

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2016**

	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Individual/Cumulative Quarter	Individual/Cumulative Quarter	Cumulative Quarter	Cumulative Quarter
		Current Quarter 30 Jun 2016 RM'000	Preceding Year Quarter 30 Jun 2015 RM'000	Current Year To Date 30 Jun 2016 RM'000	Preceding Year To Date 30 Jun 2015 RM'000
Revenue	12	86,676	52,725	167,124	128,071
Cost of sales		(61,351)	(37,425)	(115,180)	(89,117)
Gross profit		25,325	15,300	51,944	38,954
Other income		8,579	1,636	9,769	4,053
Other expenses		(10,265)	(7,894)	(21,985)	(20,331)
Share of results of associates		(29)	(1)	(29)	(1)
Profit before taxation	23	23,610	9,041	39,699	22,675
Tax expense	17	(8,947)	(518)	(9,679)	(3,902)
Profit for the financial period		14,663	8,523	30,020	18,773
Other comprehensive income:					
Foreign currency translations		-	(12)	-	58
Total comprehensive income		14,663	8,511	30,020	18,831
Profit attributable to:					
Owners of the parent		14,678	8,518	30,037	18,753
Non-controlling interests		(15)	5	(17)	20
		14,663	8,523	30,020	18,773
Total comprehensive income attributable to:					
Owners of the parent		14,678	8,506	30,037	18,811
Non-controlling interests		(15)	5	(17)	20
		14,663	8,511	30,020	18,831
Earnings per share ("EPS")					
attributable to owners of the parent		sen	sen	sen	sen
Basic	22	1.38	0.80	2.83	1.77
Fully diluted	22	1.12	0.65	2.30	1.43

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 30 JUNE 2016**

	Note	(Unaudited) As at 30 Jun 2016 RM'000	(Audited) As at 31 Dec 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		80,875	97,442
Investment properties		291,472	284,755
Investments in associates		11,136	5,015
Other investments		0	0
Deferred tax assets		1,739	959
		<u>385,222</u>	<u>388,171</u>
Current assets			
Property development costs		497,146	469,858
Inventories		54,904	54,896
Trade and other receivables		122,515	162,506
Current tax assets		2,662	1,608
Deposits, cash and bank balances		166,998	96,473
		<u>844,225</u>	<u>785,341</u>
TOTAL ASSETS	12	<u><u>1,229,447</u></u>	<u><u>1,173,512</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		496,010	495,247
Reserves		278,242	247,927
Equity component - ICULS		44,025	44,995
Equity component - RCULS		14,547	14,547
		<u>832,824</u>	<u>802,716</u>
Non-controlling interests		160	177
TOTAL EQUITY		<u>832,984</u>	<u>802,893</u>
Non-current liabilities			
Deferred tax liabilities		5,305	5,446
Liability component - ICULS		4,021	3,503
Liability component - RCULS		197,722	189,517
		<u>207,048</u>	<u>198,466</u>
Current liabilities			
Trade and other payables		182,992	170,850
Current tax liabilities		6,423	1,303
		<u>189,415</u>	<u>172,153</u>
TOTAL LIABILITIES	12	<u>396,463</u>	<u>370,619</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,229,447</u></u>	<u><u>1,173,512</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>0.84</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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 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	-	-	-	-	58	-	-	-	-	18,753	18,811	20	18,831
Transactions with owners:													
Conversion of ICULS during the financial period	122,847	-	44,554	-	-	-	-	(156,098)	-	-	11,303	-	11,303
Balance as at 30 June 2015	487,853	-	87,526	1,331	266	39,126	1,474	54,390	14,547	106,443	792,956	167	793,123
(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	-	-	-	-	-	-	-	-	-	30,037	30,037	(17)	30,020
Transactions with owners:													
Conversion of ICULS during the financial year	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

