

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2017**

		(Unaudited) Individual/Cumulative Quarter	(Unaudited) Preceding Year Quarter
	Note	Current Quarter 31 Mar 2017 RM'000	31 Mar 2016 RM'000
Revenue	12	102,835	80,448
Cost of sales		(69,421)	(53,829)
Gross profit		33,414	26,619
Other income		2,017	1,190
Other expenses		(12,380)	(11,720)
Share of results of associates		(16)	0
Profit before taxation	23	23,035	16,089
Tax expense	17	(4,451)	(732)
Profit for the financial period		18,584	15,357
Other comprehensive income:		-	-
Total comprehensive income		18,584	15,357
Total profit and comprehensive income attributable to:			
Owners of the parent		18,594	15,359
Non-controlling interests		(10)	(2)
		18,584	15,357
Earnings per share ("EPS") attributable to owners of the parent		sen	sen
Basic	22	1.75	1.45
Fully diluted	22	1.42	1.18

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes.

I-Berhad (7029-H)**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Note	(Unaudited) As at 31 Mar 2017 RM'000	(Audited) As at 31 Dec 2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		75,523	77,333
Investment properties		321,122	312,347
Investments in associates		58,429	43,849
Other investments		0	0
Deferred tax assets		968	2,369
		<u>456,042</u>	<u>435,898</u>
Current assets			
Property development costs		570,067	550,375
Inventories		65,728	65,768
Trade and other receivables		80,785	132,695
Current tax assets		1,836	1,639
Deposits, cash and bank balances		199,187	179,653
		<u>917,603</u>	<u>930,130</u>
TOTAL ASSETS	12	<u><u>1,373,645</u></u>	<u><u>1,366,028</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		502,134	501,638
Reserves		322,689	303,948
Equity component - ICULS		36,243	35,927
Equity component - RCULS		14,547	14,547
		<u>875,613</u>	<u>856,060</u>
Non-controlling interests		127	137
TOTAL EQUITY		<u>875,740</u>	<u>856,197</u>
Non-current liabilities			
Deferred tax liabilities		9,343	6,290
Liability component - ICULS		3,158	1,952
Liability component - RCULS		198,737	192,106
		<u>211,238</u>	<u>200,348</u>
Current liabilities			
Trade and other payables		279,116	301,613
Current tax liabilities		7,551	7,870
		<u>286,667</u>	<u>309,483</u>
TOTAL LIABILITIES	12	<u>497,905</u>	<u>509,831</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,373,645</u></u>	<u><u>1,366,028</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>0.87</u>	<u>0.86</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes.

I-Berhad (7029-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2017

	----- Attributable to owners of the parent -----									
	Share capital	Share premium	Revaluation reserve	Warrant reserve	Equity component ICULS	Equity component RCULS	Retained earnings	Total	Non-controlling interests	Total equity
(Unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	495,237	91,691	1,331	39,126	45,007	14,547	115,775	802,714	177	802,891
Total comprehensive income for the financial period	-	-	-	-	-	-	15,357	15,357	(2)	15,355
Transactions with owners:										
Conversion of ICULS during the financial period	476	174	-	-	(604)	-	-	46	-	46
	476	174	-	-	(604)	-	-	46	-	46
Balance as at 31 March 2016	495,713	91,865	1,331	39,126	44,403	14,547	131,132	818,117	175	818,292
(Unaudited)										
Balance as at 1 January 2017	501,638	93,956	1,331	39,126	35,927	14,547	169,496	856,021	137	856,158
Total comprehensive income for the financial period	-	-	-	-	-	-	18,594	18,594	(10)	18,584
Transactions with owners:										
Conversion of ICULS during the financial period	496	186	-	-	316	-	-	998	-	998
	496	186	-	-	316	-	-	998	-	998
Balance as at 31 March 2017	502,134	94,142	1,331	39,126	36,243	14,547	188,090	875,613	127	875,740

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes.

