

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Condensed Consolidated Statement of Profit or Loss

|   | INDIVIDUAL QUARTER (Q2) |                                      | CUMULATIVE QUARTER (6 Mths) |                                     |
|---|-------------------------|--------------------------------------|-----------------------------|-------------------------------------|
|   | CURRENT YEAR QUARTER    | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE        | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 31/12/13                | 31/12/12                             | 31/12/13                    | 31/12/12                            |
|   | RM'000                  | RM'000                               | RM'000                      | RM'000                              |
| <b>Revenue</b>  | <b>395,202</b>          | N/A                                  | <b>675,811</b>              | N/A                                 |
| <b>Operating profit</b>   | <b>368,842</b>          | N/A                                  | <b>502,101</b>              | N/A                                 |
| Share of results of associates  | 1,363                   | N/A                                  | 3,541                       | N/A                                 |
| Share of results of jointly controlled entities   | 8,405                   | N/A                                  | 34,665                      | N/A                                 |
| <b>Profit before interest and taxation</b>  | <b>378,610</b>          | N/A                                  | <b>540,307</b>              | N/A                                 |
| Interest income   | 8,716                   | N/A                                  | 18,421                      | N/A                                 |
| Finance cost  | (10,375)                | N/A                                  | (18,775)                    | N/A                                 |
| <b>Profit before taxation</b>   | <b>376,951</b>          | N/A                                  | <b>539,953</b>              | N/A                                 |
| Taxation  | (69,022)                | N/A                                  | (120,349)                   | N/A                                 |
| <b>Profit for the period</b>  | <b>307,929</b>          | N/A                                  | <b>419,604</b>              | N/A                                 |
| Attributable to:  |                         |                                      |                             |                                     |
| Owners of the parent  | 300,174                 | N/A                                  | 411,234                     | N/A                                 |
| Non-controlling interests   | 7,755                   | N/A                                  | 8,370                       | N/A                                 |
|   | <b>307,929</b>          | N/A                                  | <b>419,604</b>              | N/A                                 |
| <b>Earnings per share for profit attributable to owners of the Company (sen) <sup>(2)</sup></b> |                         |                                      |                             |                                     |
| <b>Basic</b>  | <b>9.27</b>             | N/A                                  | <b>12.70</b>                | N/A                                 |
| <b>Diluted</b>  | <b>9.27</b>             | N/A                                  | <b>12.70</b>                | N/A                                 |

Notes:

- (1) No comparative figures are available for the preceding period/year as this is the second interim financial report announced by the Company to Bursa Malaysia Securities Berhad ("Bursa") in compliance with the Main Market Listing Requirements of Bursa.
- (2) Based on the issued and paid up share capital of 3,239,014,726 shares of RM1.00 each.
- (3) The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 26 December 2013 and the accompanying notes attached to this interim financial report.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Condensed Consolidated Statement of Other Comprehensive Income

|   | INDIVIDUAL QUARTER (Q2) |                                      | CUMULATIVE QUARTER (6 Mths) |                                     |
|---|-------------------------|--------------------------------------|-----------------------------|-------------------------------------|
|   | CURRENT YEAR QUARTER    | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE        | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 31/12/13                | 31/12/12                             | 31/12/13                    | 31/12/12                            |
|   | RM'000                  | RM'000                               | RM'000                      | RM'000                              |
| <b>Profit for the period</b>  | <b>307,929</b>          | N/A                                  | <b>419,604</b>              | N/A                                 |
| <b>Other comprehensive income that will be reclassified subsequently to profit or loss when specific conditions are met</b> |                         |                                      |                             |                                     |
| Exchange differences on translation of foreign operations   | 43,763                  | N/A                                  | 115,170                     | N/A                                 |
| <b>Other comprehensive income for the period</b>  | <b>43,763</b>           | N/A                                  | <b>115,170</b>              | N/A                                 |
| <b>Total comprehensive income for the period, net of tax</b>  | <b>351,692</b>          | N/A                                  | <b>534,774</b>              | N/A                                 |
| <b>Total comprehensive income attributable to:</b>  |                         |                                      |                             |                                     |
| Owners of the Company   | 343,357                 | N/A                                  | 525,670                     | N/A                                 |
| Non-controlling interests   | 8,335                   | N/A                                  | 9,104                       | N/A                                 |
|   | <b>351,692</b>          | N/A                                  | <b>534,774</b>              | N/A                                 |

