



IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2021

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	7-11
Part B : Explanatory Notes Pursuant To Appendix 9B of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad	12-20

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

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

	Individual Quarter (2 nd Quarter)		Changes %	Cumulative Period (2 nd Quarter)		Changes %
	Current 30.09.2021 RM'000	Previous year Corresponding 30.09.2020 RM'000		Current 30.09.2021 RM'000	Previous year Corresponding 30.09.2020 RM'000	
Revenue	1,991	22,426	(91)	4,859	24,829	(80)
Cost of sales	(1,484)	(16,019)	(91)	(9,674)	(17,951)	(46)
Gross profit/(loss)	507	6,407	(92)	(4,815)	6,878	(170)
Operating expenses	(13,190)	(8,367)	58	(22,019)	(17,212)	28
Other operating income	747	1,576	(53)	1,688	2,285	(26)
Loss from operating activities	(11,936)	(384)	3,008	(25,146)	(8,049)	212
Share of loss of equity accounted investees, net of tax						
- associate	(5)	(4)	25	(10)	(9)	11
Loss before interest & tax	(11,941)	(388)	2,978	(25,156)	(8,058)	212
Net finance (costs)/income	(1,027)	(135)	661	(1,989)	(102)	1,850
Loss before tax	(12,968)	(523)	2,380	(27,145)	(8,160)	233
Tax expense	(165)	(3,640)	(95)	(357)	(3,885)	(91)
Loss for the period	(13,133)	(4,163)	215	(27,502)	(12,045)	128
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive expenses for the period	(13,133)	(4,163)	215	(27,502)	(12,045)	128
Attributable to:						
Owners of the Company	(13,133)	(4,163)	215	(27,502)	(12,045)	128
Non-controlling interests	-	-	-	-	-	-
	(13,133)	(4,163)	215	(27,502)	(12,045)	128
Loss per share attributable to the owners of the Company:						
Basic (sen)	(2.68)	(0.85)	215	(5.61)	(2.46)	128

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

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 30.09.2021 RM'000	Audited as at 31.03.2021 RM'000
Assets		
Property, plant and equipment	26,750	28,112
Right-of-use assets	371	431
Investment properties	11,224	11,381
Intangible assets	3,686	3,686
Investment in associates	551	561
Inventories	377,193	377,299
Deferred tax assets	6,832	6,813
Other receivables	112,506	106,357
Total non-current assets	539,113	534,640
Inventories	123,936	126,257
Contract assets	8,715	4,956
Contract costs	2,922	3,271
Trade and other receivables	27,368	26,298
Current tax assets	1,065	1,052
Short term investments	15,774	15,757
Cash and bank balances	2,008	3,396
Total current assets	181,788	180,987
Total assets	720,901	715,627
Equity		
Share capital	226,440	226,440
Retained earnings	55,515	83,017
Equity attributable to owners of the Company	281,955	309,457
Non-controlling interests	-	-
Total equity	281,955	309,457
Liabilities		
Loans and borrowings	69,578	72,060
Lease liabilities	280	343
Deferred tax liabilities	3,037	3,242
Trade and other payables	119,000	93,458
Total non-current liabilities	191,895	169,103
Loans and borrowings	44,278	44,859
Lease liabilities	124	121
Trade and other payables	169,632	162,845
Contract liabilities	32,217	28,980
Current tax liabilities	800	262
Total current liabilities	247,051	237,067
Total liabilities	438,946	406,170
Total equity and liabilities	720,901	715,627
Net assets per share attributable to ordinary equity holders of the Company (RM)*	0.58	0.63

* 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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

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

	Attributable to owners of the Company				
	Non-distributable	Distributable	Total	Non-controlling	Total
	Share capital	Retained		interests	equity
	RM'000	earnings	RM'000	RM'000	RM'000
At 1 April 2021	226,440	83,017	309,457	-	309,457
Total comprehensive expenses for the period	-	(27,502)	(27,502)	-	(27,502)
At 30 September 2021	226,440	55,515	281,955	-	281,955
At 1 April 2020	226,440	167,522	393,962	(281)	393,681
Total comprehensive expenses for the period	-	(12,045)	(12,045)	-	(12,045)
Acquisition of non-controlling interests in subsidiary	-	(281)	(281)	281	-
At 30 September 2020	226,440	155,196	381,636	-	381,636

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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

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

	Current Period-To-Date 30.09.2021 RM'000	30.09.2020 RM'000
<u>Cash flows from operating activities</u>		
Loss before tax	(27,145)	(8,160)
Adjustments for :-		
Depreciation of :		
- Property, plant and equipment	1,404	1,558
- Right-of-use asset	60	61
- Investment properties	157	180
Interest income	(45)	(62)
Interest expense	2,034	164
Written off of property, plant and equipment	-	105
Gain on disposal of property, plant and equipment	-	(78)
Share of loss in associate, net of tax	10	9
Operating loss before changes in working capital	(23,525)	(6,223)
Change in inventories	2,427	40
Change in contract assets	(3,759)	6,654
Change in contract costs	349	855
Change in trade and other receivables	(7,219)	(15,126)
Change in trade and other payables	32,329	(1,257)
Change in contract liabilities	3,237	(12,557)
Cash generated from/(used in) operations	3,839	(27,614)
Tax paid	(56)	(1,877)
Net cash from/(used in) operating activities	3,783	(29,491)
<u>Cash flows from investing activities</u>		
Acquisition of property, plant and equipment	(53)	(61)
Interest received	45	62
Proceeds from disposal of property, plant and equipment	11	78
(Placement)/Withdrawal of short-term investments	(17)	1,840
Net cash (used in)/from investing activities	(14)	1,919

