

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

(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 31 December 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
	31/12/20	31/12/19	31/12/20	31/12/19
	RM'000	RM'000 RESTATED	RM'000	RM'000 RESTATED
Revenue	591,343	564,129	1,251,014	1,104,444
Cost of sales	(298,282)	(263,220)	(601,850)	(491,374)
Gross profit	293,061	300,909	649,164	613,070
Other operating income	12,637	13,633	28,607	28,762
Marketing and selling expenses	(12,664)	(13,875)	(21,946)	(26,397)
Administration expenses	(41,651)	(44,497)	(78,121)	(72,018)
Other operating expenses	(34,065)	(31,265)	(66,456)	(66,893)
Operating profit	217,318	224,905	511,248	476,524
Share of result of an associate	527	267	(1,086)	769
Share of results of joint ventures	23,191	38,191	45,172	105,775
Profit before interest and taxation	241,036	263,363	555,334	583,068
Interest income	8,231	11,811	16,551	27,651
Interest expenses	(29)	(9)	(54)	(22)
Net foreign currency translation gain/(loss) on:				
- foreign denominated borrowings	22,828	25,021	43,656	(27,750)
- foreign denominated deposits	726	335	(3,207)	981
Profit before taxation	272,792	300,521	612,280	583,928
Taxation	(100,447)	(85,437)	(247,322)	(204,525)
Profit for the period	172,345	215,084	364,958	379,403
Attributable to:				
Owners of the Company	170,975	213,882	363,084	378,271
Non-controlling interests	1,370	1,202	1,874	1,132
	172,345	215,084	364,958	379,403
Earnings per share for profit attributable to owners of the Company (sen)				
Basic	3.11	3.88	6.59	6.87
Diluted	3.11	3.88	6.59	6.87

(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 2020 and the accompanying explanatory notes attached to this quarterly financial report.)

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(Incorporated in Malaysia)

IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 31 December 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
	31/12/20	31/12/19	31/12/20	31/12/19
	RM'000	RM'000 RESTATED	RM'000	RM'000 RESTATED
Profit for the period	172,345	215,084	364,958	379,403
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss, net of tax				
Exchange differences on translation of foreign operations, net of tax	41,978	15,721	(29,746)	(83,777)
Net change in cash flow hedge reserve	17,300	(6,151)	29,527	(13,522)
Other comprehensive income/(loss) for the period, net of tax	59,278	9,570	(219)	(97,299)
Total comprehensive income for the period	231,623	224,654	364,739	282,104
Total comprehensive income attributable to:				
Owners of the Company	230,230	223,389	362,931	280,994
Non-controlling interests	1,393	1,265	1,808	1,110
	231,623	224,654	364,739	282,104

(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 2020 and the accompanying explanatory notes attached to this quarterly financial report.)

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Condensed Consolidated Statement of Financial Position

	As at 31/12/20 RM'000	As at 30/06/20 RM'000 Restated	As at 01/07/19 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	1,500,382	1,421,979	1,322,774
Land held for property development	4,929,592	4,847,658	4,642,164
Investment properties	14,600,157	14,334,703	13,672,410
Goodwill on consolidation	11,472	11,472	11,472
Investment in an associate	85,096	109,523	99,313
Interests in joint ventures	4,383,210	4,379,375	4,866,946
Deferred tax assets	203,064	187,280	169,504
	<u>25,712,973</u>	<u>25,291,990</u>	<u>24,784,583</u>
Current assets			
Property development costs	2,982,007	3,129,002	3,501,634
Inventories	2,120,478	2,133,507	1,958,753
Trade and other receivables	387,225	392,487	357,910
Contract assets	188,267	220,259	216,591
Amount due from joint venture	1,008	481	560
Current tax assets	39,718	44,126	59,305
Short term funds	57,795	80,588	41
Deposits with financial institutions	808,091	479,891	455,086
Cash and bank balances	665,098	911,506	1,121,758
	<u>7,249,687</u>	<u>7,391,847</u>	<u>7,671,638</u>
TOTAL ASSETS	<u>32,962,660</u>	<u>32,683,837</u>	<u>32,456,221</u>