#### Notes:

- (1) No comparative figures are available for the preceding period/year as this is the second interim financial report announced by the Company to Bursa Malaysia Securities Berhad ("Bursa") in compliance with the Main Market Listing Requirements of Bursa.
- (2) The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 26 December 2013 and the accompanying notes attached to this interim financial report.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Condensed Consolidated Statement of Financial Position

|                                      | AS AT<br>31/12/13<br>RM'000 | AS AT<br>30/06/13<br>RM'000 |
|--------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                        |                             |                             |
| <b>Non-current assets</b>            |                             |                             |
| Property, plant & equipment          | 1,054,828                   | N/A                         |
| Prepaid lease payments               | 105,153                     | N/A                         |
| Land held for property development   | 2,853,500                   | N/A                         |
| Investment properties                | 2,168,394                   | N/A                         |
| Goodwill on consolidation            | 11,472                      | N/A                         |
| Associates                           | 66,653                      | N/A                         |
| Jointly controlled entities          | 3,855,228                   | N/A                         |
| Deferred tax assets                  | 30,679                      | N/A                         |
|                                      | <u>10,145,907</u>           | <u>N/A</u>                  |
| <b>Current assets</b>                |                             |                             |
| Property development costs           | 2,053,917                   | N/A                         |
| Inventories                          | 96,641                      | N/A                         |
| Receivables                          | 666,957                     | N/A                         |
| Other investments                    | 61,760                      | N/A                         |
| Current tax assets                   | 5,226                       | N/A                         |
| Short term funds                     | 208,616                     | N/A                         |
| Deposits with financial institutions | 139,321                     | N/A                         |
| Cash and bank balances               | 323,415                     | N/A                         |
|                                      | <u>3,555,853</u>            | <u>N/A</u>                  |
| <b>TOTAL ASSETS</b>                  | <u><b>13,701,760</b></u>    | <u><b>N/A</b></u>           |

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Condensed Consolidated Statement of Financial Position

|   | AS AT<br>31/12/13<br>RM'000 | AS AT<br>30/06/13<br>RM'000 |
|---|-----------------------------|-----------------------------|
| <b>EQUITY AND LIABILITIES</b>   |                             |                             |
| <b>Equity attributable to equity holders of the Company</b>                           |                             |                             |
| Share capital   | 3,239,015                   | N/A                         |
| Share premium   | 11,383,821                  | N/A                         |
| Foreign currency translation reserve  | 242,872                     | N/A                         |
| Reorganisation debit balance  | (8,440,152)                 | N/A                         |
| Retained earnings   | 4,501,963                   | N/A                         |
|   | <u>10,927,519</u>           | <u>N/A</u>                  |
| <b>Non-controllings interests</b>   | <b>92,843</b>               | <b>N/A</b>                  |
| <b>Total equity</b>   | <b>11,020,362</b>           | <b>N/A</b>                  |
| <b>Non-current liabilities</b>  |                             |                             |
| Long term borrowings  | 518,740                     | N/A                         |
| Other long term liabilities   | 90,161                      | N/A                         |
| Deferred tax liabilities  | 186,338                     | N/A                         |
|   | <u>795,239</u>              | <u>N/A</u>                  |
| <b>Current liabilities</b>  |                             |                             |
| Payables  | 1,836,881                   | N/A                         |
| Current tax liabilities   | 49,278                      | N/A                         |
|   | <u>1,886,159</u>            | <u>N/A</u>                  |
| <b>Total liabilities</b>  | <b>2,681,398</b>            | <b>N/A</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>13,701,760</b>           | <b>N/A</b>                  |
| <b>Net assets per share attributable to owners of the Company (RM) <sup>(2)</sup></b> | <b>3.37</b>                 | <b>N/A</b>                  |

