



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Interim Report For The Financial Period Ended 30 September 2014**

(The figures have not been audited)

**Condensed Consolidated Statement of Profit or Loss**

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/14	30/9/13	30/9/14	30/9/13
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>375,519</b>	<b>280,609</b>	<b>375,519</b>	<b>280,609</b>
Cost of sales	(161,814)	(114,909)	(161,814)	(114,909)
<b>Gross profit</b>	<b>213,705</b>	<b>165,700</b>	<b>213,705</b>	<b>165,700</b>
Other operating income	5,508	6,565	5,508	6,565
Marketing and selling expenses	(22,040)	(9,913)	(22,040)	(9,913)
Administration expenses	(26,700)	(21,234)	(26,700)	(21,234)
Other operating expenses	(19,480)	(7,859)	(19,480)	(7,859)
<b>Operating profit</b>	<b>150,993</b>	<b>133,259</b>	<b>150,993</b>	<b>133,259</b>
Share of results of associates	(594)	2,178	(594)	2,178
Share of results of joint ventures	6,952	26,260	6,952	26,260
<b>Profit before interest and taxation</b>	<b>157,351</b>	<b>161,697</b>	<b>157,351</b>	<b>161,697</b>
Interest income	8,974	9,705	8,974	9,705
Interest expense	(19,200)	(8,400)	(19,200)	(8,400)
<b>Profit before taxation</b>	<b>147,125</b>	<b>163,002</b>	<b>147,125</b>	<b>163,002</b>
Taxation	(44,892)	(51,327)	(44,892)	(51,327)
<b>Profit for the period</b>	<b>102,233</b>	<b>111,675</b>	<b>102,233</b>	<b>111,675</b>
Attributable to:				
Owners of the parent	101,001	111,060	101,001	111,060
Non-controlling interests	1,232	615	1,232	615
	102,233	111,675	102,233	111,675
<b>Earnings per share for profit attributable to owners of the Company (sen)</b>				
Basic	3.12	3.43	3.12	3.43
Diluted	3.12	3.43	3.12	3.43

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to this interim financial report.)



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**Condensed Consolidated Statement of Other Comprehensive Income**

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/14	30/9/13	30/9/14	30/9/13
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>102,233</b>	<b>111,675</b>	<b>102,233</b>	<b>111,675</b>
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations	35,006	71,407	35,006	71,407
<b>Other comprehensive income for the period, net of tax</b>	<b>35,006</b>	<b>71,407</b>	<b>35,006</b>	<b>71,407</b>
<b>Total comprehensive income for the period</b>	<b>137,239</b>	<b>183,082</b>	<b>137,239</b>	<b>183,082</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	135,908	182,313	135,908	182,313
Non-controlling interests	1,331	769	1,331	769
	<b>137,239</b>	<b>183,082</b>	<b>137,239</b>	<b>183,082</b>

(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to this interim financial report.)



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(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	AS AT 30/9/14 RM'000	AS AT 30/06/14 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,071,646	1,047,300
Prepaid lease payments	96,823	94,502
Land held for property development	3,091,523	3,011,711
Investment properties	2,836,970	2,765,489
Goodwill on consolidation	11,472	11,472
Investments in associates	84,726	64,517
Interests in joint ventures	3,872,885	3,855,746
Deferred tax assets	71,151	72,896
	<b>11,137,196</b>	<b>10,923,633</b>
<b>Current assets</b>		
Property development costs	2,161,550	2,116,687
Inventories	246,383	191,519
Trade and other receivables	560,860	492,044
Current tax assets	58,931	42,311
Other investments	274,117	340,629
Short term funds	37,091	225,079
Deposits with financial institutions	335,225	261,957
Cash and bank balances	158,685	131,216
	<b>3,832,842</b>	<b>3,801,442</b>
<b>TOTAL ASSETS</b>	<b>14,970,038</b>	<b>14,725,075</b>



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**Condensed Consolidated Statement of Financial Position**

