



**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 30 JUNE 2021**

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**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Individual Quarter (1 <sup>st</sup> Quarter)		Changes  %	Cumulative Period (1 <sup>st</sup> Quarter)		Changes  %
	Current 30.06.2021 RM'000	Previous year Corresponding 30.06.2020 RM'000		Current 30.06.2021 RM'000	Previous year Corresponding 30.06.2020 RM'000	
Revenue	2,868	2,403	19	2,868	2,403	19
Cost of sales	(8,190)	(1,932)	324	(8,190)	(1,932)	324
<b>Gross (loss)/profit</b>	(5,322)	471	(1,230)	(5,322)	471	(1,230)
Operating expenses	(8,829)	(8,845)	-	(8,829)	(8,845)	-
Other operating income	942	709	33	942	709	33
<b>Loss from operating activities</b>	<b>(13,209)</b>	<b>(7,665)</b>	<b>72</b>	<b>(13,209)</b>	<b>(7,665)</b>	<b>72</b>
Share of loss of equity accounted investees, net of tax - associate	(5)	(5)	-	(5)	(5)	-
<b>Loss before interest &amp; tax</b>	<b>(13,214)</b>	<b>(7,670)</b>	<b>72</b>	<b>(13,214)</b>	<b>(7,670)</b>	<b>72</b>
Net finance (costs)/income	(962)	33	(3,015)	(962)	33	(3,015)
<b>Loss before tax</b>	<b>(14,176)</b>	<b>(7,637)</b>	<b>86</b>	<b>(14,176)</b>	<b>(7,637)</b>	<b>86</b>
Tax expense	(192)	(245)	(22)	(192)	(245)	(22)
<b>Loss for the period</b>	<b>(14,368)</b>	<b>(7,882)</b>	<b>82</b>	<b>(14,368)</b>	<b>(7,882)</b>	<b>82</b>
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
<b>Total comprehensive expenses for the period</b>	<b>(14,368)</b>	<b>(7,882)</b>	<b>82</b>	<b>(14,368)</b>	<b>(7,882)</b>	<b>82</b>
<b>Attributable to:</b>						
Owners of the Company	(14,368)	(7,882)	82	(14,368)	(7,882)	82
Non-controlling interests	-	-	-	-	-	-
	<b>(14,368)</b>	<b>(7,882)</b>	<b>82</b>	<b>(14,368)</b>	<b>(7,882)</b>	<b>82</b>
<b>Loss per share attributable to the owners of the Company:</b>						
Basic (sen)	(2.93)	(1.61)	82	(2.93)	(1.61)	82

