

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2017**

	Note	(Unaudited) Individual/Cumulative Quarter		(Unaudited) Cumulative Quarter	
		Current Quarter 30 Jun 2017 RM'000	Preceding Year Quarter 30 Jun 2016 RM'000	Current Year To Date 30 Jun 2017 RM'000	Preceding Year To Date 30 Jun 2016 RM'000
Revenue	12	127,815	86,676	230,650	167,124
Cost of sales		(89,901)	(61,351)	(159,322)	(115,180)
Gross profit		37,914	25,325	71,328	51,944
Other income		2,958	8,579	4,975	9,769
Other expenses		(13,628)	(10,265)	(26,008)	(21,985)
Share of results of associates		(660)	(29)	(676)	(29)
Profit before taxation	23	26,584	23,610	49,619	39,699
Tax expense	17	(6,972)	(8,947)	(11,423)	(9,679)
Profit for the financial period		19,612	14,663	38,196	30,020
Other comprehensive income:		-	-	-	-
Total comprehensive income		19,612	14,663	38,196	30,020
Profit attributable to:					
Owners of the parent		19,626	14,678	38,220	30,037
Non-controlling interests		(14)	(15)	(24)	(17)
		19,612	14,663	38,196	30,020
Total comprehensive income attributable to:					
Owners of the parent		19,626	14,678	38,220	30,037
Non-controlling interests		(14)	(15)	(24)	(17)
		19,612	14,663	38,196	30,020
Earnings per share ("EPS")					
attributable to owners of the parent		sen	sen	sen	sen
Basic	22	1.85	1.38	3.60	2.83
Fully diluted	22	1.49	1.12	2.91	2.30

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 30 JUNE 2016**

	Note	(Unaudited) As at 30 Jun 2017 RM'000	(Audited) As at 31 Dec 2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		74,975	77,333
Investment properties		334,037	312,347
Investments in associates		64,369	43,849
Other investments		0	0
Deferred tax assets		968	2,369
		474,349	435,898
Current assets			
Property development costs		516,185	550,375
Inventories		136,672	65,768
Trade and other receivables		58,057	132,695
Current tax assets		1,904	1,639
Deposits, cash and bank balances		243,389	179,653
		956,207	930,130
TOTAL ASSETS	12	1,430,556	1,366,028
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		502,706	501,638
Reserves		342,523	303,948
Equity component - ICULS		35,517	35,927
Equity component - RCULS		14,547	14,547
		895,293	856,060
Non-controlling interests		113	137
TOTAL EQUITY		895,406	856,197
Non-current liabilities			
Deferred tax liabilities		15,896	6,290
Liability component - ICULS		2,642	1,952
Liability component - RCULS		201,425	192,106
		219,963	200,348
Current liabilities			
Trade and other payables		304,374	301,613
Current tax liabilities		10,813	7,870
		315,187	309,483
TOTAL LIABILITIES	12	535,150	509,831
TOTAL EQUITY AND LIABILITIES		1,430,556	1,366,028
Net assets per share attributable to owners of the parent (RM)		0.89	0.86

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 30 JUNE 2017

	-----<----- Attributable to owners of the parent ----->-----										
	Share capital	Share premium	Revaluation reserve	Warrant reserve	Contribution from shareholders	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	RM'000
Balance as at 1 January 2016	495,237	90,217	1,331	39,126	1,474	45,007	14,547	115,775	802,714	177	802,891
Total comprehensive income for the financial period	-	-	-	-	-	-	-	30,037	30,037	(17)	30,020
Transaction with owners:											
Conversion of ICULS during the financial period	773	282	-	-	-	(982)	-	-	73	-	73
	773	282	-	-	-	(982)	-	-	73	-	73
Balance as at 30 June 2016	496,010	90,499	1,331	39,126	1,474	44,025	14,547	145,812	832,824	160	832,984
(Unaudited)											
Balance as at 1 January 2017	501,638	93,996	1,331	39,126	-	35,927	14,547	169,496	856,061	137	856,198
Total comprehensive income for the financial year	-	-	-	-	-	-	-	38,220	38,220	(24)	38,196
Transaction with owners:											
Conversion of ICULS during the financial year	1,068	354	-	-	-	(410)	-	-	1,012	-	1,012
	1,068	354	-	-	-	(410)	-	-	1,012	-	1,012
Balance as at 30 June 2017	502,706	94,350	1,331	39,126	-	35,517	14,547	207,716	895,293	113	895,406

