



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Quarterly Financial Report For The Financial Period Ended 31 March 2018**

(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
	31/03/18	31/03/17	31/03/18	31/03/17
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	541,212	895,824	2,118,635	2,990,064
Cost of sales	(306,677)	(487,166)	(1,185,364)	(1,764,020)
<b>Gross profit</b>	234,535	408,658	933,271	1,226,044
Other operating income	61,903	17,547	157,580	113,546
Marketing and selling expenses	(23,049)	(29,989)	(79,372)	(94,893)
Administration expenses	(40,494)	(37,204)	(140,129)	(126,010)
Other operating expenses	(35,870)	(175,712)	(99,285)	(271,436)
<b>Operating profit</b>	197,025	183,300	772,065	847,251
Share of result of an associate	655	1,139	2,302	2,239
Share of results of joint ventures	12,610	1,299	(45,895)	(663)
<b>Profit before interest and taxation</b>	210,290	185,738	728,472	848,827
Interest income	11,444	15,591	36,799	38,187
<b>Profit before taxation</b>	221,734	201,329	765,271	887,014
Taxation	(51,299)	(87,235)	(229,667)	(284,554)
<b>Profit for the period</b>	170,435	114,094	535,604	602,460
Attributable to:				
Owners of the parent	166,647	121,136	518,638	584,234
Non-controlling interests	3,788	(7,042)	16,966	18,226
	170,435	114,094	535,604	602,460
<b>Earnings per share for profit attributable to owners of the parent (sen)</b>				
Basic	3.03	2.57	9.42	12.40
Diluted	3.03	2.57	9.42	12.40

(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 2017 and the accompanying explanatory notes attached to this quarterly financial report.)



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**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
	31/03/18	31/03/17	31/03/18	31/03/17
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>170,435</b>	114,094	<b>535,604</b>	602,460
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations, net of tax	(221,487)	98,367	(445,331)	366,814
Net change in cash flow hedge reserve	(10,796)	(2,543)	16,129	7,554
<b>Other comprehensive income for the period, net of tax</b>	<b>(232,283)</b>	95,824	<b>(429,202)</b>	374,368
<b>Total comprehensive income for the period</b>	<b>(61,848)</b>	209,918	<b>106,402</b>	976,828
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(63,211)	215,392	94,520	953,199
Non-controlling interests	1,363	(5,474)	11,882	23,629
	<b>(61,848)</b>	209,918	<b>106,402</b>	976,828

(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 2017 and the accompanying explanatory notes attached to this quarterly financial report.)



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**Condensed Consolidated Statement of Financial Position**

	<b>As at 31/03/18 RM'000</b>	<b>As at 30/06/17 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,138,584	1,137,912
Prepaid lease payments	59,279	62,758
Land held for property development	4,597,714	4,560,892
Investment properties	12,548,309	12,804,095
Goodwill on consolidation	11,472	11,472
Investment in an associate	96,417	94,115
Interests in joint ventures	4,892,904	5,126,081
Derivative financial assets	-	4,551
Deferred tax assets	93,419	106,454
	<b>23,438,098</b>	<b>23,908,330</b>
<b>Current assets</b>		
Property development costs	3,935,005	4,014,666
Inventories	1,559,419	1,835,521
Trade and other receivables	739,420	1,395,573
Current tax assets	152,702	91,090
Other investments	90,260	6,329
Short term funds	166,059	282,515
Deposits with financial institutions	1,918,912	1,405,299
Cash and bank balances	467,328	688,419
	<b>9,029,105</b>	<b>9,719,412</b>
<b>TOTAL ASSETS</b>	<b>32,467,203</b>	<b>33,627,742</b>



