



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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
	30/06/20	30/06/19	30/06/20	30/06/19
	RM'000	RM'000	RM'000	RM'000
Revenue	610,470	497,791	2,116,346	2,197,514
Cost of sales	(207,988)	(229,962)	(920,985)	(1,009,390)
Gross profit	402,482	267,829	1,195,361	1,188,124
Other operating income	10,639	95,208	51,756	153,053
Marketing and selling expenses	(20,321)	(15,033)	(58,717)	(69,182)
Administration expenses	(42,084)	(55,122)	(156,487)	(206,083)
Other operating expenses	(169,435)	(33,916)	(267,365)	(122,205)
Operating profit	181,281	258,966	764,548	943,707
Share of result of an associate	19,336	1,105	19,622	2,005
Share of results of joint ventures	(2,019)	(22,416)	93,217	103,174
Profit before interest and taxation	198,598	237,655	877,387	1,048,886
Interest income	10,039	14,400	50,140	68,936
Interest expenses	(92)	-	(145)	-
Net foreign currency translation gain/(loss) on:				
- foreign denominated borrowings	3,272	(30,633)	(35,025)	(53,073)
- foreign denominated deposits	4,037	6,470	4,736	21,211
Profit before taxation	215,854	227,892	897,093	1,085,960
Taxation	(166,309)	(88,374)	(437,677)	(425,530)
Profit for the period	49,545	139,518	459,416	660,430
Attributable to:				
Owners of the parent	47,949	139,768	455,693	661,290
Non-controlling interests	1,596	(250)	3,723	(860)
	49,545	139,518	459,416	660,430
Earnings per share for profit attributable to owners of the parent (sen)				
Basic	0.87	2.54	8.28	12.01
Diluted	0.87	2.54	8.28	12.01

(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 2019 and the accompanying explanatory notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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
	30/06/20	30/06/19	30/06/20	30/06/19
	RM'000	RM'000	RM'000	RM'000
Profit for the period	49,545	139,518	459,416	660,430
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations, net of tax	80,512	104,053	31,206	202,390
Net change in cash flow hedge reserve	(51,872)	(31,857)	(161,105)	(65,417)
Other comprehensive income/(loss) for the period, net of tax	28,640	72,196	(129,899)	136,973
Total comprehensive income for the period	78,185	211,714	329,517	797,403
Total comprehensive income/(loss) attributable to:				
Owners of the parent	76,502	213,956	325,772	800,012
Non-controlling interests	1,683	(2,242)	3,745	(2,609)
	78,185	211,714	329,517	797,403

(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 2019 and the accompanying explanatory notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	As at 30/06/20 RM'000	As at 30/06/19 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,421,979	1,265,538
Prepaid lease payments	-	55,542
Land held for property development	4,847,658	4,642,164
Investment properties	14,334,703	13,672,410
Goodwill on consolidation	11,472	11,472
Investment in an associate	109,523	99,313
Interests in joint ventures	4,476,409	5,012,119
Deferred tax assets	152,114	133,854
	25,353,858	24,892,412
Current assets		
Property development costs	3,172,133	3,567,548
Inventories	2,244,444	2,047,991
Trade and other receivables	392,487	357,910
Contract assets	220,259	216,591
Amount due from joint venture	481	560
Current tax assets	44,126	59,305
Short term funds	80,588	41
Deposits with financial institutions	479,891	455,086
Cash and bank balances	911,506	1,121,758
	7,545,915	7,826,790
TOTAL ASSETS	32,899,773	32,719,202



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	As at 30/06/20 RM'000	As at 30/06/19 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	18,514,233	18,514,233
Other reserves	(367,397)	(225,701)
Retained earnings	9,288,389	8,986,081
Reorganisation debit balance	(8,440,152)	(8,440,152)
	18,995,073	18,834,461
Non-controlling interests	156,875	159,122
Total equity	19,151,948	18,993,583
Non-current liabilities		
Borrowings	9,713,761	10,150,209
Lease liabilities	2,037	-
Derivative financial liabilities	128,764	43,514
Trade and other payables	30,704	29,709
Deferred tax liabilities	1,037,769	801,155
	10,913,035	11,024,587
Current liabilities		
Borrowings	1,181,415	1,176,252
Lease liabilities	1,453	-
Derivative financial liabilities	90,527	14,167
Trade and other payables	1,076,055	1,025,111
Contract liabilities	348,096	341,508
Current tax liabilities	137,244	143,994
	2,834,790	2,701,032
Total liabilities	13,747,825	13,725,619
TOTAL EQUITY AND LIABILITIES	32,899,773	32,719,202
Net assets per share attributable to owners of the parent (RM)	3.45	3.42

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to this quarterly financial report.)



