



**IVORY PROPERTIES GROUP BERHAD**  
Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 MARCH 2020**

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**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Individual Quarter (4 <sup>th</sup> Quarter)		Changes  %	Cumulative Period (4 <sup>th</sup> Quarter)		Changes  %
	Current	Previous year Corresponding		Current	Previous year Corresponding	
	31.03.2020 RM'000	31.03.2019 RM'000		31.03.2020 RM'000	31.03.2019 RM'000	
Revenue	23,440	58,237	(60)	62,522	160,558	(61)
Cost of sales	(19,727)	(34,162)	(42)	(45,872)	(103,755)	(56)
<b>Gross profit</b>	3,713	24,075	(85)	16,650	56,803	(71)
Operating expenses	(17,701)	(10,511)	68	(44,492)	(48,512)	(8)
Other operating income	3,118	2,004	56	11,272	7,957	42
<b>Results from operating activities</b>	(10,870)	15,568	(170)	(16,570)	16,248	(202)
Share of profit/(loss) of equity accounted investees, net of tax						
- associates	(5)	(3)	67	(16)	(14)	14
- joint ventures	-	123	(100)	2,296	(1,325)	273
<b>(Loss)/Profit before interest &amp; tax</b>	(10,875)	15,688	(169)	(14,290)	14,909	(196)
Net finance income/(costs)	301	(1,437)	121	(3,558)	(6,861)	(48)
<b>(Loss)/Profit before tax</b>	(10,574)	14,251	(174)	(17,848)	8,048	(322)
Tax expense	(2,000)	(3,554)	(44)	(1,526)	(7,599)	(80)
<b>(Loss)/Profit for the period/year</b>	(12,574)	10,697	(218)	(19,374)	449	(4,415)
Other comprehensive income for the period/year, net of tax	-	-	-	-	-	-
<b>Total comprehensive (expenses)/income for the period/year</b>	<b>(12,574)</b>	<b>10,697</b>	<b>(218)</b>	<b>(19,374)</b>	<b>449</b>	<b>(4,415)</b>
<b>Attributable to:</b>						
Owners of the Company	(12,573)	10,702	(217)	(19,365)	468	(4,238)
Non-controlling interests	(1)	(5)	(80)	(9)	(19)	(53)
	<b>(12,574)</b>	<b>10,697</b>	<b>(218)</b>	<b>(19,374)</b>	<b>449</b>	<b>(4,415)</b>
<b>Earnings per share attributable to the owners of the Company:</b>						
Basic (sen)	(2.57)	2.18	(218)	(3.95)	0.10	(4,050)

Certain comparative figures in financial year 2019 have been reclassified to conform with the unaudited interim financial statements of the current financial year ended 31 March 2020.

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**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 31.03.2020 RM'000</b>	<b>Audited as at 31.03.2019 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	33,130	36,192
Right-of-use assets	552	-
Investment properties	13,493	14,860
Intangible assets	3,686	3,686
Investment in associates	582	598
Investment in joint ventures	-	38,091
Deferred tax assets	7,610	9,234
<b>Total non-current assets</b>	<b>59,053</b>	<b>102,661</b>
Inventories	407,493	265,442
Contract assets	6,665	43,496
Contract costs	3,755	5,389
Trade and other receivables	220,137	200,005
Current tax assets	2,075	2,885
Short term investments	17,408	48,251
Cash and bank balances	10,616	21,027
<b>Total current assets</b>	<b>668,149</b>	<b>586,495</b>
<b>Total assets</b>	<b>727,202</b>	<b>689,156</b>
<b>Equity</b>		
Share capital	226,440	226,440
Retained earnings	167,522	186,887
<b>Equity attributable to owners of the Company</b>	<b>393,962</b>	<b>413,327</b>
Non-controlling interests	(281)	(272)
<b>Total equity</b>	<b>393,681</b>	<b>413,055</b>
<b>Liabilities</b>		
Loans and borrowings	35,231	40,304
Lease liabilities	570	-
Deferred tax liabilities	2,393	2,764
<b>Total non-current liabilities</b>	<b>38,194</b>	<b>43,068</b>
Loans and borrowings	48,929	87,638
Lease liabilities	9	-
Trade and other payables	184,409	101,238
Contract liabilities	61,793	40,587
Current tax liabilities	187	3,570
<b>Total current liabilities</b>	<b>295,327</b>	<b>233,033</b>
<b>Total liabilities</b>	<b>333,521</b>	<b>276,101</b>
<b>Total equity and liabilities</b>	<b>727,202</b>	<b>689,156</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.80</b>	<b>0.84</b>

\* 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.

