



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 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
	30/06/19	30/06/18	30/06/19	30/06/18
	RM'000	RM'000 RESTATED	RM'000	RM'000 RESTATED
Revenue	497,791	603,013	2,197,514	2,668,745
Cost of sales	(229,962)	(358,902)	(1,009,390)	(1,585,657)
Gross profit	267,829	244,111	1,188,124	1,083,088
Other operating income	95,208	170,884	153,053	238,283
Marketing and selling expenses	(15,033)	(13,831)	(69,182)	(53,095)
Administration expenses	(55,122)	(49,181)	(206,083)	(189,310)
Other operating expenses	(33,916)	(30,368)	(122,205)	(114,612)
Operating profit	258,966	321,615	943,707	964,354
Share of result of an associate	1,105	891	2,005	3,193
Share of results of joint ventures	(22,416)	11,680	103,174	(33,875)
Profit before interest and taxation	237,655	334,186	1,048,886	933,672
Interest income	14,400	15,641	68,936	52,440
Net foreign currency translation (loss)/gain on:				
- foreign denominated borrowings	(30,633)	(73,694)	(53,073)	34,800
- foreign denominated deposits	6,470	7,126	21,211	(5,305)
Profit before taxation	227,892	283,259	1,085,960	1,015,607
Taxation	(88,374)	(20,801)	(425,530)	(237,493)
Profit for the period	139,518	262,458	660,430	778,114
Attributable to:				
Owners of the parent	139,768	254,922	661,290	753,636
Non-controlling interests	(250)	7,536	(860)	24,478
	139,518	262,458	660,430	778,114
Earnings per share for profit attributable to owners of the parent (sen)				
Basic	2.54	4.63	12.01	13.69
Diluted	2.54	4.63	12.01	13.69

(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.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 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
	30/06/19	30/06/18	30/06/19	30/06/18
	RM'000	RM'000	RM'000	RM'000
		RESTATED		RESTATED
Profit for the period	139,518	262,458	660,430	778,114
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations, net of tax	104,053	50,810	202,390	(395,398)
Net change in cash flow hedge reserve	(31,857)	2,901	(65,417)	19,030
Other comprehensive income/(loss) for the period, net of tax	72,196	53,711	136,973	(376,368)
Total comprehensive income for the period	211,714	316,169	797,403	401,746
Total comprehensive income/(loss) attributable to:				
Owners of the parent	213,956	307,741	800,012	381,460
Non-controlling interests	(2,242)	8,428	(2,609)	20,286
	211,714	316,169	797,403	401,746

(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.)

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

(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 30 June 2019**

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	As at 30/06/19 RM'000	As at 30/06/18 RM'000 Restated	As at 01/07/17 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant & equipment	1,265,538	1,167,505	1,137,912
Prepaid lease payments	55,542	58,394	62,758
Land held for property development	4,642,164	4,508,568	4,560,892
Investment properties	13,672,410	12,891,488	12,804,095
Goodwill on consolidation	11,472	11,472	11,472
Investment in an associate	99,313	97,308	94,115
Interests in joint ventures	5,012,119	4,951,641	5,125,574
Derivative financial assets	-	13,597	4,551
Deferred tax assets	133,854	145,970	106,741
	24,892,412	23,845,943	23,908,110
Current assets			
Property development costs	3,567,548	3,467,800	4,032,642
Inventories	2,047,991	2,106,832	1,835,521
Derivative financial assets	-	6,529	-
Trade and other receivables	357,910	280,163	645,780
Contract assets	216,591	286,331	728,990
Amount due from joint venture	560	107	-
Current tax assets	59,305	42,013	91,090
Other investments	-	-	6,329
Short term funds	41	298,122	282,515
Deposits with financial institutions	455,086	1,837,610	1,405,299
Cash and bank balances	1,121,758	547,588	688,419
	7,826,790	8,873,095	9,716,585
TOTAL ASSETS	32,719,202	32,719,038	33,624,695

