



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(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
	31/03/19	31/03/18	31/03/19	31/03/18
	RM'000	RM'000 RESTATED	RM'000	RM'000 RESTATED
<b>Revenue</b>	487,739	510,518	1,699,723	2,065,732
Cost of sales	(221,330)	(311,397)	(779,428)	(1,226,755)
<b>Gross profit</b>	266,409	199,121	920,295	838,977
Other operating income	21,729	66,906	77,142	178,503
Marketing and selling expenses	(19,516)	(13,921)	(54,149)	(39,264)
Administration expenses	(60,705)	(40,494)	(150,961)	(140,129)
Other operating expenses	(7,695)	(35,870)	(115,285)	(99,285)
<b>Operating profit</b>	200,222	175,742	677,042	738,802
Share of result of an associate	308	655	900	2,302
Share of results of joint ventures	80,632	13,412	125,590	(45,555)
<b>Profit before interest and taxation</b>	281,162	189,809	803,532	695,549
Interest income	19,740	11,444	54,536	36,799
<b>Profit before taxation</b>	300,902	201,253	858,068	732,348
Taxation	(107,616)	(41,318)	(337,156)	(216,692)
<b>Profit for the period</b>	193,286	159,935	520,912	515,656
Attributable to:				
Owners of the parent	194,700	156,159	521,522	498,714
Non-controlling interests	(1,414)	3,776	(610)	16,942
	193,286	159,935	520,912	515,656
<b>Earnings per share for profit attributable to owners of the parent (sen)</b>				
Basic	3.54	2.84	9.47	9.06
Diluted	3.54	2.84	9.47	9.06

(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 2018 and the accompanying explanatory notes attached to this quarterly financial report.)



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(Incorporated in Malaysia)

**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(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
	31/03/19	31/03/18	31/03/19	31/03/18
	RM'000	RM'000	RM'000	RM'000
		RESTATED		RESTATED
<b>Profit for the period</b>	<b>193,286</b>	159,935	<b>520,912</b>	515,656
<b>Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations, net of tax	(41,661)	(445,565)	98,337	(446,208)
Net change in cash flow hedge reserve	(5,301)	(10,796)	(33,560)	16,129
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(46,962)</b>	(456,361)	<b>64,777</b>	(430,079)
<b>Total comprehensive income/(loss) for the period</b>	<b>146,324</b>	(296,426)	<b>585,689</b>	85,577
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	147,774	(295,119)	586,056	73,719
Non-controlling interests	(1,450)	(1,307)	(367)	11,858
	<b>146,324</b>	(296,426)	<b>585,689</b>	85,577

(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 2018 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 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	As at 31/03/19 RM'000	As at 30/06/18 RM'000 Restated	As at 01/07/17 RM'000 Restated
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	1,198,684	1,167,505	1,137,912
Prepaid lease payments	56,416	58,394	62,758
Land held for property development	4,552,716	4,508,568	4,560,892
Investment properties	13,343,536	12,891,488	12,804,095
Goodwill on consolidation	11,472	11,472	11,472
Investment in an associate	98,208	97,308	94,115
Interests in joint ventures	5,019,968	4,951,641	5,125,574
Derivative financial assets	-	13,597	4,551
Deferred tax assets	146,399	145,970	106,741
	<b>24,427,399</b>	<b>23,845,943</b>	<b>23,908,110</b>
<b>Current assets</b>			
Property development costs	3,516,260	3,467,800	4,032,642
Inventories	2,166,988	2,106,832	1,835,521
Derivative financial assets	-	6,529	-
Trade and other receivables	258,505	280,163	645,780
Contract assets	216,939	286,331	728,990
Amount due from joint venture	-	107	-
Current tax assets	79,504	42,013	91,090
Other investments	-	-	6,329
Short term funds	405,145	298,122	282,515
Deposits with financial institutions	607,381	1,837,610	1,405,299
Cash and bank balances	605,088	547,588	688,419
	<b>7,855,810</b>	<b>8,873,095</b>	<b>9,716,585</b>
<b>TOTAL ASSETS</b>	<b>32,283,209</b>	<b>32,719,038</b>	<b>33,624,695</b>

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

(Incorporated in Malaysia)