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**UNAUDITED INTERIM FINANCIAL STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Attributable to owners of the Company</b>				
	<b>Non- distributable</b>	<b>Distributable</b>		<b>Non- controlling</b>	<b>Total</b>
	<b>Share capital</b>	<b>Retained</b>	<b>Total</b>	<b>interests</b>	<b>equity</b>
	<b>RM'000</b>	<b>earnings</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Balance at 1 April 2019</b>	226,440	186,887	413,327	(272)	413,055
Total comprehensive expenses for the year	-	(19,365)	(19,365)	(9)	(19,374)
<b>Balance at 31 March 2020</b>	<b>226,440</b>	<b>167,522</b>	<b>393,962</b>	<b>(281)</b>	<b>393,681</b>
<b>Balance at 1 April 2018</b>	226,440	202,147	428,587	(253)	428,334
Adjustment on initial application of MFRS 9	-	(3,476)	(3,476)	-	(3,476)
<b>Balance at 1 April 2018 (Restated)</b>	226,440	198,671	425,111	(253)	424,858
Total comprehensive income for the year	-	468	468	(19)	449
Dividends to owners of the company	-	(12,252)	(12,252)	-	(12,252)
<b>Balance at 31 March 2019</b>	<b>226,440</b>	<b>186,887</b>	<b>413,327</b>	<b>(272)</b>	<b>413,055</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 31.03.2020 RM'000</b>	<b>31.03.2019 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
(Loss)/Profit before tax	(17,848)	8,048
Adjustments for :-		
Depreciation on :		
- Property, plant and equipment	3,848	4,744
- Investment properties	378	381
- Right-of-use asset	50	-
(Gain)/Loss on disposal of :		
- Property, plant and equipment	(16)	(22)
- Investment properties	129	-
- Investment in joint ventures	(2,850)	-
(Reversal of)/Impairment loss on receivables	(843)	684
Interest expense	5,067	10,404
Interest income	(1,509)	(3,544)
Inventory written down	3,732	2,072
Written off of property, plant and equipment	104	427
Share of loss in associates, net of tax	16	14
Share of (profit)/loss in joint ventures, net of tax	(2,296)	1,325
Unrealised gain from downstream sale to joint ventures	-	(1,794)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(12,038)</b>	<b>22,739</b>
Change in inventories	(25,804)	1,099
Change in contract assets	36,831	(35,434)
Change in contract costs	1,634	4,279
Change in trade and other receivables	(19,289)	(59,359)
Change in trade and other payables	(27,374)	(38,322)
Change in contract liabilities	21,206	40,587
<b>Cash used in operations</b>	<b>(24,834)</b>	<b>(64,411)</b>
Tax paid	(2,846)	(4,871)
<b>Net cash used in operating activities</b>	<b>(27,680)</b>	<b>(69,282)</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant and equipment	(909)	(3,666)
Interest received	1,509	3,544
Proceeds from disposal of :		
- Property, plant and equipment	35	82
- Investment properties	160	-
- Investment in joint ventures	37,150	-
Withdrawal/(Placement) of short-term deposits	4,474	(4,453)
Withdrawal of short-term investments	30,843	14,532
Redemption of redeemable preference share	-	88,438
<b>Net cash from investing activities</b>	<b>73,262</b>	<b>98,477</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	<b>Current Year-To-Date 31.03.2020 RM'000</b>	<b>31.03.2019 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Dividend paid to owners of the Company	-	(12,252)
Interest paid	(7,701)	(10,404)
Repayment of finance lease liabilities	(1,007)	(1,571)
Repayment of term loans	(41,479)	(4,684)
Repayment of revolving credit	(1,726)	(5,390)
Repayment of lease liabilities	(36)	-
<b>Net cash used in financing activities</b>	<b>(51,949)</b>	<b>(34,301)</b>
Net decrease in cash and cash equivalents	(6,367)	(5,106)
Cash and cash equivalents at beginning of year	15,940	21,046
<b>Cash and cash equivalents at end of year</b>	<b>9,573</b>	<b>15,940</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	10,616	21,027
Less: Bank Overdraft	(953)	(523)
Less: Short-term deposits	(90)	(4,564)
	<b>9,573</b>	<b>15,940</b>

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**

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

#### **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 except for the adoption of MFRS 16, which is discussed below.

