



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Interim Report For The Financial Period Ended 31 December 2014**

(The figures have not been audited)

**Condensed Consolidated Statement of Profit or Loss**

|  | INDIVIDUAL QUARTER   |                                      | CUMULATIVE QUARTER   |                                     |
|--|----------------------|--------------------------------------|----------------------|-------------------------------------|
|  | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
|  | 31/12/14             | 31/12/13                             | 31/12/14             | 31/12/13                            |
|  | RM'000               | RM'000                               | RM'000               | RM'000                              |
| <b>Revenue</b>   | <b>448,258</b>       | <b>392,615</b>                       | <b>823,777</b>       | <b>671,480</b>                      |
| Cost of sales  | (214,715)            | (185,617)                            | (376,529)            | (300,457)                           |
| <b>Gross profit</b>  | <b>233,543</b>       | <b>206,998</b>                       | <b>447,248</b>       | <b>371,023</b>                      |
| Other operating income   | 183,954              | 203,316                              | 189,462              | 211,556                             |
| Marketing and selling expenses   | (17,749)             | (16,401)                             | (39,789)             | (26,314)                            |
| Administration expenses  | (34,227)             | (17,988)                             | (60,927)             | (39,222)                            |
| Other operating expenses   | (16,593)             | (7,083)                              | (36,073)             | (14,942)                            |
| <b>Operating profit</b>  | <b>348,928</b>       | <b>368,842</b>                       | <b>499,921</b>       | <b>502,101</b>                      |
| Share of results of associates   | 1,199                | 1,363                                | 605                  | 3,541                               |
| Share of results of joint ventures   | (5,330)              | 8,405                                | 1,622                | 34,665                              |
| <b>Profit before interest and taxation</b>                                       | <b>344,797</b>       | <b>378,610</b>                       | <b>502,148</b>       | <b>540,307</b>                      |
| Interest income  | 10,334               | 8,716                                | 19,308               | 18,421                              |
| Interest expense   | (21,186)             | (10,375)                             | (40,386)             | (18,775)                            |
| <b>Profit before taxation</b>  | <b>333,945</b>       | <b>376,951</b>                       | <b>481,070</b>       | <b>539,953</b>                      |
| Taxation   | (51,176)             | (69,022)                             | (96,068)             | (120,349)                           |
| <b>Profit for the period</b>   | <b>282,769</b>       | <b>307,929</b>                       | <b>385,002</b>       | <b>419,604</b>                      |
| Attributable to:   |                      |                                      |                      |                                     |
| Owners of the parent   | 280,348              | 300,174                              | 381,349              | 411,234                             |
| Non-controlling interests  | 2,421                | 7,755                                | 3,653                | 8,370                               |
|  | 282,769              | 307,929                              | 385,002              | 419,604                             |
| <b>Earnings per share for profit attributable to owners of the Company (sen)</b> |                      |                                      |                      |                                     |
| Basic  | 8.65                 | 9.27                                 | 11.77                | 12.70                               |
| Diluted  | 8.65                 | 9.27                                 | 11.77                | 12.70                               |

(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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(The figures have not been audited)

**Condensed Consolidated Statement of Other Comprehensive Income**

|  | INDIVIDUAL QUARTER   |                                      | CUMULATIVE QUARTER   |                                     |
|--|----------------------|--------------------------------------|----------------------|-------------------------------------|
|  | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
|  | 31/12/14             | 31/12/13                             | 31/12/14             | 31/12/13                            |
|  | RM'000               | RM'000                               | RM'000               | RM'000                              |
| <b>Profit for the period</b>   | <b>282,769</b>       | 307,929                              | <b>385,002</b>       | 419,604                             |
| <b>Other comprehensive income that will be reclassified subsequently to profit or loss</b> |                      |                                      |                      |                                     |
| Exchange differences on translation of foreign operations                                  | 194,535              | 43,763                               | 229,541              | 115,170                             |
| <b>Other comprehensive income for the period, net of tax</b>                               | <b>194,535</b>       | 43,763                               | <b>229,541</b>       | 115,170                             |
| <b>Total comprehensive income for the period</b>   | <b>477,304</b>       | 351,692                              | <b>614,543</b>       | 534,774                             |
| <b>Total comprehensive income attributable to:</b>   |                      |                                      |                      |                                     |
| Owners of the Company  | 472,980              | 343,357                              | 608,888              | 525,670                             |
| Non-controlling interests  | 4,324                | 8,335                                | 5,655                | 9,104                               |
|  | <b>477,304</b>       | 351,692                              | <b>614,543</b>       | 534,774                             |