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IOI PROPERTIES**Quarterly Financial Report For The Financial Period Ended 31 December 2020**

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	As at 31/12/20 RM'000	As at 30/06/20 RM'000 Restated	As at 01/07/19 RM'000 Restated
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18,514,233	18,514,233	18,514,233
Other reserves	(370,433)	(370,280)	(228,093)
Retained earnings	9,358,909	9,078,417	8,727,107
Reorganisation debit balance	(8,440,152)	(8,440,152)	(8,440,152)
Equity attributable to equity holders of the Company	19,062,557	18,782,218	18,573,095
Non-controlling interests	165,234	155,401	157,420
Total equity	19,227,791	18,937,619	18,730,515
Non-current liabilities			
Borrowings	9,698,130	9,713,761	10,150,209
Lease liabilities	1,434	2,037	684
Derivative financial liabilities	98,475	128,764	43,514
Trade and other payables	34,224	30,704	29,709
Deferred tax liabilities	1,252,256	1,036,162	799,548
	11,084,519	10,911,428	11,023,664
Current liabilities			
Borrowings	1,155,526	1,181,415	1,176,252
Lease liabilities	1,626	1,453	1,010
Derivative financial liabilities	95,540	90,527	14,167
Trade and other payables	981,650	1,076,055	1,025,111
Contract liabilities	278,283	348,096	341,508
Current tax liabilities	137,725	137,244	143,994
	2,650,350	2,834,790	2,702,042
Total liabilities	13,734,869	13,746,218	13,725,706
TOTAL EQUITY AND LIABILITIES	32,962,660	32,683,837	32,456,221

Net assets per share attributable to owners of the Company (RM)

3.46

3.41

3.37

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this quarterly financial report.)

**IOI PROPERTIES****Quarterly Financial Report For The Financial Period Ended 31 December 2020**

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/20 RM'000	6 Months Ended 31/12/19 RM'000 Restated
Operating Activities		
Profit before taxation	612,280	583,928
Adjustments for:		
Depreciation and amortisation	20,756	20,084
Interest income	(16,551)	(27,651)
Share of result of an associate	1,086	(769)
Share of results of joint ventures	(45,172)	(105,745)
Foreign currency translation (gain)/loss	(40,448)	26,910
Other non-cash items	1,466	489
Operating profit before working capital changes	533,417	497,246
Decrease in inventories	168,986	191,360
Decrease/(Increase) in receivables and other assets	96,867	(143,980)
(Decrease)/Increase in payables and other liabilities	(170,977)	31,071
Cash generated from operations	628,293	575,697
Tax paid	(57,135)	(130,793)
Tax refunded	2,145	12,236
Net cash inflow from operating activities	573,303	457,140
Investing Activities		
Dividend received from an associate	23,341	-
Interest received	13,576	20,898
Repayments from joint ventures	3,826	414,187
Deposit received from disposal of a subsidiary	2,156	-
Proceeds from disposal of investment properties	1,092	-
Proceeds from disposal of property, plant and equipment	47	359
Additions to land held for property development	(33,325)	(46,304)
Additions to property, plant and equipment	(87,590)	(114,678)
Additions to investment properties	(235,722)	(206,803)
Net cash (outflow)/inflow from investing activities	(312,599)	67,659
Financing Activities		
Drawdown of borrowings	332,029	1,200,598
Proceeds from issuance of preference shares to non-controlling interests in a subsidiary	11,025	-
Payment of lease liabilities	(574)	(546)
Dividend paid to non-controlling interests	(3,000)	(3,000)
Banking facilities fees paid	(3,091)	(9,020)
Dividend paid	(82,592)	(165,184)
Interest paid	(169,908)	(200,103)
Repayment of borrowings	(299,967)	(1,425,195)
Acquisition of additional shares from non-controlling interests	-	(16)
Net cash outflow from financing activities	(216,078)	(602,466)
Net increase/(decrease) in cash and cash equivalents	44,626	(77,667)
Cash and cash equivalents at beginning of financial period	1,471,985	1,576,885
Effect of exchange rate changes	14,373	(15,879)
Cash and cash equivalents at end of financial period	1,530,984	1,483,339

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this quarterly financial report.)



