



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

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 MARCH 2021**

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**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021****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 31.03.2021 RM'000	Previous year Corresponding 31.03.2020 RM'000		Current 31.03.2021 RM'000	Previous year Corresponding 31.03.2020 RM'000	
Revenue	(43,263)	23,440	(285)	(2,883)	62,522	(105)
Cost of sales	9,903	(19,727)	(150)	(19,376)	(45,872)	(58)
<b>Gross (loss)/profit</b>	<b>(33,360)</b>	<b>3,713</b>	<b>(998)</b>	<b>(22,259)</b>	<b>16,650</b>	<b>(234)</b>
Operating expenses	(24,427)	(17,613)	39	(47,505)	(44,404)	7
Other operating income	1,249	3,030	(59)	4,407	11,184	(61)
<b>Loss from operating activities</b>	<b>(56,538)</b>	<b>(10,870)</b>	<b>420</b>	<b>(65,357)</b>	<b>(16,570)</b>	<b>294</b>
Share of (loss)/profit of equity accounted investees, net of tax						
- associates	(7)	(5)	40	(21)	(16)	31
- joint ventures	-	-	-	-	2,296	(100)
<b>Loss before interest &amp; tax</b>	<b>(56,545)</b>	<b>(10,875)</b>	<b>420</b>	<b>(65,378)</b>	<b>(14,290)</b>	<b>358</b>
Net finance income/(costs)	167	301	(45)	278	(3,558)	(108)
<b>Loss before tax</b>	<b>(56,378)</b>	<b>(10,574)</b>	<b>433</b>	<b>(65,100)</b>	<b>(17,848)</b>	<b>265</b>
Tax expense	(710)	(2,000)	(65)	(5,406)	(1,526)	254
<b>Loss for the period/year</b>	<b>(57,088)</b>	<b>(12,574)</b>	<b>354</b>	<b>(70,506)</b>	<b>(19,374)</b>	<b>264</b>
Other comprehensive income for the period/year, net of tax	-	-	-	-	-	-
<b>Total comprehensive expenses for the period/year</b>	<b>(57,088)</b>	<b>(12,574)</b>	<b>354</b>	<b>(70,506)</b>	<b>(19,374)</b>	<b>264</b>
<b>Attributable to:</b>						
Owners of the Company	(57,088)	(12,573)	354	(70,506)	(19,365)	264
Non-controlling interests	-	(1)	(100)	-	(9)	(100)
	<b>(57,088)</b>	<b>(12,574)</b>	<b>354</b>	<b>(70,506)</b>	<b>(19,374)</b>	<b>264</b>
<b>Loss per share attributable to the owners of the Company:</b>						
Basic (sen)	(11.65)	(2.57)	353	(14.39)	(3.95)	264

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**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 31.03.2021 RM'000</b>	<b>Audited as at 31.03.2020 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	28,112	33,130
Right-of-use assets	431	552
Investment properties	11,381	13,493
Inventories	115,771	-
Intangible assets	3,686	3,686
Investment in associates	561	582
Deferred tax assets	6,813	7,610
Other receivables	58,906	-
<b>Total non-current assets</b>	<b>225,661</b>	<b>59,053</b>
Inventories	379,684	407,493
Contract assets	3,975	6,665
Contract costs	2,328	3,755
Trade and other receivables	88,029	219,837
Current tax assets	1,052	2,075
Short term investments	15,757	17,408
Cash and bank balances	3,396	10,616
<b>Total current assets</b>	<b>494,221</b>	<b>667,849</b>
<b>Total assets</b>	<b>719,882</b>	<b>726,902</b>
<b>Equity</b>		
Share capital	226,440	226,440
Retained earnings	96,735	167,522
<b>Equity attributable to owners of the Company</b>	<b>323,175</b>	<b>393,962</b>
Non-controlling interests	-	(281)
<b>Total equity</b>	<b>323,175</b>	<b>393,681</b>
<b>Liabilities</b>		
Loans and borrowings	72,060	35,231
Lease liabilities	343	464
Deferred tax liabilities	3,242	2,393
<b>Total non-current liabilities</b>	<b>75,645</b>	<b>38,088</b>
Loans and borrowings	44,859	48,929
Lease liabilities	121	115
Trade and other payables	246,840	184,109
Contract liabilities	28,980	61,793
Current tax liabilities	262	187
<b>Total current liabilities</b>	<b>321,062</b>	<b>295,133</b>
<b>Total liabilities</b>	<b>396,707</b>	<b>333,221</b>
<b>Total equity and liabilities</b>	<b>719,882</b>	<b>726,902</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.66</b>	<b>0.80</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