Quarterly Financial Report For The Financial Period Ended 30 June 2020

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	12 Months Ended 30/06/20 RM'000	12 Months Ended 30/06/19 RM'000
Operating Activities		
Profit before taxation	897,093	1,085,960
Adjustments for:		
Fair value loss/(gain) on investment properties	54,386	(93,356)
Impairment loss on investment properties	50,379	-
Depreciation and amortisation	42,873	40,846
Property development costs written down in value	24,755	-
Unrealised foreign currency translation loss	12,179	48,903
Inventories written down in value	3,100	-
Property, plant and equipment written off	2,615	1,023
Share of result of an associate	(19,622)	(2,005)
Interest income	(50,140)	(68,936)
Share of results of joint ventures	(93,217)	(103,174)
Other non-cash items	2,131	(2,090)
Operating profit before working capital changes	926,532	907,171
Decrease in inventories	264,813	401,118
Increase in receivables and other assets	(63,384)	(238,605)
Decrease in payables and other liabilities	68,999	166,684
Cash generated from operations	1,196,960	1,236,368
Tax paid	(232,958)	(487,320)
Tax refunded	19,898	7,547
Net cash inflow from operating activities	983,900	756,595
Investing Activities		
Repayments from joint ventures	651,350	158,534
Interest received	41,043	58,944
Dividends received from an associate	9,412	-
Proceeds from disposal of investment properties	2,859	7,250
Proceeds from disposal of property, plant and equipment	383	194
Proceeds from compulsory land acquisition	206	2,070
Additions to land held for property development	(117,665)	(71,168)
Additions to property, plant and equipment	(160,099)	(125,949)
Additions to investment properties	(505,173)	(330,634)
Redemption of share capital of a joint venture	-	67,236
Dividends received from a joint venture	-	4,509
Additional investments in joint ventures	-	(11,453)
Net cash outflow from investing activities	(77,684)	(240,467)
Financing Activities		
Consideration paid for acquisition of additional shares from non-controlling interests	(16)	(98)
Payment of lease liabilities	(1,720)	-
Dividend paid to non-controlling interests	(5,952)	(17,984)
Banking facilities fees paid	(9,020)	(7,828)
Dividend paid	(165,184)	(275,307)
Interest paid	(387,187)	(395,059)
Repayment of borrowings	(1,661,057)	(2,508,490)
Drawdown of borrowings	1,213,587	1,573,995
Repayment to non-controlling interests	-	(1,180)
Proceeds from issuance of preference shares to non-controlling interests in a subsidiary	-	4,371
Net cash outflow from financing activities	(1,016,549)	(1,627,580)
Net decrease in cash and cash equivalents	(110,333)	(1,111,452)
Cash and cash equivalents at beginning of financial period	1,576,885	2,683,320
Effect of exchange rate changes	5,433	5,017
Cash and cash equivalents at end of financial period	1,471,985	1,576,885

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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 2019	18,514,233	(186,259)	(51,217)	11,775	(8,440,152)	8,986,081	18,834,461	159,122	18,993,583
Profit for the financial period	-	-	-	-	-	455,693	455,693	3,723	459,416
Exchange differences on translation of foreign operations, net of tax	-	31,174	-	-	-	-	31,174	32	31,206
Net change in cash flow hedge reserve	-	-	(161,095)	-	-	-	(161,095)	(10)	(161,105)
Total comprehensive income	-	31,174	(161,095)	-	-	455,693	325,772	3,745	329,517
Transactions with owners									
Employee share options lapsed	-	-	-	(11,775)	-	11,775	-	-	-
Changes in equity interests in a subsidiary	-	-	-	-	-	24	24	(40)	(16)
Dividend paid	-	-	-	-	-	(165,184)	(165,184)	-	(165,184)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,952)	(5,952)
As at 30 June 2020	18,514,233	(155,085)	(212,312)	-	(8,440,152)	9,288,389	18,995,073	156,875	19,151,948
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

(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 2019 and the accompanying notes attached to this quarterly financial report.)



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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 2019. 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 2019.

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 2019, except for the adoption of the following new MFRSs, Amendments to MFRS and IC Interpretations that are effective for the Group.