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

(Incorporated in Malaysia)

**Interim Report For The Financial Period Ended 31 December 2014**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

|                                      | AS AT<br>31/12/14<br>RM'000 | AS AT<br>30/06/14<br>RM'000 |
|--------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                        |                             |                             |
| <b>Non-current assets</b>            |                             |                             |
| Property, plant & equipment          | 1,165,969                   | 1,047,300                   |
| Prepaid lease payments               | 103,334                     | 94,502                      |
| Land held for property development   | 3,193,224                   | 3,011,711                   |
| Investment properties                | 3,236,461                   | 2,765,489                   |
| Goodwill on consolidation            | 11,472                      | 11,472                      |
| Investments in associates            | 85,925                      | 64,517                      |
| Interests in joint ventures          | 3,957,768                   | 3,855,746                   |
| Deferred tax assets                  | 82,470                      | 72,896                      |
|                                      | <b>11,836,623</b>           | <b>10,923,633</b>           |
| <b>Current assets</b>                |                             |                             |
| Property development costs           | 2,222,114                   | 2,116,687                   |
| Inventories                          | 349,305                     | 191,519                     |
| Trade and other receivables          | 819,319                     | 492,044                     |
| Current tax assets                   | 66,160                      | 42,311                      |
| Other investments                    | 253,514                     | 340,629                     |
| Short term funds                     | 289,104                     | 225,079                     |
| Deposits with financial institutions | 391,210                     | 261,957                     |
| Cash and bank balances               | 216,743                     | 131,216                     |
|                                      | <b>4,607,469</b>            | <b>3,801,442</b>            |
| <b>TOTAL ASSETS</b>                  | <b>16,444,092</b>           | <b>14,725,075</b>           |



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(Incorporated in Malaysia)

**Interim Report For The Financial Period Ended 31 December 2014**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

|  | AS AT<br>31/12/14<br>RM'000 | AS AT<br>30/06/14<br>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   | 11,774,206                  | 11,546,667                  |
| Reorganisation debit balance   | (8,440,152)                 | (8,440,152)                 |
| Retained earnings  | 4,979,237                   | 4,857,000                   |
|  | <u>11,552,306</u>           | <u>11,202,530</u>           |
| <b>Non-controlling interests</b>                                       | <b>101,317</b>              | <b>98,677</b>               |
| <b>Total equity</b>  | <b><u>11,653,623</u></b>    | <b><u>11,301,207</u></b>    |
| <b>Non-current liabilities</b>   |                             |                             |
| Borrowings   | 2,772,390                   | 1,307,230                   |
| Amounts due to non-controlling interests                               | 98,567                      | 95,305                      |
| Deferred tax liabilities   | 239,663                     | 205,411                     |
|  | <u>3,110,620</u>            | <u>1,607,946</u>            |
| <b>Current liabilities</b>   |                             |                             |
| Borrowings   | 237,214                     | 750,000                     |
| Trade and other payables   | 1,409,525                   | 1,040,865                   |
| Current tax liabilities  | 33,110                      | 25,057                      |
|  | <u>1,679,849</u>            | <u>1,815,922</u>            |
| <b>Total liabilities</b>   | <b><u>4,790,469</u></b>     | <b><u>3,423,868</u></b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <b><u>16,444,092</u></b>    | <b><u>14,725,075</u></b>    |
| <br>   |                             |                             |
| <b>Net assets per share attributable to owners of the Company (RM)</b> | <b>3.57</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.)



