

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2020**

	Note	(Unaudited) Individual/Cumulative Quarter		(Unaudited) Individual/Cumulative Quarter	
		Current Quarter 30 Jun 2020 RM'000	Preceding Year Quarter 30 Jun 2019 (Restated) RM'000	Current Year To Date 30 Jun 2020 RM'000	Preceding Year To Date 30 Jun 2019 (Restated) RM'000
Revenue	11	11,248	42,207	39,944	83,271
Cost of sales		(1,621)	(15,148)	(20,836)	(36,639)
Gross profit		9,627	27,059	19,108	46,632
Other income		1,680	572	3,239	2,416
Other expenses		(9,445)	(10,180)	(18,677)	(22,494)
Share of results of associates		(4,188)	(1,913)	(4,588)	(1,913)
(Loss)/Profit before taxation	21	(2,326)	15,538	(918)	24,641
Taxation	16	2,831	(4,079)	2,483	(6,115)
Profit/Total comprehensive income for the financial period		505	11,459	1,565	18,526
Profit/Total comprehensive income attributable to:					
Owners of the parent		510	11,451	1,601	18,509
Non-controlling interests		(5)	8	(36)	17
		505	11,459	1,565	18,526
Earnings per share ("EPS")					
attributable to owners of the parent		sen	sen	sen	sen
Basic	20	0.05	1.14	0.14	1.74
Fully diluted	20	0.03	1.01	0.09	1.58

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes.

I-Berhad (7029-H)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	(Unaudited) As at 30 Jun 2020 RM'000	(Unaudited) As at 31 Dec 2019 (Restated) RM'000	(Unaudited) As at 01 Jan 2019 (Restated) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	175,603	164,707	124,964
Investment properties	518,076	512,940	444,110
Investments in associates	144,673	149,261	161,143
Deferred tax assets	6,346	4,586	1,311
	<u>844,698</u>	<u>831,494</u>	<u>731,528</u>
Current assets			
Inventories	825,242	810,887	774,808
Trade and other receivables	90,087	85,645	155,592
Current tax assets	5,026	6,218	2,331
Short-term deposits with licensed financial institution	43,844	119,767	10
Cash and bank balances	36,582	19,403	18,803
	<u>1,000,781</u>	<u>1,041,920</u>	<u>951,544</u>
TOTAL ASSETS	<u>11</u> <u>1,845,479</u>	<u>1,873,414</u>	<u>1,683,072</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	642,939	640,034	600,008
Reserves	352,343	350,742	332,777
Equity component - RCCPS	125,375	127,893	-
Equity component - RCULS	14,547	14,547	14,547
Equity component - ICULS	-	-	31,840
	<u>1,135,204</u>	<u>1,133,216</u>	<u>979,172</u>
Non-controlling interests	194	230	173
TOTAL EQUITY	<u>1,135,398</u>	<u>1,133,446</u>	<u>979,345</u>
Non-current liabilities			
Deferred tax liabilities	1,062	4,064	5,301
Liability component - RCCPS	12,689	12,258	-
Liability component - RCULS	192,013	191,666	-
Hire purchase liability	83	127	-
Lease liabilities	1,968	2,817	-
Bank borrowings	20,313	20,313	-
	<u>228,128</u>	<u>231,245</u>	<u>5,301</u>
Current liabilities			
Liability component - RCCPS	7,033	7,371	-
Liability component - RCULS	10,064	10,050	203,833
Liability component - ICULS	-	-	1,016
Trade and other payables	433,284	456,454	487,479
Current tax liabilities	-	2,933	6,098
Hire purchase liability	80	71	-
Lease liabilities	1,805	2,157	-
Bank borrowings	29,687	29,687	-
	<u>481,953</u>	<u>508,723</u>	<u>698,426</u>
TOTAL LIABILITIES	<u>11</u> <u>710,081</u>	<u>739,968</u>	<u>703,727</u>
TOTAL EQUITY AND LIABILITIES	<u>1,845,479</u>	<u>1,873,414</u>	<u>1,683,072</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.02</u>	<u>1.03</u>	<u>0.97</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 2019 and the accompanying notes.

