



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Quarterly Financial Report For The Financial Period Ended 30 June 2015**

(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
	30/06/15	30/06/14	30/06/15	30/06/14
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>614,327</b>	<b>417,169</b>	<b>1,906,491</b>	<b>1,454,445</b>
Cost of sales	(313,731)	(159,201)	(926,142)	(660,869)
<b>Gross profit</b>	<b>300,596</b>	<b>257,968</b>	<b>980,349</b>	<b>793,576</b>
Other operating income	158,503	307,803	356,379	533,422
Marketing and selling expenses	(21,552)	(18,534)	(84,858)	(67,781)
Administration expenses	(49,232)	(50,906)	(162,141)	(115,298)
Other operating expenses	(29,298)	(34,586)	(83,883)	(75,159)
<b>Operating profit</b>	<b>359,017</b>	<b>461,745</b>	<b>1,005,846</b>	<b>1,068,760</b>
Share of results of associates	677	(501)	1,716	3,494
Share of results of joint ventures	78,837	10,389	72,073	60,644
<b>Profit before interest and taxation</b>	<b>438,531</b>	<b>471,633</b>	<b>1,079,635</b>	<b>1,132,898</b>
Interest income	16,206	9,592	50,691	36,174
Interest expense	31,524	(15,749)	-	(48,668)
<b>Profit before taxation</b>	<b>486,261</b>	<b>465,476</b>	<b>1,130,326</b>	<b>1,120,404</b>
Taxation	(82,176)	(71,959)	(229,729)	(216,662)
<b>Profit for the period</b>	<b>404,085</b>	<b>393,517</b>	<b>900,597</b>	<b>903,742</b>
Attributable to:				
Owners of the parent	401,593	389,573	890,702	889,918
Non-controlling interests	2,492	3,944	9,895	13,824
	404,085	393,517	900,597	903,742
<b>Earnings per share for profit attributable to owners of the Company (sen)</b>				
Basic	10.64	12.03	25.83	31.88
Diluted	10.64	12.03	25.83	31.88

(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 quarterly financial report.)

Certain figures included in the preceding year corresponding quarter have been restated to conform with the audited figures.



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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
	30/06/15	30/06/14	30/06/15	30/06/14
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>404,085</b>	393,517	<b>900,597</b>	903,742
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations	199,385	(42,110)	597,455	34,543
<b>Other comprehensive income for the period, net of tax</b>	<b>199,385</b>	(42,110)	<b>597,455</b>	34,543
<b>Total comprehensive income for the period</b>	<b>603,470</b>	351,407	<b>1,498,052</b>	938,285
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	598,479	348,012	1,482,225	924,328
Non-controlling interests	4,991	3,395	15,827	13,957
	<b>603,470</b>	351,407	<b>1,498,052</b>	938,285

(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 quarterly financial report.)



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**Quarterly Financial Report For The Financial Period Ended 30 June 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	AS AT 30/06/15 RM'000	AS AT 30/06/14 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,120,101	1,047,300
Prepaid lease payments	108,401	94,502
Land held for property development	2,894,104	3,011,711
Investment properties	3,388,152	2,765,489
Goodwill on consolidation	11,472	11,472
Investments in associates	95,788	64,517
Interests in joint ventures	4,155,262	3,855,746
Deferred tax assets	97,770	72,896
	<b>11,871,050</b>	<b>10,923,633</b>
<b>Current assets</b>		
Property development costs	3,355,681	2,116,687
Inventories	302,444	191,519
Trade and other receivables	906,520	492,044
Current tax assets	94,164	42,311
Other investments	-	340,629
Short term funds	706,481	225,079
Deposits with financial institutions	762,105	261,957
Cash and bank balances	441,053	131,216
	<b>6,568,448</b>	<b>3,801,442</b>
<b>TOTAL ASSETS</b>	<b>18,439,498</b>	<b>14,725,075</b>



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(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	AS AT 30/06/15 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	3,778,851	3,239,015
Reserves	12,599,541	11,546,667
Reorganisation debit balance	(8,440,152)	(8,440,152)
Retained earnings	5,488,957	4,857,000
	<u>13,427,197</u>	<u>11,202,530</u>
<b>Non-controlling interests</b>	<b>110,957</b>	<b>98,677</b>
<b>Total equity</b>	<b><u>13,538,154</u></b>	<b><u>11,301,207</u></b>
<b>Non-current liabilities</b>		
Borrowings	2,238,650	1,307,230
Amounts due to non-controlling interests	104,896	95,305
Deferred tax liabilities	317,542	205,411
	<u>2,661,088</u>	<u>1,607,946</u>
<b>Current liabilities</b>		
Borrowings	560,360	750,000
Trade and other payables	1,661,939	1,040,865
Current tax liabilities	17,957	25,057
	<u>2,240,256</u>	<u>1,815,922</u>
<b>Total liabilities</b>	<b><u>4,901,344</u></b>	<b><u>3,423,868</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>18,439,498</u></b>	<b><u>14,725,075</u></b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.56</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 quarterly financial report.)