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 30 JUNE 2016**

	(Unaudited) Quarter ended 30 Jun 2016 RM'000	(Unaudited) Quarter ended 30 Jun 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	39,699	22,675
Adjustments for:		
Non-cash/operating items	1,003	5,170
Operating profit before working capital changes	40,702	27,845
Net changes in current assets	18,637	(13,354)
Net changes in current liabilities	19,450	(17,964)
Cash generated from/(used in) operations	78,789	(3,473)
Tax paid	(6,916)	(7,446)
Tax refunded	-	2
Net cash generated from/(used in) operating activities	71,873	(10,917)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,024)	(7,378)
Proceeds from disposal of property	7,266	-
Investment in an associate company	(61)	(33)
Development costs incurred for investment properties	(6,717)	(3,625)
Repayment from an associate company	-	113
Interest received	1,188	2,416
Net cash used in investing activities	(1,348)	(8,507)
Net increase/(decrease) in cash and cash equivalents	70,525	(19,424)
Effects of foreign exchange rate changes	-	58
Cash and cash equivalents at beginning of financial period	96,434	159,195
Cash and cash equivalents at end of financial period	166,959	139,829
Cash and cash equivalents comprise:		
Cash and bank balances	9,713	2,396
Deposits with licensed banks/financial institutions	157,285	141,712
Deposits pledged as bank guarantee	(39)	(4,279)
Total	166,959	139,829

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
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

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 2016.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 30 June 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 30 June 2016.

10 Capital commitments

Approved and contracted for, analysed as follows:

New leisure attractions

Investment properties

As at 30.06.2016

RM'000

2,362

10,598

12,960

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

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	0	-	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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2016 - UNAUDITED**12 Segmental information- By business segments (cont'd)**

Financial period ended 30 June 2015	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	100,709	5,267	23,946	586	130,508
Inter-segment revenue	(704)	(963)	(674)	(96)	(2,437)
External revenue	100,005	4,304	23,272	490	128,071
Results					
Segment results	20,948	(1,054)	1,474	(1,069)	20,299
Interest income	97	6	-	2,274	2,377
Share of loss of an associate	-	-	(1)	-	(1)
Profit /(Loss) before taxation	21,045	(1,048)	1,473	1,205	22,675
Tax expense					(3,902)
Profit for the financial period					18,773
As at 30 June 2015					
Assets					
Segment assets	564,251	345,009	83,877	119,267	1,112,404
Tax recoverable	-	-	-	-	2,826
Deferred tax assets	-	-	-	-	1,259
Investment in associates	-	-	-	-	497
Total assets					1,116,986
Liabilities					
Segment liabilities	109,383	10,298	205	194,078	313,964
Current tax liabilities	-	-	-	-	4,364
Deferred tax liabilities	-	-	-	-	5,535
Total liabilities					323,863

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 30 June 2016 by segment

For the current financial quarter ended 30 June 2016 ("Q2 2016"), the Group posted higher revenue and profit before tax of RM86.7 million and RM23.6 million respectively as compared to the revenue and profit before tax of RM52.7 million and RM9.0 million respectively for the corresponding financial quarter ended 30 June 2015 ("Q2 2015") thereby increasing both revenue and profit before tax by 64.5% and 162.2% respectively.

For the current financial period ended 30 June 2016, the Group posted higher revenue and profit before tax of RM167.1 million and RM39.7 million respectively as compared to the revenue and profit before tax of RM128.1 million and RM22.7 million respectively for the corresponding financial period ended 30 June 2015 thereby increasing both revenue and profit before tax by 30.4% and 74.9% respectively.

a) Property development

Both revenue and profit before tax for the financial period ended 30 June 2016 were higher as compared to the financial period ended 30 June 2015 due to further sales from the existing projects such as i-SOHO, i-Suite, Liberty, Parisien Tower and new launch during the year, 8Kia Peng and Hyde Tower as well as the advancement of the construction progress.

b) Property investment

The decrease in the revenue for the financial period ended 30 June 2016 as compared to the financial period ended 30 June 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

The segment showed unfavourable results as compared to the preceding financial year's corresponding quarter due to a decrease in the number of visitors to the theme park owing to the Ramadan period.

