



**IVORY PROPERTIES GROUP BERHAD**

Registration No.: 200401034702 (673211-M)

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2022**

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**IVORY PROPERTIES GROUP BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Individual Quarter (2 <sup>nd</sup> Quarter)		Changes  %	Cumulative Period (2 <sup>nd</sup> Quarter)		Changes  %
	Current 30.09.2022 RM'000	Previous year Corresponding 30.09.2021 RM'000		Current 30.09.2022 RM'000	Previous year Corresponding 30.09.2021 RM'000	
Revenue	3,916	1,991	97	9,043	4,859	86
Cost of sales	(3,006)	(1,484)	103	(4,547)	(9,674)	(53)
<b>Gross profit/(loss)</b>	910	507	79	4,496	(4,815)	193
Operating expenses	(47,373)	(13,190)	259	(53,483)	(22,019)	143
Other operating income	1,852	747	148	2,623	1,688	55
<b>Loss from operating activities</b>	<b>(44,611)</b>	<b>(11,936)</b>	<b>274</b>	<b>(46,364)</b>	<b>(25,146)</b>	<b>84</b>
Share of loss of equity accounted investees, net of tax - associate	(5)	(5)	-	(11)	(10)	10
<b>Loss before interest &amp; tax</b>	<b>(44,616)</b>	<b>(11,941)</b>	<b>274</b>	<b>(46,375)</b>	<b>(25,156)</b>	<b>84</b>
Net finance costs	(1,935)	(1,027)	88	(3,258)	(1,989)	64
<b>Loss before tax</b>	<b>(46,551)</b>	<b>(12,968)</b>	<b>259</b>	<b>(49,633)</b>	<b>(27,145)</b>	<b>83</b>
Tax income/(expense)	55	(165)	(133)	55	(357)	(115)
<b>Loss for the period</b>	<b>(46,496)</b>	<b>(13,133)</b>	<b>254</b>	<b>(49,578)</b>	<b>(27,502)</b>	<b>80</b>
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
<b>Total comprehensive expenses for the period</b>	<b>(46,496)</b>	<b>(13,133)</b>	<b>254</b>	<b>(49,578)</b>	<b>(27,502)</b>	<b>80</b>
<b>Attributable to:</b>						
Owners of the Company	(46,496)	(13,133)	254	(49,578)	(27,502)	80
Non-controlling interests	-	-	-	-	-	-
	<b>(46,496)</b>	<b>(13,133)</b>	<b>254</b>	<b>(49,578)</b>	<b>(27,502)</b>	<b>80</b>
<b>Loss per share attributable to the owners of the Company:</b>						
Basic (sen)	(9.49)	(2.68)	254	(10.12)	(5.61)	80

