



**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

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

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**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Individual Quarter (3 <sup>rd</sup> Quarter)		Changes  %	Cumulative Period (3 <sup>rd</sup> Quarter)		Changes  %
	Current 31.12.2021 RM'000	Previous year Corresponding 31.12.2020 RM'000		Current 31.12.2021 RM'000	Previous year Corresponding 31.12.2020 RM'000	
Revenue	6,626	15,551	(57)	11,485	40,380	(72)
Cost of sales	(6,993)	(11,328)	(38)	(16,667)	(29,279)	(43)
<b>Gross (loss)/profit</b>	(367)	4,223	(109)	(5,182)	11,101	(147)
Operating expenses	(18,091)	(5,866)	208	(40,110)	(23,078)	74
Other operating income	1,001	873	15	2,689	3,158	(15)
<b>Loss from operating activities</b>	<b>(17,457)</b>	<b>(770)</b>	<b>2,167</b>	<b>(42,603)</b>	<b>(8,819)</b>	<b>383</b>
Share of loss of equity accounted investees, net of tax						
- associate	(8)	(5)	60	(18)	(14)	29
<b>Loss before interest &amp; tax</b>	<b>(17,465)</b>	<b>(775)</b>	<b>2,154</b>	<b>(42,621)</b>	<b>(8,833)</b>	<b>383</b>
Net finance (costs)/income	(1,110)	213	(621)	(3,099)	111	(2,892)
<b>Loss before tax</b>	<b>(18,575)</b>	<b>(562)</b>	<b>3,205</b>	<b>(45,720)</b>	<b>(8,722)</b>	<b>424</b>
Tax expense	(220)	(811)	(73)	(577)	(4,696)	(88)
<b>Loss for the period</b>	<b>(18,795)</b>	<b>(1,373)</b>	<b>1,269</b>	<b>(46,297)</b>	<b>(13,418)</b>	<b>245</b>
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
<b>Total comprehensive expenses for the period</b>	<b>(18,795)</b>	<b>(1,373)</b>	<b>1,269</b>	<b>(46,297)</b>	<b>(13,418)</b>	<b>245</b>
<b>Attributable to:</b>						
Owners of the Company	(18,795)	(1,373)	1,269	(46,297)	(13,418)	245
Non-controlling interests	-	-	-	-	-	-
	<b>(18,795)</b>	<b>(1,373)</b>	<b>1,269</b>	<b>(46,297)</b>	<b>(13,418)</b>	<b>245</b>
<b>Loss per share attributable to the owners of the Company:</b>						
Basic (sen)	(3.84)	(0.28)	1,271	(9.45)	(2.74)	245

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 31 DECEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 31.12.2021 RM'000</b>	<b>Audited as at 31.03.2021 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	26,082	28,112
Right-of-use assets	341	431
Investment properties	11,147	11,381
Intangible assets	3,686	3,686
Investment in associates	543	561
Inventories	370,540	377,299
Deferred tax assets	6,821	6,813
Other receivables	115,438	106,357
<b>Total non-current assets</b>	<b>534,598</b>	<b>534,640</b>
Inventories	121,106	126,257
Contract assets	9,819	4,956
Contract costs	2,919	3,271
Trade and other receivables	28,513	26,298
Current tax assets	1,049	1,052
Short term investments	15,901	15,757
Cash and bank balances	1,583	3,396
<b>Total current assets</b>	<b>180,890</b>	<b>180,987</b>
<b>Total assets</b>	<b>715,488</b>	<b>715,627</b>
<b>Equity</b>		
Share capital	226,440	226,440
Retained earnings	36,720	83,017
<b>Equity attributable to owners of the Company</b>	<b>263,160</b>	<b>309,457</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>263,160</b>	<b>309,457</b>
<b>Liabilities</b>		
Loans and borrowings	79,893	72,060
Lease liabilities	248	343
Deferred tax liabilities	2,916	3,242
Trade and other payables	124,650	93,458
<b>Total non-current liabilities</b>	<b>207,707</b>	<b>169,103</b>
Loans and borrowings	47,895	44,859
Lease liabilities	126	121
Trade and other payables	163,649	162,845
Contract liabilities	31,860	28,980
Current tax liabilities	1,091	262
<b>Total current liabilities</b>	<b>244,621</b>	<b>237,067</b>
<b>Total liabilities</b>	<b>452,328</b>	<b>406,170</b>
<b>Total equity and liabilities</b>	<b>715,488</b>	<b>715,627</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.54</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.

