



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(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
	31/03/17	31/03/16	31/03/17	31/03/16
	RM'000	RM'000	RM'000	RM'000
Revenue	895,824	643,554	2,990,064	2,133,224
Cost of sales	(487,166)	(359,157)	(1,764,020)	(1,142,835)
Gross profit	408,658	284,397	1,226,044	990,389
Other operating income	17,547	179,395	113,546	205,476
Marketing and selling expenses	(29,989)	(25,408)	(94,893)	(82,061)
Administration expenses	(37,204)	(48,256)	(126,010)	(142,063)
Other operating expenses	(175,712)	(19,097)	(271,436)	(69,601)
Operating profit	183,300	371,031	847,251	902,140
Share of results of associates	1,139	(978)	2,239	(3,086)
Share of results of joint ventures	1,299	(14,996)	(663)	70,884
Profit before interest and taxation	185,738	355,057	848,827	969,938
Interest income	15,591	16,399	38,187	44,179
Profit before taxation	201,329	371,456	887,014	1,014,117
Taxation	(87,235)	(99,432)	(284,554)	(312,470)
Profit for the period	114,094	272,024	602,460	701,647
Attributable to:				
Owners of the parent	121,136	267,963	584,234	690,604
Non-controlling interests	(7,042)	4,061	18,226	11,043
	114,094	272,024	602,460	701,647
Earnings per share for profit attributable to owners of the parent (sen)				
Basic	2.72	6.35	13.20	17.63
Diluted	2.72	6.35	13.20	17.63

(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 2016 and the accompanying explanatory notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(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
	31/03/17	31/03/16	31/03/17	31/03/16
	RM'000	RM'000	RM'000	RM'000
Profit for the period	114,094	272,024	602,460	701,647
Other comprehensive income that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations, net of tax	98,367	(368,795)	366,814	170,490
Net change in cash flow hedge reserve	(2,543)	(10,874)	7,554	(10,874)
Other comprehensive income for the period, net of tax	95,824	(379,669)	374,368	159,616
Total comprehensive income for the period	209,918	(107,645)	976,828	861,263
Total comprehensive income attributable to:				
Owners of the parent	215,392	(108,693)	953,199	848,055
Non-controlling interests	(5,474)	1,048	23,629	13,208
	209,918	(107,645)	976,828	861,263

(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 2016 and the accompanying explanatory notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	As at 31/03/17 RM'000	As at 30/06/16 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,200,946	1,122,322
Prepaid lease payments	109,271	105,090
Land held for property development	6,440,655	4,591,032
Investment properties	12,787,257	4,024,219
Goodwill on consolidation	11,472	11,472
Investments in associate	93,090	90,851
Interests in joint ventures	5,203,073	4,820,518
Derivative financial assets	12,552	-
Deferred tax assets	112,792	96,227
	25,971,108	14,861,731
Current assets		
Property development costs	2,923,136	4,156,329
Inventories	1,331,492	700,324
Trade and other receivables	1,859,457	932,978
Current tax assets	92,165	71,994
Other investments	92,013	-
Short term funds	1,729,147	118,812
Deposits with financial institutions	1,166,356	692,687
Cash and bank balances	501,743	1,275,486
	9,695,509	7,948,610
TOTAL ASSETS	35,666,617	22,810,341



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	As at 31/03/17 RM'000	As at 30/06/16 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	18,514,506	16,995,206
Other reserves	1,342,817	984,344
Retained earnings	6,578,016	6,345,687
Reorganisation debit balance	<u>(8,440,152)</u>	<u>(8,440,152)</u>
	17,995,187	15,885,085
Non-controlling interests	<u>232,966</u>	<u>130,754</u>
Total equity	<u>18,228,153</u>	<u>16,015,839</u>
Non-current liabilities		
Borrowings	5,097,886	3,797,582
Derivative financial liabilities	-	21,183
Amounts due to non-controlling interests	77,567	114,408
Deferred tax liabilities	<u>921,116</u>	<u>781,023</u>
	6,096,569	4,714,196
Current liabilities		
Borrowings	9,822,712	464,450
Derivative financial liabilities	7,076	9,623
Trade and other payables	1,433,722	1,576,652
Current tax liabilities	78,385	29,581
	<u>11,341,895</u>	<u>2,080,306</u>
Total liabilities	<u>17,438,464</u>	<u>6,794,502</u>
TOTAL EQUITY AND LIABILITIES	<u>35,666,617</u>	<u>22,810,341</u>
Net assets per share attributable to owners of the parent (RM)	3.27	3.60