I-Berhad (7029-H)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017

	(Unaudited) Quarter ended 31 Mar 2017 RM'000	(Unaudited) Quarter ended 31 Mar 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	23,035	16,089
Adjustments for:		
Non-cash/operating items	2,967	3,300
Operating profit before working capital changes	26,002	19,389
Net changes in current assets	56,516	28,121
Net changes in current liabilities	(28,329)	(19,000)
Cash generated from operations	54,189	28,510
Tax paid	(5,801)	(3,869)
Tax refunded	36	-
Net cash generated from operating activities	48,424	24,641
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,775)	(527)
Investment in an associate company	(14,596)	(31)
Development costs incurred for investment properties	(8,775)	(2,796)
Interest received	1,332	875
Net cash used in investing activities	(24,814)	(2,479)
CASH FLOWS FROM FINANCING ACTIVITIES		
RCULS coupons paid	(4,075)	-
Net cash used in financing activities	(4,075)	-
Net increase in cash and cash equivalents	19,535	22,162
Cash and cash equivalents at beginning of financial period	179,652	96,434
Cash and cash equivalents at end of financial period	199,187	118,596
Cash and cash equivalents comprise:		
Cash and bank balances	6,377	92,761
Deposits with licensed banks/financial institutions	192,849	25,874
Deposits pledged as bank guarantee	(39)	(39)
Total	199,187	118,596

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes.

Part A – Explanatory Notes Pursuant to FRS 134

1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The significant accounting policies and method of computation adopted by the Group in this quarterly report are consistent with those in the annual financial statements for the year ended 31 December 2016 except as follows:

On 1 January 2017, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2017.

1 January 2017

Amendment to FRS 12	Annual Improvements to FRSs 2014-2016 Cycle
Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Adoption of the above standards and interpretations did not have any significant effect on the financial performance or position of the Group.

The Group has not adopted the following standards and interpretations that have been issued and not yet effective:

1 January 2018

FRS 9	Financial Instruments
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Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework that is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called “Transitioning Entities”).

On 7 August 2013, the MASB issued another announcement that Transitioning Entities would only be required to adopt the MFRS framework for the annual periods beginning on or after 1 January 2015. Subsequently on the 2 September 2014 and 28 October 2015, MASB has further announced that Transitioning Entities shall be required to apply the Malaysian Financial Reporting Standards (“MFRS”) Framework for annual periods beginning on or after 1 January 2017 and 1 January 2018 respectively.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

2 Seasonal or cyclical factors

The Group’s results were not materially impacted by any seasonal or cyclical factors apart from the Leisure segment as both the Leisure Park@i-City and Best Western i-City receive more visitors during weekends, school holidays and festive seasons.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 MARCH 2017 - UNAUDITED

3 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2017.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 31 March 2017.

5 Debt and equity securities

There were no issues, cancellations, repurchases, resale and repayments of debt and equity securities, in the current quarter.

6 Dividend paid

There was no dividend payment in current quarter.

7 Carrying amount of revalued assets

The carrying values of investment properties have been brought forward without significant changes from the audited financial statements for the financial year ended 31 December 2016.

8 Material events subsequent to the end of interim period

There is no material event subsequent to the end of the interim period.

9 Changes in composition of the Group

There was no change in the composition of the Group as at 31 March 2017.

10 Capital commitments

	As at 31.03.2017
Approved and contracted for, analysed as follows:	RM'000
New leisure attractions	6,898
Investment properties	8,869
	<hr/>
	15,767
	<hr/> <hr/>

11 Significant related party transactions

There was no significant related party transaction during the current quarter.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 MARCH 2017 - UNAUDITED**12 Segmental information- By business segments**

