

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016**

	Note	(Unaudited)	(Unaudited)
		Individual/Cumulative Quarter	Individual/Cumulative Quarter
		Current Quarter	Preceding Year Quarter
		31 Mar 2016	31 Mar 2015
		RM'000	RM'000
Revenue	12	80,448	75,346
Cost of sales		(53,829)	(51,692)
Gross profit		26,619	23,654
Other income		1,190	2,417
Other expenses		(11,720)	(12,437)
Share of results of associates		0	-
Profit before taxation	23	16,089	13,634
Tax expense	17	(732)	(3,384)
Profit for the financial period		15,357	10,250
Other comprehensive income:			
Foreign currency translations		-	70
Total comprehensive income		15,357	10,320
Profit attributable to:			
Owners of the parent		15,359	10,235
Non-controlling interests		(2)	15
		15,357	10,250
Total comprehensive income attributable to:			
Owners of the parent		15,359	10,305
Non-controlling interests		(2)	15
		15,357	10,320
Earnings per share ("EPS") attributable to owners of the parent		sen	sen
Basic	22	1.45	0.96
Fully diluted	22	1.18	0.78

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying notes.

I-Berhad (7029-H)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	(Unaudited) As at 31 Mar 2016 RM'000	(Audited) As at 31 Dec 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		93,479	97,442
Investment properties		287,551	284,755
Investments in associates		7,488	5,015
Other investments		0	0
Deferred tax assets		3,765	959
		<u>392,283</u>	<u>388,171</u>
Current assets			
Property development costs		471,210	469,858
Inventories		54,858	54,896
Trade and other receivables		130,996	162,506
Current tax assets		2,167	1,608
Deposits, cash and bank balances		118,635	96,473
		<u>777,866</u>	<u>785,341</u>
TOTAL ASSETS	12	<u><u>1,170,149</u></u>	<u><u>1,173,512</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		495,713	495,247
Reserves		263,454	247,927
Equity component - ICULS		44,403	44,995
Equity component - RCULS		14,547	14,547
		<u>818,117</u>	<u>802,716</u>
Non-controlling interests		175	177
TOTAL EQUITY		<u>818,292</u>	<u>802,893</u>
Non-current liabilities			
Deferred tax liabilities		5,938	5,446
Liability component - ICULS		4,472	3,503
Liability component - RCULS		195,098	189,517
		<u>205,508</u>	<u>198,466</u>
Current liabilities			
Trade and other payables		145,233	170,850
Current tax liabilities		1,116	1,303
		<u>146,349</u>	<u>172,153</u>
TOTAL LIABILITIES	12	<u>351,857</u>	<u>370,619</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,170,149</u></u>	<u><u>1,173,512</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>0.83</u>	<u>0.81</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying notes.

I-Berhad (7029-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2016

	←----- Attributable to owners of the parent ----->												
	Share capital	Treasury shares	Share premium	Revaluation reserve	Exchange translation 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	RM'000	RM'000
Balance as at 1 January 2015	365,006	-	42,972	1,331	208	39,126	1,474	210,488	14,547	87,690	762,842	147	762,989
Total comprehensive income for the financial period	-	-	-	-	70	-	-	-	-	10,235	10,305	15	10,320
Transactions with owners:													
Conversion of ICULS during the financial period	5,522	-	1,999	-	-	-	-	(7,017)	-	-	504	-	504
Balance as at 31 March 2015	370,528	-	44,971	1,331	278	39,126	1,474	203,471	14,547	97,925	773,651	162	773,813
(Unaudited)													
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 year	-	-	-	-	-	-	-	-	-	15,357	15,357	(2)	15,355
Transactions with owners:													
Conversion of ICULS during the financial year	476	-	174	-	-	-	-	(604)	-	-	46	-	46
	476	-	174	-	-	-	-	(604)	-	-	46	-	46
Balance as at 31 March 2016	495,713	-	90,391	1,331	-	39,126	1,474	44,403	14,547	131,132	818,117	175	818,292

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying notes.