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(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	As at 31/03/18 RM'000	As at 30/06/17 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	18,514,233	18,514,233
Other reserves	853,150	1,277,997
Retained earnings	7,065,185	6,875,883
Reorganisation debit balance	(8,440,152)	(8,440,152)
	<u>17,992,416</u>	<u>18,227,961</u>
<b>Non-controlling interests</b>	<u>183,763</u>	<u>260,615</u>
<b>Total equity</b>	<u>18,176,179</u>	<u>18,488,576</u>
<b>Non-current liabilities</b>		
Borrowings	9,636,840	4,790,513
Derivative financial liabilities	6,658	-
Trade and other payables	30,886	25,760
Amounts due to non-controlling interests	9,163	17,671
Deferred tax liabilities	1,053,292	1,021,915
	<u>10,736,839</u>	<u>5,855,859</u>
<b>Current liabilities</b>		
Borrowings	2,369,718	7,703,993
Derivative financial liabilities	7,162	9,448
Trade and other payables	1,102,712	1,483,199
Current tax liabilities	74,593	86,667
	<u>3,554,185</u>	<u>9,283,307</u>
<b>Total liabilities</b>	<u>14,291,024</u>	<u>15,139,166</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>32,467,203</u>	<u>33,627,742</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>3.27</b>	<b>3.31</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 2017 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 2018**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	<b>9 Months Ended</b> <b>31/03/18</b> <b>RM'000</b>	<b>9 Months Ended</b> <b>31/03/17</b> <b>RM'000</b>
<b>Operating Activities</b>		
Profit before taxation	765,271	887,014
Adjustments for:		
Share of results of joint ventures	45,895	663
Depreciation and amortisation	28,230	25,557
Interest income	(36,799)	(38,187)
Unrealised foreign currency translation (gain)/loss	(131,342)	636
Fair value gain on investment properties	-	(7,442)
Gain on disposal of land from compulsory acquisitions	-	(27,886)
Other non-cash items	(186)	1,213
Operating profit before working capital changes	<b>671,069</b>	841,568
Decrease in inventories	<b>634,116</b>	170,818
Decrease/(Increase) in receivables and other assets	<b>437,024</b>	(501,458)
Decrease in payables and other liabilities	<b>(354,016)</b>	(160,977)
Cash generated from operations	<b>1,388,193</b>	349,951
Tax paid	<b>(243,992)</b>	(150,622)
Tax refunded	<b>296</b>	3,408
<b>Net cash inflow from operating activities</b>	<b>1,144,497</b>	202,737
<b>Investing Activities</b>		
Interest received	<b>30,868</b>	31,753
Dividends received from a joint venture	<b>21,818</b>	40,568
Repayment from a joint venture	<b>7,727</b>	11,728
Proceeds from disposal of property, plant and equipment	<b>136</b>	83
Additions to property, plant and equipment	<b>(29,776)</b>	(101,076)
Advances to joint ventures	<b>(42,451)</b>	(21,166)
Additions to land held for property development	<b>(57,753)</b>	(1,872,317)
Additional investments in joint ventures	<b>(74,221)</b>	(109,959)
Additions to other investments	<b>(85,460)</b>	(92,013)
Additions to investment properties	<b>(129,457)</b>	(8,364,152)
Proceeds from disposal of land from compulsory acquisition	-	31,597
<b>Net cash outflow from investing activities</b>	<b>(358,569)</b>	(10,444,954)
<b>Financing Activities</b>		
Additional investment in a subsidiary	<b>(176)</b>	(426)
Dividend paid to non-controlling interests	<b>(26,348)</b>	-
Banking facilities fees paid	<b>(37,365)</b>	(14,196)
Repayment to non-controlling interests	<b>(70,599)</b>	(44,289)
Interest paid	<b>(231,418)</b>	(182,058)
Dividend paid	<b>(330,369)</b>	(352,897)
Net drawdown of borrowings	<b>173,534</b>	10,442,946
Repurchase of treasury shares	-	(10,179)
Proceeds from dilution of interest in a subsidiary	-	225
Proceeds from issuance of preference shares to non-controlling interests in a subsidiary	-	79,463
Net proceeds from issuance of right issues	-	1,519,300
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(522,741)</b>	11,437,889
<b>Net increase in cash and cash equivalents</b>	<b>263,187</b>	1,195,672
<b>Cash and cash equivalents at beginning of financial period</b>	<b>2,376,233</b>	2,086,985
<b>Effect of exchange rate changes</b>	<b>(87,121)</b>	114,589
<b>Cash and cash equivalents at beginning of financial period</b>	<b>2,289,112</b>	2,201,574
<b>Cash and cash equivalents at end of financial period</b>	<b>2,552,299</b>	3,397,246

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this quarterly financial report.)