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

(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 30 June 2019**

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	As at 30/06/19 RM'000	As at 30/06/18 RM'000 Restated	As at 01/07/17 RM'000 Restated
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	18,514,233	18,514,233	18,514,233
Other reserves	(225,701)	(360,594)	13,119
Retained earnings	8,986,081	8,596,108	8,171,000
Reorganisation debit balance	(8,440,152)	(8,440,152)	(8,440,152)
	18,834,461	18,309,595	18,258,200
Non-controlling interests	159,122	166,603	260,655
Total equity	18,993,583	18,476,198	18,518,855
Non-current liabilities			
Borrowings	10,150,209	9,573,746	4,790,513
Derivative financial liabilities	43,514	12,032	-
Trade and other payables	29,709	40,395	25,760
Amounts due to non-controlling interests	-	9,934	17,671
Deferred tax liabilities	801,155	815,633	1,056,655
	11,024,587	10,451,740	5,890,599
Current liabilities			
Borrowings	1,176,252	2,379,320	7,703,993
Derivative financial liabilities	14,167	7,358	9,448
Trade and other payables	1,025,111	1,110,858	1,252,624
Contract liabilities	341,508	112,784	162,509
Current tax liabilities	143,994	180,780	86,667
	2,701,032	3,791,100	9,215,241
Total liabilities	13,725,619	14,242,840	15,105,840
TOTAL EQUITY AND LIABILITIES	32,719,202	32,719,038	33,624,695
Net assets per share attributable to owners of the parent (RM)	3.42	3.33	3.32

(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 30 June 2019**

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	12 Months Ended 30/06/19 RM'000	12 Months Ended 30/06/18 RM'000 Restated
Operating Activities		
Profit before taxation	1,085,960	1,015,607
Adjustments for:		
Unrealised foreign currency translation loss/(gain)	48,903	(37,672)
Depreciation and amortisation	40,846	38,938
Gain on disposal of land from compulsory acquisitions	(752)	(664)
Interest income	(68,936)	(52,440)
Fair value gain on investment properties	(93,356)	(160,695)
Share of results of joint ventures	(103,174)	33,875
Other non-cash items	(2,320)	(2,792)
Operating profit before working capital changes	907,171	834,157
Decrease in inventories	401,118	778,963
(Increase)/Decrease in receivables and other assets	(238,606)	528,030
Increase/(Decrease) in payables and other liabilities	166,685	(251,600)
Cash generated from operations	1,236,368	1,889,550
Tax paid	(487,320)	(360,165)
Tax refunded	7,547	1,935
Net cash inflow from operating activities	756,595	1,531,320
Investing Activities		
Repayments from joint ventures	158,534	16,398
Redemption of share capital of a joint venture	67,236	1,775
Interest received	58,944	45,244
Proceeds from disposal of investment properties	7,250	-
Dividends received from a joint venture	4,509	26,419
Proceeds from compulsory land acquisition	2,070	664
Proceeds from disposal of property, plant and equipment	194	1,133
Additional investments in a joint venture	(11,453)	(120,567)
Additions to land held for property development	(71,168)	(86,264)
Additions to property, plant and equipment	(125,949)	(36,621)
Additions to investment properties	(330,634)	(182,535)
Proceeds from disposal of other investment	-	6,216
Advance to a joint venture	-	(29,000)
Net cash outflow from investing activities	(240,467)	(357,138)
Financing Activities		
Proceeds from issuance of preference shares to non-controlling interests in a subsidiary	4,371	3,600
Consideration paid for acquisition of additional shares from non-controlling interests	(98)	(176)
Repayment of advances to non-controlling interests	(1,180)	(8,313)
Banking facilities fees paid	(7,828)	(47,643)
Dividend paid to non-controlling interests	(17,984)	(55,552)
Dividend paid	(275,307)	(330,369)
Interest paid	(395,059)	(308,628)
Net repayment of borrowings	(934,495)	(1,460)
Redemption of preference shares from non-controlling interests in subsidiary	-	(61,906)
Net cash outflow from financing activities	(1,627,580)	(810,447)
Net (decrease)/increase in cash and cash equivalents	(1,111,452)	363,735
Cash and cash equivalents at beginning of financial period	2,683,320	2,376,233
Effect of exchange rate changes	5,017	(56,648)
Cash and cash equivalents at end of financial period	1,576,885	2,683,320