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

**IOI PROPERTIES**

## Interim Report For The Financial Period Ended 31 December 2014

(The figures have not been audited)

### Condensed Consolidated Statement of Cash Flows

|   | 6 Months Ended<br>31/12/14<br>RM'000 | 6 Months Ended<br>31/12/13<br>RM'000 |
|---|--------------------------------------|--------------------------------------|
| <b>Operating Activities</b>                                       |                                      |                                      |
| Profit before taxation  | 481,070                              | 539,953                              |
| Adjustments for:  |                                      |                                      |
| Depreciation and amortisation                                     | 12,423                               | 3,562                                |
| Fair value gain on investment properties                          | (178,335)                            | -                                    |
| Gain on bargain purchase for the acquisition of subsidiaries      | -                                    | (197,966)                            |
| Other non-cash items  | 19,955                               | (40,164)                             |
| Operating profit before working capital changes                   | 335,113                              | 305,385                              |
| Decrease in inventories   | 30,156                               | 45,391                               |
| (Increase)/Decrease in receivables and other assets               | (292,476)                            | (250,270)                            |
| Increase/(Decrease) in payables and other liabilities             | 329,497                              | 436,833                              |
| Cash generated from operations                                    | 402,290                              | 537,339                              |
| Taxes paid  | (92,960)                             | (80,832)                             |
| Taxes refund  | -                                    | 149                                  |
| <b>Net cash inflow from operating activities</b>                  | <b>309,330</b>                       | <b>456,656</b>                       |
| <b>Investing Activities</b>                                       |                                      |                                      |
| Acquisitions of subsidiaries                                      | -                                    | 62,436                               |
| Repayments from a joint venture                                   | 49,668                               | 12,969                               |
| Interest received   | 16,387                               | 6,856                                |
| Dividends received  | -                                    | 6,290                                |
| Proceeds from disposal of land from compulsory acquisition        | 3,035                                | 3,933                                |
| Proceeds from disposal of other investments                       | -                                    | 1,081                                |
| Proceeds received upon maturity of other investments              | 118,307                              | -                                    |
| Proceeds from disposal of property, plant and equipment           | 1,532                                | 205                                  |
| Additions to prepaid lease payments                               | -                                    | (1,151)                              |
| Additional investment in a subsidiary                             | (6)                                  | (2,682)                              |
| Additional investments in joint ventures                          | (30,911)                             | (13,890)                             |
| Additional investment in an associate                             | (20,803)                             | -                                    |
| Deposits paid for investment in an associate                      | (237,078)                            | -                                    |
| Advances to joint ventures  | (2,578)                              | (28,630)                             |
| Additions to property, plant and equipment                        | (122,571)                            | (34,994)                             |
| Additions to other investments                                    | -                                    | (61,760)                             |
| Additions to investment properties                                | (296,549)                            | (75,511)                             |
| Additions to land held for property development                   | (170,213)                            | (484,633)                            |
| <b>Net cash outflow from investing activities</b>                 | <b>(691,780)</b>                     | <b>(609,481)</b>                     |
| <b>Financing Activities</b>                                       |                                      |                                      |
| Advance from a former related company                             | -                                    | 463,480                              |
| Drawdown of borrowings  | 937,214                              | -                                    |
| Dividend paid   | (259,121)                            | (14,996)                             |
| Dividend paid to non-controlling interests                        | (3,000)                              | (4,403)                              |
| Interest paid   | (30,327)                             | (2,647)                              |
| <b>Net cash inflow from financing activities</b>                  | <b>644,766</b>                       | <b>441,434</b>                       |
| <b>Net increase in cash and cash equivalents</b>                  | <b>262,316</b>                       | <b>288,609</b>                       |
| <b>Cash and cash equivalents at beginning of period</b>           | <b>618,252</b>                       | <b>376,738</b>                       |
| <b>Effect of exchange rate changes</b>                            | <b>16,489</b>                        | <b>6,005</b>                         |
| <b>Cash and cash equivalents at beginning of financial period</b> | <b>634,741</b>                       | <b>382,743</b>                       |
| <b>Cash and cash equivalents at end of period</b>                 | <b>897,057</b>                       | <b>671,352</b>                       |