**IOI PROPERTIES****Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	As at 31/03/19 RM'000	As at 30/06/18 RM'000 Restated	As at 01/07/17 RM'000 Restated
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	18,514,233	18,514,233	18,514,233
Other reserves	(296,060)	(360,594)	13,119
Retained earnings	8,847,031	8,600,655	8,175,548
Reorganisation debit balance	(8,440,152)	(8,440,152)	(8,440,152)
	<b>18,625,052</b>	<b>18,314,142</b>	<b>18,262,748</b>
<b>Non-controlling interests</b>	<b>160,438</b>	<b>166,603</b>	<b>260,655</b>
<b>Total equity</b>	<b>18,785,490</b>	<b>18,480,745</b>	<b>18,523,403</b>
<b>Non-current liabilities</b>			
Borrowings	10,002,754	9,573,746	4,790,513
Derivative financial liabilities	21,973	12,032	-
Trade and other payables	43,584	40,395	25,760
Amounts due to non-controlling interests	-	9,934	17,671
Deferred tax liabilities	936,545	811,086	1,052,107
	<b>11,004,856</b>	<b>10,447,193</b>	<b>5,886,051</b>
<b>Current liabilities</b>			
Borrowings	1,297,771	2,379,320	7,703,993
Derivative financial liabilities	6,999	7,358	9,448
Trade and other payables	907,466	1,110,858	1,252,624
Contract liabilities	233,954	112,784	162,509
Current tax liabilities	46,673	180,780	86,667
	<b>2,492,863</b>	<b>3,791,100</b>	<b>9,215,241</b>
<b>Total liabilities</b>	<b>13,497,719</b>	<b>14,238,293</b>	<b>15,101,292</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,283,209</b>	<b>32,719,038</b>	<b>33,624,695</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>3.38</b>	<b>3.33</b>	<b>3.32</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 2018 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 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	<b>9 Months Ended 31/03/19 RM'000</b>	<b>9 Months Ended 31/03/18 RM'000 Restated</b>
<b>Operating Activities</b>		
Profit before taxation	858,068	732,348
Adjustments for:		
Unrealised foreign currency translation loss/(gain)	22,607	(131,342)
Depreciation and amortisation	30,212	28,230
Share of results of joint ventures	(125,590)	45,555
Interest income	(54,536)	(36,799)
Other non-cash items	(1,276)	(186)
Operating profit before working capital changes	729,485	637,806
Decrease in inventories	297,096	634,116
(Increase)/Decrease in receivables and other assets	(97,308)	437,024
Decrease in payables and other liabilities	(76,203)	(320,753)
Cash generated from operations	853,070	1,388,193
Tax paid	(384,089)	(243,992)
Tax refunded	1,403	296
<b>Net cash inflow from operating activities</b>	<b>470,384</b>	<b>1,144,497</b>
<b>Investing Activities</b>		
Repayment from a joint venture	154,894	7,727
Interest received	47,349	30,868
Dividends received from a joint venture	4,509	21,818
Proceeds from disposal of property, plant and equipment	133	136
Proceeds from disposal of land from compulsory acquisition	40	-
Additional investments in joint ventures	(11,453)	(74,221)
Additions to land held for property development	(49,913)	(57,753)
Additions to property, plant and equipment	(54,158)	(29,776)
Additions to investment properties	(245,368)	(129,457)
Advance to joint venture	-	(42,451)
Additions to other investments	-	(85,460)
<b>Net cash outflow from investing activities</b>	<b>(153,967)</b>	<b>(358,569)</b>
<b>Financing Activities</b>		
Additional investment in a subsidiary	(98)	(176)
Repayment to non-controlling interests	(1,161)	(70,599)
Banking facilities fees paid	(5,993)	(37,365)
Dividend paid to non-controlling interests	(14,539)	(26,348)
Dividend paid	(275,307)	(330,369)
Interest paid	(306,052)	(231,418)
Net (repayment)/drawdown of borrowings	(796,125)	173,534
<b>Net cash outflow from financing activities</b>	<b>(1,399,275)</b>	<b>(522,741)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,082,858)</b>	<b>263,187</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>2,683,320</b>	<b>2,376,233</b>
<b>Effect of exchange rate changes</b>	<b>17,152</b>	<b>(87,121)</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>1,617,614</b>	<b>2,552,299</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 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 2019**

(The figures have not been audited)