Title

MFRS 16 *Leases*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 128 *Long Term Interests in Associates and Joint Ventures*

Amendments to MFRS 3 and MFRS 11 *Previously Held Interest in a Joint Operation*

Amendments to MFRS 112 *Income Tax Consequences of Payment on Financial Instruments Classified as Equity*

Amendments to MFRS 123 *Borrowing Costs Eligible for Capitalisation*

IC Interpretation 23 *Uncertainty Over Income Tax Treatments*

The adoption of these new MFRSs and amendments to MFRSs do not have any significant financial impact on the financial statements of the Group for the current quarter, except for the following set out below:

MFRS 16 Leases

MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payment liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has adopted MFRS 16 using the modified retrospective method and has not restated the comparatives. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance of statement of financial position as at 1 July 2019.

As permitted by the exemptions under the standard, the Group has applied the principles of MFRS 16 to short term leases (leases with lease terms of 12 months or less from dates of commencement) and leases for which the underlying assets are of low value.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(The figures have not been audited)

Explanatory Notes

b) Changes in Accounting Policies (Continued)

MFRS 16 Leases (continued)

The impact of adoption of MFRS 16 on operating leases is as follows:

Leases previously classified as operating leases

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities are measured at the present value of the remaining lease payments.

On a lease-by-lease basis, the Group measures the associated right-of-use asset on a retrospective basis either at its carrying amount as if the new rules had always been applied or at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Condensed Consolidated Statement of Financial Position as at 30 June 2019.

In applying MFRS 16 for the first time, the Group has applied the following practical expedients:

- (a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Reliance on previous assessments on whether leases are onerous;
- (c) The accounting for operating leases with remaining lease terms of less than 12 months as short term leases as at the date of initial application; and
- (d) The exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made by applying MFRS 117 and IC Interpretation 4 “Determining whether an Arrangement contains a Lease”.

The following table presents the impact of changes to the Condensed Consolidated Statement of Financial Position of the Group resulting from adoption of MFRS 16 as at 1 July 2019:

	Audited as at 30/06/19 RM'000	Effect on adoption of MFRS 16 RM'000	Restated as at 01/07/19 RM'000
Condensed Consolidated Statement of Financial Position			
Non-current assets			
Property, plant & equipment	1,265,538	57,236	1,322,774
Prepaid lease payments	55,542	(55,542)	-
Non-current liabilities			
Lease liabilities	-	684	684
Current liabilities			
Lease liabilities	-	1,010	1,010

Other than the recognition of right-of-use assets and lease liabilities in the Condensed Consolidated Statement of Financial Position, the impact on the Group’s Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Cash Flows upon adoption of MFRS 16 in the current financial period is as follows:

- (i) Condensed Consolidated Statement of Profit or Loss
Expenses which had included operating lease rentals within adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”) are now replaced by interest expense on lease liabilities (included within “interest expenses”) and amortisation of rights of use assets (included within “depreciation and amortisation”); and
- (ii) Condensed Consolidated Statement of Cash Flows
Operating lease rental outflows previously recorded within “net cash flow from operating activities” are now classified as “net cash flow from financing activities” for repayment of lease liabilities.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(The figures have not been audited)

Explanatory Notes

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 other unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review, other than the Covid-19 pandemic which has affected the Group's property investment, hospitality and leisure segments' performance. The related financial impact is discussed in Note 1 of the Quarterly Financial Report.

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 30 June 2020.

g) Dividend Paid

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Interim single tier dividend of 3 sen per ordinary share in respect of financial year ended 30 June 2019, paid on 27 September 2019	165,184	-
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
	165,184	275,307



IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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 30/06/20</u>						
REVENUE						
External	544,571	54,365	9,830	1,704	-	610,470
Inter-segment	7,648	1,106	-	30,031	(38,785)	-
Total revenue	<u>552,219</u>	<u>55,471</u>	<u>9,830</u>	<u>31,735</u>	<u>(38,785)</u>	<u>610,470</u>
RESULT						
Segment operating profit/(loss)	314,911	17,727	(19,988)	1,251	-	313,901
Property development costs written down in value	(24,755)	-	-	-	-	(24,755)
Inventories written down in value	(3,100)	-	-	-	-	(3,100)
Fair value loss on investment properties	-	(54,386)	-	-	-	(54,386)
Impairment loss on investment properties	-	(50,379)	-	-	-	(50,379)
Share of result of an associate	19,336	-	-	-	-	19,336
Share of results of joint ventures	9,165	(663)	(10,521)	-	-	(2,019)
Segment results	<u>315,557</u>	<u>(87,701)</u>	<u>(30,509)</u>	<u>1,251</u>	<u>-</u>	<u>198,598</u>
Interest income						10,039
Interest expenses						(92)
Net foreign currency translation gain on:						
- foreign denominated borrowings						3,272
- foreign denominated deposits						4,037
Profit before taxation						<u>215,854</u>
Taxation						<u>(166,309)</u>
Profit for the period						<u>49,545</u>
<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>-</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>