(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.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2019

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

(RM'000)

	Share capital	Foreign currency translation reserve	Other reserves 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
As at 1 July 2018	18,514,233	875,335	14,200	15,604	(8,440,152)	7,330,986	18,310,206	166,598	18,476,804
Effects on adoption of the MFRS Framework	-	(1,265,733)	-	-	-	1,265,122	(611)	5	(606)
As at 1 July 2018 (restated)	18,514,233	(390,398)	14,200	15,604	(8,440,152)	8,596,108	18,309,595	166,603	18,476,198
Profit for the financial period	-	-	-	-	-	661,290	661,290	(860)	660,430
Exchange differences on translation of foreign operations, net of tax	-	204,139	-	-	-	-	204,139	(1,749)	202,390
Net change in cash flow hedge reserve	-	-	(65,417)	-	-	-	(65,417)	-	(65,417)
Total comprehensive income	-	204,139	(65,417)	-	-	661,290	800,012	(2,609)	797,403
Transactions with owners									
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	13,371	13,371
Employee share options lapsed	-	-	-	(3,829)	-	3,829	-	-	-
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	-	-	-	-	-	-	-	(17,984)	(17,984)
As at 30 June 2019	18,514,233	(186,259)	(51,217)	11,775	(8,440,152)	8,986,081	18,834,461	159,122	18,993,583
As at 1 July 2017	18,514,233	1,265,686	(4,830)	17,141	(8,440,152)	6,875,883	18,227,961	260,615	18,488,576
Effects on adoption of the MFRS Framework	-	(1,264,878)	-	-	-	1,295,117	30,239	40	30,279
As at 1 July 2017 (restated)	18,514,233	808	(4,830)	17,141	(8,440,152)	8,171,000	18,258,200	260,655	18,518,855
Profit for the financial period	-	-	-	-	-	753,636	753,636	24,478	778,114
Exchange differences on translation of foreign operations, net of tax	-	(391,206)	-	-	-	-	(391,206)	(4,192)	(395,398)
Net change in cash flow hedge reserve	-	-	19,030	-	-	-	19,030	-	19,030
Total comprehensive income	-	(391,206)	19,030	-	-	753,636	381,460	20,286	401,746
Transactions with owners									
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	3,600	3,600
Employee share options lapsed	-	-	-	(1,537)	-	1,537	-	-	-
Changes in equity interests in a subsidiary	-	-	-	-	-	304	304	(480)	(176)
Dividend paid	-	-	-	-	-	(330,369)	(330,369)	-	(330,369)
Redemption of preference shares from non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(61,906)	(61,906)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(55,552)	(55,552)
As at 30 June 2018	18,514,233	(390,398)	14,200	15,604	(8,440,152)	8,596,108	18,309,595	166,603	18,476,198

(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 30 June 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 30 June 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 result 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 ended 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.

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

(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 30 June 2019**

(The figures have not been audited)

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 01/07/17 RM'000	Effect on adoption of MFRS RM'000	Restated as at 01/07/17 RM'000
Condensed consolidated statement of financial position			
Assets			
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
Liabilities			
Deferred tax liabilities	1,021,915	34,740	1,056,655
Trade and other payables	1,483,199	(230,575)	1,252,624
Contract liabilities	-	162,509	162,509
Equity			
Other reserves	1,277,997	(1,264,878)	13,119
Retained earnings	6,875,883	1,295,117	8,171,000
Non-controlling interests	260,615	40	260,655

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

	Audited as at 30/06/18 RM'000	Effect on adoption of MFRS RM'000	Restated as at 30/06/18 RM'000
Condensed consolidated statement of financial position			
Assets			
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
Liabilities			
Deferred tax liabilities	806,356	9,277	815,633
Trade and other payables	1,209,227	(98,369)	1,110,858
Contract liabilities	-	112,784	112,784
Equity			
Other reserves	905,139	(1,265,733)	(360,594)
Retained earnings	7,330,986	1,265,122	8,596,108
Non-controlling interests	166,598	5	166,603