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

(Incorporated in Malaysia)

**IOI PROPERTIES****Quarterly Financial Report For The Financial Period Ended 30 June 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	12 Months Ended 30/06/15 RM'000	12 Months Ended 30/06/14 RM'000
<b>Operating Activities</b>		
Profit before taxation	1,130,326	1,120,404
Adjustments for:		
Depreciation and amortisation	30,140	18,744
Fair value gain on investment properties	(316,586)	(305,307)
Share of results of joint ventures	(72,073)	(60,644)
Interest income	(50,691)	(36,174)
Gain on bargain purchase for the acquisition of subsidiaries	-	(197,966)
Other non-cash items	(2,167)	43,399
Operating profit before working capital changes	<u>718,949</u>	582,456
Decrease in inventories	100,050	63,070
Increase in receivables and other assets	(889,195)	(186,591)
Increase in payables and other liabilities	<u>586,415</u>	613,926
Cash generated from operations	516,219	1,072,861
Taxes paid	(218,503)	(224,166)
Taxes refund	<u>2,812</u>	2,807
<b>Net cash inflow from operating activities</b>	<u>300,528</u>	851,502
<b>Investing Activities</b>		
Acquisitions of subsidiaries	-	62,436
Repayments from a joint venture	46,765	16,701
Interest received	44,724	20,495
Dividends received	101,515	9,430
Proceeds from disposal of land from compulsory acquisition	5,256	8,320
Proceeds received upon maturity of other investments	401,237	184,299
Proceeds from disposal of investment properties	2,094	-
Proceeds from disposal of property, plant and equipment	12,530	437
Additional investments in joint ventures	-	(2,436)
Additional investment in an associate	(29,555)	(1,050)
Advances to joint ventures	(72,935)	(35,752)
Additions to property, plant and equipment	(179,857)	(89,349)
Additions to other investments	-	(523,847)
Additions to investment properties	(264,827)	(397,358)
Additions to land held for property development	<u>(445,401)</u>	(839,826)
<b>Net cash outflow from investing activities</b>	<u>(378,454)</u>	(1,587,500)
<b>Financing Activities</b>		
Repayment to a related company	-	(520,959)
Additional investment in a subsidiary	(171)	(2,682)
Repurchase of treasury shares	(23,601)	-
Proceeds from issuance of right issues	1,024,788	-
Proceeds from issuance of right issues to non-controlling interests	-	870
Drawdown of borrowings	973,526	1,543,350
Repayment of borrowings	(278,532)	-
Repayment from non-controlling interests	-	5,274
Dividend paid	(259,121)	(14,996)
Dividend paid to non-controlling interests	(3,000)	(4,403)
Interest paid	<u>(90,274)</u>	(30,355)
<b>Net cash inflow from financing activities</b>	<u>1,343,615</u>	976,099
<b>Net increase in cash and cash equivalents</b>	<u>1,265,689</u>	240,101
<b>Cash and cash equivalents at beginning of period</b>	<u>618,252</u>	376,738
<b>Effect of exchange rate changes</b>	<u>25,698</u>	1,413
<b>Cash and cash equivalents at beginning of financial period</b>	<u>643,950</u>	378,151
<b>Cash and cash equivalents at end of period</b>	<u>1,909,639</u>	618,252

(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 quarterly financial report.)



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(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	Treasury shares	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	-	-	-	-	-	-	890,702	890,702	9,895	900,597
Exchange difference on translation of foreign operations	-	-	-	591,523	-	-	-	591,523	5,932	597,455
<b>Total comprehensive income</b>	-	-	-	591,523	-	-	890,702	1,482,225	15,827	1,498,052
Transactions with owners										
Issuance of ordinary shares	539,836	485,852	-	-	-	-	-	1,025,688	-	1,025,688
Share issuance costs	-	(900)	-	-	-	-	-	(900)	-	(900)
Changes in equity interests in subsidiaries	-	-	-	-	-	-	376	376	(547)	(171)
Dividend paid	-	-	-	-	-	-	(259,121)	(259,121)	-	(259,121)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(3,000)	(3,000)
Repurchase of treasury shares	-	-	-	-	-	(23,601)	-	(23,601)	-	(23,601)
<b>As at 30 June 2015</b>	<b>3,778,851</b>	<b>11,868,773</b>	-	<b>754,369</b>	<b>(8,440,152)</b>	<b>(23,601)</b>	<b>5,488,957</b>	<b>13,427,197</b>	<b>110,957</b>	<b>13,538,154</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 quarterly financial report.)