	AS AT 30/9/14 RM'000	AS AT 30/06/14 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	3,239,015	3,239,015
Reserves	11,581,574	11,546,667
Reorganisation debit balance	(8,440,152)	(8,440,152)
Retained earnings	4,958,010	4,857,000
	<u>11,338,447</u>	<u>11,202,530</u>
<b>Non-controlling interests</b>	<b>99,993</b>	<b>98,677</b>
<b>Total equity</b>	<b><u>11,438,440</u></b>	<b><u>11,301,207</u></b>
<b>Non-current liabilities</b>		
Borrowings	2,057,430	1,307,230
Amounts due to non-controlling interests	95,429	95,305
Deferred tax liabilities	223,060	205,411
	<u>2,375,919</u>	<u>1,607,946</u>
<b>Current liabilities</b>		
Borrowings	-	750,000
Trade and other payables	1,140,333	1,040,865
Current tax liabilities	15,346	25,057
	<u>1,155,679</u>	<u>1,815,922</u>
<b>Total liabilities</b>	<b><u>3,531,598</u></b>	<b><u>3,423,868</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>14,970,038</u></b>	<b><u>14,725,075</u></b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.50</b>	<b>3.46</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to this interim financial report.)



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**Interim Report For The Financial Period Ended 30 September 2014**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	<b>3 Months Ended 30/9/14 RM'000</b>	<b>3 Months Ended 30/9/13 RM'000</b>
<b>Operating Activities</b>		
Profit before taxation	147,125	163,002
Adjustments for:		
Depreciation and amortisation	5,518	1,382
Other non-cash items	2,906	(30,417)
Operating profit before working capital changes	<u>155,549</u>	133,967
Decrease in inventories	10,048	22,406
(Increase)/Decrease in receivables and other assets	(129,084)	41,650
Increase/(Decrease) in payables and other liabilities	<u>90,879</u>	(20,257)
Cash generated from operations	<u>127,392</u>	177,766
Taxes paid	<u>(53,666)</u>	(37,434)
<b>Net cash inflow from operating activities</b>	<u><b>73,726</b></u>	<u>140,332</u>
<b>Investing Activities</b>		
Repayments from a joint venture	3,342	-
Interest received	7,533	2,127
Dividends received	-	6,290
Proceeds from disposal of land from compulsory acquisition	-	3,269
Proceeds received upon maturity of other investments	77,178	-
Proceeds from disposal of other investments	-	1,081
Proceeds from disposal of property, plant and equipment	1,530	62
Additions to prepaid lease payments	-	(744)
Additional investment in a subsidiary	(6)	-
Additional investments in a joint venture	(8,081)	-
Additional investments in an associate	(20,803)	-
Advances to joint ventures	(2,507)	(12,669)
Additions to property, plant and equipment	(29,388)	(2,996)
Additions to investment properties	(99,362)	(2,963)
Additions to land held for property development	(76,780)	(251,668)
<b>Net cash outflow from investing activities</b>	<u><b>(147,344)</b></u>	<u>(258,211)</u>
<b>Financing Activities</b>		
Advance from a former related company	-	309,482
Interest paid	(19,501)	(1,348)
<b>Net cash (outflow)/inflow from financing activities</b>	<u><b>(19,501)</b></u>	<u>308,134</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u><b>(93,119)</b></u>	<u>190,255</u>
<b>Cash and cash equivalents at beginning of period</b>	<u><b>618,252</b></u>	<u>376,738</u>
<b>Effect of exchange rate changes</b>	<u><b>5,868</b></u>	<u>4,499</u>
<b>Cash and cash equivalents at beginning of financial period</b>	<u><u><b>624,120</b></u></u>	<u><u>381,237</u></u>
<b>Cash and cash equivalents at end of period</b>	<u><u><b>531,001</b></u></u>	<u><u>571,492</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to this interim financial report.)



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**Condensed Consolidated Statement Of Changes In Equity**

