

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

	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Individual/Cumulative Quarter	Individual/Cumulative Quarter	Cumulative Quarter	Cumulative Quarter
		Current Quarter 30 Sep 2016 RM'000	Preceding Year Quarter 30 Sep 2015 RM'000	Current Year To Date 30 Sep 2016 RM'000	Preceding Year To Date 30 Sep 2015 RM'000
Revenue	12	113,581	55,218	280,705	183,289
Cost of sales		(76,249)	(37,684)	(191,429)	(126,801)
Gross profit		37,332	17,534	89,276	56,488
Other income		2,160	1,348	11,929	5,401
Other expenses		(13,612)	(8,443)	(35,597)	(28,774)
Share of results of associates		(436)	(27)	(465)	(28)
Profit before taxation	23	25,444	10,412	65,143	33,087
Tax expense	17	(3,015)	(1,848)	(12,694)	(5,750)
Profit for the financial period		22,429	8,564	52,449	27,337
Other comprehensive income:					
Foreign currency translations		-	193	-	251
Total comprehensive income		22,429	8,757	52,449	27,588
Profit attributable to:					
Owners of the parent		22,442	8,556	52,479	27,309
Non-controlling interests		(13)	8	(30)	28
		22,429	8,564	52,449	27,337
Total comprehensive income attributable to:					
Owners of the parent		22,442	8,749	52,479	27,560
Non-controlling interests		(13)	8	(30)	28
		22,429	8,757	52,449	27,588
Earnings per share ("EPS")					
attributable to owners of the parent		sen	sen	sen	sen
Basic	22	2.11	0.81	4.94	2.58
Fully diluted	22	1.73	0.65	4.03	2.08

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 SEPTEMBER 2016**

	Note	(Unaudited) As at 30 Sep 2016 RM'000	(Audited) As at 31 Dec 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		77,349	97,442
Investment properties		296,329	284,755
Investments in associates		34,033	5,015
Other investments		0	0
Deferred tax assets		1,049	959
		<u>408,760</u>	<u>388,171</u>
Current assets			
Property development costs		523,784	469,858
Inventories		54,963	54,896
Trade and other receivables		116,381	162,506
Current tax assets		2,649	1,608
Deposits, cash and bank balances		167,311	96,473
		<u>865,088</u>	<u>785,341</u>
TOTAL ASSETS	12	<u><u>1,273,848</u></u>	<u><u>1,173,512</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		497,629	495,247
Reserves		288,347	247,927
Equity component - ICULS		41,967	44,995
Equity component - RCULS		14,547	14,547
		<u>842,490</u>	<u>802,716</u>
Non-controlling interests		147	177
TOTAL EQUITY		<u>842,637</u>	<u>802,893</u>
Non-current liabilities			
Deferred tax liabilities		3,704	5,446
Liability component - ICULS		3,894	3,503
Liability component - RCULS		197,454	189,517
		<u>205,052</u>	<u>198,466</u>
Current liabilities			
Trade and other payables		218,342	170,850
Current tax liabilities		7,817	1,303
		<u>226,159</u>	<u>172,153</u>
TOTAL LIABILITIES	12	<u>431,211</u>	<u>370,619</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,273,848</u></u>	<u><u>1,173,512</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>0.85</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 SEPTEMBER 2016**

-----> Attributable to owners of the parent <-----

	Share capital	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
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	-	-	-	251	-	-	-	-	27,309	27,560	28	27,588
Transactions with owners:												
Conversion of ICULS during the financial period	129,919	47,130	-	-	-	-	(165,084)	-	-	11,965	-	11,965
	-	-	-	-	-	-	-	-	(14,933)	(14,933)	-	(14,933)
Balance as at 30 September 2015	494,925	90,102	1,331	459	39,126	1,474	45,404	14,547	100,066	787,434	175	787,609
(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 period	-	-	-	-	-	-	-	-	52,479	52,479	(30)	52,449
Transactions with owners:												
Conversion of ICULS during the financial period	2,392	860	-	-	-	-	(3,040)	-	-	212	-	212
Dividends paid	-	-	-	-	-	-	-	-	(12,915)	(12,915)	-	(12,915)
	2,392	860	-	-	-	-	(3,040)	-	(12,915)	(12,703)	-	(12,703)
Balance as at 30 September 2016	497,629	91,077	1,331	-	39,126	1,474	41,967	14,547	155,339	842,490	147	842,637