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 2021 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 PERIOD ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 30.06.2021 RM'000</b>	<b>Audited as at 31.03.2021 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	27,384	28,112
Right-of-use assets	401	431
Investment properties	11,296	11,381
Intangible assets	3,686	3,686
Investment in associates	556	561
Inventories	376,543	377,299
Deferred tax assets	6,828	6,813
Other receivables	110,031	106,357
<b>Total non-current assets</b>	<b>536,725</b>	<b>534,640</b>
Inventories	124,711	126,257
Contract assets	8,715	4,956
Contract costs	2,916	3,271
Trade and other receivables	24,469	26,298
Current tax assets	1,061	1,052
Short term investments	19,562	15,757
Cash and bank balances	1,769	3,396
<b>Total current assets</b>	<b>183,203</b>	<b>180,987</b>
<b>Total assets</b>	<b>719,928</b>	<b>715,627</b>
<b>Equity</b>		
Share capital	226,440	226,440
Retained earnings	68,649	83,017
<b>Equity attributable to owners of the Company</b>	<b>295,089</b>	<b>309,457</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>295,089</b>	<b>309,457</b>
<b>Liabilities</b>		
Loans and borrowings	70,808	72,060
Lease liabilities	312	343
Deferred tax liabilities	3,080	3,242
Trade and other payables	102,614	93,458
<b>Total non-current liabilities</b>	<b>176,814</b>	<b>169,103</b>
Loans and borrowings	42,858	44,859
Lease liabilities	123	121
Trade and other payables	176,660	162,845
Contract liabilities	27,773	28,980
Current tax liabilities	611	262
<b>Total current liabilities</b>	<b>248,025</b>	<b>237,067</b>
<b>Total liabilities</b>	<b>424,839</b>	<b>406,170</b>
<b>Total equity and liabilities</b>	<b>719,928</b>	<b>715,627</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.60</b>	<b>0.63</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company				
	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 April 2021</b>	226,440	83,017	309,457	-	309,457
Total comprehensive expenses for the year	-	(14,368)	(14,368)	-	(14,368)
<b>At 30 June 2021</b>	<b>226,440</b>	<b>68,649</b>	<b>295,089</b>	-	<b>295,089</b>
<b>At 1 April 2020</b>	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	-
<b>At 30 June 2020</b>	<b>226,440</b>	<b>159,359</b>	<b>385,799</b>	-	<b>385,799</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year-To-Date 30.06.2021 RM'000</b>	<b>30.06.2020 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(14,176)	(7,637)
Adjustments for :-		
Depreciation of :		
- Property, plant and equipment	717	790
- Right-of-use asset	30	30
- Investment properties	85	90
Interest income	(20)	(40)
Interest expense	982	7
Gain on disposal of property, plant and equipment	-	(18)
Share of loss in associate, net of tax	5	5
<b>Operating loss before changes in working capital</b>	<b>(12,377)</b>	<b>(6,773)</b>
Change in inventories	2,302	770
Change in contract assets	(3,759)	(202)
Change in contract costs	355	5
Change in trade and other receivables	(1,845)	10,259
Change in trade and other payables	22,971	(4,146)
Change in contract liabilities	(1,207)	438
<b>Cash generated from operations</b>	<b>6,440</b>	<b>351</b>
Tax paid	(29)	(759)
<b>Net cash from/(used in) operating activities</b>	<b>6,411</b>	<b>(408)</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant and equipment	-	(4)
Interest received	20	40
Proceeds from disposal of property, plant and equipment	11	18
(Placement)/Withdrawal of short-term investments	(3,805)	658
<b>Net cash (used in)/from investing activities</b>	<b>(3,774)</b>	<b>712</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	<b>Current Year-To-Date 30.06.2021 RM'000</b>	<b>30.06.2020 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(982)	(1,154)
Repayment of finance lease liabilities	(132)	(150)
Repayment of term loans	(1,282)	(1,701)
Payment of lease liabilities	(29)	(28)
<b>Net cash used in financing activities</b>	<b>(2,425)</b>	<b>(3,033)</b>
Net increase/(decrease) in cash and cash equivalents	212	(2,729)
Cash and cash equivalents at beginning of year	(1,555)	9,663
<b>Cash and cash equivalents at end of year</b>	<b>(1,343)</b>	<b>6,934</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	1,769	7,004
Less: Bank overdraft	(3,112)	(70)
	<b>(1,343)</b>	<b>6,934</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 2021 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 PERIOD ENDED 30 JUNE 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 2021. 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 2021.

##### **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 2021 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

Amendments to MFRS 16	<i>Lease - Covid-19 - Related Rent Concessions</i>
Amendments to MFRS 9, MFRS 139, MFRS7, MFRS4 and MFRS16	<i>Interest Rate Benchmark Reform - Phase 2</i>

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

##### **Standards and interpretations issued but not yet effective**

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

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 3	<i>Business Combinations - Reference to the Conceptual Framework</i>
Amendments to MFRS 16	<i>Lease - Covid-19 - Related Rent Concessions beyond 30 June 2021</i>
Amendments to MFRS 101	<i>Presentation of Financial Statement - Classification of Liabilities as Current or Non-current</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 (*Cont’d*)**

The following are new standards, amendments and that have been issued by the MASB but have not been early adopted by the Group: (*cont’d*)

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**

The auditors have expressed an unqualified opinion with material uncertainty relating to going concern in respect of the Group and the Company for the financial year ended 31 March 2021.

**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.

**A6 Material Changes in Estimates**

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



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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 period.

**A8 Dividends Paid**

No dividends have been paid during the current financial period.

**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>
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**Individual Quarter – 30 June 2021****Revenue**

External	597	2,271	-	-	2,868
Inter-segment	569	423	1,287	(2,279)	-
Total Revenue	1,166	2,694	1,287	(2,279)	2,868

**Results**

Segmental loss	(12,066)	(53)	(2,057)	-	(14,176)
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Segmental assets	596,984	53,652	69,292	-	719,928
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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>Individual Quarter – 30 June 2020</b>					
<b>Revenue</b>					
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
<b>Results</b>					
Segmental (loss)/profit	(5,238)	9	(2,408)	-	(7,637)
Segmental assets	592,427	50,054	70,206	-	712,687

**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:

	<b>RM’000</b>
Customer A	<u>2,271</u>

**A10 Subsequent Material Events**

Except as disclosed in B6(c), (d) and (e), there were no material events or transactions subsequent to the financial period ended 30 June 2021 till 10 September 2021 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements).