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**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 Company	Non-controlling interests	Total equity
As at 1 July 2020	18,514,233	(155,085)	(212,312)	-	(8,440,152)	9,288,389	18,995,073	156,875	19,151,948
Effects on adoption of IFRIC Agenda Decision	-	(2,883)	-	-	-	(209,972)	(212,855)	(1,474)	(214,329)
As at 1 July 2020 (restated)	18,514,233	(157,968)	(212,312)	-	(8,440,152)	9,078,417	18,782,218	155,401	18,937,619
Profit for the financial period	-	-	-	-	-	363,084	363,084	1,874	364,958
Exchange differences on translation of foreign operations, net of tax	-	(29,675)	-	-	-	-	(29,675)	(71)	(29,746)
Net change in cash flow hedge reserve	-	-	29,522	-	-	-	29,522	5	29,527
Total comprehensive income	-	(29,675)	29,522	-	-	363,084	362,931	1,808	364,739
Transactions with owners									
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	11,025	11,025
Dividend paid	-	-	-	-	-	(82,592)	(82,592)	(3,000)	(85,592)
As at 31 December 2020	18,514,233	(187,643)	(182,790)	-	(8,440,152)	9,358,909	19,062,557	165,234	19,227,791
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
Effects on adoption of IFRIC Agenda Decision	-	(2,392)	-	-	-	(258,974)	(261,366)	(1,702)	(263,068)
As at 1 July 2019 (restated)	18,514,233	(188,651)	(51,217)	11,775	(8,440,152)	8,727,107	18,573,095	157,420	18,730,515
Profit for the financial period	-	-	-	-	-	378,271	378,271	1,132	379,403
Exchange differences on translation of foreign operations, net of tax	-	(83,755)	-	-	-	-	(83,755)	(22)	(83,777)
Net change in cash flow hedge reserve	-	-	(13,522)	-	-	-	(13,522)	-	(13,522)
Total comprehensive income	-	(83,755)	(13,522)	-	-	378,271	280,994	1,110	282,104
Transactions with owners									
Changes in equity interests in a subsidiary	-	-	-	-	-	24	24	(40)	(16)
Dividend paid	-	-	-	-	-	(165,184)	(165,184)	(3,000)	(168,184)
As at 31 December 2019	18,514,233	(272,406)	(64,739)	11,775	(8,440,152)	8,940,218	18,688,929	155,490	18,844,419

(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 2020 and the accompanying notes attached to this quarterly financial report.)



IOI PROPERTIES

Quarterly Financial Report For The Financial Period Ended 31 December 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 2020. 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 2020.

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 2020, except for the adoption of the following new MFRSs, Amendments to MFRS and IC Interpretations that are effective for the Group.

Title

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
Amendments to MFRS 16 Covid-19-Related Rent Concessions
Amendments to MFRS 101 and MFRS 108 Definition of Material

The adoption of these amendments to MFRSs do not have any significant financial impact on the financial statements of the Group for the current quarter.

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

In March 2019, the IFRS Interpretations Committee ('IFRIC') published an Agenda Decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualification assets. On 20 March 2019, the Malaysian Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group has adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 July 2019 and throughout all comparative 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.



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Quarterly Financial Report For The Financial Period Ended 31 December 2020

(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 statement of financial position as at 1 July 2019 (date of transition):

	As previously reported 01/07/19 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 01/07/19 RM'000
Assets			
Interests in joint ventures	5,012,119	(145,173)	4,866,946
Deferred tax assets	133,854	35,650	169,504
Property development costs	3,567,548	(65,914)	3,501,634
Inventories	2,047,991	(89,238)	1,958,753
Liabilities			
Deferred tax liabilities	801,155	(1,607)	799,548
Equity			
Other reserves	(225,701)	(2,392)	(228,093)
Retained earnings	8,986,081	(258,974)	8,727,107
Non-controlling interests	159,122	(1,702)	157,420

ii. Impact on condensed consolidated statement of financial position as at 30 June 2020:

	As previously reported 30/06/20 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 30/06/20 RM'000
Assets			
Interests in joint ventures	4,476,409	(97,034)	4,379,375
Deferred tax assets	152,114	35,166	187,280
Property development costs	3,172,133	(43,131)	3,129,002
Inventories	2,244,444	(110,937)	2,133,507
Liabilities			
Deferred tax liabilities	1,037,769	(1,607)	1,036,162
Equity			
Other reserves	(367,397)	(2,883)	(370,280)
Retained earnings	9,288,389	(209,972)	9,078,417
Non-controlling interests	156,875	(1,474)	155,401



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Quarterly Financial Report For The Financial Period Ended 31 December 2020

(The figures have not been audited)

Explanatory Notes

b) Changes in Accounting Policies (Continued)

iii. Impact on condensed consolidated income statement for the 6 months period ended 31 December 2019:

	As previously reported 31/12/19 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 31/12/19 RM'000
Cost of sales	(505,323)	13,949	(491,374)
Share of results of joint ventures	77,746	28,029	105,775
Taxation	(204,567)	42	(204,525)
Non-controlling interests	998	134	1,132
Net impact on profit or loss attributable to owners of the Company	336,385	41,886	378,271

iv. Impact on condensed consolidated statement of comprehensive income for the 6 months period ended 31 December 2019:

	As previously reported 31/12/19 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 31/12/19 RM'000
Other comprehensive loss that will be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translation of foreign operations, net of tax	(83,891)	114	(83,777)
Net impact on total comprehensive income attributable to:			
Owners of the Company	239,034	41,960	280,994
Non-controlling interests	936	174	1,110
	239,970	42,134	282,104

v. Impact on condensed consolidated statement of cash flows for the 6 months period ended 31 December 2019 and the impact on basic EPS:

There is no material impact on the consolidated statement of cash flows for the 6 months period ended 31 December 2019. The impact on basic EPS is as follows:

	Increase
Earnings per share for profit attributable to owners of the Company:	
- Basic (sen)	0.76

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(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 unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review.

e) Material Changes in Estimates of Amounts Reported

There were no material changes in estimates of amounts reported in prior financial year that have a material effect in the current financial quarter.

f) Details of Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-back, share cancellation, shares held as treasury shares and/or resale of treasury shares for the current financial period ended 31 December 2020.

g) Dividend Paid

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Interim single tier dividend of 1.5 sen per ordinary share in respect of financial year ended 30 June 2020, paid on 23 October 2020	82,592	-
Interim single tier dividend of 3.0 sen per ordinary share in respect of financial year ended 30 June 2019, paid on 27 September 2019	-	165,184
	82,592	165,184



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Explanatory Notes

h) Segment Revenue & Results

(RM'000)	Property Development	Property Investment	Hospitality & Leisure	Other Operations	Elimination	Consolidated
i) <u>3 Months Ended 31/12/20</u>						
REVENUE						
External	494,940	73,635	21,056	1,712	-	591,343
Inter-segment	-	1,038	-	33,954	(34,992)	-
Total revenue	<u>494,940</u>	<u>74,673</u>	<u>21,056</u>	<u>35,666</u>	<u>(34,992)</u>	<u>591,343</u>
RESULT						
Segment operating profit/(loss)	192,586	31,284	(7,663)	1,111	-	217,318
Share of result of an associate	527	-	-	-	-	527
Share of results of joint ventures	19,885	10,768	(7,462)	-	-	23,191
Segment results	<u>212,998</u>	<u>42,052</u>	<u>(15,125)</u>	<u>1,111</u>	<u>-</u>	<u>241,036</u>
Interest income						8,231
Interest expenses						(29)
Net foreign currency translation gain on:						
- foreign denominated borrowings						22,828
- foreign denominated deposits						726
Profit before taxation						<u>272,792</u>
Taxation						<u>(100,447)</u>
Profit for the period						<u>172,345</u>