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**Quarterly Financial Report For The Financial Period Ended 30 June 2015**

(The figures have not been audited)

**Explanatory Notes**

**a) Accounting Policies**

The quarterly 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 quarterly 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 quarterly 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 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 followings:-

- (a) On 30 September 2014, the Company had issued unrated Medium Term Notes under the Sukuk programme for the aggregate nominal value of RM750.0 million.
- (b) The 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) Right Share for every six (6) existing IOIPG Shares had been duly completed following the listing and quotation of 539,835,787 new ordinary shares on the Main Market of Bursa Malaysia on 9 February 2015. The total gross proceeds raised from the rights issue were amounted to RM1,025,688,000.
- (c) Repurchase of equity securities of 11,956,400 ordinary shares at an average price of RM1.97 per share.

**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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**Quarterly Financial Report For The Financial Period Ended 30 June 2015**

(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>12 Months Ended 30/06/15</u></b>						
<b>REVENUE</b>						
External	1,562,258	192,633	110,778	40,822	-	1,906,491
Inter-segment	178,504	1,860	1,094	832,738	(1,014,196)	-
Total revenue	<u>1,740,762</u>	<u>194,493</u>	<u>111,872</u>	<u>873,560</u>	<u>(1,014,196)</u>	<u>1,906,491</u>
<b>RESULT</b>						
Segment operating profit	559,368	97,515	10,143	22,234	-	689,260
Fair value gain on investment properties	-	316,586	-	-	-	316,586
Share of results of associates	-	-	-	1,716	-	1,716
Share of results of joint ventures	72,073	-	-	-	-	72,073
Segment results	<u>631,441</u>	<u>414,101</u>	<u>10,143</u>	<u>23,950</u>	<u>-</u>	<u>1,079,635</u>
Interest income						50,691
Interest expense						-
Profit before taxation						<u>1,130,326</u>
Taxation						<u>(229,729)</u>
Profit for the period						<u>900,597</u>

**12 Months Ended 30/6/2014**

<b>REVENUE</b>						
External	1,243,476	104,894	58,317	47,758	-	1,454,445
Inter-segment	132,926	1,894	375	515,724	(650,919)	-
Total revenue	<u>1,376,402</u>	<u>106,788</u>	<u>58,692</u>	<u>563,482</u>	<u>(650,919)</u>	<u>1,454,445</u>
<b>RESULT</b>						
Segment operating profit	462,630	66,575	4,377	31,905	-	565,487
Fair value gain on investment properties		305,307			-	305,307
Gain on bargain purchase for the acquisition of subsidiaries	81,174	93,993	22,684	115		197,966
Share of results of associates	1,990	-	-	1,504	-	3,494
Share of results of joint ventures	60,644	-	-	-	-	60,644
Segment results	<u>606,438</u>	<u>465,875</u>	<u>27,061</u>	<u>33,524</u>	<u>-</u>	<u>1,132,898</u>
Interest income						36,174
Interest expense						(48,668)
Profit before taxation						<u>1,120,404</u>
Taxation						<u>(216,662)</u>
Profit for the period						<u>903,742</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.





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## **Quarterly Financial Report For The Financial Period Ended 30 June 2015**

(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.

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

There were no material changes in the composition of the Group during the financial period ended 30 June 2015 save for the acquisition of additional 7.8% of the issued and paid-up ordinary shares and 9.2% of the issued and paid-up cumulative redeemable preference shares in an associate, Continental Estate Sdn. Bhd. ("CESB") for a total consideration of RM29.6 million. Upon completion of this acquisition, the Group owns 32.0% of the equity interest in CESB.

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

There were no material contingent liabilities for the Group as at 30 June 2015.