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 2022 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 SEPTEMBER 2022****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 30.09.2022 RM'000</b>	<b>Audited as at 31.03.2022 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	17,897	19,618
Right-of-use assets	512	630
Investment properties	10,912	11,068
Investment in an associate	527	538
Inventories	346,464	349,632
Deferred tax assets	5,094	5,083
Other receivables	81,882	121,807
<b>Total non-current assets</b>	<b>463,288</b>	<b>508,376</b>
Inventories	78,495	117,282
Contract assets	10,389	11,389
Contract costs	6,113	5,732
Trade and other receivables	68,482	27,695
Current tax assets	36	41
Short term investments	14,054	15,848
Cash and bank balances	1,356	1,669
<b>Total current assets</b>	<b>178,925</b>	<b>179,656</b>
<b>Total assets</b>	<b>642,213</b>	<b>688,032</b>
<b>Equity</b>		
Share capital	226,440	226,440
Retained earnings	(46,071)	3,507
<b>Total equity</b>	<b>180,369</b>	<b>229,947</b>
<b>Liabilities</b>		
Loans and borrowings	60,707	73,022
Lease liabilities	307	429
Deferred tax liabilities	2,525	2,712
Trade and other payables	147,030	142,050
<b>Total non-current liabilities</b>	<b>210,569</b>	<b>218,213</b>
Loans and borrowings	65,597	55,779
Lease liabilities	252	236
Trade and other payables	153,619	153,919
Contract liabilities	30,616	28,863
Current tax liabilities	1,191	1,075
<b>Total current liabilities</b>	<b>251,275</b>	<b>239,872</b>
<b>Total liabilities</b>	<b>461,844</b>	<b>458,085</b>
<b>Total equity and liabilities</b>	<b>642,213</b>	<b>688,032</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>	<b>0.37</b>	<b>0.47</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 2022 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 SEPTEMBER 2022****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 equity RM'000
<b>At 1 April 2022</b>	226,440	3,507	229,947
Total comprehensive expenses for the period	-	(49,578)	(49,578)
<b>At 30 September 2022</b>	<b>226,440</b>	<b>(46,071)</b>	<b>180,369</b>
<b>At 1 April 2021</b>	226,440	83,017	309,457
Total comprehensive expenses for the period	-	(27,502)	(27,502)
<b>At 30 September 2021</b>	<b>226,440</b>	<b>55,515</b>	<b>281,955</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 2022 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 SEPTEMBER 2022****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Period-To-Date 30.09.2022 RM'000</b>	<b>30.09.2021 RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(49,633)	(27,145)
Adjustments for :-		
Depreciation of :		
- Property, plant and equipment	605	1,404
- Right-of-use assets	118	60
- Investment properties	156	157
Interest income	(48)	(45)
Interest expense	3,306	2,034
Inventories written down	41,254	-
Write off of :		
- Property, plant and equipment	228	-
Gain on disposal of :		
- Property, plant and equipment	(1,091)	-
Net loss on impairment of financial instruments	1,056	-
Impairment loss on :		
- Property, plant and equipment	1,136	-
Share of loss in an associate, net of tax	11	10
<b>Operating loss before changes in working capital</b>	<b>(2,902)</b>	<b>(23,525)</b>
Change in inventories	451	2,427
Change in contract assets	1,000	(3,759)
Change in contract costs	(381)	349
Change in trade and other receivables	(1,918)	(7,219)
Change in trade and other payables	4,680	32,329
Change in contract liabilities	1,753	3,237
<b>Cash generated from operations</b>	<b>2,683</b>	<b>3,839</b>
Tax paid	(22)	(56)
<b>Net cash from operating activities</b>	<b>2,661</b>	<b>3,783</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant and equipment	(259)	(53)
Interest received	48	45
Proceeds from disposal of property, plant and equipment	1,102	11
Withdrawal/(Placement) of short-term investments	1,794	(17)
<b>Net cash from/(used in) investing activities</b>	<b>2,685</b>	<b>(14)</b>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	<b>Current Period-To-Date 30.09.2022 RM'000</b>	<b>30.09.2021 RM'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(3,056)	(2,034)
Repayment of term loans, net	(1,228)	(2,860)
Repayment of finance lease liabilities	(101)	(251)
Payment of lease liabilities	(106)	(60)
<b>Net cash used in financing activities</b>	<b>(4,491)</b>	<b>(5,205)</b>
Net increase/(decrease) in cash and cash equivalents	855	(1,436)
Cash and cash equivalents at beginning of period	(2,687)	(1,555)
<b>Cash and cash equivalents at end of period</b>	<b>(1,832)</b>	<b>(2,991)</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	1,356	2,008
Less: Bank overdraft	(3,013)	(4,999)
Less: Pledged bank balances	(175)	-
	<b>(1,832)</b>	<b>(2,991)</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 2022 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 SEPTEMBER 2022**

#### **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 2022. 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 2022.

##### **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 2022 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

Amendments to MFRSs	Annual Improvements to MFRS Standards (2018-2020)
Amendments to MFRS 3	Business Combinations - <i>Reference to the Conceptual Framework</i>
Amendments to MFRS 116	Property, Plant and Equipment - <i>Proceeds before Intended Use</i>
Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets - <i>Onerous Contracts - Cost of Fulfilling a Contract</i>

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	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – <i>Initial application of MFRS 17 and MFRS 9</i>
Amendments to MFRS 101	Presentation of Financial Statement - <i>Classification of Liabilities as Current or Non-current</i>
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - <i>Definition of Accounting Estimates</i>

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

#### **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 112	Income Taxes - <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 a disclaimer opinion on material uncertainty related to going concern, in their report dated 28 July 2022 in respect of the Company’s audited financial statements for the financial year ended 31 March 2022.