Notes:

- (1) No comparative figures are available for the preceeding period/year as this is the second interim financial report announced by the Company to Bursa Malaysia Securities Berhad ("Bursa") in compliance with the Main Market Listing Requirements of Bursa.
- (2) Based on the issued and paid up share capital of 3,239,014,726 shares of RM1.00 each.
- (3) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 26 December 2013 and the accompanying notes attached to this interim financial report.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Condensed Consolidated Statement of Cash Flows

|   | 6 Months Ended<br>31/12/13<br>RM'000 | 6 Months Ended<br>31/12/12<br>RM'000 |
|---|--------------------------------------|--------------------------------------|
| <b>Operating Activities</b>                                       |                                      |                                      |
| Profit before taxation  | 539,953                              | N/A                                  |
| Adjustments for:  |                                      |                                      |
| Depreciation  | 3,562                                | N/A                                  |
| Other non-cash items  | (238,130)                            | N/A                                  |
| Operating profit before working capital changes                   | 305,385                              | N/A                                  |
| Decrease in inventories   | 45,391                               | N/A                                  |
| Increase in receivables and other assets                          | (250,270)                            | N/A                                  |
| Increase in payables and other liabilities                        | 436,833                              | N/A                                  |
| Cash generated from operations                                    | 537,339                              | N/A                                  |
| Taxes paid  | (80,832)                             | N/A                                  |
| Taxes refund  | 149                                  | N/A                                  |
| <b>Net cash inflow from operating activities</b>                  | <b>456,656</b>                       | <b>N/A</b>                           |
| <b>Investing Activities</b>                                       |                                      |                                      |
| Acquisitions of subsidiaries                                      | 62,436                               | N/A                                  |
| Repayments from a jointly controlled entity                       | 12,969                               | N/A                                  |
| Interest received   | 6,856                                | N/A                                  |
| Dividends received  | 6,290                                | N/A                                  |
| Proceeds from disposal of land from compulsory acquisition        | 3,933                                | N/A                                  |
| Proceeds from disposal of other investments                       | 1,081                                | N/A                                  |
| Proceeds from disposal of property, plant and equipment           | 205                                  | N/A                                  |
| Additions to prepaid lease payments                               | (1,151)                              | N/A                                  |
| Additional investments in a subsidiary                            | (2,682)                              | N/A                                  |
| Additional investments in a jointly controlled entity             | (13,890)                             | N/A                                  |
| Advances to jointly controlled entities                           | (28,630)                             | N/A                                  |
| Additions to property, plant and equipment                        | (34,994)                             | N/A                                  |
| Additions to other investments                                    | (61,760)                             | N/A                                  |
| Additions to investment properties                                | (75,511)                             | N/A                                  |
| Additions to land held for development                            | (484,633)                            | N/A                                  |
| <b>Net cash outflow from investing activities</b>                 | <b>(609,481)</b>                     | <b>N/A</b>                           |
| <b>Financing Activities</b>                                       |                                      |                                      |
| Advances from a related company                                   | 463,480                              | N/A                                  |
| Dividend paid   | (14,996)                             | N/A                                  |
| Dividend paid to non-controlling interests                        | (4,403)                              | N/A                                  |
| Interest paid   | (2,647)                              | N/A                                  |
| <b>Net cash inflow from financing activities</b>                  | <b>441,434</b>                       | <b>N/A</b>                           |
| <b>Net increase in cash and cash equivalents</b>                  | <b>288,609</b>                       | <b>N/A</b>                           |
| <b>Cash and cash equivalents at beginning of period</b>           | <b>376,738</b>                       | <b>N/A</b>                           |
| <b>Effect of exchange rate changes</b>                            | <b>6,005</b>                         | <b>N/A</b>                           |
| <b>Cash and cash equivalents at beginning of financial period</b> | <b>382,743</b>                       | <b>N/A</b>                           |
| <b>Cash and cash equivalents at end of period</b>                 | <b>671,352</b>                       | <b>N/A</b>                           |