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 31 March 2017**

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	9 Months Ended 31/03/17 RM'000	9 Months Ended 31/03/16 RM'000
Operating Activities		
Profit before taxation	887,014	1,014,117
Adjustments for:		
Unrealised foreign currency translation loss	636	-
Depreciation and amortisation	25,557	28,811
Share of results of joint ventures	663	(70,884)
Fair value gain on investment properties	(7,442)	(85,264)
Gain on disposal of land from compulsory acquisitions	(27,886)	-
Interest income	(38,187)	(44,179)
Gain on bargain purchase for the acquisition of subsidiaries	-	(71,091)
Other non-cash items	1,213	3,197
Operating profit before working capital changes	841,568	774,707
Decrease in inventories	170,818	13,623
Increase in receivables and other assets	(501,458)	(207,393)
Decrease in payables and other liabilities	(160,977)	(358,790)
Cash generated from operations	349,951	222,147
Tax paid	(150,622)	(169,244)
Tax refunded	3,408	5,355
Net cash inflow from operating activities	202,737	58,258
Investing Activities		
Dividends received from a joint venture	40,568	82,804
Interest received	31,753	38,040
Proceeds from disposal of land from compulsory acquisition	31,597	294
Repayments from a joint venture	11,728	6,780
Proceeds from disposal of property, plant and equipment	83	80
Advances to joint ventures	(21,166)	(180,372)
Additions to other investments	(92,013)	(868,658)
Additions to property, plant and equipment	(101,076)	(32,519)
Additional investments in joint ventures	(109,959)	-
Additions to land held for property development	(1,872,317)	(72,663)
Additions to investment properties	(8,364,152)	(39,571)
Acquisition of subsidiaries	-	(740,259)
Net cash outflow from investing activities	(10,444,954)	(1,806,044)
Financing Activities		
Net drawdown of borrowings	10,442,946	1,450,608
Net proceeds from issuance of right issues	1,519,300	-
Proceeds from issuance of preference shares to non-controlling interests in a subsidiary	79,463	-
Proceeds from dilution of interest in a subsidiary	225	-
Additional investment in a subsidiary	(426)	(1,564)
Repurchase of treasury shares	(10,179)	(665)
Banking facilities fees paid	(14,196)	-
Repayment to non-controlling interests	(44,289)	-
Interest paid	(182,058)	(93,694)
Dividend paid	(352,897)	(225,993)
Advances from non-controlling interests	-	759
Net cash inflow from financing activities	11,437,889	1,129,451
Net increase / (decrease) in cash and cash equivalents	1,195,672	(618,335)
Cash and cash equivalents at beginning of financial period	2,086,985	1,909,639
Effect of exchange rate changes	114,589	(17,068)
Cash and cash equivalents at beginning of financial period	2,201,574	1,892,571
Cash and cash equivalents at end of financial period	3,397,246	1,274,236