(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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**Interim Report For The Financial Period Ended 31 December 2014**

(The figures have not been audited)

**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 equity 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>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                                       | -                | -                 | -               | -                                    | -                            | 381,349           | 381,349  | 3,653                     | 385,002           |
| Exchange difference on translation of foreign operations              | -                | -                 | -               | 227,539                              | -                            | -                 | 227,539  | 2,002                     | 229,541           |
| <b>Total comprehensive income</b>                                     | -                | -                 | -               | 227,539                              | -                            | 381,349           | 608,888  | 5,655                     | 614,543           |
| Transactions with owners  |                  |                   |                 |                                      |                              |                   |  |                           |                   |
| Changes in equity interests in subsidiaries                           | -                | -                 | -               | -                                    | -                            | 9                 | 9  | (15)                      | (6)               |
| Dividend paid   | -                | -                 | -               | -                                    | -                            | (259,121)         | (259,121)  | -                         | (259,121)         |
| Dividend paid to non-controlling interests                            | -                | -                 | -               | -                                    | -                            | -                 | -  | (3,000)                   | (3,000)           |
| <b>As at 31 December 2014</b>   | <b>3,239,015</b> | <b>11,383,821</b> | -               | <b>390,385</b>                       | <b>(8,440,152)</b>           | <b>4,979,237</b>  | <b>11,552,306</b>                                  | <b>101,317</b>            | <b>11,653,623</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>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>                                     | -                | -                 | -               | 34,410                               | -                            | 889,918           | 924,328  | 13,957                    | 938,285           |
| 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>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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(Incorporated in Malaysia)

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

| <b>Title</b>  | <b>Effective Date</b> |
|---|-----------------------|
| 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 financial period save for the issuance of the unrated Islamic Medium Term Notes under the Sukuk programme for the aggregate nominal value of RM750.0 million on 30 September 2014.

#### **f) Dividends Paid**

On 29 October 2014, the Company paid an interim single-tier dividend of 8 sen per ordinary share amounting to RM259,121,000 in respect of the financial year ended 30 June 2014.



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**Interim Report For The Financial Period Ended 31 December 2014**