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

	-----Other reserves-----					Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Share-based payment reserve	Reorganisation debit balance				
<b>As at 1 July 2018</b>	<b>18,514,233</b>	<b>875,335</b>	<b>14,200</b>	<b>15,604</b>	<b>(8,440,152)</b>	<b>7,330,986</b>	<b>18,310,206</b>	<b>166,598</b>	<b>18,476,804</b>
Effects on adoption of the MFRS Framework	-	(1,265,733)	-	-	-	1,269,669	3,936	5	3,941
<b>As at 1 July 2018 (restated)</b>	<b>18,514,233</b>	<b>(390,398)</b>	<b>14,200</b>	<b>15,604</b>	<b>(8,440,152)</b>	<b>8,600,655</b>	<b>18,314,142</b>	<b>166,603</b>	<b>18,480,745</b>
Profit for the financial period	-	-	-	-	-	521,522	521,522	(610)	520,912
Exchange differences on translation of foreign operations, net of tax	-	98,094	-	-	-	-	98,094	243	98,337
Net change in cash flow hedge reserve	-	-	(33,560)	-	-	-	(33,560)	-	(33,560)
<b>Total comprehensive income</b>	<b>-</b>	<b>98,094</b>	<b>(33,560)</b>	<b>-</b>	<b>-</b>	<b>521,522</b>	<b>586,056</b>	<b>(367)</b>	<b>585,689</b>
Transactions with owners									
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	9,000	9,000
Changes in equity interests in a subsidiary	-	-	-	-	-	161	161	(259)	(98)
Dividend paid	-	-	-	-	-	(275,307)	(275,307)	-	(275,307)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(14,539)	(14,539)
<b>As at 31 March 2019</b>	<b>18,514,233</b>	<b>(292,304)</b>	<b>(19,360)</b>	<b>15,604</b>	<b>(8,440,152)</b>	<b>8,847,031</b>	<b>18,625,052</b>	<b>160,438</b>	<b>18,785,490</b>
<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>
Effects on adoption of the MFRS Framework	-	(1,264,878)	-	-	-	1,299,665	34,787	40	34,827
<b>As at 1 July 2017 (restated)</b>	<b>18,514,233</b>	<b>808</b>	<b>(4,830)</b>	<b>17,141</b>	<b>(8,440,152)</b>	<b>8,175,548</b>	<b>18,262,748</b>	<b>260,655</b>	<b>18,523,403</b>
Profit for the financial period	-	-	-	-	-	498,714	498,714	16,942	515,656
Exchange differences on translation of foreign operations, net of tax	-	(441,124)	-	-	-	-	(441,124)	(5,084)	(446,208)
Net change in cash flow hedge reserve	-	-	16,129	-	-	-	16,129	-	16,129
<b>Total comprehensive income</b>	<b>-</b>	<b>(441,124)</b>	<b>16,129</b>	<b>-</b>	<b>-</b>	<b>498,714</b>	<b>73,719</b>	<b>11,858</b>	<b>85,577</b>
Transactions with owners									
Employee share options lapsed	-	-	-	(729)	-	729	-	-	-
Changes in equity interests in a subsidiary	-	-	-	-	-	304	304	(480)	(176)
Dividend paid	-	-	-	-	-	(330,369)	(330,369)	-	(330,369)
Capital repayment to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(61,906)	(61,906)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(26,348)	(26,348)
<b>As at 31 March 2018</b>	<b>18,514,233</b>	<b>(440,316)</b>	<b>11,299</b>	<b>16,412</b>	<b>(8,440,152)</b>	<b>8,344,926</b>	<b>18,006,402</b>	<b>183,779</b>	<b>18,190,181</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 2018 and the accompanying 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 2019**

(The figures have not been audited)

#### **Explanatory Notes**

##### **a) Basis of Preparation**

The quarterly financial report of the IOIPG Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 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 2018. 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 2018.

##### **b) Changes in Accounting Policies**

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 30 June 2018, except for the effects arising from the transition from Financial Reporting Standards ("FRS") to MFRSs, which are disclosed below.

The quarterly financial statements of the Group for the period ended 30 September 2018 is the first set of interim financial statements prepared in accordance with MFRS frameworks and MFRS 1: First-time Adoption of Malaysian Financial Standards has been applied. The MFRS framework is effective for the Group from 1 July 2018 and the date of transition to the MFRS framework for the purpose of preparation of the MFRS compliant interim financial report is 1 July 2017.