The auditors’ basis for disclaimer of opinion are as follows:

- The Group and the Company reported a net loss of RM79,510,000 and RM91,552,000 respectively during the financial year ended 31 March 2022 and, as of that date, the Group’s and the Company’s current liabilities exceeded their current assets by RM60,216,000 and RM35,153,000 respectively. The Group’s and the Company’s cash and bank balances as at 31 March 2022 stood at RM1,669,000 and RM239,000 respectively, and the Group recorded negative operating cash flows of RM8,902,000 for the financial year ended 31 March 2022. During the current financial year, the Group had experienced difficulties in obtaining financing for its project developments and property acquisitions, termination of certain agreements and forfeiture of deposits.

- Subsequent to the end of the financial year, the Group and the Company have not repaid on due dates the interest payments and principal balances, amounting to RM1,976,000 and RM185,000 respectively, in respect of certain loans and borrowings of the Group and the Company with total outstanding amounts of RM49,732,000 and RM14,205,000 respectively as at 31 March 2022.



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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

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

##### **A3 Auditors’ Report on Preceding Annual Financial Statements (*Cont’d*)**

The above events and conditions indicate the existence of material uncertainties which cast significant doubt on the ability of the Group and the Company to continue as going concerns. With reference to the management plans disclosed in Note 1(b) to the financial statements, we have not been able to obtain sufficient appropriate audit evidence in respect of the following:-

1. The Group is sourcing for an interested party to dispose of a parcel of land held for future development.

As of the date of this report, no formal agreement has been entered into with any party for the disposal of the aforesaid land.

2. As disclosed in Note 9, as at 31 March 2022, the Group has inventories, comprising properties under construction and completed development properties amounting to RM33,254,000 and RM42,657,000 respectively, which are available for immediate sales to prospective property buyers.

As of the date of this report, there were no sales of inventories made subsequent to the end of the financial year in respect of the aforesaid inventories.

3. The Group and the Company planned to regularise all arrear interest payments and principal repayments in connection to the outstanding borrowings of RM49,732,000 and RM14,205,000 respectively, as at 31 March 2022.

As of the date of this report, the Group and the Company have yet to settle the aforesaid interest payments and principal repayments and there is significant uncertainty as to whether the Group and the Company will be able to generate sufficient net cash inflows to settle all interest payments and principal repayments in arrears as and when those become due. In the event such payments are not made, it will give rise to potential of an event of default on the outstanding borrowings.

The ability of the Group and the Company to continue as going concerns is highly dependent on the successful implementation of all the management plans as disclosed in Note 1(b) to the financial statements and the attainment of the projected outcomes of those plans. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and to the classification and additional amounts of liabilities should the Group and the Company are unable to successfully implement or achieve the outcomes of the said plans.

##### **A4 Seasonal or Cyclical Factors**

The Group’s business operations are not subject to any significantly seasonal or cyclical factors.

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REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (Cont’d)****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.

**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 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 September 2022</b>					
<b>Revenue</b>					
External	2,619	6,424	-	-	9,043
Inter-segment	525	-	2,034	(2,559)	-
Total Revenue	3,144	6,424	2,034	(2,559)	9,043
<b>Results</b>					
Segmental (loss)/profit	(21,631)	3,778	(31,780)	-	(49,633)
Segmental assets	541,095	67,839	33,279	-	642,213

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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 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 September 2021</b>					
<b>Revenue</b>					
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>
<b>Results</b>					
Segmental loss	<u>(22,194)</u>	<u>(342)</u>	<u>(4,609)</u>	<u>-</u>	<u>(27,145)</u>
Segmental assets	<u>596,279</u>	<u>59,042</u>	<u>65,580</u>	<u>-</u>	<u>720,901</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 are as follows:

	<b>RM’000</b>
Customer A	3,506
Customer B	<u>2,918</u>

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

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

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

Except as disclosed below, there were no material events or transactions subsequent to the financial period ended 30 September 2022 till 22 November 2022 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements).

On 21 November 2022, Ivory Residence Sdn Bhd (“IRSB”) entered into a Deed of Termination (“DOT”) to terminate the Joint Development Agreement (“JDA”) and Supplemental Agreement (“SA”) with Grand Uptown Sdn Bhd (“GUSB”).

Circumstances leading to signing of the DOT were the shareholders of GUSB had on the same day entered into a Share Sale Agreement (“SSA”) with third parties (“Purchasers”) to dispose of the entire issued and paid-up shares capital of GUSB (“Sale Shares”) upon the terms and conditions stated in the SSA.