3 Months Ended 31/12/19

Restated

REVENUE						
External	410,876	95,276	54,650	3,327	-	564,129
Inter-segment	16,000	1,066	62	14,509	(31,637)	-
Total revenue	<u>426,876</u>	<u>96,342</u>	<u>54,712</u>	<u>17,836</u>	<u>(31,637)</u>	<u>564,129</u>
RESULT						
Segment operating profit	162,237	52,876	8,504	1,288	-	224,905
Share of result of an associate	267	-	-	-	-	267
Share of results of joint ventures	23,764	9,798	4,629	-	-	38,191
Segment results	<u>186,268</u>	<u>62,674</u>	<u>13,133</u>	<u>1,288</u>	<u>-</u>	<u>263,363</u>
Interest income						11,811
Interest expenses						(9)
Net foreign currency translation gain on:						
- foreign denominated borrowings						25,021
- foreign denominated deposits						335
Profit before taxation						<u>300,521</u>
Taxation						<u>(85,437)</u>
Profit for the period						<u>215,084</u>

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

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Explanatory Notes**h) Segment Revenue & Results (Continued)**

(RM'000)	Property Development	Property Investment	Hospitality & Leisure	Other Operations	Elimination	Consolidated
ii) 6 Months Ended 31/12/20						
REVENUE						
External	1,044,618	156,806	45,541	4,049	-	1,251,014
Inter-segment	-	2,092	1	62,918	(65,011)	-
Total revenue	<u>1,044,618</u>	<u>158,898</u>	<u>45,542</u>	<u>66,967</u>	<u>(65,011)</u>	<u>1,251,014</u>
RESULT						
Segment operating profit/(loss)	441,681	78,340	(10,983)	2,210	-	511,248
Share of result of an associate	(1,086)	-	-	-	-	(1,086)
Share of results of joint ventures	37,414	22,658	(14,900)	-	-	45,172
Segment results	<u>478,009</u>	<u>100,998</u>	<u>(25,883)</u>	<u>2,210</u>	<u>-</u>	<u>555,334</u>
Interest income						16,551
Interest expenses						(54)
Net foreign currency translation gain/(loss) on:						
- foreign denominated borrowings						43,656
- foreign denominated deposits						<u>(3,207)</u>
Profit before taxation						<u>612,280</u>
Taxation						<u>(247,322)</u>
Profit for the period						<u><u>364,958</u></u>

6 Months Ended 31/12/19**Restated****REVENUE**

External	809,782	185,577	104,794	4,291	-	1,104,444
Inter-segment	16,000	2,133	155	42,129	(60,417)	-
Total revenue	<u>825,782</u>	<u>187,710</u>	<u>104,949</u>	<u>46,420</u>	<u>(60,417)</u>	<u>1,104,444</u>

RESULT

Segment operating profit	352,392	107,835	14,750	1,547	-	476,524
Share of result of an associate	769	-	-	-	-	769
Share of results of joint ventures	83,444	18,594	3,737	-	-	105,775
Segment results	<u>436,605</u>	<u>126,429</u>	<u>18,487</u>	<u>1,547</u>	<u>-</u>	<u>583,068</u>
Interest income						27,651
Interest expenses						(22)
Net foreign currency translation (loss)/gain on:						
- foreign denominated borrowings						(27,750)
- foreign denominated deposits						<u>981</u>
Profit before taxation						<u>583,928</u>
Taxation						<u>(204,525)</u>
Profit for the period						<u><u>379,403</u></u>

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



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(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, there were no new changes in the composition of the Group.

k) Contingent Liabilities

There were no material contingent liabilities for the Group as at 31 December 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	269,396
Additions of investment properties	1,624,761
	<u>1,975,516</u>



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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 RM591.3 million for the current year quarter, which is RM27.2 million or 5% higher than the preceding year corresponding quarter. The increase in revenue is mainly attributable to the property development segment. As for operating profit, the Group recorded RM217.3 million for the current year quarter, which is RM7.6 million or 3% lower than the preceding year corresponding quarter. The decrease in operating profit is mainly due to lower performance from the property investment, hospitality and leisure segments as a result of re-imposition of Conditional Movement Control Order (CMCO) by the Malaysian government to curb COVID-19 pandemic. As for profit before taxation, the Group recorded RM249.3 million for the current quarter, which is RM25.9 million or 9% lower than the preceding year corresponding quarter of RM275.2 million (both excluding foreign currency translation gain on foreign denominated borrowings and deposits). The decrease is mainly due to lower profit contribution from the property investment, hospitality and leisure segments as mentioned above coupled with lower share of results of joint ventures due to lower sales and hotel performance in current year quarter as a result of COVID-19 pandemic.