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



IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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 30/06/20						
REVENUE						
External	1,638,453	320,796	150,070	7,027	-	2,116,346
Inter-segment	66,237	4,304	163	95,397	(166,101)	-
Total revenue	<u>1,704,690</u>	<u>325,100</u>	<u>150,233</u>	<u>102,424</u>	<u>(166,101)</u>	<u>2,116,346</u>
RESULT						
Segment operating profit/(loss)	738,866	165,671	(10,260)	2,891	-	897,168
Property development costs written down in value	(24,755)	-	-	-	-	(24,755)
Inventories written down in value	(3,100)	-	-	-	-	(3,100)
Fair value loss on investment properties	-	(54,386)	-	-	-	(54,386)
Impairment loss on investment properties	-	(50,379)	-	-	-	(50,379)
Share of result of an associate	19,622	-	-	-	-	19,622
Share of results of joint ventures	82,859	27,245	(16,887)	-	-	93,217
Segment results	<u>813,492</u>	<u>88,151</u>	<u>(27,147)</u>	<u>2,891</u>	<u>-</u>	<u>877,387</u>
Interest income						50,140
Interest expenses						(145)
Net foreign currency translation (loss)/gain on:						
- foreign denominated borrowings						(35,025)
- foreign denominated deposits						4,736
Profit before taxation						<u>897,093</u>
Taxation						(437,677)
Profit for the period						<u>459,416</u>
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
Segment results	<u>665,815</u>	<u>364,598</u>	<u>11,609</u>	<u>6,864</u>	<u>-</u>	<u>1,048,886</u>
Interest income						68,936
Net foreign currency translation (loss)/gain on:						
- foreign denominated borrowings						(53,073)
- foreign denominated deposits						21,211
Profit before taxation						1,085,960
Taxation						(425,530)
Profit for the period						<u>660,430</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 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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, Future Link Properties Pte Ltd, a 99.9%-owned subsidiary of the Company, had upon its application been struck off from the Register of Companies pursuant to Section 344A of the Companies Act, Cap. 50 of Singapore with effect from 4 May 2020.

IOI Properties Capital (L) Berhad ("IPC"), a wholly-owned subsidiary of the Company, has received notification on 14 July 2020 from Labuan Financial Services Authority ("LFSA") informing that the name of IPC had been struck off from the register of LFSA under Section 151 of the Labuan Companies Act 1990 with effect from 14 July 2020.

k) Contingent Liabilities

There were no material contingent liabilities for the Group as at 30 June 2020.

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	324,712
Additions of investment properties	1,807,707
	<hr/>
	2,213,778
	<hr/>

**IOI PROPERTIES****Quarterly Financial Report For The Financial Period Ended 30 June 2020**

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**1) Review of Group's Performance****(a) Performance of the current year quarter against the preceding year corresponding quarter**

The Group recorded revenue and profit before taxation ("PBT") of RM610.5 million and RM341.2 million (excluding fair value and impairment losses on investment properties, property development costs and inventories written down in value and net foreign currency translation gain on foreign denominated borrowings and deposits) for the current year quarter, which is RM112.7 million or 23% and RM182.5 million or 115% higher than the preceding year corresponding quarter of RM497.8 million and RM158.7 million (excluding fair value gain on investment properties and net foreign currency translation loss on foreign denominated borrowings and deposits). The increase in revenue and PBT is mainly attributable to higher performance from property development segment, share of result of an associate arising from the sale of land and lower share of losses of joint ventures in Singapore.

The Group has recognised fair value and impairment losses on investment properties of RM104.8 million in the current year quarter, it is mainly attributable to the office sub segment due to challenging market condition caused by the COVID-19 pandemic.

Property development

The property development segment recorded revenue and operating profit of RM544.6 million and RM314.9 million respectively in the current year quarter. It is RM188.0 million or 53% and RM207.5 million or 193% respectively higher than the preceding year corresponding quarter. Higher financial performance in the current year quarter is mainly due to higher revenue and operating profit contribution from PRC operation arising from the sale of the recently launched high rise condominium in IOI Palm City, Xiamen. The said project has registered total take up rate of 70%, equivalent to sales value of RMB438.6 million.