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## Quarterly Financial Report For The Financial Period Ended 30 June 2015

(The figures have not been audited)

### 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 and operating profit of RM614.3 million and RM220.7 million (after excluding fair value gain on investment properties of RM138.3 million) respectively for the current year quarter under review, which is RM197.1 million or 47% and RM64.3 million or 41% respectively higher than the preceding year corresponding quarter of RM417.2 million and RM156.4 million (after excluding fair value gain on investment properties of RM305.3 million) respectively. The increase in both revenue and operating profit are analysed as follows:-

##### Property development

Revenue and the operating profit of RM508.6 million and RM182.8 million respectively for the current quarter under review, represented respective improvement of RM160.3 million or 46% and RM57.7 million or 46% over the preceding year corresponding quarter. The increase in both revenue and operating profit are mainly contributed from increase in sales of Triling project in Singapore as well as the recent launched projects in IOI Palm City, Xiamen, PRC which has received overwhelming response with advanced progress works.

##### Property investment

Revenue and operating profit of RM64.9 million and RM30.9 million respectively were registered in the current year quarter, which were RM36.8 million or 131% and RM14.0 million or 83% respectively higher than the preceding year corresponding quarter. The increase is mainly derived from the retail segment, the Group's largest contributor in terms of revenue and operating profit with additional 1.44 million net lettable area from IOI City Mall that commenced operation in November 2014. In addition, the Group has recognised total fair value gain of RM138.3 million on investment properties during the current quarter under review which is mainly derived from IOI City Mall.

##### Leisure, hospitality and other operations

Revenue of RM40.8 million registered for the current year quarter is consistent with the performance of the preceding year corresponding quarter. As for the operating profit, it is RM7.4 million lower than the preceding year corresponding quarter. The drop in operating profit is derived from other operations whereby lower income was registered from the provision of management services to joint ventures project.

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

The Group registered revenue of RM1,906.5 million and operating profit of RM689.2 million (after excluding fair value gain on investment properties of RM316.6 million) for the current year-to-date as compared to revenue of RM1,454.4 million and operating profit of RM565.5 million (after excluding fair value gain on investment properties and one off gain on acquisitions of subsidiaries totalling of RM503.3 million) for the preceding year corresponding period. This represented an improvement of RM452.1 million or 31% and RM123.7 million or 22% in both revenue and operating profits respectively as compared to preceding year corresponding period. The increase in property development is mainly due to higher sales from the development projects in Klang Valley, Malaysia and Singapore coupled with steady increase in progress works. For property investment, the increase is derived from higher contribution in the retail segment with additional 1.44 million net lettable area from IOI City Mall that commenced operation in November 2014. As for leisure & hospitality, the increase is mainly due to the opening of Four Point Sheraton, Puchong in December 2014, District 21 and Icescape Ice Rink at IOI City Mall and steady growth from our existing hotel business.

#### 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 RM348.0 million (after excluding fair value gain on investment properties of RM138.3 million) for the current quarter under review, which is RM185.0 million or 113% higher than the immediate preceding quarter of RM163.0 million. The increase is mainly due to increase in operating profit from property development segment of RM71.1 million or 64%. The said increase was derived from higher sales and steady increase in progress works from existing development projects and the recently launched projects in IOI Palm City, Xiamen, PRC. Furthermore, share of results of joint ventures in Singapore has increased by RM87.2 million from recognition of fair value gain on investment properties.



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

## Quarterly Financial Report For The Financial Period Ended 30 June 2015

(The figures have not been audited)

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

#### 3) Prospects

The Malaysian property market remains challenging amidst the backdrop of unfavourable economic outlook with concerns on the banks' credit tightening measures and decline in consumer spending post implementation of Goods and Services Tax ("GST").

The Group will continue to focus on affordable housing and landed properties in our existing and new townships. With its wide geographical presence in Malaysia, the Group has greater flexibility to roll out new products in line with market demand to support the Group's long term growth strategies. Internationally, the Group is targeting to launch its second phase of residential properties in IOI Palm City, Xiamen PRC in the second quarter of financial year 2016 after receiving overwhelming response from its first phase launched during the last quarter of this financial year. In addition, the Group is expected to generate higher income stream from its property investment segment with the completion of two (2) office towers and a five-star hotel, Le Meridien in the third quarter of financial year 2016.

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 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	40,538	38,007	164,351	155,170
-Prior year	1,217	(2,115)	(2,213)	6,269
Deferred taxation				
-Current year	42,121	34,209	69,007	53,412
-Prior year	(1,700)	1,858	(1,416)	1,811
	<b>82,176</b>	<b>71,959</b>	<b>229,729</b>	<b>216,662</b>

The effective tax rate of the Group for the current quarter of 17% is lower than the prevailing statutory rate of 25%. The lower effective tax rate is mainly due to the fair value gains of RM138.3 million on investment properties that are subject to real property gain tax.