Notes:

- (1) No comparative figures are available for the preceeding period/year as this is the second interim financial report announced by the Company to Bursa Malaysia Securities Berhad ("Bursa") in compliance with the Main Market Listing Requirements of Bursa.
- (2) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 26 December 2013 and the accompanying notes attached to this interim financial report.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Condensed Consolidated Statement Of Changes In Equity

| (RM'000)  | Non-distributable |                   |                                      |                              | Distributable     | Total attributable to owners of the Company | Non-controlling interests | Total equity      |
|---|-------------------|-------------------|--------------------------------------|------------------------------|-------------------|---|---------------------------|-------------------|
|   | Share capital     | Share premium     | Foreign currency translation reserve | Reorganisation debit balance | Retained earnings |   |                           |                   |
| <b>As at 1 July 2013</b>  | -                 | -                 | 128,436                              | -                            | 4,120,615         | 4,249,051                                   | 100,020                   | 4,349,071         |
| Profit for the financial period                                       | -                 | -                 | -                                    | -                            | 411,234           | 411,234                                     | 8,370                     | 419,604           |
| Exchange difference on translation of foreign operations              | -                 | -                 | 114,436                              | -                            | -                 | 114,436                                     | 734                       | 115,170           |
| <b>Total comprehensive income</b>                                     | -                 | -                 | 114,436                              | -                            | 411,234           | 525,670                                     | 9,104                     | 534,774           |
| Transactions with owners  |                   |                   |                                      |                              |                   |   |                           |                   |
| Issuance of ordinary shares   | 3,239,015         | 11,383,821        | -                                    | -                            | -                 | 14,622,836                                  | -                         | 14,622,836        |
| Issuance of redeemable preference shares to non-controlling interests | -                 | -                 | -                                    | -                            | -                 | -   | 52,978                    | 52,978            |
| Changes in equity interests in subsidiaries                           | -                 | -                 | -                                    | -                            | (14,890)          | (14,890)                                    | (64,856)                  | (79,746)          |
| Acquisition of subsidiaries (note (i))                                | -                 | -                 | -                                    | (8,440,152)                  | -                 | (8,440,152)                                 | -                         | (8,440,152)       |
| Dividend paid (3)   | -                 | -                 | -                                    | -                            | (14,996)          | (14,996)                                    | -                         | (14,996)          |
| Dividend paid to non-controlling interests                            | -                 | -                 | -                                    | -                            | -                 | -   | (4,403)                   | (4,403)           |
| <b>As at 31 December 2013</b>   | <b>3,239,015</b>  | <b>11,383,821</b> | <b>242,872</b>                       | <b>(8,440,152)</b>           | <b>4,501,963</b>  | <b>10,927,519</b>                           | <b>92,843</b>             | <b>11,020,362</b> |

Notes:

- (1) No comparative figures are available for the preceeding period/year as this is the second interim financial report announced by the Company to Bursa Malaysia Securities Berhad ("Bursa") in compliance with the Main Market Listing Requirements of Bursa.
- (2) The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 26 December 2013 and the accompanying notes attached to this interim financial report.
- (3) Dividend paid by a subsidiary of the Group prior to the completion of Internal Restructuring & Acquisition.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Explanatory Notes

