

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2018**

	Note	(Unaudited) Individual Quarter		(Unaudited) Cumulative Quarter	
		Current Quarter 30 Jun 2018 RM'000	Preceding Year Quarter 30 Jun 2017 (Restated) RM'000	Current Year To Date 30 Jun 2018 RM'000	Preceding Year To Date 30 Jun 2017 (Restated) RM'000
Revenue	12	107,164	131,944	266,513	240,391
Cost of sales		(68,307)	(89,811)	(188,334)	(160,111)
Gross profit		38,857	42,133	78,179	80,280
Other income		1,126	2,958	3,789	4,975
Other expenses		(11,022)	(16,348)	(27,971)	(31,056)
Share of results of associates		(263)	(661)	(283)	(677)
Profit before taxation	23	28,698	28,082	53,714	53,522
Taxation	17	(6,388)	(6,972)	(6,928)	(11,423)
Profit/Total comprehensive income for the financial period		22,310	21,110	46,786	42,099
Profit/Total comprehensive income attributable to:					
Owners of the parent		22,313	21,124	46,798	42,123
Non-controlling interests		(3)	(14)	(12)	(24)
		22,310	21,110	46,786	42,099
Earnings per share ("EPS")					
attributable to owners of the parent		sen	sen	sen	sen
Basic	22	2.10	1.99	4.41	3.97
Fully diluted	22	1.71	1.61	3.64	3.21

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

I-Berhad (7029-H)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	(Unaudited) As at Note	(Unaudited) As at 31 Dec 2017 (Restated) RM'000	(Unaudited) As at 01 Jan 2017 (Restated) RM'000
	30 Jun 2018 RM'000		
ASSETS			
Non-current assets			
Property, plant and equipment	94,657	84,106	77,332
Investment properties	400,459	386,588	312,347
Investments in associates	155,810	102,698	43,849
Deferred tax assets	1,687	695	2,369
	<u>652,613</u>	<u>574,087</u>	<u>435,897</u>
Current assets			
Inventories	664,263	662,481	627,936
Trade and other receivables	218,926	115,687	132,694
Current tax assets	2,401	2,206	1,640
Short-term deposits with licensed financial institution	15,402	143,601	166,505
Cash and bank balances	6,502	30,767	13,148
	<u>907,494</u>	<u>954,742</u>	<u>941,923</u>
TOTAL ASSETS	12 <u>1,560,107</u>	<u>1,528,829</u>	<u>1,377,820</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	599,300	598,972	501,638
Reserves	344,589	297,791	348,615
Equity component - ICULS	32,502	32,808	35,927
Equity component - RCULS	14,547	14,547	14,547
	<u>990,938</u>	<u>944,118</u>	<u>900,727</u>
Non-controlling interests	104	116	137
TOTAL EQUITY	<u>991,042</u>	<u>944,234</u>	<u>900,864</u>
Non-current liabilities			
Deferred tax liabilities	1,789	5,704	6,290
Liability component - ICULS	464	967	1,952
Liability component - RCULS	193,172	192,901	192,106
	<u>195,425</u>	<u>199,572</u>	<u>200,348</u>
Current liabilities			
Trade and other payables	368,810	379,247	268,738
Current tax liabilities	4,830	5,776	7,870
	<u>373,640</u>	<u>385,023</u>	<u>276,608</u>
TOTAL LIABILITIES	12 <u>569,065</u>	<u>584,595</u>	<u>476,956</u>
TOTAL EQUITY AND LIABILITIES	<u>1,560,107</u>	<u>1,528,829</u>	<u>1,377,820</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.98</u>	<u>0.94</u>	<u>0.90</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 2017 and the accompanying notes.