Financial period ended	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
31 March 2017					
Revenue					
Total revenue	92,279	1,433	9,790	325	103,827
Inter-segment revenue	(60)	(250)	(599)	(83)	(992)
External revenue	92,219	1,183	9,191	242	102,835
Results					
Segment results	22,212	(454)	115	(452)	21,421
Interest income	28	0	-	1,602	1,630
Share of results of associates	-	-	(16)	-	(16)
Profit /(Loss) before taxation	22,240	(454)	99	1,150	23,035
Tax expense	-	-	-	-	(4,451)
Profit for the financial period					18,584
As at 31 March 2017					
Assets					
Segment assets	669,279	380,922	71,306	190,905	1,312,412
Tax recoverable	-	-	-	-	1,836
Deferred tax assets	-	-	-	-	968
Investment in associates	-	-	-	-	58,429
Total assets					1,373,645
Liabilities					
Segment liabilities	264,861	5,976	1,922	208,252	481,011
Current tax liabilities	-	-	-	-	7,551
Deferred tax liabilities	-	-	-	-	9,343
Total liabilities					497,905
As at 31 March 2016					
Assets					
Segment assets	617,768	343,086	77,131	118,744	1,156,729
Tax recoverable	-	-	-	-	2,167
Deferred tax assets	-	-	-	-	3,765
Investment in associates	-	-	-	-	7,488
Total assets					1,170,149
Liabilities					
Segment liabilities	129,265	8,828	214	206,496	344,803
Current tax liabilities	-	-	-	-	1,116
Deferred tax liabilities	-	-	-	-	5,938
Total liabilities					351,857
As at 31 March 2016					
Assets					
Segment assets	617,768	343,086	77,131	118,744	1,156,729
Tax recoverable	-	-	-	-	2,167
Deferred tax assets	-	-	-	-	3,765
Investment in associates	-	-	-	-	7,488
Total assets					1,170,149
Liabilities					
Segment liabilities	129,265	8,828	214	206,496	344,803
Current tax liabilities	-	-	-	-	1,116
Deferred tax liabilities	-	-	-	-	5,938
Total liabilities					351,857

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia and other directives

13 Auditors' Report on preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not qualified.

14 Review of performance – Current financial quarter ended 31 March 2017 by segment

For the current financial quarter ended 31 March 2017 ("Q1 2017"), the Group posted higher revenue and profit before tax of RM102.8 million and RM23.0 million respectively as compared to the revenue and profit before tax of RM80.4 million and RM16.1 million respectively for the corresponding financial quarter ended 31 March 2016 ("Q1 2016") thereby increasing both revenue and profit before tax by 28% and 43% respectively.

a) Property development

Both revenue and profit before tax for Q1 2017 was higher as compared to Q1 2016 due to further sales from the existing projects in i-City as well as the advancement of the construction progress.

b) Property investment

The slight decrease in revenue for Q1 2017 was due to lower occupancy rate as compared to Q1 2016. The segment loss in Q1 2017 remained comparable as compared to Q1 2016 as a result of better cost management.

c) Leisure

Both revenue and profit before tax for Q1 2017 was lower as compared to Q1 2016 due to drop in number of visitor arrivals.

15 Comment on material changes in profit before taxation of the current quarter compared with the preceding quarter

The Group registered a comparable revenue and profit before tax of RM102.8 million and RM23.0 million respectively for the current quarter as compared to RM102.9 million and RM23.0 million respectively for the preceding quarter. However the overall comparable result masks the continued growth of the Property Development segment where there was an increase in revenue and profit before tax for the quarter due to higher progress recognition of on-going projects. Lower revenue and profit before tax from the Leisure segment was expected for the current quarter as Leisure segment had attained its peak seasonal revenue in the preceding quarter due to the year-end school and festive holidays.

16 Commentary on prospects

The Board expects the Property Development segment to continue to contribute positively to the Group's performance in the current financial year.

In Q2 2017, the Group will unveil the Hill10 Residence @ i-City ("Hill10"), 204 exclusive residences located from level 22 Mezzanine to 43 right above the DoubleTree by Hilton @ i-City Shah Alam ("DoubleTree"). Hill10 is set to be one of the most luxurious properties of its kind in Shah Alam, fully fitted and furnished with similar stylish design concepts of DoubleTree with the cantilever rooftop infinity pool at level 43. Hill10 is expected to be ready by 2019 and will be an Internet of Things ready Smart Home.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 MARCH 2017 - UNAUDITED**16 Commentary on prospects (cont'd)**

Barring any unforeseen circumstances, i-SOHO and i-Suite projects will be completed and handed over to the purchasers by Q2 2017 and Q4 2017 respectively. Along with the expected completion of the car park podium, the construction progress of the remaining developments (Parisien, Liberty and Hyde Towers) will progress at a faster rate.