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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****A11 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial period, except:

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 the register.

**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 period.

**A13 Capital Commitments**

The amount of capital commitments as at 30 June 2021 is as follows:

	As at 30.06.2021 RM’000	As at 31.03.2021 RM’000
Contracted but not provided for:		
- Acquisition of development land	161,701	290,217

**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	
	30.06.2021 RM’000	30.06.2020 RM’000	30.06.2021 RM’000	30.06.2020 RM’000
Progress billings charged to:				
- Key management personnel	-	400	-	400

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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****B1 Review of Performance****Current Quarter Results (1QFY2022 vs. 1QFY2021)**

The Group’s revenue for the current quarter increased by 19% or RM0.4 million to RM2.8 million compared to RM2.4 million recorded a year earlier. The construction contract division contributed 79% of the revenue with the remaining 21% from the property development and other divisions. The low revenue in the current and preceding year corresponding quarter was mainly attributable to the imposition of FMCO and MCO that halted construction activity.

The gross loss for the current quarter was mainly due to RM5.9 million additional provision for LAD on PTS 3.

As a result of the abovementioned, the Group's net loss after tax for the current quarter widened to RM14.4 million compared to RM7.9 million recorded a year ago.

**B2 Material changes in the quarterly results compared with the immediate preceding quarter  
(1QFY2022 vs 4QFY2021)**

	Current Quarter (1QFY2022) 30.06.2021 RM'000	Preceding Quarter (4QFY2021) 31.03.2021 RM'000	Changes	
			RM'000	%
Revenue	2,868	(41,339)	44,207	107
Loss from operations	(13,209)	(70,256)	57,047	81
Loss Before Interest and Tax	(13,214)	(70,263)	57,049	81
Loss Before Tax	(14,176)	(70,096)	55,920	80
Loss After Tax	(14,368)	(70,806)	56,438	80
Loss Attributable to Equity Holders of the Company	(14,368)	(70,806)	56,438	80

Total revenue increased by 107% or RM44.2 million to RM2.9 million from a negative revenue of RM41.3 million recorded in the immediate preceding quarter. Setting aside the one-time impact of sales cancellation and discount in 4Q FY2021, which led to revenue reversal of RM48.2 million, revenue for the current quarter decreased by RM4.0 million to RM2.9 million from the adjusted previous quarter revenue of RM6.9 million.

The Group recorded a net loss of RM14.4 million for the current quarter compared to RM70.8 million reported in the immediate preceding quarter.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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LISTING REQUIREMENTS (Cont’d)****B3 Prospects for the financial year ending 31 March 2022**

The ongoing COVID-19 pandemic profoundly influenced the Malaysian economic outlook in the past year and will continue to do so in the near future. Economic growth in 3Q2021 is expected to be slow before seeing an upturn in 4Q2021, with an average yearly growth rate between 3% to 4%. The Group anticipates a healthy growth rate in the property market with the support of the central bank's monetary policy and government stimulus plans. The current economic uncertainties, however, could mean the country may have to withstand the pandemic for longer than expected. The Group thus continues to be cautious towards its future business ventures and new project launches. Taking into consideration of minimal construction and development activity, the Board anticipates the financial performance of the Group remains lackluster.

**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 credit and tax expense of the Group are as follows:

	Individual Quarter		Cumulative Period	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Income Tax - current	370	-	370	-
Deferred tax - current	(178)	245	(178)	245
	<b>192</b>	<b>245</b>	<b>192</b>	<b>245</b>

The tax expense for current financial quarter was due to provision of income tax off-set with the reversal of deferred tax asset for the unrealised profit.

**B6 Status of Corporate Proposals**

Corporate proposals announced by the Company that have not been completed as at 10 September 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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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS (*Cont'd*)**

**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).

## **IVORY PROPERTIES GROUP BERHAD**

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

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

##### **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.

On 7 September 2021, the SPAs and SA were terminated with immediate effect due to the Balance Purchase Price as stipulated in the SPAs and SA was not paid on the Completion Date on 6 September 2021.

- 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 1 September 2021, the Company and the Vendor had agreed in writing for a final extension of time for the payment of the balance purchase consideration on or before 4 October 2021.

- e) On 2 August 2021, the Company entered into a binding term sheet (“Term Sheet”) with ECK Development Sdn. Bhd. (“ECK”) for a proposed joint development of approximately 135 acres of residential components at AirportCity and Aerotropolis, Sidam Kiri, Kuala Muda District of Kedah.

The Term Sheet is subject to the agreement, finalisation and execution of Definitive Agreement with respect to the proposed residential development.