**IVORY PROPERTIES GROUP BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 period	-	(46,297)	(46,297)	-	(46,297)
<b>At 31 December 2021</b>	<b>226,440</b>	<b>36,720</b>	<b>263,160</b>	-	<b>263,160</b>
<b>At 1 April 2020</b>	226,440	167,522	393,962	(281)	393,681
Total comprehensive expenses for the period	-	(13,418)	(13,418)	-	(13,418)
Acquisition of non-controlling interests in subsidiary	-	(281)	(281)	281	-
<b>At 31 December 2020</b>	<b>226,440</b>	<b>153,823</b>	<b>380,263</b>	-	<b>380,263</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.

**IVORY PROPERTIES GROUP BERHAD**

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

	<b>Current Period-To-Date 31.12.2021 RM'000</b>	<b>31.12.2020 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(45,720)	(8,722)
Adjustments for :-		
Depreciation of :		
- Property, plant and equipment	2,081	2,300
- Right-of-use asset	90	91
- Investment properties	234	269
Interest income	(174)	(282)
Interest expense	3,273	171
Write off of :		
- Property, plant and equipment	-	118
- Inventories	8,053	-
Gain on disposal of property, plant and equipment	-	(74)
Net gain on impairment of financial instruments	(275)	(29)
Share of loss in associate, net of tax	18	14
<b>Operating loss before changes in working capital</b>	<b>(32,420)</b>	<b>(6,144)</b>
Change in inventories	3,857	(68,333)
Change in contract assets	(4,863)	2,867
Change in contract costs	352	1,324
Change in trade and other receivables	(11,021)	5,104
Change in trade and other payables	31,996	35,317
Change in contract liabilities	2,880	(13,590)
<b>Cash generated used in operations</b>	<b>(9,219)</b>	<b>(43,455)</b>
Tax paid	(79)	(3,150)
<b>Net cash used in operating activities</b>	<b>(9,298)</b>	<b>(46,605)</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant and equipment	(62)	(340)
Interest received	174	282
Proceeds from disposal of property, plant and equipment	11	78
(Placement)/Withdrawal of short-term investments	(144)	1,758
<b>Net cash (used in)/from investing activities</b>	<b>(21)</b>	<b>1,778</b>

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

	<b>Current Period-To-Date 31.12.2021 RM'000</b>	<b>31.12.2020 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(3,273)	(3,613)
Repayment of finance lease liabilities	(365)	(423)
Drawdown of term loans, net	11,205	40,495
Payment of lease liabilities	(90)	(86)
<b>Net cash from financing activities</b>	<b>7,477</b>	<b>36,373</b>
Net decrease in cash and cash equivalents	(1,842)	(8,454)
Cash and cash equivalents at beginning of period	(1,555)	9,663
<b>Cash and cash equivalents at end of period</b>	<b>(3,397)</b>	<b>1,209</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	1,583	4,706
Less: Bank overdraft	(4,980)	(3,497)
	<b>(3,397)</b>	<b>1,209</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 31 DECEMBER 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**

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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.



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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****A7 Debt and Equity Securities**

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

<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 – 31 December 2021</b>					
<b>Revenue</b>					
External	3,192	8,293	-	-	11,485
Inter-segment	1,218	422	3,115	(4,755)	-
Total Revenue	4,410	8,715	3,115	(4,755)	11,485
<b>Results</b>					
Segmental (loss)/profit	(38,684)	171	(7,207)	-	(45,720)
Segmental assets	587,517	63,190	64,781	-	715,488

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

<b>Business Segments</b>	<b>Property development and management RM’000</b>	<b>Construction contracts RM’000</b>	<b>Investment holding and others RM’000</b>	<b>Elimination RM’000</b>	<b>Total RM’000</b>
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**Individual Quarter – 31 December 2020****Revenue**

External	35,235	5,145	-	-	40,380
Inter-segment	831	15,662	15,006	(31,499)	-
Total Revenue	<u>36,066</u>	<u>20,807</u>	<u>15,006</u>	<u>(31,499)</u>	<u>40,380</u>

**Results**

Segmental profit/(loss)	<u>629</u>	<u>(1,634)</u>	<u>(7,717)</u>	<u>-</u>	<u>(8,722)</u>
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Segmental assets	<u>647,247</u>	<u>54,639</u>	<u>76,789</u>	<u>-</u>	<u>778,675</u>
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**Geographical Segments**