I-Berhad (7029-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2020

	----- Attributable to owners of the parent -----								
	Share capital	Warrant reserve	Equity component ICULS	Equity component RCULS	Equity component RCCPS	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
Balance as at 1 January 2019	600,008	39,126	31,840	14,547	-	289,375	974,896	173	975,069
Effects of change in accounting policy	-	-	-	-	-	4,276	4,276	-	4,276
Balance as at 1 January 2019 (Restated)	600,008	39,126	31,840	14,547	-	293,651	979,172	173	979,345
Total comprehensive income for the financial period	-	-	-	-	-	18,509	18,509	17	18,526
Transactions with owners:									
Conversion of ICULS during the financial period	3,078	-	(2,875)	-	-	-	203	-	203
	3,078	-	(2,875)	-	-	-	203	-	203
Balance as at 30 June 2019	603,086	39,126	28,965	14,547	-	312,160	997,884	190	998,074
(Unaudited)									
Balance as at 1 January 2020	640,034	-	-	14,547	127,893	350,742	1,133,216	230	1,133,446
Total comprehensive income for the financial period	-	-	-	-	-	1,601	1,601	(36)	1,565
Transactions with owners:									
Conversion of RCCPS during the financial period	2,905	-	-	-	(2,518)	-	387	-	387
	2,905	-	-	-	(2,518)	-	387	-	387
Balance as at 30 June 2020	642,939	-	-	14,547	125,375	352,343	1,135,204	194	1,135,398

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes.

I-Berhad (7029-H)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2020

	(Unaudited) Period ended 30 Jun 2020 RM'000	(Unaudited) Period ended 30 Jun 2019 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(918)	24,641
Adjustments for:		
Non-cash/operating items	8,311	7,826
Operating profit before working capital changes	7,393	32,467
Net changes in current assets	(24,185)	6,326
Net changes in current liabilities	(13,016)	(15,317)
Cash used in operations	(29,808)	23,476
Tax paid	(4,020)	(8,291)
Tax refunded	-	207
Net cash (used in)/generated from operating activities	(33,828)	15,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,003)	(24,070)
Development costs incurred for investment properties	(6,166)	(37,486)
Withdrawal from short-term deposits with licensed financial institutions	75,922	-
Interest received	1,360	376
Net cash generated from/(used in) investing activities	56,113	(61,180)
CASH FLOWS FROM FINANCING ACTIVITIES		
ICULS coupons paid	-	(498)
RCULS coupons paid	(5,066)	(5,066)
Finance lease interest paid	(40)	(24)
Proceeds from bank borrowings	-	50,000
Net cash (used in)/generated from financing activities	(5,106)	44,412
Net increase/(decrease) in cash and cash equivalents	17,179	(1,376)
Cash and cash equivalents at beginning of financial period	7,804	7,204
Cash and cash equivalents at end of financial period	24,983	5,828
Cash and cash equivalents comprise:		
Cash and bank balances	14,832	5,238
Deposits with licensed banks/financial institutions	21,750	12,189
Deposits pledged as bank guarantee	(39)	(39)
Deposits with licensed financial institution with maturity period more than 3 months	(11,560)	(11,560)
Total	24,983	5,828

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 2019 except as follows:

On 1 January 2020, the Group adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2020.

1 January 2020

Amendment to MFRS 3 Business Combinations

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

1 January 2022

Amendments to MFRS 101 Presentation of Financial Statements

The Group has adopted fair value model following MFRS 140 Investment Property on 1 January 2020 for investment properties, which resulted in change in accounting policy. The detailed impact of the change in accounting policy is set out in Note 23.

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

Other than as disclosed in Note 15, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 June 2020.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at financial quarter ended 30 June 2020.

5 Debt and equity securities

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

6 Dividend paid

There was no dividend payment in the current quarter.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2020 - UNAUDITED**7 Material events subsequent to the end of interim period**

Other than as disclosed in Note 15, there is no material event subsequent to the end of the interim period.