**IVORY PROPERTIES GROUP BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company			Non- controlling interests RM'000	Total equity RM'000
	Non- distributable Share capital RM'000	Distributable Retained earnings RM'000	Total RM'000		
<b>Balance at 1 April 2020</b>	226,440	167,522	393,962	(281)	393,681
Total comprehensive expenses for the year	-	(70,506)	(70,506)	-	(70,506)
Acquisition of non-controlling interests in subsidiary	-	(281)	(281)	281	-
<b>Balance at 31 March 2021</b>	<b>226,440</b>	<b>96,735</b>	<b>323,175</b>	-	<b>323,175</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>

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**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 31.03.2021 RM'000</b>	<b>31.03.2020 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(65,100)	(17,848)
Adjustments for :-		
Depreciation of :		
- Property, plant and equipment	3,038	3,848
- Right-of-use asset	121	50
- Investment properties	359	378
Interest income	(455)	(1,509)
Interest expense	177	5,067
Inventory written down	380	3,732
Written off of :-		
- Property, plant and equipment	119	104
- Inventories	6,686	-
(Gain)/Loss on disposal of :		
- Property, plant and equipment	(74)	(16)
- Investment properties	844	(34)
- Investment in joint ventures	-	(2,850)
Net loss/(gain) on impairment of financial instrument	15,447	(843)
Impairment loss on :		
- Property, plant and equipment	2,200	-
- Investment properties	909	-
Share of loss in associates, net of tax	21	16
Share of profit in joint ventures, net of tax	-	(2,296)
<b>Operating loss before changes in working capital</b>	<b>(35,328)</b>	<b>(12,201)</b>
Change in inventories	(90,504)	(142,273)
Change in contract assets	2,690	36,831
Change in contract costs	1,427	1,634
Change in trade and other receivables	57,455	(18,989)
Change in trade and other payables	62,731	88,958
Change in contract liabilities	(32,813)	21,206
<b>Cash used in operations</b>	<b>(34,342)</b>	<b>(24,834)</b>
Tax paid	(2,662)	(2,846)
<b>Net cash used in operating activities</b>	<b>(37,004)</b>	<b>(27,680)</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant and equipment	(343)	(909)
Interest received	455	1,509
Proceeds from disposal of :		
- Property, plant and equipment	78	35
- Investment properties	-	160
- Investment in joint ventures	-	37,150
Withdrawal of short-term investments	1,651	30,843
<b>Net cash from investing activities</b>	<b>1,841</b>	<b>68,788</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	<b>Current Year-To-Date 31.03.2021 RM'000</b>	<b>31.03.2020 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(4,701)	(7,714)
Repayment of finance lease liabilities	(553)	(1,007)
Drawdown/(Repayment) of term loans	37,698	(41,479)
Repayment of revolving credit	(8,384)	(1,726)
Payment of lease liabilities	(115)	(23)
<b>Net cash from/(used in) financing activities</b>	<b>23,945</b>	<b>(51,949)</b>
Net decrease in cash and cash equivalents	(11,218)	(10,841)
Cash and cash equivalents at beginning of year	9,663	20,504
<b>Cash and cash equivalents at end of year</b>	<b>(1,555)</b>	<b>9,663</b>
<b>Cash and cash equivalents comprise the following:</b>		
Short-term deposits	-	90
Cash and bank balances	3,396	10,526
Less: Bank overdraft	(4,951)	(953)
	<b>(1,555)</b>	<b>9,663</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 2020 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 2021**

#### **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.

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

#### **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 quarter and financial year.



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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 quarter and financial year.