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Quarterly Financial Report For The Financial Period Ended 31 March 2018

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

(RM'000)

	Share capital	Share premium	Treasury shares	Other reserves Foreign currency translation reserve	Cash flow hedge reserve	Share-based payment reserve	Reorganisation debit balance	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>As at 1 July 2017</b>	<b>18,514,233</b>	-	-	<b>1,265,686</b>	<b>(4,830)</b>	<b>17,141</b>	<b>(8,440,152)</b>	<b>6,875,883</b>	<b>18,227,961</b>	<b>260,615</b>	<b>18,488,576</b>
Profit for the financial period	-	-	-	-	-	-	-	518,638	518,638	16,966	535,604
Exchange differences on translation of foreign operations, net of tax	-	-	-	(440,247)	-	-	-	-	(440,247)	(5,084)	(445,331)
Net change in cash flow hedge reserve	-	-	-	-	16,129	-	-	-	16,129	-	16,129
<b>Total comprehensive income</b>	-	-	-	<b>(440,247)</b>	<b>16,129</b>	-	-	<b>518,638</b>	<b>94,520</b>	<b>11,882</b>	<b>106,402</b>
Transactions with owners											
Employee share options lapsed	-	-	-	-	-	(729)	-	729	-	-	-
Changes in equity interests in subsidiaries	-	-	-	-	-	-	-	304	304	(480)	(176)
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	(61,906)	(61,906)
Dividend paid	-	-	-	-	-	-	-	(330,369)	(330,369)	-	(330,369)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(26,348)	(26,348)
<b>As at 31 March 2018</b>	<b>18,514,233</b>	-	-	<b>825,439</b>	<b>11,299</b>	<b>16,412</b>	<b>(8,440,152)</b>	<b>7,065,185</b>	<b>17,992,416</b>	<b>183,763</b>	<b>18,176,179</b>
<b>As at 1 July 2016</b>	<b>4,423,627</b>	<b>12,571,579</b>	<b>(24,487)</b>	<b>1,003,046</b>	<b>(11,669)</b>	<b>17,454</b>	<b>(8,440,152)</b>	<b>6,345,687</b>	<b>15,885,085</b>	<b>130,754</b>	<b>16,015,839</b>
Transition to no par value (Note a)	12,571,579	(12,571,579)	-	-	-	-	-	-	-	-	-
Profit for the financial period	-	-	-	-	-	-	-	920,870	920,870	46,956	967,826
Exchange differences on translation of foreign operations, net of tax	-	-	-	262,640	-	-	-	-	262,640	4,517	267,157
Net change in cash flow hedge reserve	-	-	-	-	6,839	-	-	-	6,839	-	6,839
<b>Total comprehensive income</b>	-	-	-	<b>262,640</b>	<b>6,839</b>	-	-	<b>920,870</b>	<b>1,190,349</b>	<b>51,473</b>	<b>1,241,822</b>
Transactions with owners											
Issuance of ordinary shares	1,520,248	-	-	-	-	-	-	-	1,520,248	-	1,520,248
Share issuance costs	(1,221)	-	-	-	-	-	-	-	(1,221)	-	(1,221)
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	-	-	-	-	-	-	-	800	800	(1,300)	(500)
Dividend paid	-	-	-	-	-	-	-	(352,897)	(352,897)	-	(352,897)
Repurchase of treasury shares	-	-	(14,403)	-	-	-	-	-	(14,403)	-	(14,403)
Cancellation of treasury shares	-	-	38,890	-	-	-	-	(38,890)	-	-	-
<b>As at 30 June 2017</b>	<b>18,514,233</b>	-	-	<b>1,265,686</b>	<b>(4,830)</b>	<b>17,141</b>	<b>(8,440,152)</b>	<b>6,875,883</b>	<b>18,227,961</b>	<b>260,615</b>	<b>18,488,576</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 2017 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.



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**Quarterly Financial Report For The Financial Period Ended 31 March 2018**

(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 2017. Those explanatory notes attached to this quarterly financial report 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 2017.