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 30 JUNE 2017

	(Unaudited) Quarter ended 30 Jun 2017 RM'000	(Unaudited) Quarter ended 30 Jun 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	49,619	39,699
Adjustments for:		
Non-cash/operating items	5,591	1,003
Operating profit before working capital changes	55,210	40,702
Net changes in current assets	100,456	15,091
Net changes in current liabilities	(31,896)	19,450
Cash generated from operations	123,770	75,243
Tax paid	(9,552)	(6,916)
Tax refunded	268	-
Net cash generated from operating activities	114,486	68,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,014)	(3,024)
Proceeds from disposal of property	-	7,266
Investment in an associate company	(21,196)	(61)
Development costs incurred for investment properties	(21,939)	(6,717)
Interest received	2,956	1,188
Net cash used in investing activities	(46,193)	(1,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Coupon payment for ICULS	(481)	(473)
Coupon payment for RCULS	(4,075)	(3,073)
Net cash used in financing activities	(4,556)	(3,546)
Net increase in cash and cash equivalents	63,737	70,525
Cash and cash equivalents at beginning of financial period	179,613	96,434
Cash and cash equivalents at end of financial period	243,350	166,959
Cash and cash equivalents comprise:		
Cash and bank balances	46,648	9,713
Deposits with licensed banks/financial institutions	196,741	157,285
Deposits pledged as bank guarantee	(39)	(39)
Total	243,350	166,959

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.

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 30 June 2017.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 30 June 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/payable

(a) In respect of the financial year ended 31 December 2016, a final single tier dividend amounting to 1.88 sen per ordinary share has been approved by the shareholders of the Company at its 50th Annual General Meeting held on 3 May 2017. The said dividend will be made payable on 27 July 2017 to depositors whose name appear in the record of depositors on 13 July 2017.

(b) 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 30 June 2017.

10 Capital commitments

Approved and contracted for, analysed as follows:

New leisure attractions

Investment properties

As at 30.06.2017

RM'000

3,512

8,845

12,357

11 Significant related party transactions

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

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

Financial period ended 30 June 2017	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	209,268	2,893	19,786	638	232,585
Inter-segment revenue	(120)	(502)	(1,146)	(167)	(1,935)
External revenue	209,148	2,391	18,640	471	230,650
Results					
Segment results	49,072	(347)	(938)	(1,195)	46,592
Interest income	115	0	-	3,588	3,703
Share of results of associates	-	(676)	-	-	(676)
Profit /(Loss) before taxation	49,187	(1,023)	(938)	2,393	49,619
Tax expense					(11,423)
Profit for the financial period					38,196
As at 30 June 2017					
Assets					
Segment assets	700,785	393,608	71,428	197,494	1,363,315
Tax recoverable	-	-	-	-	1,904
Deferred tax assets	-	-	-	-	968
Investment in associates	-	-	-	-	64,369
Total assets					1,430,556
Liabilities					
Segment liabilities	291,685	6,395	1,505	208,856	508,441
Current tax liabilities	-	-	-	-	10,813
Deferred tax liabilities	-	-	-	-	15,896
Total liabilities					535,150

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2017 - UNAUDITED**12 Segmental information- By business segments (cont'd)**

Financial period ended 30 June 2016	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	145,476	2,862	19,700	734	168,772
Inter-segment revenue	(120)	(529)	(763)	(236)	(1,648)
External revenue	145,356	2,333	18,937	498	167,124
Results					
Segment results	40,679	(944)	(1,466)	(515)	37,754
Interest income	66	-	-	1,908	1,974
Share of results of associates	-	(17)	(12)	-	(29)
Profit/(Loss) before taxation	40,745	(961)	(1,478)	1,393	39,699
Tax expense					(9,679)
Profit for the financial period					30,020
As at 30 June 2016					
Assets					
Segment assets	625,512	345,301	75,475	167,622	1,213,910
Tax recoverable	-	-	-	-	2,662
Deferred tax assets	-	-	-	-	1,739
Investment in associates	-	-	-	-	11,136
Total assets					1,229,447
Liabilities					
Segment liabilities	168,507	7,852	116	208,260	384,735
Current tax liabilities	-	-	-	-	6,423
Deferred tax liabilities	-	-	-	-	5,305
Total liabilities					396,463

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 30 June 2017 by segment

For the current financial quarter ended 30 June 2017 ("Q2 2017"), the Group posted higher revenue and profit before tax of RM127.8 million and RM26.6 million respectively as compared to the revenue and profit before tax of RM86.7 million and RM23.6 million respectively for the corresponding financial quarter ended 30 June 2016 ("Q2 2016") thereby increasing both revenue and profit before tax by 47% and 13% respectively.