I-Berhad (7029-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2016**

	(Unaudited) Quarter ended 31 Mar 2016 RM'000	(Unaudited) Quarter ended 31 Mar 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,089	13,634
Adjustments for:		
Non-cash/operating items	3,300	2,363
Operating profit before working capital changes	<u>19,389</u>	<u>15,997</u>
Net changes in current assets	28,121	(21,898)
Net changes in current liabilities	<u>(19,000)</u>	<u>(24,103)</u>
Cash generated from/(used in) operations	28,510	(30,004)
Tax paid	<u>(3,869)</u>	<u>(4,294)</u>
Net cash generated from/(used in) operating activities	<u>24,641</u>	<u>(34,298)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(527)	(4,923)
Investment in an associate company	(31)	-
Development costs incurred for investment properties	(2,796)	(1,463)
Repayment from an associate company	-	80
Interest received	875	1,282
Net cash used in investing activities	<u>(2,479)</u>	<u>(5,024)</u>
Net increase/(decrease) in cash and cash equivalents	22,162	(39,322)
Effects of foreign exchange rate changes	-	70
Cash and cash equivalents at beginning of financial period	<u>96,434</u>	<u>159,195</u>
Cash and cash equivalents at end of financial period	<u>118,596</u>	<u>119,943</u>
Cash and cash equivalents comprise:		
Cash and bank balances	92,761	2,396
Deposits with licensed banks/financial institutions	25,874	121,826
Deposits pledged as bank guarantee	(39)	(4,279)
Total	<u>118,596</u>	<u>119,943</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 2015 except as follows:

On 1 January 2016, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2016.

1 January 2016

Amendment to FRS 7	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRS 119	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendment to FRS 134	Annual Improvements to FRSs 2012-2014 Cycle

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 2017

FRS 107	Disclosure Initiative
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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, 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.

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 2017. 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 31 March 2016.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 31 March 2016.

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 2015.

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 2016.

10 Capital commitments

Approved and contracted for, analysed as follows:

New leisure attractions

Investment properties

As at 31.03.2016

RM'000

895

10,906

11,801

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 2016 - UNAUDITED**12 Segmental information- By business segments**

Financial year ended 31 March 2016	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	68,310	1,508	11,323	399	81,540
Inter-segment revenue	-	(259)	(700)	(133)	(1,092)
External revenue	68,310	1,249	10,623	266	80,448
Results					
Segment results	14,954	(450)	943	(197)	15,250
Interest income	18	0	-	821	839
Share of results of associates	-	0	0	-	0
Profit /(Loss) before taxation	14,972	(450)	943	624	16,089
Tax expense					(732)
Profit for the financial year					15,357
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 2015					
Assets					
Segment assets	553,306	341,336	76,307	126,720	1,097,669
Tax recoverable	-	-	-	-	588
Deferred tax assets	-	-	-	-	4,643
Investment in associates	-	-	-	-	498
Total assets					1,103,398
Liabilities					
Segment liabilities	101,438	7,227	1,471	209,294	319,430
Current tax liabilities	-	-	-	-	4,064
Deferred tax liabilities	-	-	-	-	6,139
Total liabilities					329,633
As at 31 March 2015					
Assets					
Segment assets	553,306	341,336	76,307	126,720	1,097,669
Tax recoverable	-	-	-	-	588
Deferred tax assets	-	-	-	-	4,643
Investment in associates	-	-	-	-	498
Total assets					1,103,398
Liabilities					
Segment liabilities	101,438	7,227	1,471	209,294	319,430
Current tax liabilities	-	-	-	-	4,064
Deferred tax liabilities	-	-	-	-	6,139
Total liabilities					329,633

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 2015 was not qualified.

14 Review of performance – Current financial quarter ended 31 March 2016 by segment

For the current financial quarter ended 31 March 2016 ("Q1 2016"), the Group posted higher revenue and profit before tax of RM80.4 million and RM16.1 million respectively as compared to the revenue and profit before tax of RM75.3 million and RM13.6 million respectively for the corresponding financial quarter ended 31 March 2015 ("Q1 2015") thereby increasing both revenue and profit before tax by 6.8% and 18.0% respectively.

a) Property development

Both revenue and profit before tax for Q1 2016 was higher as compared to Q1 2015 due to further sales from the existing projects such as i-SOHO, i-Suite, Liberty and Parisien Towers as well as the advancement of the construction progress.

b) Property investment

The decrease in the revenue and profit before tax for Q1 2016 as compared to Q1 2015 was due to the expiry of the Ijarah agreement with Al-Rajhi Banking and Investment Corporation Malaysia Berhad ("Al-Rajhi") in November 2015.

c) Leisure

Profit before tax for Q1 2016 was higher despite the decline in revenue as compared to the preceding financial year's corresponding quarter. The lower revenue in Q1 2016 was attributable to the drop in arrivals caused by the heatwave phenomena whilst the increase in profit before tax was due to higher pre-opening expenses from Best Western i-City in Q1 2015 whereas in Q1 2016, the hotel has generated a positive return.

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

The Group registered an increase in revenue for the current quarter at RM80.4 million as compared to RM74.1 million for the preceding quarter with a decrease in profit before taxation for the current quarter at RM16.1 million as compared to RM21.4 million for the preceding quarter. The increase in revenue was mainly due to higher revenue recognition of on-going projects for the Property Development division. Lower revenue and profit before tax from both the Leisure and Property Investment division were expected for the current quarter as Leisure division had attained its peak seasonal revenue in preceding quarter due to the year-end school and festive holidays whilst the Property Investment division had a once-off fair value gain on the revaluation of the investment properties which amounted to RM1.5 million in preceding quarter.