Given the change of shareholders and management team of GUSB, resulting upon the Completion Date of the SSA, GUSB and IRSB mutually agreed to terminate the JDAs with effect from the Completion Date of the SSA.

The Completion Date of the SSA means the completion date of the sale and purchase of the Sale Share that entails receipts of final payment from the Purchasers, which depends on the issuance of the certificate of practical completion of the Sewerage Treatment Plants (“Project”), amongst others. IRSB expects to complete the Project within nine months or by the second quarter of 2023.

##### **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.

##### **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 2022 is as follows:

	<b>As at 30.09.2022 RM’000</b>	<b>As at 31.03.2022 RM’000</b>
Contracted but not provided for:		
- Acquisition of development land	94,201	94,201

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

**A14 Capital Expenditure**

There were no major additions and disposal of property, plant and equipment during the current financial quarter and financial period-to-date.

**A15 Significant Related Party Transactions**

There were no significant related party transactions during the current financial quarter and financial period-to-date.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
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LISTING REQUIREMENTS****B1 Review of Performance****Current Quarter Results (2QFY2023 vs. 2QFY2022)**

The Group revenues for the current quarter increased by 97% to RM3.9 million from RM2.0 million reported a year ago. The sale of completed properties accounted for 67% of the quarter's revenue, while the construction division made up the balance.

Net loss after tax for the current quarter increased to RM46.5 million compared to RM13.1 million a year ago, caused by the written down of certain inventories.

**6-month Year-to-date Results (YTD FY2023 vs YTD FY 2022)**

The Group recorded a total revenue of RM9.0 million as opposed to RM4.9 million reported in the previous financial period. The construction division contributed most of the increase in revenue, with RM3.5 million recognised in quarter one of this financial year.

The Group posted a higher net loss after tax of RM49.6 million or a net loss per share of RM10.12 sen compared to a net loss of RM27.5 million reported in the previous year.

**B2 Material changes in the quarterly results compared with the immediate preceding quarter  
(2QFY2023 vs 1QFY2023)**

	<b>Current Quarter (2QFY2023) 30.09.2022 RM'000</b>	<b>Preceding Quarter (1QFY2023) 30.06.2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	3,916	5,127	(1,211)	(24)
Loss from operations	(44,611)	(1,753)	(42,858)	(2,445)
Loss Before Interest and Tax	(44,616)	(1,759)	(42,857)	(2,436)
Loss Before Tax	(46,551)	(3,082)	(43,469)	(1,410)
Loss After Tax	(46,496)	(3,082)	(43,414)	(1,409)
Loss Attributable to Equity Holders of the Company	(46,496)	(3,082)	(43,414)	(1,409)

Total revenue decreased by 24% quarter-on-quarter to RM3.9 million from RM5.1 million due to completion of the construction work in the first quarter of 2023.

Net loss for 2QFY2023 increased to RM46.5 million from RM3.1 million reported in the preceding quarter caused by inventories written down, explained in note B1.

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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE  
LISTING REQUIREMENTS (Cont'd)****B3 Prospects for the financial year ending 31 March 2023**

On 29 July 2022, the Company triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 (“PN17”) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Company, an affected listed issuer under PN17, is required to implement regularisation plan within the time frame stipulated by SC or Bursa Securities.

The Company expects lackluster performance for FY2023 while trying to keep its head above water to pull through this challenging time. The Board is working on various plans to meet short-term to mid-term operations needs, pending the comprehensive regularisation to generate cash flow and strengthen the balance sheet.

**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 (income)/expense of the Group are as follows:

	Individual Quarter		Cumulative Period	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Income Tax - current	142	210	142	580
Deferred tax - current	(197)	(45)	(197)	(223)
	<b>(55)</b>	<b>165</b>	<b>(55)</b>	<b>357</b>

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

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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**

Corporate proposals announced by the Company that have not been completed as at 22 November 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.

On 9 June 2020, SPSB through its Solicitors, Messrs. Zaid Ibrahim & Co served a notice (“the Notice”) to the Solicitors of REMCO, Messrs. Effendi & Co, amongst others, to exercise its rights to rescind the SPA in respect of the proposed land acquisition (“Rescission”) on the ground that REMCO has failed to perform its obligation to deliver vacant possession of the Land by 31 December 2019 to SPSB and, accordingly, has failed to fulfil its legal responsibilities under the SPA.