In conjunction to the adoption of the MFRS Framework above, the Group has elected to reset the exchange reserves as at 1 July 2017 to zero and transfer the exchange reserves to retained earnings permissible under MFRS 1. The Group has also reassessed the current accounting policies and elected to change its accounting policy on measurement of the Group's investment properties under construction from the fair value model to cost model. The Group has elected to use the previous fair value as deemed cost under MFRS. Accordingly, the carrying amounts of these investment properties under construction as at 1 July 2017 have not been restated. Except for this change in accounting policy, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in this interim financial statements have been restated to give effect to the above changes.

##### **MFRS 9 Financial Instruments**

MFRS 9 replaces MFRS 139 and introduces new requirements for classification and measurement of financial assets and financial liabilities, impairment and hedge accounting. MFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

Retrospective application is required but restatement of comparative information is not compulsory. The Group has applied this standard for financial year beginning on 1 July 2018 where no restatement of comparatives was made. The key affect of the adoption of this standard on the Group would be assessment of impairment loss of financial assets. MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The initial application of the new ECL model does not have any significant impact on the financial statements of the Group.



**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Explanatory Notes**

**b) Changes in Accounting Policies (continued)**

**MFRS 15: Revenue from Contracts with Customers**

The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group has adopted MFRS 15 using the full retrospective method and the key affected areas as a results of adopting this standard on the property development activities of the Group are as follows:-

i) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Under FRS regime, the Group accounts for bundled sales as one deliverable and recognises revenue over time. Under MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin.

ii) Cost incurred in securing a contract

Under FRS regime, the Group expensed off all costs incurred to secure the contract, such as sales commissions and free legal fees as these costs do not qualify for recognition as an asset under any of the other FRS standards. However, all the cost to secure contracts and are expected to be recovered through the goods and services to be provided. Accordingly, under MFRS 15, these costs will be eligible for capitalisation and recognised as contract cost assets. The contract cost assets will be amortised based on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates.

iii) Recognition of provision for foreseeable losses for low cost housing

The Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities in accordance to FRSIC Consensus 17: Development of Affordable Housing ("FRSIC 17") issued by Malaysian Institute of Accountants ("MIA").

MFRS 15 requires the accounting to be done on a contract basis. Pursuant to the clarification on the use of FRSIC 17 on 17 March 2018, it stated that FRSIC 17 is no longer relevant upon the adoption of MFRS framework. The Group is required to reassess the recognition of foreseeable losses, if any, on the development of low cost housing under the MFRS framework.

iv) Presentation and disclosure

The notes to the financial statements for the financial year ending 30 June 2019 will be expanded to include additional disclosure on significant judgements and accounting estimates made. Thing amongst others, determining the transaction prices of those contracts that include variable consideration, transaction price allocation to each performance obligation, and the assumptions made to estimate the stand-alone selling prices of each performance obligation. MFRS 15 also requires revenue recognised to be disaggregated into categories that depict the nature, amount, timing and uncertainty of revenue and cashflows.



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**Explanatory Notes****b) Changes in Accounting Policies (continued)**

As a result, the following comparatives in the interim financial report have been restated.

**i. Impact on condensed consolidated financial statement as at 1 July 2017 (date of transition):**

	Audited as at 1/07/2017 RM'000	Effect on adoption of MFRS RM'000	Restated as at 1/07/2017 RM'000
<b>Condensed consolidated statement of financial position</b>			
<b>Assets</b>			
Interests in joint ventures	5,126,081	(507)	5,125,574
Deferred tax assets	106,454	287	106,741
Property development costs	4,014,666	17,976	4,032,642
Trade and other receivables	1,395,573	(749,793)	645,780
Contract assets	-	728,990	728,990
<b>Liabilities</b>			
Deferred tax liabilities	1,021,915	30,192	1,052,107
Trade and other payables	1,483,199	(230,575)	1,252,624
Contract liabilities	-	162,509	162,509
<b>Equity</b>			
Other reserves	1,277,997	(1,264,878)	13,119
Retained earnings	6,875,883	1,299,665	8,175,548
Non-controlling interests	260,615	40	260,655

**ii. Impact on condensed consolidated financial statement as at 30 June 2018:**

	Audited as at 30/06/2018 RM'000	Effect on adoption of MFRS RM'000	Restated as at 30/06/2018 RM'000
<b>Condensed consolidated statement of financial position</b>			
<b>Assets</b>			
Investment properties	12,895,582	(4,094)	12,891,488
Interests in joint ventures	4,951,803	(162)	4,951,641
Deferred tax assets	144,537	1,433	145,970
Property development costs	3,434,348	33,452	3,467,800
Trade and other receivables	574,037	(293,874)	280,163
Contract assets	-	286,331	286,331
<b>Liabilities</b>			
Deferred tax liabilities	806,356	4,730	811,086
Trade and other payables	1,209,227	(98,369)	1,110,858
Contract liabilities	-	112,784	112,784
<b>Equity</b>			
Other reserves	905,139	(1,265,733)	(360,594)
Retained earnings	7,330,986	1,269,669	8,600,655
Non-controlling interests	166,598	5	166,603