(RM'000)	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Reorganisation debit balance	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
<b>As at 1 July 2014</b>	<b>3,239,015</b>	<b>11,383,821</b>	<b>-</b>	<b>162,846</b>	<b>(8,440,152)</b>	<b>4,857,000</b>	<b>11,202,530</b>	<b>98,677</b>	<b>11,301,207</b>
Profit for the financial period	-	-	-	-	-	101,001	101,001	1,232	102,233
Exchange difference on translation of foreign operations	-	-	-	34,907	-	-	34,907	99	35,006
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,907</b>	<b>-</b>	<b>101,001</b>	<b>135,908</b>	<b>1,331</b>	<b>137,239</b>
Transactions with owners									
Changes in equity interests in subsidiaries	-	-	-	-	-	9	9	(15)	(6)
<b>As at 30 September 2014</b>	<b>3,239,015</b>	<b>11,383,821</b>	<b>-</b>	<b>197,753</b>	<b>(8,440,152)</b>	<b>4,958,010</b>	<b>11,338,447</b>	<b>99,993</b>	<b>11,438,440</b>
<b>As at 1 July 2013</b>	<b>406,393</b>	<b>881,345</b>	<b>41,090</b>	<b>128,436</b>	<b>-</b>	<b>4,120,615</b>	<b>5,577,879</b>	<b>100,020</b>	<b>5,677,899</b>
Profit for the financial period	-	-	-	-	-	889,918	889,918	13,824	903,742
Exchange difference on translation of foreign operations	-	-	-	34,410	-	-	34,410	133	34,543
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,410</b>	<b>-</b>	<b>889,918</b>	<b>924,328</b>	<b>13,957</b>	<b>938,285</b>
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	-	-	-	-	-	-	-	53,848	53,848
Changes in equity interests in subsidiaries	-	-	-	-	-	(138,537)	(138,537)	(64,745)	(203,282)
Acquisition of subsidiaries	(406,393)	(881,345)	(41,090)	-	(8,440,152)	-	(9,768,980)	-	(9,768,980)
Dividend paid	-	-	-	-	-	(14,996)	(14,996)	-	(14,996)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,403)	(4,403)
<b>As at 30 June 2014</b>	<b>3,239,015</b>	<b>11,383,821</b>	<b>-</b>	<b>162,846</b>	<b>(8,440,152)</b>	<b>4,857,000</b>	<b>11,202,530</b>	<b>98,677</b>	<b>11,301,207</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying notes attached to this interim financial report.)



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## Interim Report For The Financial Period Ended 30 September 2014

(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 audited financial statements for the financial year ended 30 June 2014. Those explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

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 2014 except for the adoption of the following new/revised FRSs and amendments to FRSs:

Title	Effective Date
Amendments to FRS 10 <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to FRS 12 <i>Disclosure of Interest in Other Entities: Investment Entities</i>	1 January 2014
Amendments to FRS 127 <i>Separate Financial Statements(2011): Investment Entities</i>	1 January 2014
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge-Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014
Amendments to FRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to FRSs <i>Annual Improvements to FRSs 2010-2012 Cycle</i>	1 July 2014
Amendments to FRSs <i>Annual Improvements to FRSs 2011-2013 Cycle</i>	1 July 2014

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

#### 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.

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

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 save for the issuance of Sukuk Murabahah as disclosed in Note 7 of this interim report.

#### f) Dividends Paid

There was no dividend paid by the Company during this financial quarter ended 30 September 2014.



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(The figures have not been audited)

**Explanatory Notes**

**g) Segment Revenue & Results**

(RM'000)	Property Development	Property Investment	Leisure & Hospitality	Other Operations	Elimination	Consolidated
<b><u>3 Months Ended 30/09/14</u></b>						
<b>REVENUE</b>						
External	311,329	28,549	20,907	14,734	-	375,519
Inter-segment	21,962	-	-	-	(21,962)	-
Total Revenue	<u>333,291</u>	<u>28,549</u>	<u>20,907</u>	<u>14,734</u>	<u>(21,962)</u>	<u>375,519</u>
<b>RESULT</b>						
Segment operating profit	124,298	17,126	45	9,524	-	150,993
Share of results of associates	-	-	-	(594)	-	(594)
Share of results of joint ventures	6,952	-	-	-	-	6,952
Segment results	<u>131,250</u>	<u>17,126</u>	<u>45</u>	<u>8,930</u>	<u>-</u>	<u>157,351</u>
Interest income						8,974
Interest expense						<u>(19,200)</u>
Profit before taxation						<u>147,125</u>
Taxation						<u>(44,892)</u>
Profit for the period						<u>102,233</u>
<b><u>3 Months Ended 30/09/13</u></b>						
<b>REVENUE</b>						
External	245,718	24,034	1,270	9,587	-	280,609
Inter-segment	14,891	-	-	-	(14,891)	-
Total Revenue	<u>260,609</u>	<u>24,034</u>	<u>1,270</u>	<u>9,587</u>	<u>(14,891)</u>	<u>280,609</u>
<b>RESULT</b>						
Segment operating profit	111,825	15,967	(366)	5,833	-	133,259
Share of results of associates	1,124	-	-	1,054	-	2,178
Share of results of joint ventures	26,260	-	-	-	-	26,260
Segment results	<u>139,209</u>	<u>15,967</u>	<u>(366)</u>	<u>6,887</u>	<u>-</u>	<u>161,697</u>
Interest income						9,705
Interest expense						<u>(8,400)</u>
Profit before taxation						<u>163,002</u>
Taxation						<u>(51,327)</u>
Profit for the period						<u>111,675</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.