8 Changes in composition of the Group

There was no change in the composition of the Group as at 30 June 2020.

9 Capital commitments

	As at 30.06.2020
	RM'000
Approved and contracted for, analysed as follows:	
Leisure	59,196
Investment properties	69,936
	<u>129,132</u>

10 Significant related party transactions

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

11 Segmental information- By business segments

Financial period ended 30 June 2020	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	27,764	5,742	7,305	2,379	43,190
Inter-segment revenue	(120)	(1,787)	(215)	(1,124)	(3,246)
External revenue	<u>27,644</u>	<u>3,955</u>	<u>7,090</u>	<u>1,255</u>	<u>39,944</u>
Results					
Segment results	8,500	(812)	(3,988)	(1,428)	2,272
Interest income	190	-	-	1,208	1,398
Share of result of an associate	-	(4,588)	-	-	(4,588)
Profit/(Loss) before taxation	8,690	(5,400)	(3,988)	(220)	(918)
Taxation					<u>2,483</u>
Profit for the financial period					<u>1,565</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2020 - UNAUDITED**11 Segmental information- By business segments (cont'd)**

	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
As at 30 June 2020					
Assets					
Segment assets	1,040,673	424,714	163,021	61,026	1,689,434
Tax recoverable	-	-	-	-	5,026
Deferred tax assets	-	-	-	-	6,346
Investment in associates	-	-	-	-	144,673
Total assets					<u>1,845,479</u>
Liabilities					
Segment liabilities	635,824	8,154	2,005	63,036	709,019
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	1,062
Total liabilities					<u>710,081</u>
Financial period ended 30 June 2019 (Restated)					
	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	59,172	6,501	19,559	1,063	86,295
Inter-segment revenue	(120)	(1,984)	(652)	(268)	(3,024)
External revenue	<u>59,052</u>	<u>4,517</u>	<u>18,907</u>	<u>795</u>	<u>83,271</u>
Results					
Segment results	25,738	(756)	1,727	(675)	26,034
Interest income	472	-	-	48	520
Share of result of an associate	-	(1,913)	-	-	(1,913)
Profit/(Loss) before taxation	<u>26,210</u>	<u>(2,669)</u>	<u>1,727</u>	<u>(627)</u>	<u>24,641</u>
Tax expense					(6,115)
Profit for the financial period					<u>18,526</u>
As at 30 June 2019 (Restated)					
Assets					
Segment assets	978,741	424,013	132,766	3,018	1,538,538
Tax recoverable	-	-	-	-	10,925
Deferred tax assets	-	-	-	-	1,311
Investment in associates	-	-	-	-	159,230
Total assets					<u>1,710,004</u>
Liabilities					
Segment liabilities	680,763	5,903	1,249	5,990	693,905
Current tax liabilities	-	-	-	-	12,139
Deferred tax liabilities	-	-	-	-	5,885
Total liabilities					<u>711,929</u>

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia and other directives**12 Auditors' Report on preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not qualified.

13 Review of performance – Current financial quarter ended 30 June 2020 by segment

	Quarter ended/ Three months ended			Year to date/ Six months ended		
	30.06.2020	30.06.2019	Change	30.06.2020	30.06.2019	Change
	RM'000	RM'000 (Restated)	%	RM'000	RM'000 (Restated)	%
Revenue						
Property development	8,152	31,103	(74)	27,644	59,052	(53)
Property investment	1,807	2,318	(22)	3,955	4,517	(12)
Leisure	684	8,334	(92)	7,090	18,907	(63)
Others	605	452	34	1,255	795	58
Total	11,248	42,207		39,944	83,271	
(Loss)/Profit before taxation						
Property development	5,580	17,804	(69)	8,690	26,210	(67)
Property investment	(4,800)	(1,992)	(>100)	(5,400)	(2,669)	(>100)
Leisure	(2,839)	229	(>100)	(3,988)	1,727	(>100)
Others	(267)	(503)	47	(220)	(627)	65
Total	(2,326)	15,538		(918)	24,641	