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 2017 save for the adoption of the following new and revised FRS and amendments to FRSs that are mandatory for the Group for the financial year commencing 1 July 2017:

**Title**

Annual Improvements to FRS 12 *Disclosure of Interests in Other Entities*

Amendments to FRS 107 *Disclosure Initiative*

Amendments to FRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of these new FRSs and amendments to FRSs do not have any significant financial impact on the financial statements 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 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 2018.

**f) Dividend Paid**

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Interim single tier dividend of 6 sen per ordinary share in respect of financial year ended 30 June 2017, paid on 8 September 2017	330,369	-
Interim single tier dividend of 8 sen per ordinary share in respect of financial year ended 30 June 2016, paid on 21 October 2016	-	352,897
	<b>330,369</b>	<b>352,897</b>



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(The figures have not been audited)

**Explanatory Notes**

**g) Segment Revenue & Results**

(RM'000)	Property Development	Property Investment	Hospitality & leisure	Other Operations	Elimination	Consolidated
<b>i) 3 Months Ended 31/03/18</b>						
<b>REVENUE</b>						
External	409,609	83,627	45,777	2,199	-	541,212
Inter-segment	374	982	217	31,087	(32,660)	-
Total revenue	<u>409,983</u>	<u>84,609</u>	<u>45,994</u>	<u>33,286</u>	<u>(32,660)</u>	<u>541,212</u>
<b>RESULT</b>						
Segment operating profit	138,282	53,354	4,657	732	-	197,025
Share of result of an associate	655	-	-	-	-	655
Share of results of joint ventures	3,193	12,288	(2,871)	-	-	12,610
Segment results	<u>142,130</u>	<u>65,642</u>	<u>1,786</u>	<u>732</u>	<u>-</u>	<u>210,290</u>
Interest income						<u>11,444</u>
Profit before taxation						<u>221,734</u>
Taxation						<u>(51,299)</u>
Profit for the period						<u>170,435</u>
<b>3 Months Ended 31/03/17</b>						
<b>REVENUE</b>						
External	777,182	75,864	40,928	1,850	-	895,824
Inter-segment	4,341	436	62	29,608	(34,447)	-
Total revenue	<u>781,523</u>	<u>76,300</u>	<u>40,990</u>	<u>31,458</u>	<u>(34,447)</u>	<u>895,824</u>
<b>RESULT</b>						
Segment operating profit	132,057	39,645	2,865	1,291	-	175,858
Fair value gain on investment properties	-	7,442	-	-	-	7,442
Share of result of an associate	1,139	-	-	-	-	1,139
Share of results of joint ventures	(306)	12,502	(10,897)	-	-	1,299
Segment results	<u>132,890</u>	<u>59,589</u>	<u>(8,032)</u>	<u>1,291</u>	<u>-</u>	<u>185,738</u>
Interest income						<u>15,591</u>
Profit before taxation						<u>201,329</u>
Taxation						<u>(87,235)</u>
Profit for the period						<u>114,094</u>

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





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**Quarterly Financial Report For The Financial Period Ended 31 March 2018**

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**Explanatory Notes**

**g) Segment Revenue & Results**

(RM'000)	Property Development	Property Investment	Hospitality & leisure	Other Operations	Elimination	Consolidated
<b>ii) 9 Months Ended 31/03/18</b>						
<b>REVENUE</b>						
External	1,721,133	242,727	146,477	8,298	-	2,118,635
Inter-segment	19,770	1,875	602	98,729	(120,975)	-
Total revenue	<u>1,740,902</u>	<u>244,602</u>	<u>147,079</u>	<u>107,027</u>	<u>(120,975)</u>	<u>2,118,635</u>
<b>RESULT</b>						
Segment operating profit	592,421	151,197	22,651	5,796	-	772,065
Share of result of an associate	2,302	-	-	-	-	2,302
Share of results of joint ventures	(69,975)	28,451	(4,371)	-	-	(45,895)
Segment results	524,748	179,648	18,280	5,796	-	728,472
Interest income						36,799
Profit before taxation						<u>765,271</u>
Taxation						<u>(229,667)</u>
Profit for the period						<u>535,604</u>
<b>9 Months Ended 31/03/17</b>						
<b>REVENUE</b>						
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>
<b>RESULT</b>						
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 result of an associate	2,239	-	-	-	-	2,239
Share of results of joint ventures	14,425	33,991	(49,079)	-	-	(663)
Segment results	709,719	167,461	(32,274)	3,921	-	848,827
Interest income						38,187
Profit before taxation						<u>887,014</u>
Taxation						<u>(284,554)</u>
Profit for the period						<u>602,460</u>

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



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**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 30 January 2018, the Company has incorporated a wholly-owned subsidiary, namely Novel Vortex Limited ("NVL"). NVL was incorporated in the Territory of the British Virgin Islands as a company limited by shares under the BVI Business Companies Act, 2004 with an issued share capital of 100 ordinary shares of USD1.00 each.