The execution of the Term Sheet came after ECK signed a joint venture agreement with Majlis Mesyuarat Kerajaan (“MMK”) of The State of Kedah on 2 August 2021 to build and develop new Kulim International Airport (KXP), AirportCity and Aerotropolis in Sidam Kiri, Kuala Muda District of Kedah (“Project”) via a Special Purpose Vehicle (“SPV”) to be formed between KXP AirportCity Holdings (“KXPACH”) and ECK.

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LISTING REQUIREMENTS (Cont'd)****B7 Borrowings and Debt Securities**

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

	As at 30.06.2021 RM'000	As at 31.03.2021 RM'000
<i>Long Term Borrowings</i>		
Term loans and bridging loans	70,721	71,902
Hire purchase	87	158
	<hr/> 70,808	<hr/> 72,060
<i>Short Term Borrowings</i>		
Term loans and bridging loans	39,335	39,436
Hire purchase	411	472
Bank overdraft	3,112	4,951
	<hr/> 42,858	<hr/> 44,859
<b>Total</b>	<hr/> <b>113,666</b>	<hr/> <b>116,919</b>

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

**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 with interest and damages as at 31 August 2008.

On 17 October 2017, the Federal Court allowed the Plaintiff’s appeal against the striking out of their case by the Court of Appeal and the case has thus to proceed to full trial at the Penang High Court.

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

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



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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

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

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

###### **a) IB Capital Sdn Bhd – Civil Suit No. 22NCVC-20-01/2014 at Penang High Court (*cont'd*)**

On 3 August 2021, the CA delivered its decision as follows (“the CA’s decision”):

1. Allowed the appeal of the Plaintiff on a limited basis based on equitable principle.
2. IISB was ordered to pay RM6,300,000 to the Plaintiff.
3. CIMB was ordered to pay RM900,000 to the Plaintiff.
4. Interest of 5% per annum from 19 April 2019 until full realization.
5. Cost of RM100,000 (being a total cost at the High Court and CA) payable by IISB and CIMB respectively.
6. The prayers in the High Court to set aside the charge/transfer was not considered and decision of the CA was limited to the said payments as per items 2, 3 and 4 above based on equity.

On 1 September 2021, IISB filed an Application For Leave to Appeal to the Federal Court by way of Notice of Motion, against the CA’s decision given on 3 August 2021 and has named the Plaintiff and CIMB Islamic Bank Berhad as Respondents in its Application For Leave.

On 2 September 2021 the Plaintiff filed a separate application for Leave to Appeal to the Federal Court against the CA’s decision and named IISB and CIMB Islamic Bank Berhad as the respondents.

On 9 September 2021, the Plaintiff vide its solicitors sent a Notice of Demand to IISB (the “Notice of Demand”) demanding payment of RM6.4 million to be made within 7 days from the date of the Notice of Demand pursuant to the Order of the Court of Appeal dated 3 August 2021.

On 13 September 2021, IISB vide its solicitors filed a Notice of Motion with the Federal Court to stay the execution of the Order of the Court of Appeal dated 3 August 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 RM94,151,000 being the balance purchase price of the acquisition and damages to be assessed by the court.

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

On 3 December 2020, the Plaintiff filed reply to the Statement and reply to affidavit in reply filed by SPSB.

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 10 December 2021 for the Plaintiff's application for injunction.

The solicitors are of opinion that Conlay has no valid cause of action as Conlay is not a party nor privy to the agreement entered between REMCO and SPSB dated 31 October 2017, is a stranger who cannot sue and certainly cannot be asking for specific performance or injunctive relief based on an agreement which they are not part to. As such, the solicitors opine that SPSB has a good case in defending the claims.

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

No interim ordinary dividend has been declared for the financial period ended 30 June 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 financial period.

	Individual Quarter		Cumulative Period	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Loss attributable to owners of the Company	(14,368)	(7,882)	(14,368)	(7,882)
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>(2.93)</b>	<b>(1.61)</b>	<b>(2.93)</b>	<b>(1.61)</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 period under review.

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

	Individual Quarter		Cumulative Period	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
<b>Material expenses/(income)</b>				
Depreciation on :				
- Property, plant and equipment	717	790	717	790
- Investment properties	85	90	85	90
- Right-of-use assets	30	30	30	30
Interest expense	982	7	982	7
Gain on disposal of :				
- Property, plant and equipment	-	(18)	-	(18)
Interest income	(20)	(40)	(20)	(40)
Rental income	(498)	(374)	(498)	(374)

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 15 September 2021.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Thum Sook Fun (f) (MIA 24701)

Company Secretaries