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

(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 30 June 2019**

(The figures have not been audited)

Explanatory Notes**b) Changes in Accounting Policies (continued)****iii. Impact on condensed consolidated income statement for the 12 months period ended 30 June 2018:**

	As previously reported 30/06/18 RM'000	Effect on adoption of MFRS RM'000	Reclassi- fication RM'000	Restated as at 30/06/18 RM'000
Revenue	2,792,610	(85,816)	(38,049)	2,668,745
Cost of sales	(1,571,130)	(28,506)	13,979	(1,585,657)
Other operating income	259,541	(3,133)	(18,125)	238,283
Marketing and selling expenses	(112,806)	59,711	-	(53,095)
Other operating expenses	(128,786)	1,474	12,700	(114,612)
Net foreign currency translation gain/(loss) on:				
- foreign denominated borrowings	-	-	34,800	34,800
- foreign denominated deposits	-	-	(5,305)	(5,305)
Share of results of joint ventures	(34,220)	345	-	(33,875)
Taxation	(263,388)	25,895	-	(237,493)
Non-controlling interests	24,513	(35)	-	24,478
Net impact on profit or loss attributable to owners of the parent	<u>783,631</u>	<u>(29,995)</u>	<u>-</u>	<u>753,636</u>

iv. Impact on condensed consolidated statement of comprehensive income for the 12 months period ended 30 June 2018:

	As previously reported 30/06/18 RM'000	Effect on adoption of MFRS RM'000	Reclassi- fication RM'000	Restated as at 30/06/18 RM'000
Other comprehensive loss that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations, net of tax	<u>(394,543)</u>	<u>(855)</u>	<u>-</u>	<u>(395,398)</u>
Net impact on total comprehensive income attributable to owners of the parent	<u>412,310</u>	<u>(30,850)</u>	<u>-</u>	<u>381,460</u>

v. Impact on condensed consolidated statement of cash flows for the 12 months period ended 30 June 2018 and the impact on basic EPS:

There is no material impact on the consolidated statement of cash flows for the 12 months period ended 30 June 2018. The impact on basic EPS is as follows:

	Decrease
Earnings per ordinary share attributable to owners of the parent:	
- Basic (sen)	<u>0.54</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 30 June 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 year ended 30 June 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
	<u>275,307</u>	<u>330,369</u>

**IOI PROPERTIES GROUP BERHAD (1035807-A)****IOI PROPERTIES****Quarterly Financial Report For The Financial Period Ended 30 June 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
i) <u>3 Months Ended 30/06/19</u>						
REVENUE						
External	356,564	90,036	48,757	2,434	-	497,791
Inter-segment	(3,592)	1,103	73	43,221	(40,805)	-
Total revenue	<u>352,972</u>	<u>91,139</u>	<u>48,830</u>	<u>45,655</u>	<u>(40,805)</u>	<u>497,791</u>
RESULT						
Segment operating profit	107,423	53,071	3,398	1,718	-	165,610
Fair value gain on investment properties	-	93,356	-	-	-	93,356
Share of result of an associate	1,105	-	-	-	-	1,105
Share of results of joint ventures	(27,896)	8,670	(3,190)	-	-	(22,416)
Segment results	<u>80,632</u>	<u>155,097</u>	<u>208</u>	<u>1,718</u>	-	<u>237,655</u>
Interest income						14,400
Net foreign currency translation (loss)/gain on:						
- foreign denominated borrowings						(30,633)
- foreign denominated deposits						6,470
Profit before taxation						<u>227,892</u>
Taxation						<u>(88,374)</u>
Profit for the period						<u>139,518</u>