With the completion of the two projects as well as the launch of a new project, the Property Development segment results for the financial year ending 31 December 2017 is expected to be higher as compared to financial year ended 31 December 2016.

The Group's unbilled sales as at 31 March 2017 stood at RM447.9 million as compared to RM573.3 million as at 31 December 2016 and is expected to grow with the launch of Hill10 in Q2 2017. The completion of the i-SOHO project has realised a portion of the unbilled sales which has thus led to the positive surge in the Group's cash and cash equivalents position.

Barring any unforeseen circumstances and based on the aforementioned factors, the Board is confident that the Group would achieve commendable operating results for the financial year ending 31 December 2017.

17 Tax Expense

	Year to date/ Three months ended	
	31.03.2017 RM'000	31.03.2016 RM'000
Taxation		
- Income tax	5,250	3,123
- Deferred tax	-	(596)
	5,250	2,527
Over provision in prior year		
- Deferred tax	(799)	(1,795)
	4,451	732
Total	4,451	732

Overall, the effective tax rate is slightly lower than the statutory tax rate mainly due to the unutilised capital allowances and unabsorbed losses brought forward in certain subsidiaries.

18 Corporate proposals**Status of utilisation of rights issue proceeds**

Details of utilisation	Approved utilisation RM'000	Utilisation as at 31.03.2017 RM'000	Unutilised as at 31.03.2017 RM'000
Property development expenditure and/or activities	160,000	151,174	8,826
Repayment of amount owing to Holding Company	16,832	16,832	-
General working capital of the Group	16,657	-	16,657
Estimated expenses in relation to the Proposals	4,000	4,000	-
	197,489	172,006	25,483
	197,489	172,006	25,483

19 Group borrowings and debt securities

The Group has no borrowing as at 31 March 2017 other than the liability components of remaining unconverted 77.5 million five year 2% to 3% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM38.8 million; 264.0 million five year 3% to 5% Redeemable Convertible Unsecured Loan Stocks ("RCULS-A") of RM132.0 million; and 138.0 million five year 3% to 5% Redeemable Convertible Unsecured Loan Stocks ("RCULS-B") of RM69.0 million.

20 Material litigation

The Group is not engaged in any material litigation as at 12 April 2017 the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

21 Dividend

In respect of the financial year ended 31 December 2016, a final single tier dividend amounting to 1.88 sen per ordinary share will be proposed by the Directors for shareholders' approval at the forthcoming Annual General Meeting on 3 May 2017.

The Dividend per Ordinary Share ("DPS") shall take into account the potential additional number of ICULS that may be converted up to the entitlement date. The payment and entitlement dates will be announced at a later date.

22 Earnings per share

(i) Basic Earnings per Share

	Year to date/ Three months ended	
	31.03.2017	31.03.2016
Profit attributable to owners of the parent (RM'000)	18,594	15,359
Weighted average number of ordinary shares in issue ('000)	1,061,314	1,061,314
Basic earnings per share (sen)	1.75	1.45

(ii) Diluted Earnings per Share

	Year to date/ Three months ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
Profit attributable to owners of the parent (RM'000)	18,594	15,359
After tax effects of interest	118	104
Weighted average number of ordinary shares in issue ('000)	1,061,314	1,061,314
Effect of dilution ('000)	254,326	254,326
Diluted earnings per share (sen)	1.42	1.18

23 Note to consolidated statements of comprehensive income

	Year to date/ Three months ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
Profit before taxation for the financial period is arrived at after crediting:		
Interest income	1,630	839
Other income	387	351
and charging:		
Depreciation of property, plant and equipment	3,880	4,135

24 Disclosure of realised and unrealised profits

	Year to date/ Three months ended	Year to date/ Three months ended
	31.03.2017	31.03.2016
	RM'000	RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	170,752	105,806
- Unrealised	15,158	21,360
	<u>185,910</u>	<u>127,166</u>
Total share of accumulated losses from an associate:		
- Realised	(1,520)	(152)
	<u>184,390</u>	<u>127,014</u>
Consolidation adjustments	<u>3,700</u>	<u>4,118</u>
Total retained earnings as per consolidated accounts	<u>188,090</u>	<u>131,132</u>

25 Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 April 2017.