**j) Contingent Liabilities**

There were no material contingent liabilities for the Group as at 31 March 2018.

**k) Capital Commitments**

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

- Contracted	<b>RM'000</b>
Additions of land held for property development	81,359
Additions of property, plant and equipment	20,346
Additions of investment properties	376,607
	<u>478,312</u>
- Not contracted	
Additions of property, plant and equipment	391,253
Additions of investment properties	377,617
	<u>768,870</u>
	<u><b>1,247,182</b></u>



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

## IOI PROPERTIES

### Quarterly Financial Report For The Financial Period Ended 31 March 2018

(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 RM541.2 million for the current year quarter, which is RM354.6 million or 40% lower than the preceding year corresponding quarter. The Group's profit before taxation of RM221.7 million for the current year quarter is RM136.0 million or 38% lower than the preceding year corresponding quarter of RM357.7 million (after excluding one off additional buyer stamp duty with interest ("ABSD") of RM163.9 million incurred for The Triling, Singapore and fair value gain on investment properties of RM7.4 million). Lower revenue and profit before taxation in the current year quarter are due to lower contribution from Klang Valley and overseas projects in the property development segment.

###### Property development

The property development segment recorded revenue and operating profit of RM409.6 million and RM138.3 million respectively in the current year quarter, which is RM367.6 million or 47% and RM157.6 million or 53% respectively lower than the preceding year corresponding quarter of RM777.2 million and RM295.9 million (after excluding the aforesaid ABSD of RM163.9 million) respectively. The Group's performance was lower in the current year quarter mainly due to lower profit contribution from development projects in Klang Valley, Malaysia and lesser units remaining for sale in both Triling, Singapore and D3 Residence in Xiamen, PRC.

###### Property investment

Revenue has increased by RM7.7 million or 10% from RM75.9 million to RM83.6 million and operating profit has increased by RM13.8 million or 35% from RM39.6 million to RM53.4 million. The increase in both revenue and operating profit are mainly due to higher occupancy and rental rates for the retail and office segments.

###### Hospitality and leisure

Revenue and operating profit of RM45.8 million and RM4.7 million respectively recorded for the current year quarter, which is RM4.9 million or 12% and RM1.8 million or 62% higher than the preceding year corresponding quarter. The increase in both revenue and operating profit are mainly derived from Le Meridien by Starwood, Putrajaya due to higher occupancy and room rates achieved and higher golfing activities from Palm Garden Golf Club, Putrajaya in the current quarter under review.

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

The Group recorded revenue and profit before taxation of RM2,118.6 million and RM845.0 million (after excluding the share of impairment loss in joint venture of RM79.7 million) respectively for the current year to date, which is RM871.5 million or 29% and RM198.5 million or 19% respectively lower than the preceding year corresponding period of RM2,990.1 million and RM1,043.5 million (after excluding the aforesaid ABSD of RM163.9 million and fair value gain on investment properties of RM7.4 million) respectively. The Group's performance is lower in the current period under review is due to lower contribution from Klang Valley and overseas projects in both Singapore and PRC in the property development segment.

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

The Group recorded profit before taxation of RM221.7 million for the current quarter, which is RM47.4 million or 18% lower than the immediate preceding quarter of RM269.1 million (after excluding the share of impairment loss in joint venture of RM79.7 million). Lower profit before taxation recorded in the current quarter was mainly due to lower profit contribution from property development segment.