(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 31/12/14</u></b>                        |                         |                        |                          |                     |                 |                  |
| <b>REVENUE</b>   |                         |                        |                          |                     |                 |                  |
| External   | 683,474                 | 70,484                 | 49,095                   | 20,724              | -               | 823,777          |
| Inter-segment  | 70,170                  | -                      | -                        | -                   | (70,170)        | -                |
| Total Revenue  | <u>753,644</u>          | <u>70,484</u>          | <u>49,095</u>            | <u>20,724</u>       | <u>(70,170)</u> | <u>823,777</u>   |
| <b>RESULT</b>  |                         |                        |                          |                     |                 |                  |
| Segment operating profit                                     | 264,774                 | 40,809                 | 4,016                    | 11,987              | -               | 321,586          |
| Fair value gain on investment properties                     | -                       | 178,335                | -                        | -                   | -               | 178,335          |
| Share of results of associates                               | -                       | -                      | -                        | 605                 | -               | 605              |
| Share of results of joint ventures                           | 1,622                   | -                      | -                        | -                   | -               | 1,622            |
| Segment results  | <u>266,396</u>          | <u>219,144</u>         | <u>4,016</u>             | <u>12,592</u>       | <u>-</u>        | <u>502,148</u>   |
| Interest income  |                         |                        |                          |                     |                 | 19,308           |
| Interest expense   |                         |                        |                          |                     |                 | <u>(40,386)</u>  |
| Profit before taxation                                       |                         |                        |                          |                     |                 | <u>481,070</u>   |
| Taxation   |                         |                        |                          |                     |                 | <u>(96,068)</u>  |
| Profit for the period  |                         |                        |                          |                     |                 | <u>385,002</u>   |
| <b><u>6 Months Ended 31/12/13</u></b>                        |                         |                        |                          |                     |                 |                  |
| <b>REVENUE</b>   |                         |                        |                          |                     |                 |                  |
| External   | 591,682                 | 47,809                 | 12,333                   | 19,656              | -               | 671,480          |
| Inter-segment  | 35,402                  | -                      | -                        | -                   | (35,402)        | -                |
| Total Revenue  | <u>627,084</u>          | <u>47,809</u>          | <u>12,333</u>            | <u>19,656</u>       | <u>(35,402)</u> | <u>671,480</u>   |
| <b>RESULT</b>  |                         |                        |                          |                     |                 |                  |
| Segment Operating profit                                     | 257,314                 | 32,139                 | 2,494                    | 12,188              | -               | 304,135          |
| Share of results of associates                               | 1,990                   | -                      | -                        | 1,551               | -               | 3,541            |
| Share of results of joint ventures                           | 34,665                  | -                      | -                        | -                   | -               | 34,665           |
| Segment results  | <u>293,969</u>          | <u>32,139</u>          | <u>2,494</u>             | <u>13,739</u>       | <u>-</u>        | <u>342,341</u>   |
| Gain on bargain purchase for the acquisition of subsidiaries |                         |                        |                          |                     |                 | 197,966          |
| Interest income  |                         |                        |                          |                     |                 | 18,421           |
| Finance cost   |                         |                        |                          |                     |                 | <u>(18,775)</u>  |
| Profit before taxation                                       |                         |                        |                          |                     |                 | <u>539,953</u>   |
| Taxation   |                         |                        |                          |                     |                 | <u>(120,349)</u> |
| Profit for the period  |                         |                        |                          |                     |                 | <u>419,604</u>   |

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





**IOI PROPERTIES**

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

(Incorporated in Malaysia)

## **Interim Report For The Financial Period Ended 31 December 2014**

(The figures have not been audited)

### **Explanatory Notes**

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

There were no material events subsequent to the end of financial period save for the completion of the proposed rights issue and proposed establishment of an employees' share option scheme ("ESOS") as disclosed in Note 7(a) of this interim report.

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

There were no material changes in the composition of the Group during the financial period ended 31 December 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 31 December 2014.



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

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

##### **(a) Performance of the current year quarter against the preceding year corresponding quarter**

The Group recorded revenue of RM448.3 million for the current quarter under review as compared to RM392.6 million in the preceding year corresponding quarter. Revenue from property development has contributed approximately 83% of the Group's overall revenue that is RM26.2 million or 8% higher than the preceding year corresponding quarter. The remaining 17% of the Group's revenue was contributed from property investment, leisure & hospitality and other operations. The increase in revenue is contributed from all operating segments.

The increase in revenue from both property investment, leisure & hospitality and other operations is mainly due to higher income generated from assets acquired from the internal restructuring exercise that was completed on 5 December 2013 prior to the listing of the Company.

Included in the Group's operating profit of RM348.9 million for the current quarter is a fair value gain of RM178.3 million on the completion of IOI City Mall that has commenced operation on 20 November 2014. The Group's operating profit of RM170.6 million (after excluding fair value gain on investment properties of RM178.3 million) in the current quarter is slightly lower than the preceding year corresponding quarter of RM170.8 million (after excluding one off gain on acquisition of subsidiaries of RM198.0 million). The decrease in operating profit is mainly due to higher related marketing and selling expenses.