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

**Condensed Consolidated Statement Of Changes In Equity
(RM'000)**

	Share capital	Share premium	-----Other reserves-----			Share-based payment reserve	Reorganisation debit balance	Retained earnings	Total equity attributable to owners of the Parent	Non-controlling interests	Total equity
			Treasury shares	Foreign currency translation reserve	Cash flow hedge reserve						
As at 1 July 2016	5,126,433	11,868,773	(24,487)	1,003,046	(11,669)	17,454	(8,440,152)	6,345,687	15,885,085	130,754	16,015,839
Transition to no par value (Note a)	11,868,773	(11,868,773)	-	-	-	-	-	-	-	-	-
Profit for the financial period	-	-	-	-	-	-	584,234	584,234	18,226	602,460	
Exchange differences on translation of foreign operations, net of tax	-	-	-	361,411	-	-	-	361,411	5,403	366,814	
Net change in cash flow hedge reserve	-	-	-	-	7,554	-	-	7,554	-	7,554	
Total comprehensive income	-	-	-	361,411	7,554	-	-	584,234	953,199	23,629	976,828
Transactions with owners											
Issuance of ordinary shares	1,520,248	-	-	-	-	-	-	1,520,248	-	1,520,248	
Share issuance costs	(948)	-	-	-	-	-	-	(948)	-	(948)	
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	-	225	225	
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	79,463	79,463	
Employee share options lapsed	-	-	-	-	-	(313)	313	-	-	-	
Changes in equity interests in subsidiaries	-	-	-	-	-	-	679	679	(1,105)	(426)	
Dividend paid	-	-	-	-	-	-	(352,897)	(352,897)	-	(352,897)	
Repurchase of treasury shares	-	-	(10,179)	-	-	-	-	(10,179)	-	(10,179)	
As at 31 March 2017	18,514,506	-	(34,666)	1,364,457	(4,115)	17,141	(8,440,152)	6,578,016	17,995,187	232,966	18,228,153
As at 1 July 2015	3,778,851	11,868,773	(23,601)	754,369	-	-	(8,440,152)	5,488,957	13,427,197	110,957	13,538,154
Profit for the financial period	-	-	-	-	-	-	1,080,018	1,080,018	20,241	1,100,259	
Exchange differences on translation of foreign operations, net of tax	-	-	-	248,677	-	-	-	248,677	4,036	252,713	
Net change in cash flow hedge reserve	-	-	-	-	(11,669)	-	-	(11,669)	-	(11,669)	
Total comprehensive income	-	-	-	248,677	(11,669)	-	-	1,080,018	1,317,026	24,277	1,341,303
Transactions with owners											
Issuance of ordinary shares	1,347,582	-	-	-	-	-	-	1,347,582	-	1,347,582	
Share option expenses in relation to employees' share option scheme	-	-	-	-	-	17,454	-	17,454	-	17,454	
Changes in equity interests in subsidiaries	-	-	-	-	-	-	2,705	2,705	(4,480)	(1,775)	
Dividend paid	-	-	-	-	-	-	(225,993)	(225,993)	-	(225,993)	
Repurchase of treasury shares	-	-	(886)	-	-	-	-	(886)	-	(886)	
As at 30 June 2016	5,126,433	11,868,773	(24,487)	1,003,046	(11,669)	17,454	(8,440,152)	6,345,687	15,885,085	130,754	16,015,839

(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 2016 and the accompanying notes attached to this quarterly financial report.)

Note a: Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(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 2016. 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 2016.

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 2016.

b) Seasonal or Cyclical Factors

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

c) Unusual Items

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

d) Material changes in Estimates of Amounts Reported

There were no material changes in estimates of amounts reported in prior financial year that have 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 ended 31 March 2017 save for the repurchase of equity securities of 4,698,900 ordinary shares at an average price of RM2.17 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act, 2016.

f) Dividends Paid

On 21 October 2016, the Company paid an interim single-tier dividend of 8 sen per ordinary share amounting to RM352,897,000 in respect of the financial year ended 30 June 2016.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

