



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

UNAUDITED INTERIM FINANCIAL STATEMENTS – 30 JUNE 2020

Table of contents	Page
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5-6
Explanatory Notes To The Interim Financial Statements:	
Part A : Explanatory Notes Pursuant to MFRS 134	7-12
Part B : Explanatory Notes Pursuant To Appendix 9B of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad	13-21

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	Individual Quarter (1 st Quarter)		Changes %	Cumulative Period (1 st Quarter)		Changes %
	Current 30.06.2020 RM'000	Previous year Corresponding 30.06.2019 RM'000		Current 30.06.2020 RM'000	Previous year Corresponding 30.06.2019 RM'000	
Revenue	2,403	23,490	(90)	2,403	23,490	(90)
Cost of sales	(1,932)	(15,444)	(87)	(1,932)	(15,444)	(87)
Gross profit	471	8,046	(94)	471	8,046	(94)
Operating expenses	(8,845)	(10,075)	(12)	(8,845)	(10,075)	(12)
Other operating income	709	1,216	(42)	709	1,216	(42)
Results from operating activities	(7,665)	(813)	843	(7,665)	(813)	843
Share of (loss)/profit of equity accounted investees, net of tax						
- associates	(5)	(4)	25	(5)	(4)	25
- joint ventures	-	78	(100)	-	78	(100)
Loss before interest & tax	(7,670)	(739)	938	(7,670)	(739)	938
Net finance income/(costs)	33	(3,281)	(101)	33	(3,281)	(101)
Loss before tax	(7,637)	(4,020)	90	(7,637)	(4,020)	90
Tax expense	(245)	(482)	(49)	(245)	(482)	(49)
Loss for the period	(7,882)	(4,502)	75	(7,882)	(4,502)	75
Other comprehensive income for the period, net of tax	-	-		-	-	
Total comprehensive expenses for the period	(7,882)	(4,502)	75	(7,882)	(4,502)	75
Attributable to:						
Owners of the Company	(7,882)	(4,498)	75	(7,882)	(4,498)	75
Non-controlling interests	-	(4)	(100)	-	(4)	(100)
	(7,882)	(4,502)	75	(7,882)	(4,502)	75
Earnings per share attributable to the owners of the Company:						
Basic (sen)	(1.61)	(0.92)	75	(1.61)	(0.92)	75

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 2020 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 PERIOD ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 30.06.2020 RM'000	Audited as at 31.03.2020 RM'000
Assets		
Property, plant and equipment	32,344	33,130
Right-of-use assets	522	552
Investment properties	13,403	13,493
Intangible assets	3,686	3,686
Investment in associates	577	582
Deferred tax assets	7,598	7,610
Total non-current assets	58,130	59,053
Inventories	407,870	407,493
Contract assets	6,867	6,665
Contract costs	3,750	3,755
Trade and other receivables	209,578	219,837
Current tax assets	2,738	2,075
Short term investments	16,750	17,408
Cash and bank balances	7,004	10,616
Total current assets	654,557	667,849
Total assets	712,687	726,902
Equity		
Share capital	226,440	226,440
Retained earnings	159,359	167,522
Equity attributable to owners of the Company	385,799	393,962
Non-controlling interests	-	(281)
Total equity	385,799	393,681
Liabilities		
Loans and borrowings	36,255	35,231
Lease liabilities	435	464
Deferred tax liabilities	2,624	2,393
Total non-current liabilities	39,314	38,088
Loans and borrowings	45,171	48,929
Lease liabilities	116	115
Trade and other payables	179,963	184,109
Contract liabilities	62,231	61,793
Current tax liabilities	93	187
Total current liabilities	287,574	295,133
Total liabilities	326,888	333,221
Total equity and liabilities	712,687	726,902
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.79	0.80