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#### 3) Prospects

Notwithstanding the challenging market conditions, the Group remains optimistic that properties in strategic locations across Malaysia and overseas will continue to draw prospective buyers. The Group will continue to embark on marketing effort and initiatives to unlock potential sales in Malaysia. On the international front, the Group is launching the sale of its residential projects in Xiamen, PRC in the last quarter of the financial year. In Singapore, the Group is expecting to launch the sale of its completed joint ventures' projects in the near term. Together with unbilled sales of RM990 million on hand, the Group is expected to perform satisfactorily in the property development segment.

For the property investment segment, despite the competitive market environment for office leasing, the Group will continue to manage its portfolio of investment properties to ensure that they are well-occupied to generate a steady stream of recurring revenue for the Group. The Group's investment properties which are situated in strategically located high growth areas are expected to continue to enjoy healthy occupancies and good rental yields.

With the Group's sizeable land bank in strategic locations both in Malaysia and overseas, coupled with strong track record in delivery, the Group is well-positioned to adapt to market conditions. Barring any unforeseen circumstances, the Group is expected to continue to deliver satisfactory performance in the financial year 2018.

#### 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	76,137	66,164	175,751	180,659
-Prior year	(7,314)	1,385	(5,209)	(3,401)
Deferred taxation	(17,524)	19,686	59,125	107,296
	<b>51,299</b>	<b>87,235</b>	<b>229,667</b>	<b>284,554</b>

The effective tax rate of the Group for the current quarter of 26% (after excluding overprovision of taxation in the prior year of RM7.3 million) is higher than the prevailing Malaysian statutory tax rate of 24%. The higher effective tax rate is mainly due to higher tax rate in the People's Republic of China.



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## Quarterly Financial Report For The Financial Period Ended 31 March 2018

(The figures have not been audited)

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

#### 7) Corporate Proposal

##### a) Memorandum of Agreement between IOI Properties Group Berhad and Hongkong Land International Holdings Limited in relation to a proposed joint venture

The Company and Hongkong Land International Holdings Limited ("HKLI") have on 12 June 2017 entered into a Memorandum of Agreement ("MOA"), and subject to certain regulatory and other approvals, they have agreed to use their respective subsidiary ("Nominated Subsidiary") to enter into a joint venture ("Proposed Joint Venture") through Wealthy Link Pte. Ltd. ("Wealthy Link") as the joint venture company, to jointly own and undertake a proposed development and management of a land parcel at Central Boulevard in Singapore ("Central Boulevard Site"), which Wealthy Link had successfully tendered for on 11 November 2016 from the Urban Redevelopment Authority ("URA") acting for and on behalf of the Government of Singapore.

As announced on 13 March 2018, the Company has terminated the MOA with HKLI for the non-fulfillment of certain conditions precedent.

##### b) Issuance of Islamic Medium Term Notes ("Sukuk Murabahah") by Fortune Premiere Sdn Bhd ("FPSB"), a wholly-owned subsidiary of the Company, under its Multi-Currency Islamic Medium Term Note Programme of up to RM3.0 billion (or its equivalent in Other Currencies) in Nominal Value ("Sukuk Murabahah Programme")

As announced on 21 December 2017, FPSB had made its first issuance of RM100.0 million in nominal value of Sukuk Murabahah based on the Shariah principle of Murabahah (via Tawarruq arrangement) under its Sukuk Murabahah Programme ("First Issuance"). The Sukuk Murabahah Programme was established with a tenure of up to 15 years from the date of the First Issuance.

#### 8) Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31 March 2018 are as follows:

	As at 31/03/18 RM'000	As at 30/06/17 RM'000
a) <b>Short term borrowings</b>		
Unsecured		
Denominated in RM	1,249,818	726,308
Denominated in USD (USD17 million) (2017: USD11 million)	78,654	53,848
Denominated in SGD (SGD350 million) (2017: SGD2,222 million)	<u>1,041,246</u>	<u>6,923,837</u>
	<u>2,369,718</u>	<u>7,703,993</u>
b) <b>Long term borrowings</b>		
Unsecured		
Denominated in RM	1,306,389	1,617,754
Denominated in USD (USD396 million) (2017: USD415 million)	1,517,820	1,770,874
Denominated in SGD (SGD2,322 million) (2017: SGD450 million)	<u>6,812,631</u>	<u>1,401,885</u>
	<u>9,636,840</u>	<u>4,790,513</u>
<b>Total borrowings</b>	<u>12,006,558</u>	<u>12,494,506</u>