Pursuant to the Notice, SPSB has demanded from REMCO the refund of a total sum of RM42,674,007.36 being all monies paid by SPSB to REMCO together with the agreed liquidated damages of RM13,385,813.75 in accordance to Clause 9.1(a) of the SPA.

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

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



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#### **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 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 on or before 19 April 2022 pursuant to the Proposed Private Placement.

On 4 April 2022, Bursa granted the Company a 6 months extension of time to 19 October 2022 to complete the Private Placement.

The Company announced that the time frame to implement the Private Placement had lapsed on 19 October 2022 without any placement.

- d) On 14 July 2022, The Company, together with Ivory Meadows Sdn. Bhd. ("IMSB"), a wholly owned subsidiary of the Company, signed a Share Subscription Agreement ("SSA") with Thirupathi Capital Sdn Bhd ("TCSB") for the proposed subscription of 11,000,000 Redeemable Convertible Preference Shares ("RCPS") at issue price of RM1.00 per RCPS for a total cash sum of Ringgit Malaysia Eleven Million only (RM11,000,000.00). The SSA is conditional upon the written consent of MBB for the issuance of the RCPS by IMSB within two (2) months from the SSA date. IMSB has received RM11,000,000 and the consent of MBB has not been obtained at the date of this report.
- e) On 28 July 2022, Ivory Continental Sdn Bhd ("ICSB"), a wholly-owned subsidiary of the Company accepted a sell-out notice ("Notice") from Alam Harmoni Sdn Bhd ("AHSB") a joint venture partner, for AHSB to exercise its rights to sell the development land for The Gardens forming part of Lot Nos. 342, 346, 347, 348, 349, 350, 351 & 353 of Seksyen 2, Jalan Batu Ferringgi, Bandar Batu Ferringgi, Daerah Timur Laut, Pulau Pinang ("the Gardens Land") at an agreed total reimbursement sum of RM15,000,000. AHSB shall pay the reimbursement sum within six (6) months from the Notice's date, which will be followed by the signing of the deed of termination to rescind a previously signed joint venture agreement ("JVA"). ICSB has not received any reimbursement sum at the date of this report.

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

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

	As at 30.09.2022 RM'000	As at 31.03.2022 RM'000
<i>Long Term Borrowings</i>		
Term loans and bridging loans	60,707	72,995
Hire purchase	-	27
	60,707	73,022
<i>Short Term Borrowings</i>		
Term loans and bridging loans	62,526	51,466
Hire purchase	58	132
Bank overdraft	3,013	4,181
	65,597	55,779
<b>Total</b>	<b>126,304</b>	<b>128,801</b>

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

**B8 Material Litigation****a) IB Capital Sdn Bhd – Federal Court Malaysia (Civil Appeal No.: 02(f)-15-02/2022(P)**

On 29 January 2014, IB Capital Sdn Bhd (“the Plaintiff”) 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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#### **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 – Federal Court Malaysia (Civil Appeal No.: 02(f)-15-02/2022(P) (*cont'd*)**

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

1. Allowed the Plaintiff’s appeal 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 were 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.

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.

Accordingly, IISB’s CA Stay Motion was withdrawn on the same day,

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. The Court has granted IB Capital’s application for leave to appeal for the remaining 20% or RM1,800,000 invested sum and additional equitable compensation for loss and damages.

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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 – Federal Court Malaysia (Civil Appeal No.: 02(f)-15-02/2022(P) (*cont'd*)**

On 1 March 2022 IISB filed an application at the Federal Court for leave to file its cross-appeal.

On 15 March 2022, the Plaintiff served on IISB a winding up petition filed by the Plaintiff at the Kuala Lumpur High Court on 8 March 2022 to enforce the Court of Appeal's and Federal Court orders dated 3 August 2021 and 27 January 2022. IISB settled the claim amount on 17 May 2022 and the Plaintiff has withdrawn its winding up petition accordingly.

On 30 June 2022, the Federal Court allowed IISB's leave application to file cross-appeal.

On 16 November 2022, the Federal Court heard IB Capital Sdn Bhd's appeal, IISB, and CIMB Islamic Bank Berhad's Cross-Appeal. However, the hearing has yet to be concluded, and the Federal Court fixed the matter for continued hearing on 2.12.2022.