* 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company				
	Non-distributable	Distributable		Non-controlling	Total
	Share capital	Retained	Total	interests	equity
	RM'000	earnings	RM'000	RM'000	RM'000
Balance at 1 April 2020	226,440	167,522	393,962	(281)	393,681
Total comprehensive expenses for the year	-	(7,882)	(7,882)	-	(7,882)
Acquisition of non-controlling interests in subsidiary	-	(281)	(281)	281	-
Balance at 30 June 2020	226,440	159,359	385,799	-	385,799
Balance at 1 April 2019	226,440	186,887	413,327	(272)	413,055
Total comprehensive expenses for the year	-	(4,498)	(4,498)	(4)	(4,502)
Balance at 30 June 2019	226,440	182,389	408,829	(276)	408,553

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 2020 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 PERIOD ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year-To-Date 30.06.2020 RM'000	30.06.2019 RM'000
<u>Cash flows from operating activities</u>		
Loss before tax	(7,637)	(4,020)
Adjustments for :-		
Depreciation on :		
- Property, plant and equipment	790	1,281
- Right-of-use asset	30	-
- Investment properties	90	95
Interest income	(40)	(238)
Interest expense	7	3,519
Written off of property, plant and equipment	-	1
Gain on disposal of property, plant and equipment	(18)	-
Share of loss in associates, net of tax	5	4
Share of profit in joint ventures, net of tax	-	(78)
Operating (loss)/profit before changes in working capital	(6,773)	564
Change in inventories	770	(3,287)
Change in contract assets	(202)	3,229
Change in contract costs	5	866
Change in trade and other receivables	10,259	(22,899)
Change in trade and other payables	(4,146)	(4,149)
Change in contract liabilities	438	34,879
Cash generated from operations	351	9,203
Tax paid	(759)	(638)
Net cash (used in)/from operating activities	(408)	8,565
<u>Cash flows from investing activities</u>		
Acquisition of property, plant and equipment	(4)	(300)
Interest received	40	238
Proceeds from disposal of property, plant and equipment	18	-
Withdrawal of short-term investments	658	19,425
Net cash from investing activities	712	19,363

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	Current Year-To-Date 30.06.2020 RM'000	30.06.2019 RM'000
<u>Cash flows from financing activities</u>		
Interest paid	(1,154)	(3,519)
Repayment of finance lease liabilities	(150)	(333)
Repayment of term loans	(1,701)	(27,022)
Repayment of lease liabilities	(28)	-
Net cash used in financing activities	(3,033)	(30,874)
Net decrease in cash and cash equivalents	(2,729)	(2,946)
Cash and cash equivalents at beginning of period	9,663	20,504
Cash and cash equivalents at end of period	6,934	17,558
Cash and cash equivalents comprise the following:		
Cash and bank balances	7,004	17,558
Less: Bank Overdraft	(70)	-
	6,934	17,558

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 2020. 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 2020.

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 2020 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

Amendments to MRS 3	Business Combinations - <i>Definition of a Business</i>
Amendments to MFRS 101	Presentation of Financial Statement - <i>Definition of Material</i>
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - <i>Definition of Material</i>
Amendments to MFRS 9, MFRS 139 and MFRS7	Interest Rate Benchmark Reform
Amendments to MFRS 16	Lease - Covid-19 - Related Rent Concessions

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

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 MFRS 3	Business Combinations - <i>Reference to the Conceptual Framework</i>
Amendments to MFRS 101	Presentation of Financial Statement - <i>Classification of Liabilities as Current or Non-current</i>
Amendments to MFRS 116	Property, Plant and Equipment - <i>Proceeds before Intended Use</i>
Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets - <i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRSs	Annual Improvements to MFRS Standards (2018-2020)

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 2020.

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 period.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****A6 Material Changes in Estimates**

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

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.

A8 Dividends Paid

No dividends have been paid during the current financial quarter.