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

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

	Current Year-To-Date 30.09.2021 RM'000	30.09.2020 RM'000
<u>Cash flows from financing activities</u>		
Interest paid	(2,034)	(2,378)
Repayment of finance lease liabilities	(251)	(294)
(Repayment)/Drawdown of term loans	(2,860)	27,621
Payment of lease liabilities	(60)	(56)
Net cash (used in)/from financing activities	(5,205)	24,893
Net decrease in cash and cash equivalents	(1,436)	(2,679)
Cash and cash equivalents at beginning of period	(1,555)	9,663
Cash and cash equivalents at end of period	(2,991)	6,984
Cash and cash equivalents comprise the following:		
Cash and bank balances	2,008	10,926
Less: Bank overdraft	(4,999)	(3,942)
	(2,991)	6,984

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

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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>

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 quarter and financial period-to-date.

A6 Material Changes in Estimates

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

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****A7 Debt and Equity Securities**

There were no issuances, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares by the Company during the current financial quarter and financial period-to-date.

A8 Dividends Paid

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

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 September 2021					
Revenue					
External	1,424	3,435	-	-	4,859
Inter-segment	773	423	2,154	(3,350)	-
Total Revenue	<u>2,197</u>	<u>3,858</u>	<u>2,154</u>	<u>(3,350)</u>	<u>4,859</u>
Results					
Segmental loss	<u>(22,194)</u>	<u>(342)</u>	<u>(4,609)</u>	-	<u>(27,145)</u>
Segmental assets	<u>596,279</u>	<u>59,042</u>	<u>65,580</u>	-	<u>720,901</u>

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****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
--------------------------	---	--	---	-------------------------------	-------------------------

Individual Quarter – 30 September 2020**Revenue**

External	22,316	2,513	-	-	24,829
Inter-segment	446	7,751	8,827	(17,024)	-
Total Revenue	<u>22,762</u>	<u>10,264</u>	<u>8,827</u>	<u>(17,024)</u>	<u>24,829</u>

Results

Segmental loss	<u>(1,010)</u>	<u>(1,654)</u>	<u>(5,496)</u>	<u>-</u>	<u>(8,160)</u>
----------------	----------------	----------------	----------------	----------	----------------

Segmental assets	<u>591,857</u>	<u>51,301</u>	<u>89,398</u>	<u>-</u>	<u>732,556</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 period-to-date are as follows:

Customer A	<u>RM’000</u> <u>3,435</u>
------------	-------------------------------

A10 Subsequent Material Events

Except as disclosed in B6(c) and (e), there were no material events or transactions subsequent to the financial period ended 30 September 2021 till 18 November 2021 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements).

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
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 quarter and financial period-to-date, 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.

On 27 September 2021, Ivory Utilities Sdn. Bhd., a wholly-owned subsidiary of the Company, issued one (1) additional share at RM10 to a third party. As a result, the Company now owns 66.67% of IUSB, with the third party controlling the remaining 33.33%.

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 period-to-date.

A13 Capital Commitments

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

	As at 30.09.2021 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 quarter and financial period-to-date.

A15 Significant Related Party Transactions

Significant related party transactions during the current financial quarter and financial period-to-date are as follows:

	Individual Quarter		Cumulative Period	
	30.09.2021 RM’000	30.09.2020 RM’000	30.09.2021 RM’000	30.09.2020 RM’000
Progress billings charged to:				
- Key management personnel	-	-	-	400

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (*Cont’d*)****B1 Review of Performance****Current Quarter Results (2QFY2022 vs. 2QFY2021)**

Consolidated revenues were RM2.0 million, down 91% from RM22.4 million of the previous corresponding quarter driven primarily by decreases from property development division following the 90% completion of the Penang Times Square Phase project (“PTS 3”). The construction division contributed 58% of the revenue with the remaining 42% from the property development division.

Operating expenses were RM 13.2 million, a 58% increase from RM8.4 million due to additional sum paid for multiple extension of the time period to complete a proposed land acquisition.

The Group's net loss after tax for the current quarter widened to RM13.1 million compared to RM4.2 million recorded a year ago.

6-month Year-to-date Results (YTD FY2022 vs YTD FY2021)

The Group recorded a total revenue of RM4.9 million, down RM19.9 million (80%) from RM24.8 million (YTD FY2021) due to declined activity from property development division and the negative impact of FMCO enforcement by the Malaysian Government, which halted the Group's business activities at the beginning of this financial year.

The gross loss for the current financial period was due to RM5.9 million provision for liquidated ascertained damages for PTS 3.