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

**9) Derivative Financial Instruments**

(i) Details of derivative financial instrument outstanding as at 31 March 2018 are as follows:

<b>Type of derivative</b>	<b>Notional value RM'000</b>	<b>Fair value assets/(liabilities) RM'000</b>
Cash flow hedge derivative		
Cross currency interest rate swap		
- less than one year	50,000	(11,429)
- one year to three years	175,000	(19,225)
- more than three years	100,000	-
	<b>325,000</b>	<b>(30,654)</b>
Interest rate swap		
- less than one year	-	4,267
- one year to three years	286,338	10,829
- more than three years	572,762	1,738
	<b>859,100</b>	<b>16,834</b>

The above derivatives were entered to hedge its long term borrowings that are denominated in USD in order to minimise its exposure to the fluctuation of foreign currency rate and volatility of the interest rate.

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 2017 in respect of the accounting policies.



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

As at 31 March 2018, the Group has recognised net derivative financial liabilities of RM13.8 million in respect of a cross currency interest rate swap and an interest rate swap, with the corresponding fair value gains of RM16.1 million in the cash flow hedge reserve for the current period under review.

The fair value gain is due to the forward currency and floating interest rate have moved favourably for the Group from the last measurement date.

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.

**11) Realised and Unrealised Profits/(Losses)**

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

	As at 31/03/18 RM'000	As at 30/06/17 RM'000
<b>Total retained earnings of IOI Properties Group Berhad and its subsidiaries:</b>		
- Realised	5,859,472	5,691,893
- Unrealised	1,237,710	1,150,576
	7,097,182	6,842,469
<b>Total share of retained earnings/(accumulated losses) from associate:</b>		
- Realised	10,305	8,003
- Unrealised	(313)	(313)
	9,992	7,690
<b>Total share of retained earnings/(accumulated losses) from joint ventures:</b>		
- Realised	(582,153)	(500,547)
- Unrealised	540,164	526,271
	(41,989)	25,724
<b>Total Group retained earnings</b>	7,065,185	6,875,883



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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):

	CURRENT YEAR QUARTER (31/03/18) RM'000	CURRENT YEAR TO DATE (31/03/18) RM'000
Interest income	(11,444)	(36,799)
Impairment losses on receivables written back	(164)	(223)
Unrealised foreign currency translation gain	(53,102)	(131,342)
Realised foreign currency translation loss	6,098	15,779
Depreciation and amortisation	8,882	28,230
Impairment losses on receivables	467	643

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 2018.





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**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	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	QUARTER	CORRESPONDING	YEAR TO	CORRESPONDING
	QUARTER	QUARTER	DATE	PERIOD
	RM'000	RM'000	RM'000	RM'000
<b>a) Basic earnings per share</b>				
Net profit for the period	166,647	121,136	518,638	584,234
Weighted average number of ordinary shares in issue ('000)	5,506,145	4,455,478	5,506,145	4,425,260
Adjusted for bonus elements of rights issue ('000) (Restated)*	-	255,892	-	286,110
Adjusted weighted average number of ordinary shares in issue ('000) (Restated)*	5,506,145	4,711,370	5,506,145	4,711,370
Basic earnings per share (sen)	3.03	2.57	9.42	12.40
<b>b) Diluted earnings per share</b>				
Net profit for the period	166,647	121,136	518,638	584,234
Weighted average number of ordinary shares in issue ('000)	5,506,145	4,455,478	5,506,145	4,425,260
Adjustment for share options granted to employees of the Group ('000)	-	-	-	1,096
Adjusted for bonus elements of rights issue ('000) (Restated)*	-	255,892	-	286,110
Adjusted weighted average number of ordinary shares in issue ('000) (Restated)*	5,506,145	4,711,370	5,506,145	4,712,466
Diluted earnings per share (sen)	3.03	2.57	9.42	12.40

\* The numbers have been restated to account for the issuance of rights issue on 28 March 2017, which is in accordance with FRS 133.

**16) Audit Qualification**

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

By Order of the Board

**Felicia Chang Mei Yee**  
**Chee Ban Tuck**  
Company Secretaries

Putrajaya  
18 May 2018