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

**Major Customers**

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

	<b>RM’000</b>
Customer A	<u>8,293</u>

**A10 Subsequent Material Events**

Except as disclosed in B8(c), there were no material events or transactions subsequent to the financial period ended 31 December 2021 till 17 February 2022 (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 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 31 December 2021 is as follows:

	As at 31.12.2021 RM’000	As at 31.03.2021 RM’000
Contracted but not provided for:		
- Acquisition of development land	94,201	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	
	31.12.2021 RM’000	31.12.2020 RM’000	31.12.2021 RM’000	31.12.2020 RM’000
Progress billings charged to:				
- Key management personnel	-	-	-	400

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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LISTING REQUIREMENTS****B1 Review of Performance****Current Quarter Results (3QFY2022 vs. 3QFY2021)**

The Group revenues for the current quarter decreased by 57% to RM6.6 million from RM15.6 million reported a year ago. The construction division is the main contributor to the current quarterly revenue.

The gross loss for the current quarter was due to additional provision for liquidated ascertained damages for The Wave of PTS 3.

Higher operating expenses and finance costs for the current quarter, coupled with the gross loss mentioned above, have caused the net loss after tax for the current quarter to widen to RM18.8 million compared to RM1.4 million recorded a year ago.

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

The Group recorded total revenue of RM11.5 million, a decrease of RM28.9 million or 72% from RM40.4 million reported in the previous financial year due to declined activity from the property development division.

The Group posted a larger net loss after tax of RM46.3 million or net loss per share of RM9.45 sen compared to RM13.4 million reported in the previous year.

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LISTING REQUIREMENTS (Cont'd)****B2 Material changes in the quarterly results compared with the immediate preceding quarter  
(3QFY2022 vs 2QFY2022)**

	Current Quarter (3QFY2022) 31.12.2021 RM'000	Preceding Quarter (2QFY2022) 30.09.2021 RM'000	Changes	
			RM'000	%
Revenue	6,626	1,991	4,635	233
Loss from operations	(17,457)	(11,936)	(5,521)	(46)
Loss Before Interest and Tax	(17,465)	(11,941)	(5,524)	(46)
Loss Before Tax	(18,575)	(12,968)	(5,607)	(43)
Loss After Tax	(18,795)	(13,133)	(5,662)	(43)
Loss Attributable to Equity Holders of the Company	(18,795)	(13,133)	(5,662)	(43)

Total group revenue increased 233% quarter-on-quarter in 3QFY2022 to RM6.6 million, from RM2.0 million in 2QFY2022 due to higher progress billing from the construction division and higher sales of completed development properties.

Net loss for 3QFY2022 increased 43% to RM18.8 million from RM13.1 million reported in the preceding quarter.

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

Since FY2020, the Group continues its loss-making streak without new project launching and new construction contract to replenish its gradually reduced unbilled sales and construction order book.

While the newly announced Budget 2022 provides some good news to the property market, the impact to Group is minimal. The Group needs an immediate catalyst to return to black amid its effort in controlling operating expenses.

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

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LISTING REQUIREMENTS (Cont'd)****B5 Taxation**

The tax expense of the Group are as follows:

	Individual Quarter		Cumulative Period	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Income Tax - current	264	565	844	925
- prior year	67	16	67	3,061
Deferred tax - current	(111)	230	(334)	710
	<b>220</b>	<b>811</b>	<b>577</b>	<b>4,696</b>

Despite being in a loss position for financial period, the tax expense for the current quarter and financial period-to-date was due to provision of income tax for a profit-making company 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 17 February 2022, 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 2022, 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**

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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)**

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.

On 21 December 2021, the SPA and supplemental letters were terminated with immediate effect due to the Balance Purchase Consideration which, as stipulated in the SPA and supplemental letters, and the notice, was not paid on the expiry date of the remedy period on 17 December 2021.

- 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.

No Definitive Agreement has been executed so far.

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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 ("Bursa") 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.

The Proposed Private Placement is valid until 19 April 2022, 6 months from Bursa's approval date of 20 October 2021 and is subject to further extension if granted by Bursa while the Company looks for potential places.