**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 2021</b>					
<b>Revenue</b>					
External	(10,436)	7,553	-	-	(2,883)
Inter-segment	1,267	17,592	16,074	(34,933)	-
Total Revenue	<u>(9,169)</u>	<u>25,145</u>	<u>16,074</u>	<u>(34,933)</u>	<u>(2,883)</u>
<b>Results</b>					
Segmental loss	<u>(42,120)</u>	<u>(2,487)</u>	<u>(20,493)</u>	-	<u>(65,100)</u>
Segmental assets	<u>601,402</u>	<u>52,447</u>	<u>66,033</u>	-	<u>719,882</u>

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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>
<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	<u>54,429</u>	<u>36,886</u>	<u>50,137</u>	<u>(78,930)</u>	<u>62,522</u>
<b>Results</b>					
Segmental loss	<u>(9,742)</u>	<u>(1,551)</u>	<u>(6,555)</u>	-	<u>(17,848)</u>
Segmental assets	<u>603,916</u>	<u>49,295</u>	<u>73,691</u>	-	<u>726,902</u>

**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:

Customer A	<b>RM’000</b>
	<u>7,553</u>

## **IVORY PROPERTIES GROUP BERHAD**

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

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

There were no material events or transactions subsequent to the financial year ended 31 March 2021 till 23 June 2021 (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, 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.

On 21 May 2021, the Company’s indirect wholly-owned subsidiaries, Ivory Uno Venture Sdn. Bhd., Ivory Dos Venture Sdn. Bhd. and Ivory Tres Venture Sdn. Bhd. were struck off.

##### **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 and financial year.

##### **A13 Capital Commitments**

The amount of capital commitments as at 31 March 2021 is as follows:

	<b>As at 31.03.2021 RM’000</b>	<b>As at 31.03.2020 RM’000</b>
Contracted but not provided for:		
- Acquisition of development land	290,217	152,701

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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>31.03.2021</b>	<b>31.03.2020</b>	<b>31.03.2021</b>	<b>31.03.2020</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	-	-	-	1,200
- Key management personnel	-	-	400	582

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS****B1 Review of Performance****Current Quarter Results (4QFY2021 vs. 4QFY2020)**

		<b>Current Quarter 31.03.2021 RM'000</b>	<b>Previous year Corresponding Quarter 31.03.2020 RM'000</b>	<b>Changes  %</b>
Revenue	- Recognised during the quarter	(2,235)	23,440	(110)
	- Reversal during the quarter	(41,028)	-	(100)
		<b>(43,263)</b>	<b>23,440</b>	(285)
Cost of sales	- Recognised during the quarter	(17,336)	(19,727)	(12)
	- Reversal during the quarter	27,239	-	(100)
		<b>9,903</b>	<b>(19,727)</b>	(150)
Gross (loss)/profit	- Recognised during the quarter	(19,571)	3,713	(627)
	- Reversal during the quarter	(13,789)	-	(100)
		<b>(33,360)</b>	<b>3,713</b>	(998)

The current financial year ended amidst the global unresolved Covid-19 pandemic. Many local businesses have been adversely affected and the immediate impact to the Group is slow collections leading to the cancellation of sales. During the quarter, the Group terminated 52 units of The Wave's Sale and Purchase Agreements and 3 en bloc agreements of Phase 4, Penang Times Square. The Group has also extended cash discount to assist cash purchaser in completing the sale. These cancellation of sales and cash discount have resulted in a significant reversal of revenue and cost of sales amounting to RM48.2 million and RM27.2 million, respectively.

The Group recorded a negative quarterly revenue of RM43.3 million as opposed to RM23.4 million recorded in the year-ago quarter due to the significant reversal of revenue during the quarter as stated above.

The Group's operating expenses increased by 39% from RM17.6 million to RM24.4 million due to the one-off provision for impairment loss on PPE and IP, and provision for expected credit losses amounted to RM18.6 million.