I-Berhad (7029-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2018

	----- 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 2017 (As previously stated)	501,638	93,996	1,331	39,126	35,927	14,547	169,496	856,061	137	856,198
Effect of change in accounting policy	-	-	-	-	-	-	44,666	44,666	-	44,666
Balance as at 1 January 2017 (Restated)	501,638	93,996	1,331	39,126	35,927	14,547	214,162	900,727	137	900,864
Total comprehensive income for the financial period	-	-	-	-	-	-	42,123	42,123	(24)	42,099
Transactions with owners:										
Conversion of ICULS during the financial period	1,067	356	-	-	(410)	-	-	1,013	-	1,013
	1,067	356	-	-	(410)	-	-	1,013	-	1,013
Reclassification pursuant to S618(2) of CA 2016*	94,352	(94,352)	-	-	-	-	-	-	-	-
Balance as at 30 June 2017	597,057	-	1,331	39,126	35,517	14,547	256,285	943,863	113	943,976
(Unaudited)										
Balance as at 1 January 2018	598,972	-	1,331	39,126	32,808	14,547	257,334	944,118	116	944,234
Total comprehensive income for the financial period	-	-	-	-	-	-	46,798	46,798	(12)	46,786
Transactions with owners:										
Conversion of ICULS during the financial period	328	-	-	-	(306)	-	-	22	-	22
	328	-	-	-	(306)	-	-	22	-	22
Balance as at 30 June 2018	599,300	-	1,331	39,126	32,502	14,547	304,132	990,938	104	991,042

Note:

* Effective from 31 January 2017, the new Companies Act 2016 ("CA 2016") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

I-Berhad (7029-H)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2018

	(Unaudited) Period ended 30 Jun 2018 RM'000	(Unaudited) Period ended 30 Jun 2017 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	53,714	53,522
Adjustments for:		
Non-cash/operating items	4,657	5,591
Operating profit before working capital changes	58,371	59,113
Net changes in current assets	(74,018)	96,552
Net changes in current liabilities	(36,612)	(31,899)
Cash generated from operations	(52,259)	123,766
Tax paid	(12,943)	(9,552)
Tax refunded	135	268
Net cash (used in)/ generated from operating activities	(65,067)	114,482
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,393)	(6,014)
Proceeds from disposal of property	7	-
Investment in an associate company	(53,396)	(21,196)
Development costs incurred for investment properties	(13,871)	(21,939)
Withdrawal from/(Placement in) short-term deposits with licensed financial institutions	128,199	(27,011)
Interest received	2,964	2,958
Net cash generated from/(used in) investing activities	46,510	(73,202)
CASH FLOWS FROM FINANCING ACTIVITIES		
ICULS coupons paid	(540)	(481)
RCULS coupons paid	(5,121)	(4,075)
Finance lease interest paid	(47)	-
Net cash used in financing activities	(5,708)	(4,556)
Net (decrease)/increase in cash and cash equivalents	(24,265)	36,724
Cash and cash equivalents at beginning of financial period	30,728	13,148
Cash and cash equivalents at end of financial period	6,463	49,872
Cash and cash equivalents comprise:		
Cash and bank balances	6,261	46,648
Deposits with licensed banks/financial institutions	241	3,263
Deposits pledged as bank guarantee	(39)	(39)
Total	6,463	49,872

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

Part A – Explanatory Notes Pursuant to MFRS 134

1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with MFRS 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 2017 except as follows:

On 1 January 2018, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2018.

1 January 2018

Amendments to MFRS 1	Annual Improvements to MFRSs 2014-2016 Cycle
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 128	Annual Improvements to MFRSs 2014-2016 Cycle
Amendments to MFRS 140	Transfer of Investment Property

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

1 January 2019

Amendments to MFRS 3	Annual Improvements to MFRSs 2015-2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Annual Improvements to MFRSs 2015-2017 Cycle
MFRS 16	Leases
Amendments to MFRS 112	Annual Improvements to MFRSs 2015-2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Annual Improvements to MFRSs 2015-2017 Cycle
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

1 January 2020

Amendment to MFRS 3	Business Combinations
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to MFRS 138	Intangible Assets

Malaysian Financial Reporting Standards (MFRS Framework)

The Group is required to prepare financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. Accordingly, the Group has applied MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in their transition to the MFRS framework on 1 January 2018. In presenting its first MFRS financial statements, the Group has restated the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition has been made retrospectively against opening retained earnings and the details of changes are set out in Note 23 to the interim financial statements.

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 2018.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 30 June 2018.

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 2017.

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 2018.