##### **MFRS 16**

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has elected to apply MFRS 16 using the modified retrospective approach. Accordingly, the comparative information was not restated - i.e. it is presented, as previously reported under MFRS 117, Leases and related interpretations.

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

##### **A2 Changes in Accounting Policies arising from adoption of new standards, amendments and interpretations (*Cont’d*)**

###### **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.

##### **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 year.

##### **A6 Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial quarter and financial year.



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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****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 year.

**A8 Dividends Paid**

No dividends have been paid during the current financial quarter and financial year.

**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>
<b>Financial year ended – 31 March 2020</b>					
<b>Revenue</b>					
External	51,967	10,555	-	-	62,522
Inter-segment	2,462	26,331	50,137	(78,930)	-
Total Revenue	54,429	36,886	50,137	(78,930)	62,522
<b>Results</b>					
Segmental (loss)/profit	(11,830)	3,450	(9,468)	-	(17,848)
Segmental assets	603,916	49,595	73,691	-	727,202

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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)****A9 Operating Segments (*Cont’d*)**

<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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**Financial year ended - 31 March 2019****Revenue**

External	151,168	9,390	-	-	160,558
Inter-segment	8,058	69,893	54,480	(132,431)	-
Total Revenue	<u>159,226</u>	<u>79,283</u>	<u>54,480</u>	<u>(132,431)</u>	<u>160,558</u>

**Results**

Segmental profit/(loss)	<u>25,593</u>	<u>(5,370)</u>	<u>(12,175)</u>	<u>-</u>	<u>8,048</u>
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Segmental assets	<u>505,784</u>	<u>66,271</u>	<u>77,777</u>	<u>-</u>	<u>649,832</u>
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**Geographical Segments**

The business of the Group only operates in Malaysia. As such, information on geographical segment is not presented.

**Major Customers**

Major customers with revenue equal or more than 10% of the Group’s total revenue for financial year are as follows:

	<b>RM’000</b>
Customer A	21,759
Customer B	<u>12,051</u>

## **IVORY PROPERTIES GROUP BERHAD**

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

##### **A10 Subsequent Material Events**

Except as disclosed in B6(b), there were no material events or transactions subsequent to the financial year ended 31 March 2020 till 22 June 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 year 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.

##### **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 March 2020 is as follows:

	<b>As at 31.03.2020 RM’000</b>	<b>As at 31.03.2019 RM’000</b>
Approved and contracted for:		
- Land acquisition to be held for property development	152,701	100,222

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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)****A14 Capital Expenditure**

There were no major additions and disposals of property, plant and equipment during the current financial quarter and financial year.

**A15 Significant Related Party Transactions**

Significant related party transactions during the current financial quarter and financial year are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Progress billings charged to:				
- Directors and close family members of Directors	-	336	1,200	400
- Key management personnel	-	-	582	637

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

##### **B1 Review of Performance**

###### **Current Quarter Results (4QFY2020 vs. 4QFY2019)**

The Group's revenue for the current quarter fell by 60% from RM58.2 million recorded in the previous corresponding quarter to RM23.4 million for the current quarter, with the property development division accounting for 82% of the quarter's revenue and the construction division the remaining balance. The decrease was attributable to slower than expected development progress at phase 3 of Penang Times Square. The revenue recorded in the year-ago quarter was also higher due to one-off sales of LMC quota.

As a result of the decrease in revenue, gross profit declined by 85% year-over-year from RM24.1 million to RM3.7 million.