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**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Explanatory Notes**

**b) Changes in Accounting Policies (continued)**

**iii. Impact on condensed consolidated income statement for the 9 months period ended 31 March 2018:**

	<b>As previously reported 31/03/2018 RM'000</b>	<b>Effect on adoption of MFRS RM'000</b>	<b>Restated as at 31/03/2018 RM'000</b>
Revenue	2,118,635	(52,903)	2,065,732
Cost of sales	(1,185,364)	(41,391)	(1,226,755)
Other operating income	157,580	20,923	178,503
Marketing and selling expenses	(79,372)	40,108	(39,264)
Share of results of joint ventures	(45,895)	340	(45,555)
Taxation	(229,667)	12,975	(216,692)
Non-controlling interests	16,966	(24)	16,942
Net impact on profit or loss attributable to owners of the parent	<u>518,638</u>	<u>(19,924)</u>	<u>498,714</u>

**iv. Impact on condensed consolidated statement of comprehensive income for the 9 months period ended 31 March 2018:**

	<b>As previously reported 31/03/2018 RM'000</b>	<b>Effect on adoption of MFRS RM'000</b>	<b>Restated as at 31/03/2018 RM'000</b>
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations, net of tax	(445,331)	(877)	(446,208)
Net impact on total comprehensive income attributable to owners of the parent	<u>94,520</u>	<u>(20,801)</u>	<u>73,719</u>

**v. Impact on condensed consolidated statement of cash flows for the 9 months period ended 31 March 2018 and the impact on basic EPS:**

There is no material impact on the consolidated statement of cash flows for the 9 months period ended 31 March 2018. The impact on basic EPS is as follows:

	<b>Decrease</b>
Earnings per ordinary share attributable to owners of the parent:	
- Basic (sen)	<u>0.36</u>

**c) Seasonal or Cyclical Factors**

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

**d) Unusual Items**

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



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

**IOI PROPERTIES**

## Quarterly Financial Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

### Explanatory Notes

**e) 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.

**f) 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 2019.

**g) Dividend Paid**

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Interim single tier dividend of 5 sen per ordinary share in respect of financial year ended 30 June 2018, paid on 28 September 2018	275,307	-
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
	<b>275,307</b>	<b>330,369</b>



IOI PROPERTIES

## IOI PROPERTIES GROUP BERHAD (1035807-A)

### Quarterly Financial Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

#### Explanatory Notes

#### h) Segment Revenue & Results

(RM'000)	Property Development	Property Investment	Hospitality & Leisure	Other Operations	Elimination	Consolidated
<b>i) <u>3 Months Ended 31/03/19</u></b>						
<b>REVENUE</b>						
External	350,216	88,665	46,864	1,994	-	487,739
Inter-segment	-	1,097	135	48,763	(49,995)	-
Total revenue	<u>350,216</u>	<u>89,762</u>	<u>46,999</u>	<u>50,757</u>	<u>(49,995)</u>	<u>487,739</u>
<b>RESULT</b>						
Segment operating profit	121,774	51,057	3,819	1,207	-	177,857
Net realised/unrealised foreign currency translation gain *	22,365	-	-	-	-	22,365
Share of result of an associate	308	-	-	-	-	308
Share of results of joint ventures	47,754	36,224	(3,346)	-	-	80,632
Segment results	<u>192,201</u>	<u>87,281</u>	<u>473</u>	<u>1,207</u>	<u>-</u>	<u>281,162</u>
Interest income						<u>19,740</u>
Profit before taxation						<u>300,902</u>
Taxation						<u>(107,616)</u>
Profit for the period						<u>193,286</u>