3 Months Ended 30/06/18**Restated**

REVENUE						
External	473,042	83,487	43,546	2,938	-	603,013
Inter-segment	(499)	1,143	366	30,107	(31,117)	-
Total revenue	<u>472,543</u>	<u>84,630</u>	<u>43,912</u>	<u>33,045</u>	<u>(31,117)</u>	<u>603,013</u>
RESULT						
Segment operating profit	108,254	43,863	5,882	2,921	-	160,920
Fair value gain on investment properties	-	160,695	-	-	-	160,695
Share of result of an associate	891	-	-	-	-	891
Share of results of joint ventures	2,984	10,611	(1,915)	-	-	11,680
Segment results	<u>112,129</u>	<u>215,169</u>	<u>3,967</u>	<u>2,921</u>	-	<u>334,186</u>
Interest income						15,641
Net foreign currency translation (loss)/gain on:						
- foreign denominated borrowings						(73,694)
- foreign denominated deposits						7,126
Profit before taxation						<u>283,259</u>
Taxation						<u>(20,801)</u>
Profit for the period						<u>262,458</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 GROUP BERHAD (1035807-A)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 30 June 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
ii) 12 Months Ended 30/06/19						
REVENUE						
External	1,634,582	354,960	198,017	9,955	-	2,197,514
Inter-segment	(3,592)	4,260	615	152,503	(153,786)	-
Total revenue	<u>1,630,990</u>	<u>359,220</u>	<u>198,632</u>	<u>162,458</u>	<u>(153,786)</u>	<u>2,197,514</u>
RESULT						
Segment operating profit	612,986	207,877	22,624	6,864	-	850,351
Fair value gain on investment properties	-	93,356	-	-	-	93,356
Share of result of an associate	2,005	-	-	-	-	2,005
Share of results of joint ventures	50,824	63,365	(11,015)	-	-	103,174
Profit before interest and taxation	665,815	364,598	11,609	6,864	-	1,048,886
Interest income						68,936
Net foreign currency translation (loss)/gain on:						
- foreign denominated borrowings						(53,073)
- foreign denominated deposits						21,211
Profit before taxation						<u>1,085,960</u>
Taxation						<u>(425,530)</u>
Profit for the period						<u>660,430</u>

12 Months Ended 30/06/18

Restated

REVENUE						
External	2,141,272	326,214	190,023	11,236	-	2,668,745
Inter-segment	19,270	3,018	968	128,836	(152,092)	-
Total revenue	<u>2,160,542</u>	<u>329,232</u>	<u>190,991</u>	<u>140,072</u>	<u>(152,092)</u>	<u>2,668,745</u>
RESULT						
Segment operating profit	571,349	195,060	28,533	8,717	-	803,659
Fair value gain on investment properties	-	160,695	-	-	-	160,695
Share of result of an associate	3,193	-	-	-	-	3,193
Share of results of joint ventures	(66,651)	39,062	(6,286)	-	-	(33,875)
Profit before interest and taxation	507,891	394,817	22,247	8,717	-	933,672
Interest income						52,440
Net foreign currency translation gain/(loss) on:						
- foreign denominated borrowings						34,800
- foreign denominated deposits						(5,305)
Profit before taxation						<u>1,015,607</u>
Taxation						<u>(237,493)</u>
Profit for the period						<u>778,114</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 30 June 2019

(The figures have not been audited)

Explanatory Notes

i) Material Events Subsequent to the End of Financial Period

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

j) Changes in the Composition of the Group

During the current quarter under review, Jurang Teguh Sdn Bhd ("JTSH") and Kumpulan Mayang Sdn Bhd ("KMSB"), the 99.8%-owned subsidiaries of IOIPG, had on 3 June 2019 lodged the Returns by Liquidators relating to final meetings with the Companies Commission of Malaysia and the Official Receiver. Accordingly, JTSH and KMSB will be dissolved on the expiration of three (3) months from 3 June 2019.

k) Contingent Liabilities

There were no material contingent liabilities for the Group as at 30 June 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	RM'000
Additions of land held for property development	81,359
Additions of property, plant and equipment	211,582
Additions of investment properties	2,009,568
	<hr/>
	2,302,509
	<hr/>



IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 30 June 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 RM497.8 million for the current quarter, which is RM105.2 million or 17% lower than the preceding year corresponding quarter. The decrease in revenue is mainly due to lower contribution from the property development segment. In the current year quarter, the Group recognised total fair value gain on investment properties of RM93.4 million and share of impairment loss of RM42.8 million in a joint venture's development project. The fair value gain on investment properties is mainly arising from renewal of tenancies in the retail segment. After excluding foreign currency translation loss on foreign denominated borrowings and deposits of RM24.2 million, fair value gain on investment properties of RM93.4 million and share of impairment loss of RM42.8 million in a joint venture's development property, the Group recorded profit before taxation ("PBT") of RM201.5 million for the current quarter, which is RM12.3 million or 7% higher than the preceding year corresponding quarter of RM189.2 million (after excluding foreign currency translation loss on foreign denominated borrowings and deposits of RM66.6 million and fair value gain on investment properties of RM160.7 million). The increase in PBT is mainly due to higher operating profit contributed by 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 and operating profit of RM356.6 million and RM107.4 million respectively in the current quarter, which is RM116.4 million and RM0.9 million or 25% and 1% respectively lower than the preceding year corresponding quarter. Lower financial performance in the current quarter is mainly due to lower sales from The Triling and lower project completion during the current year quarter. In terms of sales, the Group recorded total sales of RM548.7 million, which is RM145.1 million higher than the preceding year corresponding quarter. Higher sales in the current year quarter is mainly contributed by Klang Valley and PRC.

Property investment

Revenue and operating profit of RM90.0 million and RM53.1 million respectively for the current year quarter, which is RM6.5 million and RM9.2 million respectively or 8% and 21% respectively higher than the preceding year corresponding quarter. This is mainly contributed by higher occupancy and rental rates secured by the retail and office segments.

Hospitality and leisure

Revenue rose by 12% from RM43.5 million to RM48.8 million, while the operating profit decreased by 42% from RM5.9 million to RM3.4 million. The increase in revenue is attributable to higher occupancy rate secured by the hotels in Putrajaya. Lower operating profit for the current quarter is mainly due to lower performance from the leisure sub segment.

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

The Group recorded revenue of RM2,197.5 million, which is RM471.2 million or 18% lower than the preceding year corresponding period. This is mainly due to lower contribution from Singapore following the completion of The Triling in the last financial year. In terms of sales, the Group recorded total sales of RM1.93 billion which is RM53.3 million higher than the preceding year corresponding period. Higher sales in the current year is mainly contributed by sale of development projects in IOI Palm City, PRC. For Malaysia operation, lower revenue is mainly due to lower projects completion in the current year. The Group's PBT of RM1,067.3 million (after excluding foreign currency translation loss on foreign denominated borrowings and deposits of RM31.9 million, fair value gain on investment properties of RM93.4 million and share of impairment loss of RM42.8 million in a joint venture's development property) in the current year to date, which is RM162.0 million or 18% higher than the preceding year corresponding period of RM905.3 million (after excluding the foreign currency translation gain on foreign denominated borrowings and deposits of RM29.5 million, fair value gain on investment properties of RM160.7 million and share of impairment loss of RM79.9 million in a joint venture's development property). 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 RM201.5 million (after excluding foreign currency translation loss on foreign denominated borrowings and deposits of RM24.2 million, fair value gain on investment properties of RM93.4 million and share of impairment loss of RM42.8 million in a joint venture's development property) for the current year quarter, which is RM75.4 million or 27% lower than the immediate preceding quarter of RM276.9 million (after excluding foreign currency translation gain on foreign denominated borrowings and deposits of RM24.0 million). Lower PBT recorded in the current year quarter is mainly due to higher share of profit in joint ventures arising from sale of South Beach Residences in Singapore in the immediate preceding quarter.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2019

(The figures have not been audited)

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

3) Prospects

Sales from our residential developments in IOI Palm City, Xiamen and joint venture project, South Beach Residences in Singapore have contributed positively to the results of the Group despite uncertainties in the global environment arising from ongoing trade conflicts. Property development in China is anticipated to sustain its positive momentum as the Group prepares for the launch of its residential developments in Xiamen with a total GDV of approximately RMB2.9 billion in the coming financial year.