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
Individual Quarter – 30 June 2020					
Revenue					
External	1,191	1,212	-	-	2,403
Inter-segment	219	-	1,233	(1,452)	-
Total Revenue	1,410	1,212	1,233	(1,452)	2,403
Results					
Segmental (loss)/profit	(5,238)	9	(2,408)	-	(7,637)
Segmental assets	578,057	50,054	84,576	-	712,687

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)****A9 Operating Segments (*Cont’d*)**

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 – 30 June 2019**Revenue**

External	21,975	1,515	-	-	23,490
Inter-segment	270	13,416	1,358	(15,044)	-
Total Revenue	<u>22,245</u>	<u>14,931</u>	<u>1,358</u>	<u>(15,044)</u>	<u>23,490</u>

Results

Segmental profit/(loss)	<u>1,028</u>	<u>(1,992)</u>	<u>(3,056)</u>	<u>-</u>	<u>(4,020)</u>
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Segmental assets	<u>490,214</u>	<u>79,362</u>	<u>79,178</u>	<u>-</u>	<u>648,754</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 current financial period are as follows:

Customer A	<u>RM’000</u> <u>1,212</u>
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IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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(e), there were no material events or transactions subsequent to the financial period ended 30 June 2020 till 21 August 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 period, except as disclosed below.

On 19 June 2020, the Company completed the acquisition of 30 ordinary shares in Ivory Place Sdn. Bhd. (“IPSB”) from its non-controlling shareholder, representing the remaining 30% equity interest, for a total consideration of RM30. Following the acquisition of shares, IPSB became a wholly-owned subsidiary of the Company.

A12 Changes in Contingent Liabilities or Contingent Assets

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

A13 Capital Commitments

The amount of capital commitments as at 30 June 2020 is as follows:

	As at 30.06.2020 RM’000	As at 31.03.2020 RM’000
Approved and contracted for:		
- Land acquisition to be held for property development	295,496	152,701

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)****A14 Capital Expenditure**

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

A15 Significant Related Party Transactions

Significant related party transactions during the current financial period are as follows:

	Individual Quarter		Cumulative Period	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM’000	RM’000	RM’000	RM’000
Progress billings charged to:				
- Directors and close family members of Directors	-	422	-	422
- Key management personnel	400	-	400	-

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE
LISTING REQUIREMENTS****B1 Review of Performance****Current Quarter Results (1QFY2021 vs. 1QFY2020)**

The Group's revenue for the current quarter declined by 90% or RM21.1 million to RM2.4 million compared to RM23.5 million recorded a year earlier. The property development division contributed 50% of the revenue while the construction and other divisions made up the balance. The significant decrease in revenue was due to the imposition of the Movement Control Order ("the Order") from 18 March 2020 to 6 May 2020 by the Malaysian Government to flatten the curve of Covid-19. Due to the Order, construction activities halted and was later resumed on 25 June 2020 after obtaining necessary approval from the relevant Authority.

The negative impact caused by the decrease in revenue was cushioned by lower operating expenses and lower finance cost, as a total interest cost of RM1.4 million has been re-allocated and capitalized in inventories resulting in a net finance income of RM0.03 million for the current quarter against a net finance cost of RM3.3 million reported in the previous corresponding quarter.

Gathering from those mentioned above, the Group recorded a net loss after tax of RM7.9 million compared to a net loss of RM4.5 million recorded a year ago.

**B2 Material changes in the quarterly results compared with the immediate preceding quarter
(1QFY2021 vs 4QFY2020)**

	Current Quarter (1QFY2021) 30.06.2020 RM'000	Preceding Quarter (4QFY2020) 31.03.2020 RM'000	Changes	
			RM'000	%
Revenue	2,403	23,440	(21,037)	(90)
Loss from operations	(7,665)	(10,870)	(3,205)	(29)
Loss Before Interest and Tax	(7,670)	(10,875)	(3,205)	(29)
Loss Before Tax	(7,637)	(10,574)	(2,937)	(28)
Loss After Tax	(7,882)	(12,574)	(4,692)	(37)
Loss Attributable to Equity Holders of the Company	(7,882)	(12,573)	(4,691)	(37)

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 (1QFY2021 vs 4QFY2020) (*Cont'd*)

The Group's revenue declined by 90% to RM2.4 million for the current quarter compared to RM23.4 million in the immediate preceding quarter. As elaborated above, the Group's performance was significantly affected by the Order, which halted the construction activities at all sites, namely Phase 3 of Penang Times Square and STP rationalization work at Taman Connaught, Cheras.