10 Capital commitments

	As at 30.06.2018
	RM'000
Approved and contracted for, analysed as follows:	
Leisure	150,921
Investment properties	75,127
	<hr/>
	226,048
	<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
30 JUNE 2018 - UNAUDITED**12 Segmental information- By business segments**

Financial period ended	Property Development	Property Investment	Leisure	Others	Consolidated
30 June 2018	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total revenue	244,113	3,672	19,094	1,861	268,740
Inter-segment revenue	(120)	(651)	(1,150)	(306)	(2,227)
External revenue	243,993	3,021	17,944	1,555	266,513
Results					
Segment results	51,377	(909)	1,035	33	51,536
Interest income	1,074	0	15	1,372	2,461
Share of results of associates	-	(200)	(83)	-	(283)
Profit /(Loss) before taxation	52,451	(1,109)	967	1,405	53,714
Taxation	-	-	-	-	(6,928)
Profit for the financial period					46,786
As at 30 June 2018					
Assets					
Segment assets	835,352	461,449	82,041	21,367	1,400,209
Tax recoverable	-	-	-	-	2,401
Deferred tax assets	-	-	-	-	1,687
Investment in associates	-	-	-	-	155,810
Total assets					1,560,107
Liabilities					
Segment liabilities	548,827	5,297	1,727	6,595	562,446
Current tax liabilities	-	-	-	-	4,830
Deferred tax liabilities	-	-	-	-	1,789
Total liabilities					569,065
As at 30 June 2017(Restated)					
Financial period ended	Property Development	Property Investment	Leisure	Others	Consolidated
30 June 2017(Restated)	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total revenue	251,884	2,893	19,786	638	275,201
Inter-segment revenue	(32,995)	(502)	(1,146)	(167)	(34,810)
External revenue	218,889	2,391	18,640	471	240,391
Results					
Segment results	52,976	(347)	(938)	(1,195)	50,496
Interest income	114	0	-	3,588	3,702
Share of results of associates	-	(676)	-	-	(676)
Profit /(Loss) before taxation	53,090	(1,023)	(938)	2,393	53,522
Taxation	-	-	-	-	(11,423)
Profit for the financial period					42,099
As at 30 June 2017(Restated)					
Assets					
Segment assets	706,740	393,608	71,428	197,494	1,369,270
Tax recoverable	-	-	-	-	1,904
Deferred tax assets	-	-	-	-	968
Investment in associates	-	-	-	-	64,369
Total assets					1,436,511
Liabilities					
Segment liabilities	453,134	6,395	1,505	4,790	465,824
Current tax liabilities	-	-	-	-	10,813
Deferred tax liabilities	-	-	-	-	15,896
Total liabilities					492,533

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 2017 was not qualified.

14 Review of performance – Current financial quarter ended 30 June 2018 by segment

	Quarter ended/ Three months ended			Year to date/ Six months ended			
	30.06.2018	30.06.2017 (Restated)	Change	30.06.2018	30.06.2017 (Restated)	Change	30.06.2017 (Previously stated) RM'000
	RM'000	RM'000	%	RM'000	RM'000	%	
Revenue							
Property development	96,077	121,058	(21)	243,993	218,889	11	209,148
Property investment	1,559	1,208	29	3,021	2,391	26	2,391
Leisure	8,257	9,449	(13)	17,944	18,640	(4)	18,640
Others	1,271	229	>100	1,555	471	>100	471
Total	107,164	131,944		266,513	240,391		230,650
Profit /(Loss) before taxation							
Property development	28,401	28,466	(0)	52,451	53,090	(1)	49,187
Property investment	(736)	(569)	(29)	(1,109)	(1,023)	(8)	(1,023)
Leisure	255	(1,059)	>100	967	(938)	>100	(938)
Others	778	1,244	(37)	1,405	2,393	(41)	2,393
Total	28,698	28,082		53,714	53,522		49,619

For the current financial quarter ended 30 June 2018 ("Q2 2018"), the Group posted lower revenue but slightly higher profit before tax of RM107.2 million and RM28.7 million respectively as compared to the restated revenue and profit before tax of RM131.9 million and RM28.1 million respectively for the corresponding financial quarter ended 30 June 2017 ("Q2 2017") thereby resulting in a decreased revenue of 18.7% and increased profit before tax of 2.1% respectively.