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### **Explanatory Notes**

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

There were no material events subsequent to the end of financial period.

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

There were no changes in the composition of the Group during the financial period ended 30 September 2014 save for the acquisition of additional 5.2% of the issued and paid-up ordinary shares and 6.5% of the issued and paid-up cumulative redeemable preference shares in an associate, Continental Estate Sdn. Bhd. ("CESB") for a total consideration of RM20.8 million. Upon completion of this acquisition, the Group owns 29.3% of the equity interest in CESB.

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

There were no material contingent liabilities for the Group as at 30 September 2014.



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

#### **1) Review of Group's Performance**

##### **Q1 FY 2015 vs Q1 FY 2014**

The Group has achieved revenue and operating profit of RM375.5 million and RM151.0 million respectively in Q1 FY 2015, which is RM94.9 million or 34% and RM17.7 million or 13% respectively higher than Q1 FY 2014. The increase in both revenue and operating profit is contributed from all operating segments and the details are set out as follows:-

##### Property development

Revenue and operating profit of RM311.3 million and RM124.3 million respectively were recorded for Q1 FY 2015, which is RM65.6 million or 27% and RM12.5 million or 11% respectively higher than the previous corresponding period. The increase in both revenue and operating profit is mainly due to higher contribution from sales of completed properties and advanced progress works from high rise residential properties.

##### Property investment

Revenue and operating profit of RM28.5 million and RM17.1 million respectively were reported for Q1 FY 2015, which is RM4.5 million or 19% and RM1.2 million or 8% respectively higher than the previous corresponding period. The increase is mainly due to additional rental income from assets acquired from the internal restructuring exercise that was completed on 5 December 2013 prior to the listing of the Company.

##### Leisure, hospitality and other operations

Revenue and operating profit of RM35.6 million and RM9.6 million respectively were recorded for Q1 FY 2015, which is RM24.8 million or 228% and RM4.1 million or 75% respectively higher than the previous corresponding period. The increase is mainly contributed from additional income generated from Putrajaya Marriott Hotel and Palm Garden Hotel, which were acquired from the internal restructuring exercise that was completed on 5 December 2013 prior to the listing of the Company.

The Group has reported lower profit before taxation of RM147.1 million for the current quarter as compared to RM163.0 million in the previous corresponding period. The lower profit before taxation is mainly due to decrease in share of results from both associates and joint ventures and higher net interest expense reported for the current period under review.

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

The Group's profit before taxation for Q1 FY 2015 of RM147.1 million is RM13.1 million or 8% lower than the profit before taxation of RM160.2 million (excluding fair value gains on investment properties of RM305.3 million) reported in Q4 FY 2014. This is mainly due to decrease in share of results of associates and joint ventures, lower income from other operations and increase in net interest expense in the current quarter under review.

#### **3) Prospects**

The Malaysia property market remains challenging with tighter financial criteria by banks on loan approvals, looming introduction of Goods and Services Tax ("GST") and potential interest rate hikes. However, we believe that there will be a surge in demand for properties prior to the implementation of GST as evidenced in most of the countries when GST was first implemented.

The Group will continue to focus on affordable housing and landed properties in our new townships in Bangi, Sepang and Bahau, Negeri Sembilan. In addition, the Group is expected to generate additional income from our investment property segment with the opening of IOI City Mall in November 2014.

Barring unforeseen circumstances, the Group's overall 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.



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## Interim Report For The Financial Period Ended 30 September 2014

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

#### 6) Taxation

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 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	28,941	32,136	28,941	32,136
-Prior year	(650)	8,345	(650)	8,345
Deferred taxation				
-Current year	16,365	10,954	16,365	10,954
-Prior year	236	(108)	236	(108)
	<b>44,892</b>	<b>51,327</b>	<b>44,892</b>	<b>51,327</b>

The effective tax rate of the Group for the current quarter of 30.5% is higher than the prevailing statutory rate of 25%. The higher effective tax rate is mainly due to higher tax rate in foreign operations.