Property investment

Revenue and operating profit of RM54.4 million and RM17.7 million for the current year quarter are RM35.6 million or 40% and RM35.4 million or 67% lower than the preceding year corresponding quarter. This is due to lower rental income arising from rental relief assistance extended to non-essential tenants as well as lower car park income as a result of the imposition of MCO.

Hospitality and leisure

Revenue decreased by 80% from RM48.8 million to RM9.8 million and operating profit dropped from operating profit of RM3.4 million to operating loss of RM20.0 million. The decrease in revenue and operating profit is mainly due to drop in occupancy rate and loss of revenue due to the imposition of MCO by the government of Malaysia which restricted domestic and inbound travel, group and corporate functions and events.

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

The Group recorded revenue of RM2,116.3 million, which is RM81.2 million or 4% lower than the preceding year corresponding period. The Group's profit before interest and taxation ("PBIT") of RM1,010.0 million (excluding fair value and impairment losses on investment properties and property development costs and inventories written down in value) in the current year to date, which is RM54.5 million or 6% higher than the preceding year corresponding period of RM955.5 million (excluding fair value gain on investment properties). Lower revenue is due to lower contribution from property investment, hospitality and leisure segments due to the imposition of MCO as mentioned above. Higher PBIT is due to higher contribution from property development segment as mentioned above.

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

The Group recorded PBT of RM341.2 million (excluding fair value and impairment losses on investment properties, property development costs and inventories written down in value and net foreign currency translation gain on foreign denominated borrowings and deposit) for the current quarter, which is RM191.1 million or 127% higher than the immediate preceding quarter of RM150.1 million (excluding net foreign currency translation loss on foreign denominated borrowings and deposits). Higher PBT in the current quarter is mainly due to higher contribution from property development segment as mentioned above.



IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(The figures have not been audited)

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

3) Prospects

The business environment remains challenging due to the COVID-19 pandemic, volatility of oil prices and increasing geopolitical tensions. Various international financial agencies are projecting global growth to be negative for year 2020 with recovery anticipated by 2021. In response to the new norm, the Group will continue to leverage on its digital marketing capabilities and IOI eMarketplace platform to expedite property transaction processes. To garner sales, we will also adopt aggressive sales and marketing strategies and implement innovative initiatives to enhance customer experience.

We expect the reintroduction of Home Ownership Campaign under the National Economic Recovery Plan (PENJANA) to boost the housing market in Malaysia. We will emphasise on mid-price range products to meet the market demands as the trend in our existing townships indicates that mid-price range units are most sought-after.

Our China operations registered strong sales performance during Q4 FY2020 due to the pent up demand following China's recovery from the COVID-19 pandemic. We expect the demand for residential properties to normalise and consequently, the strong sales performance to moderate during the next few quarters.

In Singapore, the construction progress of Central Boulevard development has been affected by the Circuit Breaker imposed by Singapore Government since 7 April 2020. Construction at site has slowly resumed recently but the resumption of work progress to pre-COVID-19 pandemic level may take some time. The Group will continue to ensure strict adherence to health and safety guidelines whilst taking measures to catch up on the construction progress. The completion for this development is expected to be in year 2023.

The property investment segment has adopted active and pragmatic tenant retention strategies in order to maintain occupancy rates and to support our business partners and tenants in the interest of long-term sustainable collaborations, and this has shown positive results.

As the Recovery Movement Control Order (RMCO) is still in place and cross-border travel restricted for some time to come, we anticipate the recovery of the hospitality and leisure segment to take a longer time. The Group will capitalise on the Government's incentives such as waiver of tourism tax and service tax until 30 June 2021 and the personal income tax relief of RM1,000 until 31 December 2021 to cross-sell its portfolio of assets to drive visitation and revenue.

The Group remains optimistic on the longer-term prospects of its projects as its developments and assets are located at strategic locations with good infrastructure networks and amenities, and supported by experienced and professional management teams.

4) Achievability of Forecast Results

Not applicable.

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

Not applicable.

**IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)**

(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 30 June 2020**

(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	RM'000	RM'000

The tax expense comprises the following:

Current taxation	34,642	214,862	220,803	425,204
Deferred taxation	131,667	(126,488)	216,874	326
	166,309	88,374	437,677	425,530

The effective tax rate of the Group for the current year quarter is 77%. After excluding the fair value loss on investment properties that are subject to real property gain tax and non-deductible property development costs written down in value and impairment loss on investment properties, the effective tax rate of the Group for the current year quarter of 48% is higher than the prevailing statutory tax rate of 24%. The higher effective tax rate is mainly due to 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 2020 are as follows:

	As at 30/06/20 RM'000	As at 30/06/19 RM'000
a) Short term borrowings		
Unsecured		
Denominated in RM	180,499	585,234
Denominated in USD (USD90 million) (2019: USD139 million)	384,664	582,779
Denominated in SGD (SGD200 million) (2019: *)	615,040	8,194
Denominated in RMB (RMB2 million) (2019: *)	1,212	45
	1,181,415	1,176,252
b) Long term borrowings		
Unsecured		
Denominated in RM	2,296,602	2,117,946
Denominated in USD (USD67 million) (2019: USD257 million)	285,155	1,060,834
Denominated in SGD (SGD2,032 million) (2019: SGD2,272 million)	6,225,890	6,927,719
Denominated in RMB (RMB1,506 million) (2019: RMB73 million)	906,114	43,710
	9,713,761	10,150,209
Total borrowings	10,895,176	11,326,461

* Short term borrowings comprise accrued interest expense.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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 2020 are as follows:

Type of derivative	Fair value liabilities RM'000
Cash flow hedge derivative	
Cross currency interest rate swap	
<i>USD denominated borrowing (RM100 million)*:</i>	
- less than one year	<u>(1,754)</u>
	<u>(1,754)</u>
Interest rate swap	
<i>SGD denominated borrowing (RM4,988 million)*:</i>	
- less than one year	<u>(82,526)</u>
- one year to three years	<u>(126,523)</u>
	<u>(209,049)</u>
<i>USD denominated borrowing (RM571 million)*:</i>	
- less than one year	<u>(6,247)</u>
- one year to three years	<u>(2,241)</u>
	<u>(8,488)</u>
	<u>(217,537)</u>

* represents notional amounts throughout the facility periods.

The above derivatives were entered to hedge its long term borrowings that are denominated in foreign currency in order to minimise the exposure to the fluctuation of foreign currency rate and/or 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 as well as the Group's USD and SGD floating rate borrowings to fixed interest rate borrowings to serve as a cash flow hedge for the Group's principal and interest repayment for the foreign currency borrowings 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 these derivatives other than the repayment obligation for the underlying bank borrowings.

(iii) Related accounting policies

There have been no changes since the end of the previous financial year ended 30 June 2019 in respect of the accounting policies.

**Quarterly Financial Report For The Financial Period Ended 30 June 2020**

(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 2020, the Group has recognised derivative financial liabilities of RM1.8 million and RM217.5 million in respect of a cross currency interest rate swap and an interest rate swap respectively, with the corresponding fair value loss of RM161.1 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 (crediting)/charging:

	CURRENT YEAR QUARTER RM'000	CURRENT YEAR TO DATE RM'000
Interest income	(10,039)	(50,140)
Interest expense	92	145
Impairment losses on receivables written back	(32)	(138)
Fair value loss on investment properties	54,386	54,386
Net (gain)/loss on foreign currency translation differences	(6,788)	30,665
Depreciation and amortisation	11,954	42,873
Impairment losses on receivables	1,256	2,523
Impairment loss on investment properties	50,379	50,379
Inventories written down in value	3,100	3,100
Property, plant and equipment written off	2,600	2,615
Property development costs written down in value	24,755	24,755

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 1.5 sen per ordinary share in respect of the financial year ended 30 June 2020 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 23 October 2020 to shareholders whose names appear in the Record Depositors and Register of Members of the Company at the close of business on 14 October 2020.

A Depositor shall qualify for entitlement only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.30p.m. on 14 October 2020 in respect of transfers;
- Shares deposited into the Depositor's Securities Account before 12.30p.m. on 12 October 2020 (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 1.5 sen (30 June 2019: 3.0 sen) per ordinary share.



IOI PROPERTIES

IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)

(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 30 June 2020

(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	RM'000	RM'000
a) Basic earnings per share				
Net profit for the period	47,949	139,768	455,693	661,290
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)	0.87	2.54	8.28	12.01
b) Diluted earnings per share				
Net profit for the period	47,949	139,768	455,693	661,290
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)	0.87	2.54	8.28	12.01

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
28 August 2020