##### **(b) Performance of the current year to date against the preceding year corresponding period**

The Group recorded revenue and operating profit of RM823.8 million and RM321.6 million (excluding fair value gain on investment properties of RM178.3 million) respectively for the current year to date, which is RM152.3 million or 23% and RM17.5 million or 6% respectively higher than the preceding year corresponding period after excluding one off gain on acquisition of subsidiaries of RM198.0 million. The increase in both revenue and operating profit are contributed from all operating segments. The contributing factors on the increase in revenue from all operating segments are highlighted in Note 1(a) above whereas the increase in operating profit is mainly due to higher gross profit being reported from all operating segments.

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

The Group recorded profit before tax of RM333.9 million for the current quarter under review, which is RM186.8 million or 127% higher than the immediate preceding quarter of RM147.1 million. The increase is mainly due to fair value gain of RM178.3 million related to IOI City Mall as highlighted in Note 1(a) above. In addition, the increase is partly contributed by higher gross profit registered from both property development and property investment segments which is offset by a decrease in share of results of joint ventures.



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

#### 3) Prospects

The Malaysian property market remains challenging with the banks' credit tightening measures, volatile economy and the impending introduction of Goods and Services Tax ("GST").

The Group will continue to focus on affordable housing and landed properties in our existing and new townships in Klang Valley and Johor. The Group is also expected to generate higher income stream from its investment property segment with the successful opening of IOI City Mall in November 2014. Despite the challenging market condition, 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                |  | CUMULATIVE QUARTER                |   |
|--|-----------------------------------|--|-----------------------------------|---|
|  | CURRENT YEAR<br>QUARTER<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>RM'000 | CURRENT YEAR TO<br>DATE<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>RM'000 |
| The tax expense comprises the following: |                                   |  |                                   |   |
| Current taxation                         |                                   |  |                                   |   |
| -Current year                            | 51,659                            | 41,304   | 80,600                            | 73,440  |
| -Prior year                              | (3)                               | 66   | (653)                             | 8,411   |
| Deferred taxation                        |                                   |  |                                   |   |
| -Current year                            | (524)                             | 27,096   | 15,841                            | 38,606  |
| -Prior year                              | 44                                | 556  | 280                               | (108)   |
|  | <b>51,176</b>                     | <b>69,022</b>  | <b>96,068</b>                     | <b>120,349</b>                                      |

The effective tax rate of the Group for the current quarter of 15% is lower than the prevailing statutory rate of 25%. The lower effective tax rate is mainly due to the fair value gains of RM178.3 million on investment properties that are subject to real property gain tax.



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## Interim Report For The Financial Period Ended 31 December 2014

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

#### 7) Corporate Proposals

- (a) (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")**

|  |  |
|--|--|
| <p><b>Proposal</b></p> <p><b>Proposed Rights Issue</b></p> | <p>On 10 November 2014, IOIPG announced to Bursa Malaysia Securities Berhad ("Bursa Malaysia") that the Company has proposed to undertake the Proposed Rights Issue and Proposed ESOS (collectively referred to as the "Proposals").</p> <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> |
|--|--|



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

**7) Corporate Proposal**

- (a) (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>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 Rights Shares are listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 9 February 2015. The Proposed ESOS has obtained the shareholders' approval at the General Meeting held on 18 December 2014 and the ESOS scheme is now pending implementation.   |



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

**7) Corporate Proposal**

**(b) Proposed acquisition by IOI Properties Group Berhad or its nominee(s), of 37.17% stake in Taipei Financial Center Corporation for a total cash consideration of NT\$25.14 billion (RM2.74 billion) ("Proposed Acquisition")**