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

- (a) **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 ("Rights Issue")**

The Rights Issue had duly completed following the listing and quotation of 539,835,787 new ordinary shares on the Main Market of Bursa Malaysia on 9 February 2015. The total gross proceeds raised from the Rights Issue were amounted to RM1,025,688,000. The status of the utilisation of proceeds as at 30 June 2015 is as follows:-

Details of utilisation	Approved utilisation RM'mil	Actual utilisation RM'mil	Balance unutilised RM'mil	Timeframe for utilisation
Capital expenditure	500.0	258.4	241.6	Within 18 months
Investment opportunities	200.0	-	200.0	Within 24 months
Working capital	324.8	324.8	-	Within 18 months
Estimated expenses in relation to the Rights Issue	0.9	0.9	-	Within 6 months
	<u>1,025.7</u>	<u>584.1</u>	<u>441.6</u>	

- (b) **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")**

The Group had submitted to Bursa Securities all the necessary documents for the implementation of the ESOS on 8 May 2015. The effective date for the ESOS is 8 May 2015. No ESOS were granted to any person during the financial period.



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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 30 June 2015 are as follows:

	AS AT 30/06/15 RM'000	AS At 30/06/14 RM'000
a) <b>Short term borrowings</b>		
Unsecured		
Denominated in RM	-	750,000
Denominated in SGD (SGD200 million)	<u>560,360</u>	<u>-</u>
	<b>560,360</b>	<b>750,000</b>
b) <b>Long term borrowings</b>		
Unsecured		
Denominated in RM	2,238,650	793,350
Denominated in SGD (SGD200 million)	<u>-</u>	<u>513,880</u>
	<b>2,238,650</b>	<b>1,307,230</b>
<b>Total borrowings</b>	<b><u>2,799,010</u></b>	<b><u>2,057,230</u></b>

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

	AS AT 30/06/15 RM'000	AS At 30/06/14 RM'000
<b>Total retained earnings of IOI Properties Group Berhad and its subsidiaries:</b>		
- Realised	4,314,975	3,772,949
- Unrealised	1,243,995	1,075,697
	<u>5,558,970</u>	<u>4,848,646</u>
<b>Total share of retained earnings/(accumulated losses) from associates:</b>		
- Realised	8,626	9,092
- Unrealised	(313)	(195)
	<u>8,313</u>	<u>8,897</u>
<b>Total share of accumulated losses from joint ventures</b>		
- Realised	(63,454)	37,862
- Unrealised	(14,872)	(38,405)
	<u>(78,326)</u>	<u>(543)</u>
<b>Total Group retained earnings</b>	<b><u>5,488,957</u></b>	<b><u>4,857,000</u></b>



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**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 YEAR QUARTER (30/06/15)  RM'000</b>	<b>CURRENT YEAR TO DATE (30/06/15)  RM'000</b>
Depreciation and amortisation	8,907	30,140
Impairment losses on receivables	46	88
Interest expense	(31,524)	-
Fair value gain on investment properties	(138,251)	(316,586)
Interest income	(16,206)	(50,691)
Impairment losses on receivables written back	(44)	(927)

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**

The Board now declares an interim single tier dividend of 6% or 6.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 30 June 2015 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of schedule 6 of the Income Tax Act 1967.

The dividend will be payable on 30 September 2015 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 18 September 2015.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00p.m. on 18 September 2015 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30p.m. on 15 September 2015 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividend declared to date for the current financial year is a single tier dividend of 6.0 sen (30 June 2014: 8.0 sen) per ordinary share of RM1.00 each.



**IOI PROPERTIES**

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

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(The figures have not been audited)

**15) Earnings per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	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>401,593</b>	389,573	<b>890,702</b>	889,819
Weighted average number of ordinary shares in issue ('000)	<b>3,774,924</b>	3,239,015	<b>3,448,043</b>	2,791,036
Basic earnings per share (sen)	<b>10.64</b>	12.03	<b>25.83</b>	31.88
<b>b) Diluted earnings per share</b>				
Net profit for the period	<b>401,593</b>	389,573	<b>890,702</b>	889,819
Weighted average number of ordinary shares in issue ('000)	<b>3,774,924</b>	3,239,015	<b>3,448,043</b>	2,791,036
Diluted earnings per share (sen)	<b>10.64</b>	12.03	<b>25.83</b>	31.88

**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  
27 August 2015