#### a) Accounting Policies

The interim financial report of the IOIPG Group is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 26 December 2013 and the accompanying notes attached to this interim financial report.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2013 except for the adoption of the following new/revised FRSs and amendments to FRSs:

| <b>Title</b>  | <b>Effective Date</b> |
|---|-----------------------|
| FRS 10 <i>Consolidated Financial Statements</i>   | 1 January 2013        |
| FRS 11 <i>Joint Arrangements</i>  | 1 January 2013        |
| FRS 12 <i>Disclosure of Interests in Other Entities</i>   | 1 January 2013        |
| FRS 13 <i>Fair Value Measurement</i>  | 1 January 2013        |
| FRS 119 <i>Employee Benefits</i>  | 1 January 2013        |
| FRS 127 <i>Separate Financial Statements</i>  | 1 January 2013        |
| FRS 128 <i>Investments in Associates and Joint Ventures</i>   | 1 January 2013        |
| Amendments to FRS 1 <i>Government Loans</i>   | 1 January 2013        |
| Amendments to FRS 7 <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>  | 1 January 2013        |
| Improvements to FRSs (2012)   | 1 January 2013        |
| Amendments to FRS 10, FRS 11 and FRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i> | 1 January 2013        |
| IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>   | 1 January 2013        |

The adoption of the above FRS, amendments to FRSs and IC Interpretation do not have any significant financial impact on the results and financial position of the Group for the current quarter.

As stated in the Accountants Report for the financial year ended 30 June 2013, the Group has yet to adopt the Malaysian Financial Reporting Standards ("MFRS") framework, but has elected to be a transitioning entity which will only adopt the MFRS frameworks for the financial year ending 30 June 2016.

#### b) Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors that affect the business of the Group for the quarter under review.

#### c) Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review.

#### d) Material changes in Estimates of Amounts Reported

There were no material changes in estimates of amounts reported in prior financial year that have had a material effect in the current financial quarter.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Explanatory Notes

#### e) Details of Changes in Debt and Equity Securities

Save as disclosed below, there was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-back, share cancellation, shares held as treasury shares and/or resale of treasury shares for the current quarter under review.

| Date of allotment | Number of shares | Par value (RM) | Consideration  | Cummulative number of shares |
|-------------------|------------------|----------------|--|------------------------------|
| 25.2.2013         | 2                | 1.00           | Subscriber's shares  | 2                            |
| 3.12.2013         | 2,163,866,849    | 1.00           | Issued pursuant to the completion of acquisition of IOIP as disclosed in Note 7 of the preceding quarter's interim report announced to Bursa on 8 January 2014.  | 2,163,866,851                |
| 5.12.2013         | 1,075,147,875    | 1.00           | Issued pursuant to the completion of acquisition of Land, Acquisition of Other Property Companies and Debt Settlement as disclosed in Note 7 of the preceding quarter's interim report announced to Bursa on 8 January 2014. | 3,239,014,726                |

#### f) Dividends Paid

There was no dividend paid by the Company during this financial quarter ended 31 December 2013.