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

The Group registered increase in both revenue and profit before tax for the current quarter at RM86.7 million and RM23.6 million respectively as compared to RM80.4 million and RM16.1 million respectively 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 for the Leisure division was due to the Ramadan period.

16 Commentary on prospects – next financial year

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

Contribution from the Property Development division is expected to be higher in the second half of 2016 compared to the first half as i-SOHO project will be completed and handed over to the purchasers. At the same time with the expected completion of the car park podium, the construction progress of the remaining developments (i-Suites, Parisien, Liberty and Hyde towers) can progress at a faster rate.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2016 - UNAUDITED**16 Commentary on prospects – next financial year (cont'd)**

The Group's unbilled sales as at 30 June 2016 stands at RM718.6 million as compared to RM580.2 million at the end of 30 June 2015. The unbilled sales was contributed by the encouraging sales of the Group's on-going projects and the recent launch of the Hyde Tower and 8Kia Peng. In the first half of 2016, the Property Development division achieved 57% more sales compared to the corresponding period last year enabling the Group to build up a strong revenue pipeline for the future. As the construction progresses, the Board expects the existing as well as the continuous build-up of sales commitment to translate into higher revenue for 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		Year to date/ Six months ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Taxation				
- Income tax	7,708	1,149	10,831	4,988
- Deferred tax	1,089	(631)	493	(1,281)
	<u>8,797</u>	<u>518</u>	<u>11,324</u>	<u>3,707</u>
Under/(Over) provision in prior year				
- Income tax	150	-	150	195
- Deferred tax	-	-	(1,795)	-
	<u>150</u>	<u>-</u>	<u>(1,645)</u>	<u>195</u>
Total	<u>8,947</u>	<u>518</u>	<u>9,679</u>	<u>3,902</u>

Overall, the effective tax rate is slightly higher than the statutory tax rate mainly due to losses in certain subsidiaries.

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

Details of utilisation	Approved utilisation RM'000	Utilisation as at 30.06.2016 RM'000	Unutilised as at 30.06.2016 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	-
	<u>197,489</u>	<u>117,205</u>	<u>80,284</u>

19 Group borrowings and debt securities

The Group has no borrowing as at 30 June 2016 other than the liability components of remaining unconverted 94.2 million five year 2% to 3% irredeemable convertible unsecured loan stocks ("ICULS") of RM47.1 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 13 July 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 approved by the shareholders of the Company at its 49th Annual General Meeting held on 25 May 2016. The said dividend shall be made payable on 16 August 2016 to depositors whose name appear in the record of depositors on 2 August 2016.

22 Earnings per share

(i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Profit attributable to owners of the parent (RM'000)	14,678	8,518	30,037	18,753
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)	1.38	0.80	2.83	1.77

(ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Profit attributable to owners of the parent (RM'000)	14,678	8,518	30,037	18,753
After tax effects of interest	104	0	179	0
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)	1.12	0.65	2.30	1.43

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2016 - UNAUDITED**23 Note to consolidated statements of comprehensive income**

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Profit before taxation for the financial period is arrived at after crediting:				
Interest income	1,135	1,134	1,974	2,378
Other income	7,444	502	7,795	1,675
and charging:				
Depreciation of property, plant and equipment	4,369	3,972	8,504	7,579

24 Disclosure of realised and unrealised profits

	Year to date/ Six months ended	Year to date/ Six months ended
	30.06.2016 RM'000	30.06.2015 RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	121,920	82,065
- Unrealised	19,966	20,489
	141,886	102,554
Total share of (accumulated losses)/retained earnings from associates:		
- Realised	(182)	130
Consolidation adjustments	4,108	3,759
Total retained earnings as per consolidated accounts	145,812	106,443

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 20 July 2016.