As a result of the above-mentioned, the Group's net loss after tax for the current quarter stood at RM57.1 million compared to a loss of RM12.6 million recorded last year.

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LISTING REQUIREMENTS (Cont'd)****B1 Review of Performance (Cont'd)****12-month Year-to-date Results (YTD FY2021 vs YTD FY2020)**

		<b>Current year 31.03.2021 RM'000</b>	<b>Previous year Corresponding 31.03.2020 RM'000</b>	<b>Changes %</b>
Revenue	- Recognised during the year	38,145	62,522	(39)
	- Reversal during the year	(41,028)	-	(100)
		<b>(2,883)</b>	<b>62,522</b>	(105)
Cost of sales	- Recognised during the year	(46,615)	(45,872)	(2)
	- Reversal during the year	27,239	-	(100)
		<b>(19,376)</b>	<b>(45,872)</b>	(58)
Gross (loss)/profit	- Recognised during the year	(8,470)	16,650	(151)
	- Reversal during the year	(13,789)	-	(100)
		<b>(22,259)</b>	<b>16,650</b>	(234)

The Group recorded a negative revenue of RM2.9 million, a decrease of RM65.4 million or 105% compared to RM62.5 million reported in the previous financial year for the reasons explained above. The gross loss during the year was due to a one-off provision for inventories written off amounted to RM6.7 million.

The Group's net loss after tax slipped further into RM70.5 million from RM19.4 million reported in the previous year.

Compared to the last financial year, the worse current year results were caused by the cancellation of sales, cash discount extended to cash buyers, the one-off provision for impairment loss on PPE and IP, inventories written off, tax penalty, and provision for expected credit losses. For illustration purposes, the Group's net loss after tax without the abovementioned factors was RM19.2 million compared to RM19.4 million reported last financial year.

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LISTING REQUIREMENTS (Cont'd)****B2 Material changes in the quarterly results compared with the immediate preceding quarter  
(4QFY2021 vs 3QFY2021)**

	Current Quarter (4QFY2021) 31.03.2021 RM'000	Preceding Quarter (3QFY2021) 31.12.2020 RM'000	Changes	
			RM'000	%
Revenue	(43,263)	15,551	(58,814)	(378)
Loss from operations	(56,538)	(770)	(55,768)	7,243
Loss Before Interest and Tax	(56,545)	(775)	(55,770)	7,196
Loss Before Tax	(56,378)	(562)	(55,816)	9,932
Loss After Tax	(57,088)	(1,373)	(55,715)	4,058
Loss Attributable to Equity Holders of the Company	(57,088)	(1,373)	(55,715)	4,058

Total revenue declined 378% or RM58.8 million to a negative revenue of RM43.3 million from RM15.5 million recorded in the immediate preceding quarter as a result from the cancellation of sales and cash discount given.

The Group recorded a net loss of RM57.1 million for the current quarter compared to RM1.4 million reported in the immediate preceding quarter.

**B3 Prospects for the financial year ending 31 March 2022**

The International Monetary Fund expects global Gross Domestic Product to grow at 6.0% taking into account additional financial support in a few large economies and anticipated mass vaccination of many countries. Similarly, Bank Negara Malaysia forecasts Malaysia's growth to recover in 2021, from 6.0% to 7.5%, with more robust external demand, higher public and private expenditure, and the domestic COVID-19 vaccination program. Despite all these numbers, the Board envisages another challenging year ahead for the Group.

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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	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Income Tax - current	(227)	(658)	698	1,130
- prior year	-	-	3,061	(856)
Deferred tax - current	935	2,219	1,645	813
- prior year	2	439	2	439
	<b>710</b>	<b>2,000</b>	<b>5,406</b>	<b>1,526</b>

The tax expenses for current financial quarter was due to reversed of deferred tax asset and netted off with overprovision of income tax. Despite being in a loss position for financial year, the significantly higher tax expenses for the financial year was due to an additional tax imposed by IRB upon completing the tax audit. Deferred tax liabilities arose from borrowing costs being re-allocated and capitalised at the Group level in compliance with MFRS 123.