#### 3 Months Ended 31/03/18

#### Restated

<b>REVENUE</b>						
External	378,915	83,627	45,777	2,199	-	510,518
Inter-segment	373	982	217	31,087	(32,659)	-
Total revenue	<u>379,288</u>	<u>84,609</u>	<u>45,994</u>	<u>33,286</u>	<u>(32,659)</u>	<u>510,518</u>
<b>RESULT</b>						
Segment operating profit	70,579	53,354	4,657	732	-	129,322
Net realised/unrealised foreign currency translation gain	46,420	-	-	-	-	46,420
Share of result of an associate	655	-	-	-	-	655
Share of results of joint ventures	3,995	12,288	(2,871)	-	-	13,412
Segment results	<u>121,649</u>	<u>65,642</u>	<u>1,786</u>	<u>732</u>	<u>-</u>	<u>189,809</u>
Interest income						<u>11,444</u>
Profit before taxation						<u>201,253</u>
Taxation						<u>(41,318)</u>
Profit for the period						<u>159,935</u>

\* Part of the unrealised foreign currency translation gain has included in other operating expenses to conform with the current year to date financial results.

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



**IOI PROPERTIES**

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

**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Explanatory Notes**

**h) Segment Revenue & Results (continued)**

(RM'000)	Property Development	Property Investment	Hospitality & Leisure	Other Operations	Elimination	Consolidated
<b>ii) <u>9 Months Ended 31/03/19</u></b>						
<b>REVENUE</b>						
External	1,278,018	264,924	149,260	7,521	-	1,699,723
Inter-segment	-	3,157	542	109,282	(112,981)	-
Total revenue	<u>1,278,018</u>	<u>268,081</u>	<u>149,802</u>	<u>116,803</u>	<u>(112,981)</u>	<u>1,699,723</u>
<b>RESULT</b>						
Segment operating profit	507,118	154,806	19,226	5,146	-	686,296
Net realised/unrealised foreign currency translation loss	(9,254)	-	-	-	-	(9,254)
Share of result of an associate	900	-	-	-	-	900
Share of results of joint ventures	78,720	54,695	(7,825)	-	-	125,590
Profit before interest and taxation	577,484	209,501	11,401	5,146	-	803,532
Interest income						54,536
Profit before taxation						<u>858,068</u>
Taxation						<u>(337,156)</u>
Profit for the period						<u>520,912</u>

**9 Months Ended 31/03/18**

**Restated**

<b>REVENUE</b>						
External	1,668,230	242,727	146,477	8,298	-	2,065,732
Inter-segment	19,769	1,875	602	98,729	(120,975)	-
Total revenue	<u>1,687,999</u>	<u>244,602</u>	<u>147,079</u>	<u>107,027</u>	<u>(120,975)</u>	<u>2,065,732</u>
<b>RESULT</b>						
Segment operating profit	443,595	151,197	22,651	5,796	-	623,239
Net realised/unrealised foreign currency translation gain	115,563	-	-	-	-	115,563
Share of result of an associate	2,302	-	-	-	-	2,302
Share of results of joint ventures	(69,635)	28,451	(4,371)	-	-	(45,555)
Profit before interest and taxation	491,825	179,648	18,280	5,796	-	695,549
Interest income						36,799
Profit before taxation						<u>732,348</u>
Taxation						<u>(216,692)</u>
Profit for the period						<u>515,656</u>

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



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

## **Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

### **Explanatory Notes**

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

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

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

During the quarter under review, Xiamen Talent Business Management Co. Ltd. ("XTBM"), an indirect 99.8%-owned subsidiary of the Company, had on 25 March 2019 received a Notice of Registration of Liquidation Committee from Xiamen Municipal Administration for Market Regulation ("XMA") for the commencement of voluntary liquidation of XTBM in accordance with PRC Law and the Articles of Association of XTBM. The liquidation process is expected to take approximately 3 to 4 months to complete.

#### **k) Contingent Liabilities**

There were no material contingent liabilities for the Group as at 31 March 2019.

#### **l) 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	171,561
Additions of investment properties	1,584,458
	<b><u>1,837,378</u></b>



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

## Quarterly Financial Report For The Financial Period Ended 31 March 2019

(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 RM487.7 million for the current quarter, which is RM22.8 million or 4% lower than the preceding year corresponding quarter. The decrease in revenue is mainly due to lower contribution from the property development segment. After excluding foreign currency translation gain of RM22.4 million, the Group recorded profit before taxation ("PBT") of RM278.5 million for the current quarter, which is RM123.6 million or 80% higher than the preceding year corresponding quarter of RM154.9 million (after excluding foreign currency translation gain of RM46.4 million). The increase in PBT is mainly due to higher operating profit contributed from property development in People's Republic of China ("PRC") and higher share of profit in joint ventures mainly arising from the sale of South Beach Residences in Singapore.