**B7 Borrowings and Debt Securities**

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

	<b>As at 31.12.2021 RM'000</b>	<b>As at 31.03.2021 RM'000</b>
<i>Long Term Borrowings</i>		
Term loans and bridging loans	79,851	71,902
Hire purchase	42	158
	<hr/> 79,893	<hr/> 72,060
<i>Short Term Borrowings</i>		
Term loans and bridging loans	42,692	39,436
Hire purchase	223	472
Bank overdraft	4,980	4,951
	<hr/> 47,895	<hr/> 44,859
<b>Total</b>	<hr/> <b>127,788</b>	<hr/> <b>116,919</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 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 and CIMB Islamic Bank Berhad filed their respective 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.

On 2 September 2021 the Plaintiff filed a separate application for Leave to Appeal to the Federal Court against the CA’s decision.

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.

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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*)**

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

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”).

On 27 January 2022, the Federal Court:

1. dismissed IISB’s Application for Leave to Appeal with costs of RM30,000.00;
2. dismissed CIMB Islamic Bank Berhad’s Application for Leave to Appeal with costs of RM30,000.00; and
3. allowed the Plaintiff’s Application for Leave to Appeal with costs in the cause.

As IISB’s Application for Leave to Appeal has been dismissed, IISB on 27 January 2022 withdrew its Notice of Motion with the Federal Court to stay the execution of the Order of the Court of Appeal dated 3 August 2021 with no order as to costs.

On 11 February 2022, the Plaintiff pursuant to leave of the Federal Court granted on 27 January 2022 filed a Notice of Appeal against the CA’s decision.

**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:-

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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*)**

- (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 next case management was fixed on 24 March 2022.

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.

**c) August Line Sdn Bhd - Civil Suit No. PA-22NCVC-4-01/2022 and C P Landmark Sdn Bhd -  
Civil Suit No. PA-22NCVC-5-01/2022 at Penang High Court**

On 17 January 2022, Ivory Utilities Sdn Bhd (“IUSB”) received two Writs of Summons and Statements of Claim filed by August Line Sdn. Bhd. (“Plaintiff 1”) and C P Landmark Sdn. Bhd. (“Plaintiff 2”) against IUSB (“1st Defendant”) and Ivory Properties Group Berhad (“2nd Defendant”).

The circumstances leading to the filing of Writs of Summons are IUSB, after failing to secure local and foreign funding despite undergoing multiple discussions with several local financial institutions and foreign funders, could not meet the due date to pay the Balance Purchase Prices, leading to the Plaintiffs terminating the SPAs. The Plaintiffs have, following the terminations forfeited the Deposits paid under the SPAs amounting to RM14,279,495.

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LISTING REQUIREMENTS (Cont'd)****B8 Material Litigation (Cont'd)****c) August Line Sdn Bhd - Civil Suit No. PA-22NCVC-4-01/2022 and C P Landmark Sdn Bhd -  
Civil Suit No. PA-22NCVC-5-01/2022 at Penang High Court (cont'd)**

The Plaintiffs are now filing the Writs of Summons to claim the interest at the rate of 6% per annum on the Balance Purchase Prices of RM62,025,062.40 and RM66,490,398.00 for an extension of time granted from 26 November 2020 to 6 September 2021, totaling RM6,020,861.29.

The Court has fixed 8 March 2022 and 23 March 2022 for case management for the respective legal suit.

**B9 Dividend**

No interim ordinary dividend has been declared for the financial period ended 31 December 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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Loss attributable to owners of the Company	(18,795)	(1,373)	(46,297)	(13,418)
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>(3.84)</b>	<b>(0.28)</b>	<b>(9.45)</b>	<b>(2.74)</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 period-to-date under review.

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

	Individual Quarter		Cumulative Period	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
<b>Material expenses/(income)</b>				
Depreciation on :				
- Property, plant and equipment	677	742	2,081	2,300
- Investment properties	77	89	234	269
- Right-of-use assets	30	30	90	91
Interest expense	1,239	7	3,273	171
Write off of :				
- Property, plant and equipment	-	13	-	118
- Inventories	8,053	-	8,053	-
Gain on disposal of :				
- Property, plant and equipment	-	4	-	(74)
Net gain on impairment of financial instruments	(275)	(29)	(275)	(29)
Interest income	(129)	(220)	(174)	(282)
Rental income	(289)	(522)	(1,136)	(1,418)

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 24 February 2022.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Yeow Sze Min (f) (MAICSA 7065735)

Company Secretaries