Explanatory Notes

g) Segment Revenue & Results

(RM'000)	Property Development	Property Investment	Leisure & Hospitality	Other Operations	Elimination	Consolidated
<u>9 Months Ended 31/03/17</u>						
REVENUE						
External	2,639,005	224,686	120,912	5,461	-	2,990,064
Inter-segment	46,975	1,344	500	90,064	(138,883)	-
Total revenue	<u>2,685,980</u>	<u>226,030</u>	<u>121,412</u>	<u>95,525</u>	<u>(138,883)</u>	<u>2,990,064</u>
RESULT						
Segment operating profit	693,055	126,028	16,805	3,921	-	839,809
Fair value gain on investment properties	-	7,442	-	-	-	7,442
Share of results of associates	2,239	-	-	-	-	2,239
Share of results of joint ventures	14,425	33,991	(49,079)	-	-	(663)
Segment results	<u>709,719</u>	<u>167,461</u>	<u>(32,274)</u>	<u>3,921</u>	<u>-</u>	<u>848,827</u>
Interest income						<u>38,187</u>
Profit before taxation						<u>887,014</u>
Taxation						<u>(284,554)</u>
Profit for the period						<u>602,460</u>
<u>9 Months Ended 31/03/16 *</u>						
REVENUE						
External	1,828,716	200,207	98,346	5,955	-	2,133,224
Inter-segment	113,179	1,344	577	70,630	(185,730)	-
Total revenue	<u>1,941,895</u>	<u>201,551</u>	<u>98,923</u>	<u>76,585</u>	<u>(185,730)</u>	<u>2,133,224</u>
RESULT						
Segment operating profit	624,195	103,728	13,639	4,223	-	745,785
Fair value gain on investment properties	-	85,264	-	-	-	85,264
Share of results of associates	(3,277)	-	-	191	-	(3,086)
Share of results of joint ventures	(189,242)	320,993	(60,867)	-	-	70,884
Segment results	<u>431,676</u>	<u>509,985</u>	<u>(47,228)</u>	<u>4,414</u>	<u>-</u>	<u>898,847</u>
Gain on bargain purchase for the acquisitions of subsidiaries						71,091
Interest income						44,179
Profit before taxation						<u>1,014,117</u>
Taxation						<u>(312,470)</u>
Profit for the period						<u>701,647</u>

Other operations consist mainly of project and building services management and other activities unrelated to any of the abovementioned major operation segments.

* Restatement has been made to prior year's figures to conform to the presentation for the current quarter.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

Explanatory Notes

h) Material Events Subsequent to the End of Financial Period

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

i) Changes in the Composition of the Group

On 12 July 2016, the Company acquired 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital in Fortune Growers Sdn Bhd (“Fortune Growers”) for a total cash consideration of Ringgit Malaysia Two (RM2.00) only. Following the acquisition, Fortune Growers has become a wholly-owned subsidiary of the Group.

On 12 October 2016, the Company has incorporated a wholly-owned subsidiary, namely Wealthy Link Pte Ltd (“WLPL”). WLPL was incorporated in Singapore as a private limited company under the Companies Act, Chapter 50 with 1 ordinary issued and paid up share capital. The principal activity of WLPL is investment holding.

Xiamen Palm Kaiyue Real Estate Development Co Ltd (“XPK”) was incorporated under the laws of the People’s Republic of China on 22 November 2016 with an intended registered capital of RMB50.0 million. The registered and paid-up capital of XPK will be increased up to RMB1.0 billion upon the proposed Xiang An land transfer from IOI (Xiamen) Properties Co Ltd to XPK, as announced on 2 February 2017. The proposed land transfer has been completed during the current quarter.

On 25 January 2017, Pine Properties Sdn Bhd (“PPSB”), a 99.98% owned subsidiary of the Company disposed 45% of its existing equity stake in PINE MJR Development Sdn Bhd (“PINE MJR”) to MJR Investment Pte Ltd (“MJRI”). PINE MJR will be a special purpose entity which is 55% owned by PPSB and 45% owned by MJRI for the purpose of developing a freehold land located at Pekan Bukit Bisa, District of Sepang, Selangor Darul Ehsan, measuring 9.652 acres in area, into condominiums.

j) Contingent Liabilities

There were no material contingent liabilities for the Group as at 31 March 2017.

k) Capital Commitments

Capital commitments not provided for in the Condensed Report as at the end of the financial period are as follows:

- Contracted	RM’000
Additions of land held for property development	81,359
Additions of property, plant and equipment	19,667
Additions of investment properties	28,650
	<u>129,676</u>
- Not contracted	
Additions of property, plant and equipment	466,571
Additions of investment properties	602,935
	<u>1,069,506</u>
	<u>1,199,182</u>



IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(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 of RM895.8 million for the current quarter, which is RM252.3 million or 39% higher than the preceding year corresponding quarter. The Group's operating profit for the current quarter is RM183.3 million which is RM187.7 million or 51% lower than the preceding corresponding quarter mainly due to the one-off additional buyer stamp duty with interest ("ABSD") of RM163.9 million incurred for Triling project in Singapore during the current quarter. After excluding the aforesaid ABSD and the fair value gain on investment properties of RM7.4 million, the operating profit is RM125.0 million or 58% higher than the preceding year corresponding quarter (similarly excluding the fair value gain on investment properties of RM85.3 million and the gain from the bargain purchase for the acquisition of subsidiaries of RM71.1 million). The increase in revenue is derived from the three main business segments and can be summarised as follows:-