**B6 Status of Corporate Proposals**

Corporate proposals announced by the Company that have not been completed as at 23 June 2021, 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 2021, 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 (“the Acquisition”).

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”) on the ground that 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.

On 23 October 2020, subsequent to the above rescission, REMCO has appealed to SPSB of its intention to proceed with the SPA vide various channels and further negotiation with SPSB to continue and give effect to the Acquisition. SPSB and REMCO have thereafter agreed to revive the SPA based on some salient terms which SPSB and REMCO have agreed to pending execution of a Second Supplemental Agreement (“SSA”) to complete the Acquisition.

Additional information on material developments on the execution of the SSA can be found in section B8 (b).

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

- c) On 29 June 2020, Ivory Utilities Sdn. Bhd. (“IUSB”), a wholly-owned subsidiary of the Company, entered into two conditional SPAs with August Line Sdn Bhd and C P Landmark Sdn Bhd (“the Vendors”) respectively for the 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. on an “as is where is basis” and subject to the terms and conditions in the SPAs.

On 3 February 2021, IUSB entered into Supplemental Agreements (“SAs”) with the Vendors, amongst others to extend the Conditions Precedent fulfillment period from 150 days from the date of SPAs to 300 days.

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.

- d) On 14 December 2020, the Company, on behalf of its wholly-owned subsidiary, IUSB, entered into a SPA with Copthorne Orchid Penang Sdn Bhd (“the Vendor”) for the proposed acquisition of Copthorne Orchid Hotel & Resort Penang, for a total purchase consideration of RM75,000,000.

On 17 June 2021, the Company and the Vendor had agreed in writing for a further extension of time for the payment of the balance purchase consideration to on and before 1 July 2021.

##### B7 Borrowings and Debt Securities

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

	As at 31.03.2021 RM’000	As at 31.03.2020 RM’000
<i>Long Term Borrowings</i>		
Term loans and bridging loans	71,902	34,601
Hire purchase	158	630
	<hr/> 72,060	<hr/> 35,231
<i>Short Term Borrowings</i>		
Term loans and bridging loans	39,436	39,039
Hire purchase	472	553
Revolving credit	-	8,384
Bank overdraft	4,951	953
	<hr/> 44,859	<hr/> 48,929
<b>Total</b>	<hr/> <b>116,919</b>	<hr/> <b>84,160</b>

All borrowings are denominated in Ringgit Malaysia and are fully 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**

###### **a) 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 allowed the case to proceed for 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.

The next case management is fixed on 7 July 2021.

###### **b) Conlay Construction Sdn Bhd – Civil Suit No. AA-22NCVC-67-09/2020 at Ipoh High Court**

On 28 September 2020, Sunlink Properties Sdn. Bhd. (“SPSB”) received a Writ of Summons together with a Statement of Claim filed by Conlay Construction Sdn. Bhd. (“the Plaintiff”) against Remco Engineering & Construction Sdn. Bhd. (“Remco” or “1st Defendant”) and SPSB (“2nd Defendant”). The Plaintiff also filed an application for injunction to, amongst others, injunct Remco and SPSB to enter into any supplemental agreement pending disposal of the case.

The circumstances leading to the filing of Writ of Summons are the disputes on fulfilment of the contracts executed between the Plaintiff and Remco involving the Land which was charged as security for the loan facility from Malaysia Building Society Berhad, obtained by Remco City Development Sdn Bhd, a company incorporated by the Plaintiff and Remco to undertake development of the Land pursuant to Settlement cum Development Agreement dated 6 September 2013 entered into between the Plaintiff and Remco. In the event that the litigation is held in favour of the Plaintiff, the potential liability of SPSB will be in the region of RM94,151,337.87 being the balance purchase price of the acquisition and damages to be assessed by the court.