#### 7) Corporate Proposal

##### (a) Proposed issuance of unrated Islamic Medium Term Notes pursuant to an unrated Islamic Term Note Programme of up to RM1,500 million in nominal value ("Sukuk Programme")

<b>Proposal</b>	<p>On 9 May 2014, the Company announced that its wholly- owned subsidiary, IOIP Capital Management Sdn. Bhd. ("IOIPCM") has submitted an application to the Securities Commission Malaysia ("SC") in relation to the Sukuk Programme.</p> <p>The Sukuk Programme shall have a tenure of up to fifteen (15) years from the date of first issuance of the unrated Islamic Medium Term Notes ("Sukuk Murabahah") under the Sukuk Programme.</p> <p>IOIPCM intends to use the proceeds raised from the Sukuk Programme for Shariah compliant purposes:</p> <p>(i) In respect of the first issuance of the Sukuk Murabahah of up to RM750 million, the proceeds to be raised shall be utilised to refinance an existing bridge loan facility granted by Malayan Banking Berhad ("MBB") to IOIPCM; and</p> <p>(ii) In respect of the subsequent issuances of the Sukuk Murabahah, the proceeds to be raised shall be utilised amongst others to finance land and development costs, any incidental costs, investment and working capital requirements of the Group.</p>
<b>Principal Adviser, Lead Arranger and Lead Manager</b>	Maybank Investment Bank Berhad
<b>Status</b>	<p>The proposal was completed after the completion of the following:-</p> <p>(i) On 23 June 2014, IOIPG received the SC's approval vide its letter dated 20 June 2014 authorising the Sukuk Programme.</p> <p>(ii) On 15 September 2014, IOIPG and IOIPCM entered into transaction documents for the establishment of the Sukuk Programme.</p> <p>(iii) On 30 September 2014, IOIPCM successfully made its first issuance of Sukuk Murabahah under the Sukuk Programme. The Sukuk Murabahah is issued for the aggregate nominal value of RM750.0 million for tenures of 3, 4 and 5 years.</p>

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**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements****7) Corporate Proposal**

- (b) (i) **Proposed renounceable rights issue of 539,835,787 new ordinary shares of RM1.00 each in IOIPG ("IOIPG Shares") ("Rights Shares") at an issue price of RM1.90 per Right Share on the basis of one (1) Rights Share for every six (6) existing IOIPG Shares at an entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue") and**
- (ii) **Proposed establishment of an employees' share option scheme ("ESOS") of up to ten percent (10%) of the issued and paid-up share capital of IOIPG ("Proposed ESOS" or the Scheme")**