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Explanatory Notes

#### g) Segment Revenue & Results

| (RM'000)   | Property<br>Development | Property<br>Investment | Leisure &<br>Hospitality | Other<br>Operations | Elimination     | Consolidated     |
|--|-------------------------|------------------------|--------------------------|---------------------|-----------------|------------------|
| <b><u>6 Months Ended 31/12/13</u></b>                        |                         |                        |                          |                     |                 |                  |
| <b>REVENUE</b>   |                         |                        |                          |                     |                 |                  |
| External   | 591,682                 | 47,809                 | 12,333                   | 23,987              | -               | 675,811          |
| Inter-segment  | 35,402                  | -                      | -                        | -                   | (35,402)        | -                |
| Total Revenue  | <u>627,084</u>          | <u>47,809</u>          | <u>12,333</u>            | <u>23,987</u>       | <u>(35,402)</u> | <u>675,811</u>   |
| <b>RESULT</b>  |                         |                        |                          |                     |                 |                  |
| Segment Operating profit                                     | 253,279                 | 32,139                 | 2,494                    | 16,223              | -               | 304,135          |
| Share of results of associates                               | 1,990                   | -                      | -                        | 1,551               | -               | 3,541            |
| Share of results of jointly controlled entities              | 34,665                  | -                      | -                        | -                   | -               | 34,665           |
| Segment results  | <u>289,934</u>          | <u>32,139</u>          | <u>2,494</u>             | <u>17,774</u>       | -               | <u>342,341</u>   |
| Gain on bargain purchase for the acquisition of subsidiaries |                         |                        |                          |                     |                 | 197,966          |
| Interest Income  |                         |                        |                          |                     |                 | 18,421           |
| Finance cost   |                         |                        |                          |                     |                 | (18,775)         |
| Profit before taxation                                       |                         |                        |                          |                     |                 | <u>539,953</u>   |
| Taxation   |                         |                        |                          |                     |                 | <u>(120,349)</u> |
| Profit for the period  |                         |                        |                          |                     |                 | <u>419,604</u>   |
| <b><u>6 Months Ended 31/12/12</u></b>                        |                         |                        |                          |                     |                 |                  |
| <b>REVENUE</b>   |                         |                        |                          |                     |                 |                  |
| External   | N/A                     | N/A                    | N/A                      | N/A                 | N/A             | N/A              |
| Inter-segment  | N/A                     | N/A                    | N/A                      | N/A                 | N/A             | N/A              |
| Total Revenue  | <u>N/A</u>              | <u>N/A</u>             | <u>N/A</u>               | <u>N/A</u>          | <u>N/A</u>      | <u>N/A</u>       |
| <b>RESULT</b>  |                         |                        |                          |                     |                 |                  |
| Operating profit   |                         |                        |                          |                     |                 | N/A              |
| Interest income  |                         |                        |                          |                     |                 | N/A              |
| Finance cost   |                         |                        |                          |                     |                 | N/A              |
| Share of results of associates                               |                         |                        |                          |                     |                 | N/A              |
| Share of results of jointly controlled entities              |                         |                        |                          |                     |                 | N/A              |
| Profit before taxation                                       |                         |                        |                          |                     |                 | <u>N/A</u>       |
| Taxation   |                         |                        |                          |                     |                 | <u>N/A</u>       |
| Profit for the period  |                         |                        |                          |                     |                 | <u>N/A</u>       |

Other operations consist mainly of cultivation of plantation produce, property maintenance services and other activities unrelated to any of the abovementioned major industry segments.

# **IOI PROPERTIES GROUP BERHAD (1035807-A)**

(Incorporated in Malaysia)

## **Interim Report For The Financial Period Ended 31 December 2013**

(The figures have not been audited)

### **Explanatory Notes**

#### **h) Material Events Subsequent to the End of Financial Period**

- (i) The ordinary shares of the Company were listed on Main Market of Bursa on 15 January 2014.
- (ii) The Group has drawdown the term loans of RM750 million and USD150 million respectively obtained from financial institutions for the repayment of advances owing to IOI Corporation Berhad and its subsidiaries of approximately RM1.0 billion.

#### **i) Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 31 December 2013 save for the completion of Internal Restructuring & Acquisition on 5 December 2013 in conjunction with the listing of the Company on the Main Market of Bursa. Details of the Internal Restructuring & Acquisition are disclosed in Note 7 of the preceding quarter's interim report announced to Bursa on 8 January 2014.

#### **j) Contingent Liabilities**

In April 2012, three (3) legal suits were brought against a subsidiary for alleged damages to the plaintiff's properties due to the occurrence of a landslide and collapse of the retaining wall located at certain development projects of the Group. As at the date of this report, the legal suits are pending hearing and the quantum of claim is likely to be limited.