Property development

The property development segment recorded revenue and operating profit of RM494.9 million and RM192.6 million respectively in the current year quarter. It is RM84.0 million or 20% and RM30.4 million or 19% respectively higher than the preceding year corresponding quarter. Better financial performance in the current year quarter is mainly attributable to higher sales contribution from People's Republic of China ("PRC") operations.

Property investment

Revenue and operating profit of RM73.6 million and RM31.3 million for the current year quarter are RM21.7 million or 23% and RM21.6 million or 41% lower than the preceding year corresponding quarter. This is mainly due to rental relief assistance extended to tenants due to re-imposition of CMCO by the Malaysian government since 14 October 2020.

Hospitality and leisure

Revenue decreased by 61% from RM54.7 million to RM21.1 million and operating profit dropped from operating profit of RM8.5 million to operating loss of RM7.7 million. The decrease in revenue and operating profit is mainly due to drop in occupancy rate and loss of revenue due to re-imposition of CMCO.

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

The Group recorded revenue of RM1.3 billion, which is RM146.6 million or 13% higher than the preceding year corresponding period. This is mainly due to higher revenue contribution from PRC operations. The Group's PBT of RM571.8 million (after excluding net foreign currency translation gain on foreign denominated borrowings and deposits) in the current year to date, which is RM38.9 million or 6% lower than the preceding year corresponding period of RM610.7 million (after excluding net foreign currency translation loss on foreign denominated borrowings and deposits). Lower PBT is mainly due to lower performance from property investment, hospitality and leisure segments coupled with lower share of results of joint ventures due to lower property sales recognised in the current year quarter and lower hotel performance as a result of COVID-19 pandemic.

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

The Group recorded PBT of RM249.3 million (excluding foreign currency translation gain on foreign denominated borrowings and deposit) for the current quarter, which is RM73.3 million or 23% lower than the immediate preceding quarter of RM322.6 million (excluding net foreign currency translation gain on foreign denominated borrowings and deposits). Lower PBT in the current quarter is mainly due to the lower sales of high-rise residential project of Xiamen, PRC in the current quarter and lower performance from property investment, hospitality and leisure segments due to re-imposition of CMCO.



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

3) Prospects

The reinstatement of Movement Control Order 2.0 (MCO 2.0) by the Malaysian Government due to the persistently high number of COVID-19 cases has curtailed the resumption of economic activities and disrupted the momentum of the property market recovery. Global business environment remains challenging and uncertain in light of the COVID-19 pandemic and persistent geopolitical tensions.

In Malaysia, the Group continues to leverage on its digital marketing capabilities and IOI eMarketplace platform to drive sales and facilitate property transaction processes. Our marketing campaign coupled with Home Ownership Campaign under the National Economy Recovery Plan (PENJANA) will continue to drive sales of our mid-price range of products in tandem with market demands as these products remain well sought-after in our existing townships.

Our Mainland China operations contributed strongly to Q2 FY2021 operating profit due to brisk sales following the Chinese economic recovery from the COVID-19 pandemic. We anticipate demand for residential properties to normalise and moderate in the coming quarters. IOI Palm City Mall, Xiamen has secured high occupancy and the mall business is expected to commence by 3rd quarter 2021. The construction of the boutique office blocks and Sheraton Grand Hotel in Xiamen are progressing well.

In Singapore, the construction of Central Boulevard development has resumed since August 2020 and the management is endeavouring to catch up on lost time resulting from the Circuit Breaker that was imposed in April 2020.

The recovery of the property investment and hospitality segments has been dampened by the reinstatement of the MCO 2.0. The retail and office segments will continue to adopt active and pragmatic tenant retention strategies to maintain occupancy rates and to support our tenants as business partners. With regard to the hospitality and leisure segment, the Group will maintain its aggressive marketing and promotion packages, whilst implementing cost optimisation strategies by progressively right sizing the workforce in preparation for medium and long term recoveries.