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

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 claims against the 1st and 2nd Defendants ("Main Suit"), amongst others, are as follows:

1. Settlement Agreement dated 20 September 2017 entered into between Conlay Construction Sdn. Bhd. and REMCO ("Settlement Agreement"), SPA, Stakeholder Agreement dated 23 November 2018 entered into between REMCO, SPSB, Messrs Effendi & Co and Messrs Ming, Yee & Co (collectively "Stakeholder") ("Stakeholder Agreement") in relation to the Stakeholders' obligations under the SPA in respect of the Land and Power of Attorney dated 31 October 2017 between REMCO and SPSB ("Power of Attorney") are valid;
2. The Parties are bound and must perform the express terms of the Settlement Agreement, SPA, Stakeholder Agreement and Power of Attorney, unless varied by agreement of three parties;
3. An injunction restraining 1st and 2nd Defendant from varying or amending the terms of the SPA, Stakeholder Agreement and Power of Attorney without the consent of the Plaintiff;
4. An injunction restraining the 1st and 2nd Defendants from entering into any supplemental or new agreement with regards the sale of the Land to the 2nd Defendant, without the consent of the Plaintiff;
5. An order that any and all variation or amendment to the terms of the SPA, Stakeholder Agreement and Power of Attorney without the consent of the Plaintiff is void and unlawful;
6. An order that supplemental or new agreement with regards the sale of the Land to the 2nd Defendant without the consent of the Plaintiff is void and unlawful;

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 the Plaintiff and REMCO supposedly jointly undertake to develop pursuant to Settlement cum Development Agreement dated 6 September 2013 entered into between the Plaintiff and REMCO. SPSB was implicated into this litigation due to the Sale and Purchase Agreement ("SPA") signed on 30 October 2017 with REMCO to acquire the Land.

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LISTING REQUIREMENTS (Cont'd)**

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

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

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.

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 original hearing date for Plaintiff's injunction application fixed on 20 October 2022 has been rescheduled to 02.03.2023. The Main Suit is in case management stage and there is no trial date fixed yet for this matter.

During the various case managements, the Judge impressed upon parties that a settlement would be beneficial to all involved in the matter. Both parties' solicitors had informed the court that there have been without prejudice letters/offers between parties in respect of negotiations for settlement. However, as of today, there is still no concrete terms of settlement.

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LISTING REQUIREMENTS (*Cont'd*)**

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

**c) August Line Sdn Bhd - Court of Appeal Civil Appeal No. P-02(IM)(NCvC)-1530-08/2022 and CP Landmark Sdn Bhd – (Civil Appeal No. P-02(IM)(NCvC)-1531-08/2022)**

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.

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.

On 21 March 2022, the 1st and 2nd Defendants filed an Order 14A application for both suits to dispose both suits on point of law.

On 21 July 2022, the High Court allowed the 1st and 2nd Defendants’ application and dismissed the Plaintiff’s claim for interest.

On 10 August 2022, the Plaintiffs filed the Notice of Appeal 2022 respectively to the Court of Appeal against the decision of High Court made on 21 July 2022.

On 9 November 2022, the Court of Appeal fixed the Hearing date of the two Appeals on 6 July 2023.

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No interim ordinary dividend has been declared for the financial period ended 30 September 2022.

**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	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Loss attributable to owners of the Company	(46,496)	(13,133)	(49,578)	(27,502)
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>(9.49)</b>	<b>(2.68)</b>	<b>(10.12)</b>	<b>(5.61)</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 quarter and financial period-to-date under review.

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	Individual Quarter		Cumulative Period	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
<b>Material expenses/(income)</b>				
Depreciation on :				
- Property, plant and equipment	265	687	605	1,404
- Right-of-use assets	59	30	118	60
- Investment properties	78	72	156	157
Interest expense	1,966	1,052	3,306	2,034
Inventories written down	41,254	-	41,254	-
Write off of :				
- Property, plant and equipment	227	-	228	-
Impairment loss on :				
- Property, plant and equipment	379	-	1,136	-
Net loss on impairment of financial instruments	1,070	-	1,056	-
Gain on disposal of :				
- Property, plant and equipment	(1,041)	-	(1,091)	-
Interest income	(31)	(25)	(48)	(45)
Rental income	(564)	(349)	(1,078)	(847)

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 29 November 2022.

By order of the Board of Directors

Low Seow Wei (f) (MAICSA 7053500)

Yeow Sze Min (f) (MAICSA 7065735)

Company Secretaries