Having considered the legal advice from our solicitors, the Directors are of the opinion that any outflow arising from the disposal of the above legal suits is not expected to be substantial or material to the Group.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

#### 1) Detailed Analysis of the Performance of all Operating Segments of the Group

The Group recorded revenue of RM675.8 million and profit after taxation ("profit") of RM419.6 million for the financial year-to-date. The profits are mainly derived from property development, property investment and leisure & hospitality segments of RM289.9 million, RM32.1 million and RM2.5 million respectively. In the property development segment, the profit is mainly contributed from the development projects in Malaysia and Xiamen, China. The profit from the property investment segment is mainly contributed from IOI Mall, Puchong, IOI Mall, Kulai and One & Two IOI Square. As for the leisure & hospitality segment, Putrajaya Marriott Hotel and Palm Garden Hotel are the main profit contributors.

#### 2) Material Change in Profit for the Current Quarter as Compared with the Immediate Preceding Quarter

The Group reported a profit of RM307.9 million for Q2 FY 2014, which is 176% higher than the RM111.7 million reported in Q1 FY 2014. The higher profit is mainly due to the Group recording a one off gain from the acquisition of subsidiaries of RM198.0 million from the completion of acquisition of other property companies as set out in Note 7 of the preceding quarter's interim report announced to Bursa on 8 January 2014. After excluding the aforesaid one off gain, the underlying profit of the Group for Q2 FY 2014 of RM109.9 million is 2% lower than the Q1 FY 2014.

Please take note that the preceding quarter results that was announced to Bursa on 8 January 2014 were prepared on a proforma basis assuming that IOIPG Group has existed on or before 1 July 2013.

#### 3) Prospects

The governments in Malaysia, Singapore and China, where the Group has its presence, have introduced various regulatory measures to promote a more stable and sustainable property market. As these regulatory measures are meant to curb speculation and not to restrict genuine demand, these measures in the short term are not expected to affect the sustainable growth in the property sector over the longer term.

Our property business in the high end segment in Malaysia and Singapore is expected to soften this year but the mass market segment in Malaysia where the Group has significant presence will continue to be resilient. In Xiamen, China with our two (2) consecutive successful phases launched in the current financial year, the development project is expected to contribute favorably to the Group's results.

Going forward, the overall Group's performance is expected to be satisfactory.

#### 4) Achievability of forecast results

Not applicable.

#### 5) Variance of Actual Profit from Forecast Results or Profit Guarantee

Not applicable.

#### 6) Taxation

|  | INDIVIDUAL QUARTER (Q2)     |   | CUMULATIVE QUARTER (6 Mths) |  |
|--|-----------------------------|---|-----------------------------|--|
|  | CURRENT YEAR QUARTER RM'000 | PRECEDING YEAR CORRESPONDING QUARTER RM'000 | CURRENT YEAR TO DATE RM'000 | PRECEDING YEAR CORRESPONDING PERIOD RM'000 |
| The tax expense comprises the following: |                             |   |                             |  |
| Current taxation                         |                             |   |                             |  |
| -Current year                            | 41,304                      | N/A   | 73,440                      | N/A  |
| -Prior year                              | 66                          | N/A   | 8,411                       | N/A  |
| Deferred taxation                        |                             |   |                             |  |
| -Current year                            | 27,096                      | N/A   | 38,606                      | N/A  |
| -Prior year                              | 556                         | N/A   | (108)                       | N/A  |
|  | <u>69,022</u>               | <u>N/A</u>                                  | <u>120,349</u>              | <u>N/A</u>                                 |

The effective tax rate of the Group for the current quarter is at 18%, which is lower than the prevailing statutory rate. It is mainly due to higher non taxable income derived from the one off gain mentioned in note (2) above, which were recorded in the current quarter. The deferred tax of RM27.1 million recorded in the current quarter mainly relates to the fair value gains on investment properties and is based on the applicable real property gain tax rates announced in 2014 Malaysia budget.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

#### 7) Corporate Proposal

There are no corporate proposals announced save for the completion of Internal Restructuring & Acquisition in conjunction with the listing of the Company on the Main Market of Bursa as disclosed in Note 7 of the preceding quarter's interim report announced to Bursa on 8 January 2014.