Overall, we expect the operating environment to remain challenging and uncertain. Nonetheless, the Group will continue with its prudent and professional management approach to ensure the delivery of satisfactory performance in the coming quarters whilst consolidating its market position and strengthening its competitive edge to seize any opportunities which may emerge when the situation improves.

4) Achievability of Forecast Results

Not applicable.

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

Not applicable.

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Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**6) Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	QUARTER	CORRESPONDING	YEAR TO	CORRESPONDING
		QUARTER	DATE	PERIOD
	RM'000	RM'000	RM'000	RM'000
		RESTATED		RESTATED
The tax expense comprises the following:				
Current taxation	28,406	44,473	57,698	118,334
Deferred taxation	72,041	40,964	189,624	86,191
	<u>100,447</u>	<u>85,437</u>	<u>247,322</u>	<u>204,525</u>

The effective tax rate of the Group for the current year quarter is 37%. 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 31 December 2020 are as follows:

	As at 31/12/20 RM'000	As at 30/06/20 RM'000
a) Short term borrowings		
Unsecured		
Denominated in RM	181,345	180,499
Denominated in USD (USD90 million) (2020: USD90 million)	361,126	384,664
Denominated in SGD (SGD200 million) (2020: SGD200 million)	609,340	615,040
Denominated in RMB (RMB6 million) (2020: RMB2 million)	3,715	1,212
	<u>1,155,526</u>	<u>1,181,415</u>
b) Long term borrowings		
Unsecured		
Denominated in RM	2,266,678	2,296,602
Denominated in USD (Nil) (2020: USD67 million)	-	285,155
Denominated in SGD (SGD2,032 million) (2020: SGD2,032 million)	6,172,442	6,225,890
Denominated in RMB (RMB2,044 million) (2020: RMB1,506 million)	1,259,010	906,114
	<u>9,698,130</u>	<u>9,713,761</u>
Total borrowings	<u>10,853,656</u>	<u>10,895,176</u>

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Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**9) Derivative Financial Instruments**

(i) Details of derivative financial instrument outstanding as at 31 December 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	(7,191)
Total cross currency interest rate swap	(7,191)
Interest rate swap	
<i>SGD denominated borrowing (RM4,942 million)*:</i>	
- less than one year	(84,145)
- one year to three years	(98,475)
	(182,620)
<i>USD denominated borrowing (RM267 million)*:</i>	
- less than one year	(4,204)
	(4,204)
Total interest rate swap	(186,824)
Total derivative financial liabilities	(194,015)

* 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 2020 in respect of the accounting policies.



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

10) Fair Value Changes of Financial Assets

As at 31 December 2020, the Group has recognised derivative financial liabilities of RM7.2 million and RM186.8 million in respect of a cross currency interest rate swap and an interest rate swap respectively, with the corresponding fair value gain of RM29.5 million in the cash flow hedge reserve for the current financial period under review.

The fair value gain is mainly due to the floating interest rate has moved favourably 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	(8,231)	(16,551)
Interest expenses	29	54
Impairment losses on receivables written back	(205)	(414)
Net gain on foreign currency translation differences	(23,094)	(40,477)
Depreciation and amortisation	10,381	20,756
Impairment losses on receivables	584	1,706
Property, plant and equipment written off	3	4
Bad debts written off	33	33

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

12) Material Litigation

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

13) Dividends

No dividend has been declared by the Board for the financial quarter ended 31 December 2020.

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Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**14) Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR TO	CORRESPONDING
	QUARTER	QUARTER	DATE	PERIOD
	RM'000	RM'000	RM'000	RM'000
		RESTATED		RESTATED
a) Basic earnings per share				
Net profit for the period	170,975	213,882	363,084	378,271
Weighted average number of ordinary shares in issue ('000)	5,506,145	5,506,145	5,506,145	5,506,145
Basic earnings per share (sen)	3.11	3.88	6.59	6.87

b) Diluted earnings per share

The Group has no dilution in its EPS for the financial under review as there are no dilutive potential ordinary shares.

15) Audit Qualification

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

By Order of the Board

Chee Ban Tuck
Company Secretary

Putrajaya
22 February 2021