16 Commentary on prospects – next financial year

The Board expects both the Property Development and Leisure segments to continue to contribute positively to the Group's performance in the current financial year.

16 Commentary on prospects – next financial year (cont'd)

Property Development will continue to be the major contributor to the Group. On 14 March 2016, the Group's maiden project in the heart of Kuala Lumpur City Centre, "8Kia Peng @ KLCC" was launched by our Prime Minister, Datuk Seri Najib Razak. The iconic 8Kia Peng @ KLCC is a luxury high-end residential project built on a 1.05-acre freehold parcel on Jalan Changkat Kia Peng, Kuala Lumpur, is a 50-storey tower with 440 luxury serviced apartments and 2 penthouses. 8Kia Peng @ KLCC has 80% of its units with uncompromised direct Kuala Lumpur City Centre ("KLCC") view of both the KLCC Twin Towers and the Central Park.

In the current quarter 2016, the Group has also unveiled the "Hyde Tower" with GDV of approximately RM268 million. Hyde Tower is a 43-storey residential tower with uninterrupted views over the Central i-City Mall and is directly connected to the shopping mall via the passenger linked bridge. By the end of 2016, the Group plans to launch the "Central Towers" developments. Central Towers is a development with approximate GDV of RM1.2 billion which comprises an office tower, two residential towers, the DoubleTree by Hilton hotel and a convention centre.

The Group's unbilled sales as at 31 March 2016 has grown to RM743.0 million as compared to RM552.5 million at the end of 31 March 2015. The Board expects that the unbilled sales will continue to grow as seen from the encouraging sales of the Group's on-going projects and the recent launch of the Hyde Tower. By end of the year, the Group is expecting to complete and handover i-SOHO project to the purchasers thereby translating at least one-third of the existing unbilled sales to the Group's revenue solely by this project. As the construction progresses, the Board expects the existing as well as the continuous build-up of sales commitment to translate to higher revenue to the Group in the future.

Barring any unforeseen circumstances and based on the aforementioned factors, the Board is confident that the Group would achieve greater operating results for the financial year ending 31 December 2016.

17 Tax Expense

	Quarter ended/ Three months ended	
	31.03.2016	31.03.2015
	RM'000	RM'000
Taxation		
- Income tax	3,123	3,839
- Deferred tax	(596)	(650)
	<u>2,527</u>	<u>3,189</u>
(Over)/Under provision in prior year		
- Income tax	-	195
- Deferred tax	(1,795)	-
	<u>(1,795)</u>	<u>195</u>
Total	<u>732</u>	<u>3,384</u>

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	Utilisation as at 31.03.2016	Unutilised as at 31.03.2016
	RM'000	RM'000	RM'000
Property development expenditure and/or activities	160,000	96,373	63,627
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	117,205	80,284

19 Group borrowings and debt securities

The Group has no borrowing as at 31 March 2016 other than the liability components of remaining unconverted 95.0 million five year 2% to 3% irredeemable convertible unsecured loan stocks ("ICULS") of RM47.5 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 19 May 2016 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 2015, a final single tier dividend amounting to 1.30 sen per ordinary share has been proposed by the Directors for shareholders' approval at the forthcoming Annual General Meeting.

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	
	31.03.2016	31.03.2015
Profit attributable to owners of the parent (RM'000)	15,359	10,235
Weighted average number of ordinary shares in issue ('000)	1,061,314	1,061,314
Basic earnings per share (sen)	1.45	0.96

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 MARCH 2016 - UNAUDITED**22 Earnings per share (cont'd)**

(ii) Diluted Earnings per Share

	Year to date/ Three months ended	
	31.03.2016	31.03.2015
Profit attributable to owners of the parent (RM'000)	15,359	10,235
After tax effects of interest	104	0
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)	1.18	0.78

23 Note to consolidated statements of comprehensive income

	Year to date/ Three months ended	
	31.03.2016 RM'000	31.03.2015 RM'000
Profit before taxation for the financial period is arrived at after crediting:		
Interest income	839	1,244
Other income	351	1,173
and charging:		
Depreciation of property, plant and equipment	4,135	3,607

24 Disclosure of realised and unrealised profits

	Quarter ended/ Three months ended	Quarter ended/ Three months ended
	31.03.2016 RM'000	31.03.2015 RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	105,806	73,784
- Unrealised	21,360	20,489
	<u>127,166</u>	<u>94,273</u>
Total share of (accumulated losses) /retained earnings from an associate:		
- Realised	(152)	130
	<u>127,014</u>	<u>94,403</u>
Consolidation adjustments	<u>4,118</u>	<u>3,522</u>
Total retained earnings as per consolidated accounts	<u>131,132</u>	<u>97,925</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 25 May 2016.