The Group's net loss after tax was RM27.5 million, down from RM12.0 million reported for the previous year.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****B2 Material changes in the quarterly results compared with the immediate preceding quarter
(2QFY2022 vs 1QFY2022)**

	Current Quarter (2QFY2022) 30.09.2021 RM'000	Preceding Quarter (1QFY2022) 30.06.2021 RM'000	Changes	
			RM'000	%
Revenue	1,991	2,868	(877)	(31)
Loss from operations	(11,936)	(13,209)	1,273	(10)
Loss Before Interest and Tax	(11,941)	(13,214)	1,273	(10)
Loss Before Tax	(12,968)	(14,176)	1,208	(9)
Loss After Tax	(13,133)	(14,368)	1,235	(9)
Loss Attributable to Equity Holders of the Company	(13,133)	(14,368)	1,235	(9)

Total revenue decreased by 31% or RM0.9 million to RM2.0 million from RM2.9 million recorded in the immediate preceding quarter. The decrease was caused by declined activity from property development division.

The Group recorded a net loss of RM13.1 million for the current quarter compared to RM14.4 million reported in the immediate preceding quarter.

B3 Prospects for the financial year ending 31 March 2022

According to the report released by Bank Negara Malaysia, the Malaysian economy contracted by 4.3% in the third quarter of 2021, largely attributable to the implementation of Covid-19 containment measures. The construction sector contracted the most due to operating capacity limits, and the progressive lifting of containment measures and continued improvements in the labour market will be key to support the recovery going forward.

While the newly announced Budget 2022 provides some good news to the property market, limitations in completed inventory and in the unbilled sale and construction order book will hamper profits.

The Board anticipates the financial performance of the Group remains lackluster.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE
LISTING REQUIREMENTS (Cont'd)****B5 Taxation**

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

	Individual Quarter		Cumulative Period	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Income Tax - current	210	360	580	360
- prior year	-	3,045	-	3,045
Deferred tax - current	(45)	235	(223)	480
	165	3,640	357	3,885

The tax expense for current quarter and financial period-to-date was due to provision of income tax offset with the reversal of deferred tax liabilities.

B6 Status of Corporate Proposals

Corporate proposals announced by the Company that have not been completed as at 18 November 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.
- 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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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)

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).

- c) 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.

The Company and the Vendor have subsequently entered into multiple supplemental letters to extend the period for the payment of the balance purchase consideration. Based on the 5th Supplemental Letter signed on 7 October 2021, the Balance Purchaser Price is due on or before 4 November 2021.

As of the date of issuance of this interim financial report, the Company and the Vendor are still negotiating to finalise the terms and conditions for further extension of time to complete the proposed acquisition.

- d) 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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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)**

- e) On 6 October 2021, the Company announced to undertake a Proposed Private Placement of up to 20% of the total number of the Company's issued shares to third party investor(s) to be identified later.

On 21 October 2021, Bursa Securities approved the listing of and quotation for up to 98,015,945 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to conditions.

B7 Borrowings and Debt Securities

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

	As at 30.09.2021 RM'000	As at 31.03.2021 RM'000
<i>Long Term Borrowings</i>		
Term loans and bridging loans	69,520	71,902
Hire purchase	58	158
	<hr/> 69,578	<hr/> 72,060
<i>Short Term Borrowings</i>		
Term loans and bridging loans	38,958	39,436
Hire purchase	321	472
Bank overdraft	4,999	4,951
	<hr/> 44,278	<hr/> 44,859
Total	<hr/> 113,856	<hr/> 116,919

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 SEPTEMBER 2021

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 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.

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.

On 5 October 2021, per the Federal Court’s instructions IISB vide its solicitors filed a Notice of Motion with the Court of Appeal to stay the execution of the Order of the Court of Appeal dated 3 August 2021 (“IISB’s CA Stay Motion”).

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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*)

The Court fixed 3 December 2021 for hearing with regard to IISB's CA Stay Motion.

With regard to IISB's and the Plaintiff's leave applications, the Court fixed 12 January 2022 for hearing.

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.

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.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****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)**

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.

B9 Dividend

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

	Individual Quarter		Cumulative Period	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Loss attributable to owners of the Company	(13,133)	(4,163)	(27,502)	(12,045)
Weighted average number of ordinary shares in issue ('000)	490,080	490,080	490,080	490,080
Basic loss per share (sen)	(2.68)	(0.85)	(5.61)	(2.46)

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 period-to-date under review.

IVORY PROPERTIES GROUP BERHAD

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****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	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Material expenses/(income)				
Depreciation on :				
- Property, plant and equipment	687	768	1,404	1,558
- Investment properties	72	90	157	180
- Right-of-use assets	30	31	60	61
Interest expense	1,052	157	2,034	164
Written off of property, plant and equipment	-	105	-	105
Gain on disposal of :				
- Property, plant and equipment	-	(60)	-	(78)
Interest income	(25)	(22)	(45)	(62)
Rental income	(349)	(522)	(847)	(896)

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

B12 Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 November 2021.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Yeow Sze Min (f) (MAICSA 7065735)

Company Secretaries