The Group recorded a net loss before tax for the quarter of RM10.6 million compared to a profit of RM14.3 million in the year-ago quarter. In addition to the lack of the one-off gain from the sales of LMC quota as mentioned above, one-time written down of inventories and one-time written off of certain development costs were the main factors contributed to the deteriorated results of the current quarter.

As a result of those mentioned above, the Group recorded a net loss after tax of RM12.6 million compared to a profit of RM10.7 million recorded a year ago.

###### **12-month Year-to-date Results (YTD FY2020 vs. YTD FY2019)**

The Group recorded a total revenue of RM62.5 million for FY2020, a 61% or RM98.1 million compared to RM160.6 million reported for the previous financial year,

The decrease in revenue was driven by reduced activity in the property development division but was partially offset by lower operating expenses, an increased share of profit from the joint venture company, and a gain from the disposal of the Group's investment in the joint venture company. Additionally, the adoption of a new amendment to MFRS 123 resulted in a total interest cost of RM2.6 million being re-allocated and capitalized in inventories, which reduced the net finance cost to RM3.6 million for the current year compared to RM6.9 million reported last year.

Overall, the Group failed to achieve the desired revenue to sustain its operating costs. Combined with the one-off inventory write off, the Group recorded a loss after tax of RM19.4 million compared to a marginal profit after tax of RM0.4 million in the previous year.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020****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  
(4QFY2020 vs 3QFY2020)**

	Current Quarter (4QFY2020) 31.03.2020 RM'000	Preceding Quarter (3QFY2020) 31.12.2019 RM'000	Changes	
			RM'000	%
Revenue	23,440	2,114	21,326	1,009
Loss from operations	(10,870)	(2,685)	(8,185)	305
(Loss)/Profit Before Interest and Tax	(10,875)	253	(11,128)	(4,398)
(Loss)/Profit Before Tax	(10,574)	954	(11,528)	(1,208)
(Loss)/Profit After Tax	(12,574)	920	(13,494)	(1,467)
(Loss)/Profit Attributable to Equity Holders of the Company	(12,573)	920	(13,493)	(1,467)

Total revenue increased by 1,009% or RM21.3 million to RM23.4 million from RM2.1 million recorded in the immediate preceding quarter due to the derecognition of revenue in the last quarter under MFRS 15. However, the derecognition was reversed in the current quarter when recoverability of billings and contract assets is foreseeable and probable.

Despite higher revenue, net loss for the current quarter stood at RM12.6 million compared to a net profit of RM0.9 million reported in the immediate preceding quarter due to a higher share of the joint venture company's net profit, and the gain on disposal of the investment in the joint venture company in the immediate preceding quarter.

**B3 Prospects for the financial year ending 31 March 2021**

The Group's future performance is supported by an unbilled sale of RM450 million from Penang Times Square Phase 3 and Phase 4; Phase 3 is at an advanced stage of construction while Phase 4 is expected to commence construction by early next year.

The unbilled sales and upcoming new projects pursuing planning approval will contribute positively to the performance of the Group in the near future. Given a generally very uncertain global and domestic market arising from the Covid-19 pandemic where potential investors and home-buyers are cautious about committing in capital investment, the Group foresees another challenging year ahead.

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LISTING REQUIREMENTS (Cont'd)****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.

**B5 Taxation**

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

	Individual Quarter		Cumulative Period	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Income Tax - current	(658)	6,760	1,130	8,603
- prior year	-	(71)	(856)	(77)
Deferred tax - current	2,219	(3,865)	813	(1,658)
- prior year	439	730	439	731
	<b>2,000</b>	<b>3,554</b>	<b>1,526</b>	<b>7,599</b>

Despite being in a loss position for both the current financial quarter and financial year, tax expenses arise due to the reversal of deferred tax asset and the losses suffered by certain subsidiaries which no group relief is available.

**B6 Status of Corporate Proposals**

Corporate proposals announced by the Company that have not been completed as at 22 June 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.

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

##### **B6 Status of Corporate Proposals (*Cont'd*)**

- 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 (“Encroachment Issues”). 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.

On 9 June 2020, SPSB through its Solicitors, Messrs. Zaid Ibrahim & Co served a notice (“the Notice”) to the Solicitors of Remco, Messrs. Effendi & Co, amongst others, to exercise its rights to rescind the SPA in respect of the proposed land acquisition (“Rescission”).