a) Property development

Revenue was higher in the comparative quarter due to the higher recognition as a result of completion and hand-over of I-SOHO. The sustainable result is contributed by the impact of zero-rating of goods and services tax during the current quarter.

b) Property investment

The slight improvement in revenue but lower profit before tax for Q2 2018 is resulted from the leasing and operating costs incurred for the additional completed investment properties in the segment.

c) Leisure

Revenue was lower with higher profit before tax for Q2 2018 as compared to Q2 2017 due to the restructuring of non-profitable attractions and better cost management.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2018 - UNAUDITED**15 Comment on material changes in profit before taxation of the current quarter compared with the preceding quarter**

	Current Quarter 31.06.2018 RM'000	Preceding Quarter 31.03.2018 RM'000	Change %
Revenue	107,164	159,349	(33)
Share of result of associates	(283)	(20)	>100
Profit before tax	28,698	25,016	15

The Group registered lower revenue but higher profit before tax of RM107.2 million and RM28.9 million respectively for the current quarter as compared to RM159.3 million and RM25.0 million respectively for the preceding quarter. The hike in profit margin for current quarter arises from the cost adjustment as a result of the changes in the national tax regime.

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 there has been a pick-up in the sales of 8Kia Peng during the financial period.

Barring any unforeseen circumstances, Phase 4 of SOHO development i.e. Liberty, Parisien and Hyde towers will be completed and handed over to purchasers by Q3 2018.

With the completion of Phase 4 of SOHO as well as the continuous sales of 8Kia Peng, the Property Development segment result for the financial year ending 31 December 2018 is expected to be higher as compared to financial year ended 31 December 2017.

The Group's unbilled sales as at 30 June 2018 stood at RM305.4 million as compared to RM272.8 million as at 31 March 2018 and is expected to grow in tandem with the sales of 8Kia Peng development. The completion of the Phase 4 of SOHO development will also realise a portion of the unbilled sales.

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 2018.

17 Taxation

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Taxation				
- Income tax	6,388	6,506	12,017	11,756
Under/(Over) provision in prior year				
- Income tax	-	207	(350)	207
- Deferred tax	-	259	(4,739)	(540)
	-	466	(5,089)	(333)
Total	6,388	6,972	6,928	11,423

Overall, the effective tax rate is lower than the statutory tax rate mainly due to the over provision of deferred tax in prior year.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2018 - UNAUDITED**18 Group borrowings and debt securities**

The Group has no borrowing as at 30 June 2018 other than the liability components of remaining unconverted 71.6 million five year 2% to 3% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM35.8 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.

As at 30 June 2018	Non-current RM'000	Repayable within one year RM'000
Unsecured		
Irredeemable Convertible Unsecured Loan Securities ("ICULS")	464	1,075
Redeemable Convertible Unsecured Loan Securities ("RCULS")	193,172	10,078
	<u>193,636</u>	<u>11,153</u>
As at 30 June 2017	Non-current RM'000	Repayable within one year RM'000
Unsecured		
Irredeemable Convertible Unsecured Loan Securities ("ICULS")	1,596	1,045
Redeemable Convertible Unsecured Loan Securities ("RCULS")	192,675	8,749
	<u>194,271</u>	<u>9,794</u>

19 Material litigation

The Group is not engaged in any material litigation as at 17 July 2018 the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

20 Dividend

No interim dividend has been recommended during the second quarter ended 30 June 2018.

21 Earnings per share

(i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2018	30.06.2017 (Restated)	30.06.2018	30.06.2017 (Restated)
Profit attributable to owners of the parent (RM'000)	22,313	21,124	46,798	42,123
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)	2.10	1.99	4.41	3.97

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2018 - UNAUDITED**21 Earnings per share (continued)**

(ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit attributable to owners of the parent (RM'000)	22,213	21,124	46,798	42,123
After tax effects of interest	249	-	1,151	118
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)	1.71	1.61	3.64	3.21

22 Note to consolidated statements of comprehensive income

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Profit before taxation for the financial period is arrived at after crediting:				
Interest income	818	2,073	2,461	3,702
Other income	308	885	1,328	1,273
and charging:				
Depreciation of property, plant and equipment	3,643	3,786	6,842	7,666