Property development

The property development segment recorded revenue and operating profit of RM777.2 million and RM132.1 million respectively in the current quarter as compared to RM541.1 million and RM244.5 million recorded respectively in the preceding year corresponding quarter, registered an increase of RM236.1 million or 44% and a decrease of RM112.4 million or 46% respectively. The increase in revenue is mainly contributed from higher sales take-up rate for Triling project in Singapore coupled with advanced progress work. In addition, the sales from IOI Resort City, Warisan Puteri @ Sepang and D3 Residence in Xiamen, People's Republic of China continued to register favourable take-up rates, coupled with steady increase in progress works have contributed significantly to the increase. The decrease in operating profit is mainly due to the ABSD incurred for the current quarter as mentioned above.

Property investment

Revenue has increased by 8% from RM70.4 million to RM75.9 million. After excluding the fair value gain on investment properties of RM7.4 million in the current quarter (similarly excluding the fair value gains on investment properties of RM85.3 million in the preceding corresponding quarter), the operating profit has increased by RM3.4 million or 9% as compared to preceding year corresponding quarter. The increase was mainly contributed by increased in average occupancy and rental rates for both retail and office segments.

Leisure and hospitality

Revenue and operating profit of RM40.9 million and RM2.9 million are recorded respectively for the current quarter, which is respectively RM11.3 million or 38% higher and RM0.2 million or 5% lower than the preceding year corresponding quarter. The increase in revenue is mainly derived from Le Meridien by Starwood, Putrajaya which commenced its business operations in August 2016. Decrease in operating profit mainly due to the increase in operating expenses in the competitive hotel segment and lower golfing activities from Palm Garden Golf Club.

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

The Group recorded revenue and operating profit of RM2,990.1 million and RM847.3 million respectively for the current year to date, which is an increase of RM856.8 million or 40% and a decrease of RM54.9 million or 6% respectively as compared to the preceding year corresponding period. After excluding the ABSD of RM163.9 million and the fair value gain on investment properties of RM7.4 million, the Group's operating profit of RM1,003.7 million for the current year to date is RM257.9 million or 35% higher than the preceding year corresponding period (similarly excluding the fair value gain on investment properties of RM85.3 million and the gain from the bargain purchase for the acquisition of subsidiaries of RM71.1 million). The increase in both revenue and operating profit is mainly derived from the property development, whereby the Group's overseas development project in Singapore and Klang Valley townships in IOI Resort City and Warisan Puteri @ Sepang have contributed significantly to the increase.

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 RM201.3 million for the current quarter, which is RM194.9 million or 49% lower than the immediate preceding year quarter of RM396.2 million. The decrease is mainly due to the ABSD incurred in the current quarter as mentioned above.



IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

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

3) Prospects

The demand for properties in Malaysia is generally supported by a young population demographic, conducive interest rate environment and urbanisation. The Group's property development segment is expected to contribute positively to its performance as evidenced by the demand for mid-priced properties at its township developments in Malaysia.

On the international front, our development projects in Singapore and Xiamen, China will continue to contribute positively to the Group's results. The development project in Singapore, Triling had obtain the Temporary Occupational Permit on 6 April 2017.

In the property investment segment, amidst an increasingly competitive environment, the strategic locations of the Group's retail and office developments within matured townships and high growth corridors have enabled our property investment portfolio to enjoy healthy occupancies and rental yields. The retail and office segments are expected to continue to contribute positively to the Group's performance.

With our sizable land bank in strategic locations both in Malaysia and overseas, coupled with strong track record of delivery, the Group is well-positioned to adapt to market demand. Barring any unforeseen circumstances, the Group is expected to perform well in the remaining financial period.

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	66,164	202,893	180,659	265,193
-Prior year	1,385	1,824	(3,401)	3,919
Deferred taxation	19,686	(105,285)	107,296	43,358
	87,235	99,432	284,554	312,470

The effective tax rate of the Group for the current quarter of 43% is higher than the prevailing statutory rate of 24%. The higher effective tax rate is mainly due to higher tax rate in the People's Republic of China, which accounts for significant tax expenses in the current quarter.



IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

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

7) Corporate Proposals

- (a) **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 Rights Share on the basis of one (1) Rights Share for every six (6) existing IOIPG Shares ("2015 Rights Issue").**

The 2015 Rights Issue 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 2015 Rights Issue were amounted to RM1,025,688,000. The status of the utilisation of proceeds as at 31 December 2016 is as follows:-

Details of utilisation	Approved utilisation RM'mil	Actual utilisation RM'mil	Balance unutilised RM'mil	Time frame for utilisation
Capital expenditure	500.0	500.0	-	Within 30 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>1,025.7</u>	<u>-</u>	

* As announced on 20 April 2016, the Company had extended the time frame for the utilisation of the balance of the proceeds for another 12 months from August 2016 to August 2017.

** As announced on 8 February 2017, the Company had extended the time frame for the utilisation of the balance of the proceeds for another 6 months from February 2017 to August 2017.

The proceeds of the rights issue has been fully utilised during the current quarter.

- (b) **As announced on 18 November 2016, the Company proposed to undertake a renounceable rights issue of 1,111,178,800 new ordinary shares of RM1.00 each in IOIPG ("IOIPG Shares") ("Rights Shares") at an issue price of RM1.38 per Rights Share on the basis of one (1) Rights Share for every four (4) existing IOIPG Shares ("Proposed Rights Issue").**

The Rights Shares will be offered to the shareholders of IOIPG whose names appear in the Recorded of Depositors of the Company as at the close of business at the Entitlement Date ("Entitled Shareholder"). The Entitled Shareholders can fully or partially renounce their entitlements for the Rights Shares.

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.

The proceeds from the Proposed Rights Issue will be utilised to repay the borrowings obtained to fund the parcel of leasehold land at Central Boulevard in the Republic of Singapore measuring approximately 1.09 hectares.



IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

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

7) Corporate Proposals (continued)

(c) As announced on 26 January 2017, circular was issued to the shareholders in relation to the following ordinary resolutions:-

- (i) Proposed ratification of the land tender by Wealthy Link Pte Ltd, a wholly owned subsidiary of the Company, of a parcel of leasehold land at Central Boulevard in the Republic of Singapore measuring approximately 10,868.70 square metres (1.09 hectares) for a tender consideration of SGD2,568,686,688 (approximately RM7.96 billion based on the exchange rate of SGD1.00:RM3.0995 as at 3 January 2017) from the Urban Redevelopment Authority, acting as agent for and on behalf of the government of the Republic of Singapore ("Proposed Ratification"); and
- (ii) Proposed renounceable rights issue up to 1,111,178,800 new ordinary shares of RM1.00 each in the Company ("IOIPG shares") ("Rights shares") at an issue price of RM1.38 per rights share on the basis of one rights share for every four existing IOIPG shares held on an entitlement date to be determined later.

(d) As announced on 13 February 2017, Extraordinary General Meeting ("EGM") of the Company held on the even date, the Proposed Ratification and Proposed Rights Issue set forth in the Notice of EGM were considered and approved by way of poll.

(e) As announced on 16 February 2017, the entitlement date of the Rights Issue has been fixed on 2 March 2017.

(f) On 28 March 2017, the proposed rights issue as stipulated in 7(b) had been completed following the listing and quotation for 1,101,629,075 rights shares on the Main Market of Bursa Malaysia Securities Berhad.

8) Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31 March 2017 are as follows:

	As at 31/03/17 RM'000	As at 30/06/16 RM'000
a) Short term borrowings		
Unsecured		
Denominated in RM	829,450	464,450
Denominated in USD (USD11 million)	50,000	-
Denominated in SGD (SGD2,827 million)	<u>8,943,262</u>	-
	<u>9,822,712</u>	464,450
b) Long term borrowings		
Unsecured		
Denominated in RM	1,624,112	2,153,532
Denominated in USD (USD465 million) (2016: USD76 million)	2,049,344	302,465
Denominated in SGD (SGD450 million)	<u>1,424,430</u>	1,341,585
	<u>5,097,886</u>	3,797,582
Total borrowings	<u>14,920,598</u>	<u>4,262,032</u>



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

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

9) Derivative Financial Instruments

- (i) During the financial year ended 30 June 2016, the Group entered into cross currency interest rate swap contract to hedge its long term borrowing that is denominated in USD in order to minimise its exposure to the fluctuation of foreign currency rate and volatility of the interest rate.