For the current financial period ended 30 June 2017, the Group posted higher revenue and profit before tax of RM230.7 million and RM49.6 million respectively as compared to the revenue and profit before tax of RM167.1 million and RM39.7 million respectively for the corresponding financial period ended 30 June 2016 thereby increasing both revenue and profit before tax by 38% and 25% respectively

a) Property development

Both revenue and profit before tax for Q2 2017 was higher as compared to Q2 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 segment result remained status quo as compared with Q2 2016.

c) Leisure

The segment showed favourable results as compared with Q2 2016 due to better cost management.

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

The Group registered higher revenue and profit before tax of RM127.8 million and RM26.6 million respectively for the current quarter as compared to RM102.8 million and RM23.0 million respectively for the preceding quarter. The positive result shows the continuous growth of the Property Development segment which demonstrated an increase in revenue and profit before tax for the quarter due to higher construction progress recognition of ongoing projects.

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.

As at to-date, the Group had unveiled the Hill10 Residence @ i-City ("Hill10"), 204 exclusive luxury residences located above the DoubleTree by Hilton @ i-City Shah Alam ("DoubleTree"). The response was very promising with a take up rate of approximately 70% as at to-date. Hill10 is set to be one of the most luxurious properties of its kind in Selangor which is fully fitted and furnished with similar stylish design concepts of DoubleTree with a cantilevered rooftop infinity pool. 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
30 JUNE 2017 - UNAUDITED**16 Commentary on prospects (cont'd)**

i-SOHO project was completed and handed over to the purchasers in early Q2 2017 and i-Suite is expected to be completed and handed over to the purchasers by Q4 2017.

The progressive completion of the projects as well as the continuous sales from the ongoing projects will result in better financial performance for the Property Development segment for the financial year ending 31 December 2017 as compared to financial year ended 31 December 2016.

The Group's unbilled sales as at 30 June 2017 stood at RM334.7 million as compared to RM447.9 million as at 31 March 2017. This is mainly contributed by the completion of the i-SOHO project, realising a portion of the unbilled sales, which has thus led to the positive surge in the Group's cash and cash equivalents position. The success of Hill10 as well as the continuous sale of ongoing projects would contribute towards the increase in unbilled sales by year end.

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

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Taxation				
- Income tax	6,506	7,708	11,756	10,831
- Deferred tax	-	1,089	-	493
	<u>6,506</u>	<u>8,797</u>	<u>11,756</u>	<u>11,324</u>
Under/(Over) provision in prior year				
- Income tax	207	150	207	150
- Deferred tax	259	-	(540)	(1,795)
	<u>466</u>	<u>150</u>	<u>(333)</u>	<u>(1,645)</u>
Total	<u>6,972</u>	<u>8,947</u>	<u>11,423</u>	<u>9,679</u>

Overall, the effective tax rate is approximately the same as the statutory tax rate.

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

Details of utilisation	Approved utilisation RM'000	Utilisation as at 30.06.2017 RM'000	Unutilised as at 30.06.2017 RM'000
Property development expenditure and/or activities	160,000	157,774	2,226
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	178,606	18,883

19 Group borrowings and debt securities

The Group has no borrowing as at 30 June 2017 other than the liability components of remaining unconverted over 76.0 million five year 2% to 3% irredeemable convertible unsecured loan stocks ("ICULS") of more than RM38.0 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 10 July 2017, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

21 Dividend

No interim dividend has been recommended during the second quarter ended 30 June 2017.

22 Earnings per share

(i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to owners of the parent (RM'000)	19,626	14,678	38,220	30,037
Weighted average number of ordinary shares in issue ('000)	1,061,314	1,061,314	1,061,314	1,061,314
Basic earnings per share (sen)	1.85	1.38	3.60	2.83

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2017 - UNAUDITED**22 Earnings per share (continued)**

(ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to owners of the parent (RM'000)	19,626	14,678	38,220	30,037
After tax effects of interest	-	104	118	179
Weighted average number of ordinary shares in issue ('000)	1,061,314	1,061,314	1,061,314	1,061,314
Effect of dilution ('000)	254,326	254,326	254,326	254,326
Diluted earnings per share (sen)	1.49	1.12	2.91	2.30

23 Note to consolidated statements of comprehensive income

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Profit before taxation for the financial period is arrived at after crediting:				
Interest income	2,073	1,135	3,703	1,974
Other income	885	7,444	1,272	7,795
and charging:				
Depreciation of property, plant and equipment	3,786	4,369	7,666	8,504

24 Disclosure of realised and unrealised profits

	Year to date/ Six months ended	Year to date/ Six months ended
	30.06.2017 RM'000	30.06.2016 RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	197,859	121,920
- Unrealised	8,854	19,966
	206,713	141,886
Total share of accumulated losses from associates:		
- Realised	(2,180)	(182)
Consolidation adjustments	3,183	4,108
Total retained earnings as per consolidated accounts	207,716	145,812

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 17 July 2017.