On the home ground, the Group remains cautiously optimistic that the Home Ownership Campaign ("HOC") coupled with aggressive marketing campaigns leveraging on both traditional and digital platforms would continue to draw positive sales performance in the coming quarters. The recent launches of high rise residential projects in IOI Resort City and Warisan Puteri have received good response.

In its property investment segment, the Group's retail properties continue to enjoy healthy occupancy levels and good rental yields, generating a steady stream of recurring income for the Group. The construction of the Central Boulevard development in Singapore is progressing well.

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 deliver 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 30 June 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	214,862	321,466	425,204	479,033
Deferred taxation	(126,488)	(300,665)	326	(241,540)
	88,374	20,801	425,530	237,493

The effective tax rate of the Group for the current year quarter of 39% 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 30 June 2019 are as follows:

	As at 30/06/19 RM'000	As at 30/06/18 RM'000
a) Short term borrowings		
Unsecured		
Denominated in RM	585,234	1,249,871
Denominated in USD (USD139 million) (2018: USD17 million)	582,779	75,057
Denominated in SGD (Nil) (2018: SGD350 million)	8,194	1,054,392
Denominated in RMB	45	-
	1,176,252	2,379,320
b) Long term borrowings		
Unsecured		
Denominated in RM	2,117,946	1,139,006
Denominated in USD (USD257 million) (2018: USD396 million)	1,060,834	1,598,678
Denominated in SGD (SGD2,272 million) (2018: SGD2,322 million)	6,927,719	6,836,062
Denominated in RMB (RMB73 million) (2018: Nil)	43,710	-
	10,150,209	9,573,746
Total borrowings	11,326,461	11,953,066



IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 30 June 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 30 June 2019 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	100,000	(5,783)
- one year to three years	100,000	(3,581)
	<u>200,000</u>	<u>(9,364)</u>
Interest rate swap		
- less than one year	276,206	(8,384)
- one year to three years	552,494	(31,813)
- more than three years	3,062,300	(8,120)
	<u>3,891,000</u>	<u>(48,317)</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 30 June 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 30 June 2019, the Group has recognised derivative financial liabilities of RM9.4 million and RM48.3 million in respect of a cross currency interest rate swap and an interest rate swap respectively, with the corresponding fair value loss of RM65.4 million in the cash flow hedge reserve for the current financial 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):

	CURRENT YEAR QUARTER RM'000	CURRENT YEAR TO DATE RM'000
Fair value gain on investment properties	(93,356)	(93,356)
Gain on disposal of land from compulsory acquisitions	(792)	(752)
Interest income	(14,400)	(68,936)
Impairment losses on receivables written back	(810)	(2,504)
Realised foreign currency translation gain	(4,508)	(17,861)
Unrealised foreign currency translation loss	26,296	48,903
Depreciation and amortisation	10,634	40,846
Impairment losses on receivables	592	1,156

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

The Board declared an interim single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2019 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967.

The dividend will be payable on 27 September 2019 to shareholders whose names appear in the Record Depositors and Register of Members of the Company at the close of business on 18 September 2019.

A Depositor shall qualify for entitlement only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.30p.m. on 18 September 2019 in respect of transfers;
- Shares deposited into the Depositor's Securities Account before 12.30p.m. on 13 September 2019 (in respect of shares which are exempted from mandatory deposit); and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividend declared to date for the current financial year is a single tier dividend of 3.0 sen (30 June 2018: 5.0 sen) per ordinary share.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 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
a) Basic earnings per share				
Net profit for the period	139,768	254,922	661,290	753,636
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)	2.54	4.63	12.01	13.69
b) Diluted earnings per share				
Net profit for the period	139,768	254,922	661,290	753,636
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)	2.54	4.63	12.01	13.69

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
29 August 2019