The Rescission was due to the Encroachment Issues, where Remco has failed to perform its obligation to deliver vacant possession of the Land by 31 December 2019 to SPSB and, accordingly, has failed to fulfil its legal responsibilities under the SPA.

Pursuant to the Notice, SPSB has demanded from Remco the refund of a total sum of RM42,674,007.36 being all monies paid by SPSB to Remco together with the agreed liquidated damages of RM13,385,813.75 in accordance to Clause 9.1(a) of the SPA.

- 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.

The Vendor has fulfilled the Conditions Precedent. Barring any unforeseen circumstances, the SPA is expected to be completed in the third quarter of 2020.



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LISTING REQUIREMENTS (Cont'd)****B6 Status of Corporate Proposals (Cont'd)**

- 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 are as follows:

Details of Utilisation of Proceeds:

<b>Purpose of Utilisation within 6 months from the Completion date</b>	<b>Proposed Utilisation RM</b>	<b>Actual Utilisation RM</b>	<b>Balance RM</b>
** Working Capital	16,089,234	24,589,234	(8,500,000)
Initial Capital outlay for new land(s)	30,000,000	9,000,000	21,000,000
Payment for joint venture arrangements	10,000,000	8,960,000	1,040,000
<b>Total</b>	<b>56,089,234</b>	<b>46,089,234</b>	<b>13,540,000</b>

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

**B7 Borrowings and Debt Securities**

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

	<b>As at 31.03.2020 RM’000</b>	<b>As at 31.03.2019 RM’000</b>
<i>Long Term Borrowings</i>		
Term loans and bridging loans	34,601	39,121
Hire purchase	630	1,183
	35,231	40,304
<i>Short Term Borrowings</i>		
Term loans and bridging loans	39,039	75,998
Hire purchase	553	1,007
Revolving credit	8,384	10,110
Bank overdraft	953	523
	48,929	87,638
<b>Total</b>	<b>84,160</b>	<b>127,942</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 Penang High Court.

On 19 April 2019, after full trial, 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”). The Appeal is registered as Civil Appeal No. P-02(NCvC)(W)-951-05/2019.

On 6 May 2020, the Court of Appeal adjourned the hearing of the Appeal fixed on 6 May 2020 to 11 September 2020 due to the implementation of Movement Control Order (“MCO”) and Conditional Movement Control Order (“CMCO”) by the Government.

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##### B9 Dividend

No interim ordinary dividend has been declared for the financial year ended 31 March 2020.

##### 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 and financial year 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 year.

	Individual Quarter		Cumulative Period	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
(Loss)/Profit attributable to owners of the Company	(12,573)	10,702	(19,365)	468
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>(2.57)</b>	<b>2.18</b>	<b>(3.95)</b>	<b>0.10</b>

###### B10.2 Diluted Earnings per Share

There are no diluted earnings per share as there were no potential dilutive ordinary shares for the current financial quarter and financial year under review.

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LISTING REQUIREMENTS (Cont'd)****B11 Notes to the Statements of Comprehensive Income**

	Individual Quarter		Cumulative Period	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<b>Material expenses/(income)</b>				
Depreciation on :				
- Property, plant and equipment	866	1,247	3,848	4,744
- Investment properties	94	96	378	381
- Right-of-use assets	50	-	50	-
Impairment loss on receivables	-	-	-	684
Interest expense	13	6,358	5,067	10,404
Inventories written down	3,300	882	3,732	2,072
Written off of property, plant and equipment	99	1	104	427
(Gain)/Loss on disposal of :				
- Property, plant and equipment	(23)	(18)	(16)	(22)
- Investment properties	163	-	129	-
- Investment in joint ventures	-	-	(2,850)	-
Reversal of impairment loss on receivables	-	(2,316)	(843)	-
Interest income	(314)	(1,072)	(1,509)	(3,544)
Rental income	(611)	(778)	(2,777)	(3,118)

Other than the above items, there were no impairment of assets, provision for and write off of exceptional items for the current financial quarter and financial year.

**B12 Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 June 2020.

By order of the Board of Directors

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