23. Details of changes in interim financial statements

The Group has initially applied MFRS 15 'Revenue from contracts with customers' on 1 January 2018.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

The adoption of MFRS 15 during the financial year affected its property development activities whereby:

- separate performance obligation was identified and revenue recognition was deferred for performance which has not been satisfied; and
- capitalised expenses attributable to the contracts with customers were expensed off by reference to the completed performance to date

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2018 - UNAUDITED**23. Details of changes in interim financial statements (continued)**

The adoption had resulted in the change in the accounting policy which had been applied retrospectively and resulted in the restatements of the financial statements for prior financial periods which can be summarised below:

	Note	Cumulative Quarters Ended 30 June 2017 RM'000	As at 1 January 2017 RM'000
Total adjustment to revenue as a result of distinct goods and services	(a)	(9,741)	(32,875)
Total adjustment to cost of sales as a result of distinct goods and services	(a)	789	6,457
Net adjustment to operating expenses due to costs incurred in fulfilling a contract	(b)	5,048	(18,248)
Impact of MFRS 15 on the result of the Group		<u>(3,904)</u>	<u>(44,666)</u>

- a) An entity shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer. The Group's property development projects which are fitted and furnished have been identified as an area to determine the distinct performance obligation upon the adoption of MFRS 15.
- b) An entity shall recognise an asset from the costs incurred to fulfill a contract if those costs meet the criteria as per specified in the standard. The Group's sales and marketing cost in relation to the property development segment has been recognised as asset upon the adoption of MFRS 15.

MFRS 1 requires an entity to reconcile equity, total comprehensive income and statement of financial position for prior periods. The following tables represent the reconciliations from FRSs to MFRSs for respective periods:

Reconciliation of Equity

	Note	As at 30 June 2017 RM'000	As at 1 January 2017 RM'000
Equity as per reported under FRS		895,406	856,198
Effects from adoption MFRS 15	(a)	<u>48,570</u>	<u>44,666</u>
Equity on transition to MFRS		<u>943,976</u>	<u>900,864</u>

- (a) Effect from adoption of MFRS 15 as at 30 June 2017 is a result of opening balance adjustment as at 1 January 2017 and cumulative quarters ended 30 June 2017.

23. Details of changes in interim financial statements (continued)

MFRS 1 requires an entity to reconcile equity, total comprehensive income and statement of financial position for prior periods. The following tables represent the reconciliations from FRSs to MFRSs for respective periods: (continued)

Reconciliation of Statement of Comprehensive Income

For the cumulative quarters ended 30 June 2017

	Previously stated under FRSs RM '000	Effects of MFRS 15 RM'000	Restated under MFRS RM'000
Revenue	230,650	9,741	240,391
Cost of sales	(159,322)	(789)	(160,111)
Gross profit	71,328	8,952	80,280
Other income	4,975	-	4,975
Other expenses	(26,008)	(5,049)	(31,057)
Share of results of associates	(676)	-	(676)
Profit before taxation	49,619	3,904	53,522
Taxation	(11,423)	-	(11,423)
Profit for the financial period	38,196	3,904	42,099

Reconciliation of Statement of Financial Positioni) Inventories

	As at 31 December 2017 RM'000	As at 1 January 2017 RM'000
As per reported under FRS	222,022	65,769
Effects from adoption MFRS 15	440,459	562,167
As restated transition to MFRS	662,481	627,936

ii) Trade and other payables

	As at 31 December 2017 RM'000	As at 1 January 2017 RM'000
As per reported under FRS	392,175	301,613
Effects from adoption MFRS 15	(12,928)	(32,875)
As restated transition to MFRS	379,247	268,738

23. Details of changes in interim financial statements (continued)

MFRS 1 requires an entity to reconcile equity, total comprehensive income and statement of financial position for prior periods. The following tables represent the reconciliations from FRSs to MFRSs for respective periods: (continued)

Reconciliation of Statement of Financial Position (continued)iii) Retained earnings

	As at 31 December 2017 RM'000	As at 1 January 2017 RM'000
As per reported under FRS	226,041	169,496
Effects from adoption MFRS 15	31,293	44,666
As restated transition to MFRS	<u>257,334</u>	<u>214,162</u>

24 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 24 July 2018.