For the current financial quarter ended 30 June 2020 ("Q2 2020"), the Group posted lower revenue of RM11.2 million and loss before tax of RM2.3 million as compared to the revenue and profit before tax of RM42.2 million and RM15.5 million respectively for the corresponding financial quarter ended 30 June 2019 ("Q2 2019").

a) Property development

The performance for the current quarter had been impacted by lower unbilled sales as there is no new project launched since 2018. Hence, the revenue of this quarter came mainly from the sales of the remaining completed units.

b) Property investment

The property investment segment results have been fairly unchanged with the loss before taxation contributed mainly by the share of results of an associate.

c) Leisure

The leisure segment of the Group recorded lower revenue and profit as compared to the preceding quarter as a result of temporary closure of the themepark operations since mid-March 2020 as per the government's directives arising from the COVID-19 outbreak.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2020 - UNAUDITED**14 Comment on material changes in profit before taxation of the current quarter compared with the preceding quarter**

	Current Quarter 30.06.2020 RM'000	Preceding Quarter 31.03.2020 RM'000	Changes %
Revenue	11,248	28,696	(61)
Share of results of associates	(4,188)	(400)	(>100)
(Loss)/Profit before tax	(2,326)	1,408	(>100)

The Group registered lower revenue of RM11.2 million and loss before tax of RM2.3 million for the current quarter as compared to revenue of RM28.7 million and profit before tax of RM1.4 million for the preceding quarter. The outbreak of the COVID-19 pandemic had adversely impacted the results of the current quarter as a result of the temporary cessation of business operations as per the Government's directives to curb the spreading of the COVID-19.

15 Commentary on prospects

The year 2020 will be a more challenging and demanding year as we are still seeing the economic instability due to the global COVID-19 pandemic. Malaysia, as indeed the world, is currently facing unprecedented times in the lives of many with COVID-19. The outbreak of COVID-19 pandemic has created a thick cloud of uncertainty which is still persisting at the date of this report and had adversely affected both the local and global economies arising from suspensions of businesses, imposition of travel restrictions and limited movement of people. Further, the full impact of the COVID-19 pandemic, changes in consumer behaviour and how swiftly the economy will recover once the pandemic has passed cannot be ascertained at this juncture. Nevertheless, with the collective efforts from the Government, businesses and individuals, the situation should stabilise and recover in time.

Considering the unprecedented difficult times filled with uncertainty, the prospects and full impact of this crisis on the Group's business activities for the remaining of the year 2020 could not be determined at this juncture. Determination and perseverance to overcome this crisis is critical for the nation and the Company to bounce back quickly. Therefore, the Group will continue to monitor this crisis, take appropriate actions and act astutely in selection of opportunities to take advantage of the eventual recovery when this COVID-19 pandemic is over with renewed positive sentiment and optimism.

In pursuit of new project launches within i-City, the Group remains focused on enhancing and extracting full value from its development. The rapid developments in i-City, Selangor Golden Triangle continues to offer new business and investment opportunities to both foreign and local investors.

The Group's unbilled sales as at 30 June 2020 stood at RM63.3 million as compared to RM94.2 million as at 31 March 2020.

Under the foregoing circumstances, the Board is of view that the operating performance of the Group will remain challenging for the financial year ending 31 December 2020 despite the Group's continuous strategic efforts.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2020 - UNAUDITED**16 Taxation**

	Quarter ended / Three months ended		Year to date/ Six months ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Taxation				
- Income tax	1,240	3,941	2,163	5,531
- Deferred tax	(701)	138	(1,276)	584
	<u>539</u>	<u>4,079</u>	<u>887</u>	<u>6,115</u>
Under/(Over) provision in prior year				
- Income tax	116	-	116	-
- Deferred tax	(3,486)	-	(3,486)	-
	<u>(3,370)</u>	<u>-</u>	<u>(3,370)</u>	<u>-</u>
Total	<u>(2,831)</u>	<u>4,079</u>	<u>(2,483)</u>	<u>6,115</u>

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

17 Group borrowings and debt securities

As at 30 June 2020, the Group has liability components of remaining unconverted balance of more than 740.4 million three year 5% Redeemable Cumulative Convertible Preference Shares ("RCCPS") of more than RM144.5 million; 264.0 million 5% Redeemable Convertible Unsecured Loan Stocks 2014/2022 ("RCULS-A") of RM132.0 million; and 138.0 million 5% Redeemable Convertible Unsecured Loan Stocks 2014/2022 ("RCULS-B") of RM69.0 million and RM50.0 million of bank borrowings.