##### Property development

The property development segment recorded revenue of RM350.2 million in the current quarter, which is RM28.7 million or 8% lower than the preceding year corresponding quarter. Lower revenue recorded in the current quarter is mainly due to lower sales from Johor region and lower progress billing from ongoing development projects in Penang. The impact has partly compensated by higher sale of high rise residential developments in Klang Valley. The Group's operating profit of RM121.8 million for the current quarter is RM51.2 million or 73% higher than the preceding year corresponding quarter mainly due to higher profit contribution from our development projects in PRC.

##### Property investment

Revenue of RM88.7 million for the current year quarter, which is RM5.1 million or 6% higher than the preceding year corresponding quarter, while operating profit of RM51.1 million for the current year quarter, which is RM2.3 million or 4% lower than the preceding year corresponding quarter. Higher revenue is mainly contributed by higher occupancy and rental rates secured by retail and office segments. Lower operating profit in the current quarter is mainly due to rental income generated from certain shop offices has been recognised as other income of property development segment pursuant to the change of usage from long term investment assets to trading assets. Besides, there was one off liquidated and ascertained damages income of RM3.7 million recognised in the preceding year corresponding quarter.

##### Hospitality and leisure

Revenue increased by 2% from RM45.8 million to RM46.9 million, while the operating profit decreased by 19% from RM4.7 million to RM3.8 million. The increase in revenue is attributable to higher occupancy rate secured by the hotels in Putrajaya. Lower operating profit for the current quarter due to lower golfing activities from the leisure sub segment.

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

The Group recorded revenue of RM1,699.7 million, which is RM366.0 million or 18% lower than the preceding year corresponding period. This is mainly due to lower contribution from overseas operation following the completion of The Triling in the last financial year. For Malaysia operation, lower revenue is mainly due to lower progress billing from ongoing projects as the current period's sales are mainly from the completed projects. The Group's PBT of RM867.4 million (after excluding the foreign currency translation loss of RM9.3 million) for the current year to date, which is RM171.0 million or 25% higher than the preceding year corresponding period of RM696.4 million (after excluding the foreign currency translation gain of RM115.6 million and share of impairment loss in joint venture of RM79.7 million). Higher PBT is contributed by our development projects in PRC and higher share of profit in joint ventures mainly arising from the sale of South Beach Residences in Singapore.

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

The Group recorded PBT of RM278.5 million (after excluding foreign currency translation gain of RM22.4 million) for the current year quarter, which is RM64.3 million or 19% lower than the immediate preceding quarter of RM342.8 million (after excluding foreign currency translation loss of RM12.2 million). Lower PBT recorded in the current year quarter is mainly due to lower sales from property development in Malaysia and partly compensated by higher share of profit in joint ventures mainly arising from the sale of South Beach Residences in Singapore.



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

### **Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

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

##### **3) Prospects**

Our residential developments in IOI Palm City, Xiamen achieved strong take up rates, contributing positively to the results of the Group despite uncertainties in the global environment arising from ongoing trade conflicts. We expect to launch a new residential development in Xiang An, Xiamen during the last quarter of FY2019. Property development in China is anticipated to sustain its positive impact on the Group's financial results as the Group proceeds with its residential developments in Xiamen with total GDV of approximately RMB1.0 billion to be launched within the next quarter. In Singapore, our joint venture project, South Beach Residences has achieved total sales of SGD523 million which would contribute positively to the Group's financial results.

Although the property market in Malaysia continues to be subdued in the near term, the Group remains cautiously optimistic that the recent Home Ownership Campaign ("HOC") supported by the Government coupled with aggressive marketing campaigns leveraging on both traditional and digital platforms would draw better sales performance in the coming quarter.

In its property investment segment, the Group's retail investment properties continue to enjoy healthy occupancy levels and good rental yields, generating a steady stream of recurring income for the Group. For the Central Boulevard development in Singapore, the construction of its main building has commenced recently and is progressing in accordance to plan.

With the sizeable land bank of the Group 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 domestically and abroad. Barring any unforeseen circumstances, the Group is expected to continue to delivering satisfactory performance in the coming quarters.

##### **4) Achievability of Forecast Results**

Not applicable.

##### **5) Variance of Actual Profit from Forecast Results or Profit Guarantee**

Not applicable.





# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

## Quarterly Financial Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

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

#### 6) Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000 RESTATED	RM'000	RM'000 RESTATED

The tax expense comprises the following:

Current taxation	26,812	55,848	210,342	157,567
Deferred taxation	80,804	(14,530)	126,814	59,125
	<b>107,616</b>	<b>41,318</b>	<b>337,156</b>	<b>216,692</b>

The effective tax rate of the Group for the current year quarter of 36% is higher than the prevailing Malaysian statutory tax rate of 24%. This higher effective tax rate is driven by the higher tax rate in the People's Republic of China.

#### 7) Corporate Proposal

There were no outstanding corporate proposal for the current quarter under review.

#### 8) Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31 March 2019 are as follows:

	As at 31/03/19 RM'000	As at 30/06/18 RM'000
a) <b>Short term borrowings</b>		
Unsecured		
Denominated in RM	710,547	1,246,780
Denominated in USD (USD139 million) (2018: USD17 million)	578,434	78,148
Denominated in SGD (Nil) (2018: SGD350 million)	8,790	1,054,392
	<b>1,297,771</b>	<b>2,379,320</b>
b) <b>Long term borrowings</b>		
Unsecured		
Denominated in RM	2,145,585	1,154,846
Denominated in USD (USD257 million) (2018: USD396 million)	1,049,867	1,582,839
Denominated in SGD (SGD2,272 million) (2018: SGD2,322 million)	6,807,302	6,836,061
	<b>10,002,754</b>	<b>9,573,746</b>
<b>Total borrowings</b>	<b>11,300,525</b>	<b>11,953,066</b>



# IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

**IOI PROPERTIES**

## Quarterly Financial Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

### 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 2019 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	100,000	(6,636)
- one year to three years	100,000	(5,028)
	<u>200,000</u>	<u>(11,664)</u>
Interest rate swap		
- less than one year	272,073	(363)
- one year to three years	544,227	(11,873)
- more than three years	3,010,000	(5,072)
	<u>3,826,300</u>	<u>(17,308)</u>

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 2018 in respect of the accounting policies.



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

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

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

As at 31 March 2019, the Group has recognised derivative financial liabilities of RM11.7 million in respect of a cross currency interest rate swap and derivative financial liabilities of RM17.3 million in respect of an interest rate swap, with the corresponding fair value loss of RM33.6 million in the cash flow hedge reserve for the current period under review.

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

The fair value of the abovementioned derivatives is calculated based on the present value of estimated cash flow using an appropriate market-based yield curve.

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

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

	<b>CURRENT YEAR QUARTER</b>	<b>CURRENT YEAR TO DATE</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	<b>(19,740)</b>	<b>(54,536)</b>
Impairment losses on receivables written back	<b>(1,579)</b>	<b>(1,694)</b>
Realised foreign currency translation loss/(gain)	<b>4,809</b>	<b>(13,353)</b>
Unrealised foreign currency translation (gain)/loss	<b>(27,174)</b>	<b>22,607</b>
Depreciation and amortisation	<b>10,013</b>	<b>30,212</b>
Impairment losses on receivables	<b>516</b>	<b>564</b>

Other than as per disclosed above, the Group does not have other material items that recognised as profit/loss in the consolidated statement of profit or loss and statement of other comprehensive income.

**12) Material Litigation**

There is no pending material litigation as at the date of this announcement.

**13) Dividends**

No dividend has been declared by the Board for the financial quarter ended 31 March 2019.



**IOI PROPERTIES**

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

(Incorporated in Malaysia)

**Quarterly Financial Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

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

**14) Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000 RESTATED	RM'000	RM'000 RESTATED
<b>a) Basic earnings per share</b>				
Net profit for the period	194,700	156,159	521,522	498,714
Weighted average number of ordinary shares in issue ('000)	5,506,145	5,506,145	5,506,145	5,506,145
Basic earnings per share (sen)	3.54	2.84	9.47	9.06
<b>b) Diluted earnings per share</b>				
Net profit for the period	194,700	156,159	521,522	498,714
Weighted average number of ordinary shares in issue ('000)	5,506,145	5,506,145	5,506,145	5,506,145
Adjusted weighted average number of ordinary shares in issue ('000)	5,506,145	5,506,145	5,506,145	5,506,145
Diluted earnings per share (sen)	3.54	2.84	9.47	9.06

**15) Audit Qualification**

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

By Order of the Board

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

Putrajaya  
27 May 2019