|                              |  |
|------------------------------|--|
| <b>Proposed Acquisitions</b> | <p>On 5 December 2014, IOIPG had entered into conditional share sale agreements ("Share Sale Agreements") to acquire 546,460,486 ordinary shares of NT\$10 each representing 37.17% interest in TFCC, which owns the Taipei 101 building from the following parties:-</p> <p>(a) purchase of 55,000,000 ordinary shares of NT\$10 each representing 100% interest in Ting Gu Development Co Ltd. ("Ting Gu") from Golden Shine International Holding Ltd for a consideration of NT\$3.61 billion. Ting Gu holds 78,450,000 ordinary shares of NT\$10 each representing 5.34% interest in TFCC;</p> <p>(b) purchase of 4,410,000 ordinary shares of NT\$10 each representing 0.3% interest in TFCC from Ting An Ltd for a consideration of NT\$0.2 billion;</p> <p>(c) purchase of 385,976,304 ordinary shares of NT\$10 each representing 26.25% interest in TFCC held by Ting Ji Development Co Ltd for a consideration of NT\$17.76 billion; and</p> <p>(d) purchase of 77,624,182 ordinary shares of NT\$10 each representing 5.28% interest in TFCC held by Ting Li Development Enterprises Co Ltd for a consideration of NT\$3.57 billion.</p> <p>(collectively to be defined as "Proposed Acquisition")</p> <p>The total cash consideration for the Proposed Acquisitions is approximately NT\$25.14 billion (RM2.74 billion).</p> |
| <b>Status</b>                | <p>The Proposed Acquisition is pending foreign investment approval from the Investment Commission of Taiwan and the pre-conditions for closure and completion of the Share Sale Agreements.</p>  |



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

**8) Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2014 are as follows:

|                                     | RM'000                  |
|-------------------------------------|-------------------------|
| a) <b>Short term borrowings</b>     |                         |
| Unsecured                           |                         |
| Denominated in RM                   | 237,214                 |
| b) <b>Long term borrowings</b>      |                         |
| Unsecured                           |                         |
| Denominated in RM                   | 2,243,350               |
| Denominated in SGD (SGD200 million) | 529,040                 |
|                                     | <u>2,772,390</u>        |
| <b>Total borrowings</b>             | <u><u>3,009,604</u></u> |

**9) Derivative Financial Instruments**

There is no material 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/(Losses)**

The retained profits 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   | 3,742,268               |
| - Unrealised   | 1,228,688               |
|  | 4,970,956               |
| <b>Total share of retained profits/(accumulated losses) from associates:</b>       |                         |
| - Realised   | 7,397                   |
| - Unrealised   | (195)                   |
|  | 7,202                   |
| <b>Total share of retained profit/(accumulated losses) from joint ventures:</b>    |                         |
| - Realised   | 41,121                  |
| - Unrealised   | (40,042)                |
|  | 1,079                   |
| <b>Total Group retained profits</b>  | <u><u>4,979,237</u></u> |



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(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):

|   | <b>CURRENT<br/>YEAR<br/>QUARTER<br/>(31/12/14)<br/>RM'000</b> | <b>CURRENT<br/>YEAR TO<br/>DATE<br/>(31/12/14)<br/>RM'000</b> |
|---|---|---|
| Fair value gain on investment properties      | (178,335)   | (178,335)   |
| Interest income                               | (10,334)  | (19,308)  |
| Impairment losses on receivables written back | (594)   | (581)   |
| Interest expense                              | 21,186  | 40,386  |
| Depreciation and amortisation                 | 6,905   | 12,423  |

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 31 December 2014.





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**15) Earnings per Share**

|  | INDIVIDUAL QUARTER                |  | CUMULATIVE QUARTER                   |   |
|--|-----------------------------------|--|--------------------------------------|---|
|  | 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                                  | 280,348                           | 300,174  | 381,349                              | 411,234   |
| Weighted average number of ordinary shares in issue ('000) | 3,239,015                         | 3,239,015  | 3,239,015                            | 3,239,015   |
| Basic earnings per share (sen)                             | 8.65                              | 9.27   | 11.77                                | 12.70   |
| <b>b) Diluted earnings per share</b>                       |                                   |  |                                      |   |
| Net profit for the period                                  | 280,348                           | 300,174  | 381,349                              | 411,234   |
| Weighted average number of ordinary shares in issue ('000) | 3,239,015                         | 3,239,015  | 3,239,015                            | 3,239,015   |
| Diluted earnings per share (sen)                           | 8.65                              | 9.27   | 11.77                                | 12.70   |

**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  
13 February 2015