#### 8) Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31 December 2013 are as follows:

|                                       | RM'000         |
|---------------------------------------|----------------|
| <b>Long term borrowings</b>           |                |
| Unsecured                             |                |
| Denominated in SGD (SGD200,000,000) * | 518,740        |
| <b>Total Borrowings</b>               | <u>518,740</u> |

\* converted at the exchange rate prevailing as at 31 December 2013.

#### 9) Derivative Financial Instruments

There is no derivative financial instruments as at the date of this quarterly report.

#### 10) Fair Value Changes of Financial Liabilities

There is no fair value changes of financial liabilities as at the date of this quarterly report.

#### 11) Realised and Unrealised Profits

The retained earnings as at the end of the reporting period are analysed as follows:

|  | RM'000           |
|--|------------------|
| <b>Total retained profits of IOI Properties Group Berhad and its subsidiaries:</b> |                  |
| - Realised   | 3,565,178        |
| - Unrealised   | 951,534          |
|  | 4,516,712        |
| <b>Total share of retained profits from associated company:</b>                    |                  |
| - Realised   | 11,968           |
| - Unrealised   | (195)            |
|  | 11,773           |
| <b>Total share of accumulated losses from jointly controlled entities:</b>         |                  |
| - Realised   | 3,434            |
| - Unrealised   | (29,956)         |
|  | (26,522)         |
| <b>Total Group retained profits</b>  | <u>4,501,963</u> |

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

#### 12) Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit for the period has been arrived after charging/(crediting):

|  | CURRENT<br>YEAR<br>QUARTER<br>(31/12/13)<br>RM'000 | CURRENT<br>YEAR TO<br>DATE<br>(31/12/13)<br>RM'000 |
|--|--|--|
| Gain on bargain purchase for the acquisition of subsidiaries | (197,966)  | (197,966)  |
| Interest income  | (8,716)  | (18,421)   |
| Other income including investment income                     |  |  |
| - Dividend income  | -  | (12)   |
| Interest expense   | 10,375   | 18,775   |
| Depreciation and amortisation                                | 2,180  | 3,562  |
| Impairment losses on receivables written back                | (921)  | (1,208)  |

Other than as per disclosed above, the Group does not have other material items that recognised as profit/loss in the consolidated statement of profit or loss and statement of other comprehensive income.

#### 13) Material Litigation

Other than the litigation disclosed in note (j) above, there is no other pending material litigation as at the date of this announcement.

#### 14) Dividends

No dividend has been declared by the Board for the financial quarter ended 31 December 2013.

# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

### 15) Earnings per Share

|   | INDIVIDUAL QUARTER (Q2)           |  | CUMULATIVE QUARTER (6 Mths)          |   |
|---|-----------------------------------|--|--------------------------------------|---|
|   | CURRENT YEAR<br>QUARTER<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>RM'000 | CURRENT<br>YEAR TO<br>DATE<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>RM'000 |
| <b>a) Basic earnings per share</b>                            |                                   |  |                                      |   |
| Net profit for the period                                     | 300,174                           | N/A  | 411,234                              | N/A   |
| Weighted average number of<br>ordinary shares in issue ('000) | 3,239,015                         | N/A  | 3,239,015                            | N/A   |
| Basic earnings per share (sen)                                | <u>9.27</u>                       | N/A  | <u>12.70</u>                         | N/A   |
| <b>b) Diluted earnings per share</b>                          |                                   |  |                                      |   |
| Net profit for the period                                     | 300,174                           | N/A  | 411,234                              | N/A   |
| Weighted average number of<br>ordinary shares in issue ('000) | 3,239,015                         | N/A  | 3,239,015                            | N/A   |
| Diluted earnings per share (sen)                              | <u>9.27</u>                       | N/A  | <u>12.70</u>                         | N/A   |

### 16) Audit Qualification

There is no audit report on the Group's preceding year's financial statements as the Group had only existed on 5 December 2013.

By Order of the Board

**Tan Choong Khiang**  
Company Secretary

Putrajaya  
25 February 2014