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LISTING REQUIREMENTS (*Cont'd*)**

**B8 Material Litigation (*Cont'd*)**

**b) Conlay Construction Sdn Bhd – Civil Suit No. AA-22NCVC-67-09/2020 at Ipoh High Court  
(*cont'd*)**

On 11 November 2020, SPSB had filed an affidavit in reply to the injunction application and Statement of Defence in response to the Writ of Summons and the Statement of Claim dated 28 September 2020 and filed a Counterclaim against the Plaintiff and Remco for, amongst others, as follows:-

- (i) A declaration that the SPA (which was terminated on 9 June 2020) has effectively by consent and/or agreement and/or by conduct of Remco and SPSB deemed to be revived by virtue of the Notice of Intention dated 3 August 2020 (to Revive the SPA) issued by SPSB together with Acknowledgement of Acceptance dated 10 August 2020 by Remco.
- (ii) Alternatively, if Remco fails to abide by the terms and conditions of the new Supplemental Agreement/new Concluded Agreement, and/or if the Plaintiff causes/procures Remco to breach the terms and conditions, a declaration that SPSB termination of the SPA vide its previous solicitors' letter dated 9 June 2020 be deemed valid and proper and subsisting.
- (iii) An order that the Plaintiff and Remco to be jointly and severally liable to the sums of RM42,674,007.36 being the monies paid by SPSB under the SPA and/or the Supplemental Agreement dated 15 November 2018 and the sum of RM13,385,813.75 being the agreed liquidated damages pursuant to Clause 9.1(a) of the SPA.
- (iv) Damages incurred by SPSB in respect of the loss of expenditure and/or loss incurred in respect of the preparation/launching of its Sales Gallery in the sum of RM5,750,233.00.

The Plaintiff filed reply to the Statement and reply to affidavit in reply filed by SPSB on 3 December 2020. During the case management fixed on 10 December 2020, SPSB's solicitors orally sought leave from Court to file a further reply to the affidavit in reply filed by the Plaintiff on 3 December 2020. The Court directed SPSB to file formal application for leave to file further reply and fixed case management on 8 January 2021.

Subsequently the Plaintiff's solicitors consented to Remco and SPSB's application for leave to file further reply and the consent was recorded during the case management on 8 January 2021. It is directed by Court that Remco and SPSB to file further affidavit in reply on or before 25 January 2021. On 25 January 2021, Remco and SPSB filed further affidavit in reply and the Plaintiff has filed further affidavit in reply on 8 February 2021.

The Court fixed 22 July 2021 for case management and to fix hearing date for the Plaintiff's application for injunction.

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LISTING REQUIREMENTS (Cont'd)****B9 Dividend**

No interim ordinary dividend has been declared for the financial year ended 31 March 2021.

**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 financial year.

	Individual Quarter		Cumulative Period	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Loss attributable to owners of the Company	(57,088)	(12,573)	(70,506)	(19,365)
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	490,080
<b>Basic loss per share (sen)</b>	<b>(11.65)</b>	<b>(2.57)</b>	<b>(14.39)</b>	<b>(3.95)</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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
<b>Material expenses/(income)</b>				
Depreciation on :				
- Property, plant and equipment	738	866	3,038	3,848
- Investment properties	90	94	359	378
- Right-of-use assets	30	50	121	50
Interest expense	6	13	177	5,067
Inventories written down	380	3,300	380	3,732
Written off of :				
- Property, plant and equipment	1	99	119	104
- Inventories	6,686	-	6,686	-
Impairment loss on :				
- Property, plant and equipment	2,200	-	2,200	-
- Investment properties	909	-	909	-
Net loss/(gain) on impairment of financial instrument	15,476	-	15,447	(843)
(Gain)/Loss on disposal of :				
- Property, plant and equipment	-	(23)	(74)	(16)
- Investment properties	844	-	844	(34)
- Investment in joint ventures	-	-	-	(2,850)
Interest income	(173)	(314)	(455)	(1,509)
Rental income	(487)	(611)	(1,905)	(2,777)

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 25 June 2021.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Thum Sook Fun (f) (MIA 24701)

Company Secretaries