	Non-current RM'000	Repayable within one year RM'000
As at 30 June 2020		
Unsecured		
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	192,013	10,064
Redeemable Cumulative Convertible Preference Shares ("RCCPS")	12,689	7,033
Bank borrowings	20,313	29,687
	<u>225,015</u>	<u>46,784</u>
As at 30 June 2019		
Unsecured		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	-	418
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	-	204,241
Bank borrowings	25,000	25,000
	<u>25,000</u>	<u>229,659</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2020 - UNAUDITED**18 Material litigation**

The Group is not engaged in any material litigation as at 7 August 2020, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

19 Dividend

No interim dividend has been recommended during the second quarter ended 30 June 2020.

20 Earnings per share

(i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2020	30.06.2019 (Restated)	30.06.2020	30.06.2019 (Restated)
Profit attributable to owners of the parent (RM'000)	510	11,451	1,601	18,509
Weighted average number of ordinary shares in issue ('000)	1,116,936	1,061,314	1,116,936	1,061,314
Basic earnings per share (sen)	0.05	1.14	0.14	1.74

(ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2020	30.06.2019 (Restated)	30.06.2020	30.06.2019 (Restated)
Profit attributable to owners of the parent (RM'000)	510	11,451	1,601	18,509
After tax effects of interest	19	1,265	36	2,324
Weighted average number of ordinary shares in issue ('000)	1,116,936	1,061,314	1,116,936	1,061,314
Effects of dilution ('000)	743,363	254,326	743,363	254,326
Diluted earnings per share (sen)	0.03	1.01	0.09	1.58

21 Note to consolidated statements of comprehensive income

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2020 RM'000	30.06.2019 RM'000 (Restated)	30.06.2020 RM'000	30.06.2019 RM'000 (Restated)
(Loss)/Profit before taxation for the financial year is arrived at after crediting:				
Interest income	545	187	1,398	520
Other income	1,135	385	1,841	1,896
and charging:				
Depreciation of property, plant and equipment	1,830	3,136	3,710	6,410
Depreciation of right-of-use assets	615	774	1,230	1,548

22 Status of utilisation of rights issue proceeds

Details of utilisation	Approved utilisation RM'000	Utilisation as at 31.06.2020 RM'000	Unutilised as at 31.06.2020 RM'000
Property investment/hospitality projects	86,437	47,203	39,234
Property development	64,000	51,534	12,466
Estimated expenses in relation to the Proposals	800	800	-
	151,237	99,537	51,700

23 Change in accounting policy

Effective 1 January 2020, the Group has changed its accounting policy to measure its investment properties subsequent to initial recognition based on the fair value model as opposed to cost model as adopted previously following the provisions of MFRS 140 : Investment Property.

The change in accounting policy has been made as management is of the opinion that the fair value model provides more reliable and relevant information to be reflected on the Group's financial statements. As a result of the change in the Group's accounting policy, prior period and prior year financial statements had been restated as follows:

(i) Reconciliation of equity

	<u>31.12.2019</u> RM'000	<u>1.1.2019</u> RM'000
Equity as reported	1,119,227	975,069
<u>Add:</u>		
Effects of change in accounting policy	14,219	4,276
Equity as restated	1,113,446	979,345

(ii) Reconciliation of statement of comprehensive income

	<u>Six months ended</u> <u>30.06.2019</u> RM'000
Profit before tax as reported	23,390
<u>Add:</u>	
Effects of change in accounting policy	1,251
Profit before tax as restated	24,641

I-Berhad (7029-H)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2020 - UNAUDITED

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 14 August 2020.