The current quarter's result of net loss after tax of RM7.9 million is 37% lower than the loss after tax of RM12.6 million reported in the immediate preceding quarter due to one-time written down of inventories and one-time written off of certain development costs happened in the immediate preceding quarter.

B3 Prospects for the financial year ending 31 March 2021

Based on a report issued by Bank Negara Malaysia, Malaysia's GDP growth is projected to be between -2% and 0.5% in 2020. Given the highly challenging global and domestic economic outlook, the property development and construction industries are expected to remain a depressed sector. The Group's performance for FY2021 will be supported by continuing developmental activities at Phase 3 of Penang Times Square.

Phase 4 of Penang Times Square and the few upcoming new projects currently 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 due to the prolonged impact of Covid-19, the Group foresees another challenging year ahead.

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

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****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	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Income Tax - current	-	1,131	-	1,131
- prior year	-	-	-	-
Deferred tax - current	245	(649)	245	(649)
- prior year	-	-	-	-
	245	482	245	482

The tax expense for current financial period was due to deferred tax liabilities arise from the impact of lower financing cost due to MFRS 123 where interest expense is being re-allocated and capitalised at Group level.

B6 Status of Corporate Proposals

Corporate proposals announced by the Company that have not been completed as at 21 August 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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE
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:

Purpose of Utilisation within 9 months from the Completion date	Proposed Utilisation RM	Actual Utilisation RM	Variences RM
** Working Capital	16,089,234	25,309,234	(9,220,000)
Initial Capital outlay for new land(s)	30,000,000	20,780,000	9,220,000
Payment for joint venture arrangements	10,000,000	10,000,000	-
Total	56,089,234	56,089,234	-

** included in the utilisation under Working Capital are direct expenses for the disposal of RM8,939,409

- e) On 29 June 2020, Ivory Utilities Sdn. Bhd. (“IUSB”) entered into conditional SPAs with third parties for the proposed acquisition of two (2) pieces of adjoining freehold land in Daerah Barat Daya, Negeri Pulau Pinang measuring approximately 19,800 square meters feet, for a total purchase consideration of RM142,795,000.

As at date of this report, the completion of the purchase of the land is subject to fulfilment of conditions as stipulated in the SPAs.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****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 30.06.2020 RM'000	As at 31.03.2020 RM'000
<i>Long Term Borrowings</i>		
Term loans and bridging loans	35,757	34,601
Hire purchase	498	630
	<hr/> 36,255	<hr/> 35,231
<i>Short Term Borrowings</i>		
Term loans and bridging loans	36,182	39,039
Hire purchase	535	553
Revolving credit	8,384	8,384
Bank overdraft	70	953
	<hr/> 45,171	<hr/> 48,929
Total	<hr/> 81,426	<hr/> 84,160

All borrowings are denominated in Ringgit Malaysia and are fully secured.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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 30 June 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 attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue and ranking for dividend during the financial period.

	Individual Quarter		Cumulative Period	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Loss attributable to owners of the Company	(7,882)	(4,498)	(7,882)	(4,498)
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	490,080
Basic loss per share (sen)	(1.61)	(0.92)	(1.61)	(0.92)

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 period under review.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE
LISTING REQUIREMENTS (Cont'd)****B11 Notes to the Statements of Comprehensive Income**

	Individual Quarter		Cumulative Period	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Material expenses/(income)				
Depreciation on :				
- Property, plant and equipment	790	1,281	790	1,281
- Investment properties	90	95	90	95
- Right-of-use assets	30	-	30	-
Interest expense	7	3,519	7	3,519
Written off of property, plant and equipment	-	1	-	1
(Gain)/Loss on disposal of :				
- Property, plant and equipment	(18)	-	(18)	-
Interest income	(40)	(238)	(40)	(238)
Rental income	(374)	(753)	(374)	(753)

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

B12 Authorised for Issue

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

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Thum Sook Fun (f) (MIA 24701)

Company Secretaries