<b>Proposal</b>	On 10 November 2014, IOIPG announced to Bursa Malaysia Securities Berhad ("Bursa Malaysia") that the Company proposes to undertake the Proposed Rights Issue and Proposed ESOS (collectively referred to as the "Proposals")
<b>Proposed Rights Issue</b>	<p>The Proposed Rights Issue of 539,835,787 Rights Shares at an issue price of RM1.90 is to be implemented on a renounceable basis of one (1) Rights Share for every six (6) existing IOIPG Shares held at the Entitlement Date.</p> <p>The Rights Shares will be offered to the shareholders of IOIPG whose names appear in the Record of Depositors of the Company as at the close of business at the Entitlement Date ("Entitled Shareholders").</p> <p>Any Rights Shares which are not taken up or validly taken up shall be made available for excess Rights Shares applications by the Entitled Shareholders and/or their renounees. It is the intention of the Board to allocate the excess Rights Shares in a fair and equitable manner on such basis to be determined by the Board and announced later by the Company.</p> <p>The Company intends to undertake the Proposed Rights Issue on a full subscription basis (i.e. full subscription for the 539,835,787 Rights Shares proposed to be issued under the Proposed Rights Issue) ("Full Subscription Level").</p> <p>The expected utilisation of the proceeds to be raised from the Proposed Rights Issue are as follows:-</p> <ul style="list-style-type: none"> <li>(i) To utilise mainly for our investment properties at IOI Resort City, which includes the development costs for the completion of common infrastructure, IOI City Tower One, IOI City Tower Two and IOI City Hotel;</li> <li>(ii) To earmark for any potential investment opportunities which may arise in the future, and</li> <li>(iii) To use for the Group's working capital purposes, which include the payment to suppliers and contractors for on-going development projects, as well as for day-to-day operations.</li> </ul>
<b>Proposed ESOS or the Scheme</b>	<p>The Proposed ESOS will involve granting of options ("ESOS Options") to the eligible employees and directors of IOIPG and its subsidiaries which are incorporated and existing in Malaysia and/or are not dormant, who meet the eligible criteria to participate in the Scheme ("Eligible Person(s)"), to subscribe for new IOIPG Shares at a pre-determined price ("Exercise Price"), in accordance with the by-laws governing the Scheme ("By-Laws"). The Proposed ESOS will be valid for a duration of five (5) years.</p> <p>The Scheme will be administered by a share scheme committee ("ESOS Committee"), the members of which shall be duly appointed and authorised by the Board, which will have the absolute discretion in administering the Scheme including prescribing the financial and performance targets/criteria and such other conditions as it may deem fit. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the ESOS Committee (including any selection) may be exercised in the ESOS Committee's sole and absolute discretion in accordance with the terms of reference of which the Board may establish to regulate and govern the ESOS Committee's functions and responsibilities under the By-Laws.</p> <p>The Proposed ESOS is targeted at employees (under the grade M1 and above) and all executive directors of the Group who are involved in the management of the Group ("Executive Directors") in recognition of their accumulated contributions to the operations and continued growth of the Group. The Proposed ESOS is also intended to align the interests of the management and Executive Directors of the Group to drive long term financial performance and shareholders' value enhancement.</p>
<b>Adviser</b>	AmInvestment Bank Berhad
<b>Status</b>	The Company had on 11 November 2014 submitted the additional listing application on the Proposals to Bursa Malaysia.



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**8) Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 30 September 2014 are as follows:

**RM'000**

**Long term borrowings**

Unsecured

Denominated in RM

Denominated in SGD (SGD200 million)

**1,543,350**

**514,080**

**2,057,430**

**9) Derivative Financial Instruments**

There is no significant outstanding derivative financial instrument at the end of the reporting period.

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

There is no fair value changes of financial liabilities as at the end of the reporting period.

**11) Realised and Unrealised Profits**

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

**Total retained profits of IOI Properties Group Berhad and its subsidiaries:**

- Realised

**3,889,568**

- Unrealised

**1,056,030**

**4,945,598**

**Total share of retained profits from associates:**

- Realised

**6,198**

- Unrealised

**(195)**

**6,003**

**Total share of accumulated losses from joint ventures:**

- Realised

**45,797**

- Unrealised

**(39,388)**

**6,409**

**Total Group retained profits**

**4,958,010**



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

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

	<b>CURRENT YEAR QUARTER (30/9/14) RM'000</b>	<b>CURRENT YEAR TO DATE (30/9/14) RM'000</b>
Interest income	<b>(8,974)</b>	<b>(8,974)</b>
Interest expense	<b>19,200</b>	<b>19,200</b>
Depreciation and amortisation	<b>5,518</b>	<b>5,518</b>
Impairment losses on receivables	<b>13</b>	<b>13</b>

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**

There is no 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 30 September 2014.



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**15) Earnings per Share**

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER RM'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
<b>a) Basic earnings per share</b>				
Net profit for the period	<b>101,001</b>	111,060	<b>101,001</b>	111,060
Weighted average number of ordinary shares in issue ('000)	<b>3,239,015</b>	3,239,015	<b>3,239,015</b>	3,239,015
Basic earnings per share (sen)	<b>3.12</b>	3.43	<b>3.12</b>	3.43
<b>b) Diluted earnings per share</b>				
Net profit for the period	<b>101,001</b>	111,060	<b>101,001</b>	111,060
Weighted average number of ordinary shares in issue ('000)	<b>3,239,015</b>	3,239,015	<b>3,239,015</b>	3,239,015
Diluted earnings per share (sen)	<b>3.12</b>	3.43	<b>3.12</b>	3.43

**16) Audit Qualification**

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

**Tan Choong Khiang**  
Company Secretary

Putrajaya  
21 November 2014