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 SEPTEMBER 2016

	(Unaudited) Quarter ended 30 Sep 2016 RM'000	(Unaudited) Quarter ended 30 Sep 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	65,143	33,087
Adjustments for:		
Non-cash/operating items	3,540	7,918
Operating profit before working capital changes	68,683	41,005
Net changes in current assets	3,665	(47,255)
Net changes in current liabilities	54,796	(2,968)
Cash generated from/(used in) operations	127,144	(9,218)
Tax paid	(9,182)	(11,298)
Tax refunded	-	2
Net cash generated from/(used in) operating activities	117,962	(20,514)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,819)	(12,421)
Proceeds from disposal of property	7,266	-
Investment in an associate company	(29,451)	(60)
Development costs incurred for investment properties	(11,574)	(6,028)
Repayment from an associate company	-	140
Interest received	3,370	3,562
Net cash used in investing activities	(34,208)	(14,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(12,915)	(14,933)
Net cash used in financing activities	(12,915)	(14,933)
Net increase/(decrease) in cash and cash equivalents	70,839	(50,254)
Effects of foreign exchange rate changes	-	251
Cash and cash equivalents at beginning of financial period	96,434	159,195
Cash and cash equivalents at end of financial period	167,273	109,192
Cash and cash equivalents comprise:		
Cash and bank balances	5,836	18,874
Deposits with licensed banks/financial institutions	161,476	94,597
Deposits pledged as bank guarantee	(39)	(4,279)
Total	167,273	109,192

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 September 2016.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 30 September 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

In respect of financial year ended 31 December 2015, a final single tier dividend of 1.3 sen per ordinary share amounting to RM12,914,580.01 was paid on 16 August 2016.

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 September 2016.

10 Capital commitments

	As at 30.09.2016
	RM'000
Approved and contracted for, analysed as follows:	
New leisure attractions	2,362
Investment properties	7,567
	<hr/>
	9,929
	<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 SEPTEMBER 2016 - UNAUDITED**12 Segmental information- By business segments**

Financial period ended 30 September 2016	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	244,048	4,254	35,324	1,063	284,689
Inter-segment revenue	(180)	(781)	(2,712)	(311)	(3,984)
External revenue	243,868	3,473	32,612	752	280,705
Results					
Segment results	63,895	(1,347)	870	(1,293)	62,125
Interest income	110	303	-	3,070	3,483
Share of results of associates	-	(417)	(48)	-	(465)
Profit /(Loss) before taxation	64,005	(1,461)	822	1,777	65,143
Tax expense					(12,694)
Profit for the financial period					52,449
As at 30 September 2016					
Assets					
Segment assets	651,181	351,523	72,822	160,591	1,236,117
Tax recoverable	-	-	-	-	2,649
Deferred tax assets	-	-	-	-	1,049
Investment in associates	-	-	-	-	34,033
Total assets					1,273,848
Liabilities					
Segment liabilities	182,763	5,112	4,629	227,186	419,690
Current tax liabilities	-	-	-	-	7,817
Deferred tax liabilities	-	-	-	-	3,704
Total liabilities					431,211

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

Financial period ended 30 September 2015	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	141,545	7,838	36,606	861	186,850
Inter-segment revenue	(704)	(1,317)	(1,401)	(139)	(3,561)
External revenue	140,841	6,521	35,205	722	183,289
Results					
Segment results	28,894	(1,827)	3,594	(1,070)	29,591
Interest income	236	7	-	3,281	3,524
Share of results of an associate	-	-	(28)	-	(28)
Profit /(Loss) before taxation	29,130	(1,820)	3,566	2,211	33,087
Tax expense					(5,750)
Profit for the financial period					27,337
As at 30 September 2015					
Assets					
Segment assets	601,561	341,531	81,555	97,205	1,121,852
Tax recoverable	-	-	-	-	2,256
Deferred tax assets	-	-	-	-	1,067
Investment in associates	-	-	-	-	470
Total assets					1,125,645
Liabilities					
Segment liabilities	121,947	11,081	213	197,521	330,762
Current tax liabilities	-	-	-	-	2,358
Deferred tax liabilities	-	-	-	-	4,916
Total liabilities					338,036

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 September 2016 by segment

For the current financial quarter ended 30 September 2016 ("Q3 2016"), the Group posted higher revenue and profit before tax of RM113.6 million and RM25.4 million respectively as compared to the revenue and profit before tax of RM55.2 million and RM10.4 million respectively for the corresponding financial quarter ended 30 September 2015 ("Q3 2015") thereby increasing both revenue and profit before tax by 105.8% and 144.2% respectively.

