

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

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

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

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

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

On 19 April 2019, the High Court dismissed the Plaintiff’s claims against IISB and CIMB Islamic Bank Berhad in its entirety with costs payable by the Plaintiff’s to IISB and CIMB Islamic Bank Berhad.

On 14 May 2019, the Plaintiff filed a Notice of Appeal to the Court of Appeal appealing against the entire decision of the High Court given on 19 April 2019 (“the Appeal”).

Further to the case management held on 5 September 2019, the Court of Appeal fixed a hearing date for the Appeal on 6 May 2020.

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

B9 Dividend

No interim ordinary dividend has been declared for the financial period ended 31 December 2019.

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	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Profit/(Loss) attributable to owners of the Company (RM'000)	920	(2,840)	(6,792)	(10,234)
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	490,080
Basic earnings per share (sen)	0.19	(0.58)	(1.39)	(2.09)

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 2019**

**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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Material expenses/(income)				
Depreciation on :				
- Investment properties	94	95	284	285
- Property, plant and equipment	544	951	2,982	3,497
Impairment loss on receivables	-	1,000	-	3,000
Interest expense	32	3,825	5,054	7,894
Written off of property, plant and equipment	-	311	5	426
(Gain)/Loss on disposal of :				
- Investment properties	-	-	(34)	-
- Property, plant and equipment	-	-	7	(4)
- Investment in joint ventures	(2,850)	-	-	-
Reversal of impairment loss on receivables	(843)	-	(843)	-
Interest income	(733)	(564)	(1,195)	(2,471)
Rental income	(679)	(879)	(2,166)	(2,340)

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.

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 28 February 2020.

By order of the Board of Directors

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