Details of derivative financial instrument outstanding as at 31 March 2017 are as follows:

Type of derivative	Notional value RM'000	Fair value assets/(liabilities) RM'000
Cash flow hedge derivative		
Cross currency interest rate swap		
- less than one year	50,000	(7,076)
- one year to three years	175,000	(8,795)
- more than three years	100,000	21,347
	325,000	5,476

The Group's derivative financial instrument is subject to market and credit risk as follows:

- (a) Market risk

Market risk on derivative is the potential fluctuation in the value of this contract arising from the change in price of the underlying items such as interest rates, foreign currency rate or other indices. The market risk to the Group is mitigated as the swap contract effectively swapped the Group's USD floating interest rate borrowing into RM fixed interest rate liability and serve as a cash flow hedge for the Group's principal and interest repayment for the USD borrowing obtained.

- (b) Credit risk

Credit risk exposure arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and or the Bank has entered into. There is minimal credit risk to the Group as the swap was entered into with reputable financial institution which is governed by appropriate policies and procedures.

- (ii) Cash requirement of the derivatives

There is no cash requirement for this derivative other than the repayment obligation for the underlying bank borrowing.

- (iii) Related Accounting Policies

There have been no changes since the end of the previous financial year ended 30 June 2016 in respect of the accounting policies.

10) Fair Value Changes of Financial Assets

As at 31 March 2017, the Group has recognised derivative financial assets of RM5.5 million in respect of a cross currency interest rate swap, with the corresponding fair value gain of RM36.3 million in the cash flow hedge reserve since 30 June 2016. During the financial year, the net change in cash flow hedge reserve is amounting to RM7.6 million.

The fair value gain is due to unfavourable movements on the underlying borrowings and interest rates up to the maturity date of the contract, as compared to the contracted rates since the inception date of the swap contract.

The fair value of the cross currency interest rate swap is calculated based on the present value of estimated cash flow using an appropriate market-based yield curve.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

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

11) Realised and Unrealised Profits/(Losses)

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

	As at 31/03/17 RM'000	As at 30/06/16 RM'000
Total retained earnings of IOI Properties Group Berhad and its subsidiaries:		
- Realised	5,365,305	4,878,241
- Unrealised	1,172,084	1,387,827
	6,537,389	6,266,068
Total share of retained earnings/(accumulated losses) from associates:		
- Realised	6,978	4,739
- Unrealised	(313)	(313)
	6,665	4,426
Total share of retained earnings/(accumulated losses) from joint ventures		
- Realised	(492,360)	(451,025)
- Unrealised	526,322	526,218
	33,962	75,193
Total Group retained earnings	6,578,016	6,345,687

12) Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	CURRENT YEAR QUARTER (31/03/17) RM'000	CURRENT YEAR TO DATE (31/03/17) RM'000
Fair value gain on investment properties	(7,442)	(7,442)
Interest income	(15,591)	(38,187)
Impairment losses on receivables written back	(24)	(42)
Realised foreign currency exchange gain	(4,215)	(31,630)
Unrealised foreign currency translation (gain)/ loss	(16,466)	636
Depreciation and amortisation	8,889	25,557
Impairment losses on receivables	174	300
Additional buyer stamp duty ("ABSD")	163,860	163,860

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 March 2017.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 March 2017

(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
a) Basic earnings per share				
Net profit for the period	121,136	267,963	584,234	690,604
Weighted average number of ordinary shares in issue ('000)	4,455,478	4,220,007	4,425,260	3,916,602
Basic earnings per share (sen)	2.72	6.35	13.20	17.63
b) Diluted earnings per share				
Net profit for the period	121,136	267,963	584,234	690,604
Weighted average number of ordinary shares in issue ('000)	4,455,478	4,220,007	4,426,285	3,916,602
Diluted earnings per share (sen)	2.72	6.35	13.20	17.63

16) Audit Qualification

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

By Order of the Board

Tan Sin Yee
Company Secretary

Putrajaya
23 May 2017