For the current financial period ended 30 September 2016, the Group posted higher revenue and profit before tax of RM280.7 million and RM65.1 million respectively as compared to the revenue and profit before tax of RM183.3 million and RM33.1 million respectively for the corresponding financial period ended 30 September 2015 thereby increasing both revenue and profit before tax by 53.1% and 96.7% respectively.

a) Property development

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

b) Property investment

The decrease in the revenue for the financial period ended 30 September 2016 as compared to the financial period ended 30 September 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 a decline in the results as compared to the preceding financial year's corresponding quarter due to a decrease in the number of visitors to the theme park.

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 RM113.6 million and RM25.4 million respectively as compared to RM86.7 million and RM23.6 million respectively for the preceding quarter. The better performance in both the revenue and profit was mainly due to higher revenue recognition of on-going projects for the Property Development segment as well as higher revenue and profit before tax for the Leisure segment.

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 segment is expected to be higher in the final quarter of 2016 as i-SOHO project will be completed and handed over to the purchasers by end of the year. Along 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 SEPTEMBER 2016 - UNAUDITED**16 Commentary on prospects – next financial year (cont'd)**

The Group's unbilled sales as at 30 September 2016 stood at RM656.5 million as compared to RM679.2 million at the end of 30 September 2015. The unbilled sales were contributed by the encouraging sales of the Group's on-going projects. Furthermore as at current financial period 30 September 2016, the Property Development segment has achieved the same level of sales as that for the same period as last year. These sales and unbilled sales will ensure that the Group has a strong revenue pipeline for the future.

At the same time, there is also improvement in the Leisure segment performance providing a good momentum going into the Q4 2016 peak season of the Leisure segment.

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 2016.

17 Tax expense

	Quarter ended/ Three months ended		Year to date/ Nine months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Taxation				
- Income tax	3,799	2,618	14,630	7,606
- Deferred tax	(659)	(635)	(166)	(1,916)
	<u>3,140</u>	<u>1,983</u>	<u>14,464</u>	<u>5,690</u>
Under/(Over) provision in prior year				
- Income tax	(125)	(135)	25	60
- Deferred tax	-	-	(1,795)	-
	<u>(125)</u>	<u>(135)</u>	<u>(1,770)</u>	<u>60</u>
Total	<u>3,015</u>	<u>1,848</u>	<u>12,694</u>	<u>5,750</u>

Overall, the effective tax rate is slightly lower than the statutory tax rate mainly due to the utilisation of capital allowances and business losses in certain subsidiaries.

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

Details of utilization	Approved utilisation RM'000	Utilisation as at 30.09.2016 RM'000	Unutilised as at 30.09.2016 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>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 SEPTEMBER 2016 - UNAUDITED**19 Group borrowings and debt securities**

The Group has no borrowing as at 30 September 2016 other than the liability components of remaining unconverted 89.8 million five year 2% to 3% irredeemable convertible unsecured loan stocks ("ICULS") of RM44.9 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 17 October 2016, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

21 Dividend

No interim dividend has been recommended in respect of the financial period ended 30 September 2016.

22 Earnings per share

(i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Nine months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Profit attributable to owners of the parent (RM'000)	22,442	8,556	52,479	27,309
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)	2.11	0.81	4.94	2.58

(ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Nine months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Profit attributable to owners of the parent (RM'000)	22,442	8,556	52,479	27,309
After tax effects of interest	304	0	483	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)	1.73	0.65	4.03	2.08

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

	Quarter ended/ Three months ended		Year to date/ Nine months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Profit before taxation for the financial period is arrived at after crediting:				
Interest income	1,509	1,146	3,483	3,524
Other income	652	202	8,442	1,877
and charging:				
Depreciation of property, plant and equipment	4,322	3,919	12,826	11,498

24 Disclosure of realised and unrealised profits

	Year to date/ Nine months ended	Year to date/ Nine months ended
	30.09.2016 RM'000	30.09.2015 RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	131,395	77,957
- Unrealised	20,878	18,135
	152,273	96,092
Total share of (accumulated losses)/retained earnings from associates:		
- Realised	(618)	102
Consolidation adjustments	3,684	3,872
Total retained earnings as per consolidated accounts	155,339	100,066

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 22 October 2016.