

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2014**

	Note	(Unaudited) Individual Quarter		(Unaudited) Cumulative Quarter	
		Current Quarter 30 Jun 2014 RM'000	Preceding Year Quarter 30 Jun 2013 RM'000	Current Year To Date 30 Jun 2014 RM'000	Preceding Year To Date 30 Jun 2013 RM'000
Revenue	12	70,649	33,802	115,563	60,948
Cost of sales		(36,589)	(20,329)	(64,899)	(36,277)
Gross profit		34,060	13,473	50,664	24,671
Other income	23	259	247	512	485
Other expenses		(8,605)	(5,726)	(17,103)	(12,087)
Share of profit/(loss) of an associate		(30)	21	(30)	28
Profit before taxation	23	25,684	8,015	34,043	13,097
Tax expense	17	(6,269)	(1,236)	(8,510)	(1,394)
Profit for the financial period		19,415	6,779	25,533	11,703
Other comprehensive income:					
Foreign currency translations		(25)	38	(20)	68
Total comprehensive income		19,390	6,817	25,513	11,771
Profit/(Loss) attributable to:					
Owners of the parent		19,406	6,788	25,509	11,713
Non-controlling interests		9	(9)	24	(10)
		19,415	6,779	25,533	11,703
Total comprehensive income/(loss) attributable to:					
Owners of the parent		19,381	6,826	25,489	11,781
Non-controlling interests		9	(9)	24	(10)
		19,390	6,817	25,513	11,771
Earnings per share attributable to owners of the parent		sen	sen	sen	sen
Basic	22	17.02	5.95	22.38	10.27
Fully diluted	22	17.02	5.95	22.38	10.27

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes.

I-Berhad (7029-H)**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	(Unaudited) As at 30.06.2014 RM'000	(Audited) As at 31.12.2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		73,959	65,020
Investment properties		76,528	73,373
Investments in associates		3,450	3,480
Other investments		0	0
		<u>153,937</u>	<u>141,873</u>
Current assets			
Property development costs		82,985	61,672
Inventories		54,457	54,472
Trade and other receivables		79,454	58,988
Other investments		39	39
Current tax assets		718	834
Deposits, cash and bank balances		7,804	7,107
		<u>225,457</u>	<u>183,112</u>
TOTAL ASSETS	12	<u><u>379,394</u></u>	<u><u>324,985</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		114,486	114,486
Reserves		128,273	102,784
Treasury shares		(509)	(509)
		<u>242,250</u>	<u>216,761</u>
Non-controlling interests		144	120
TOTAL EQUITY		<u>242,394</u>	<u>216,881</u>
Non-current liabilities			
Deferred tax liabilities		2,869	2,869
		<u>2,869</u>	<u>2,869</u>
Current liabilities			
Borrowing		10,000	-
Trade and other payables		120,528	104,544
Current tax liabilities		3,603	691
		<u>134,131</u>	<u>105,235</u>
TOTAL LIABILITIES	12	<u>137,000</u>	<u>108,104</u>
TOTAL EQUITY AND LIABILITIES		<u><u>379,394</u></u>	<u><u>324,985</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>2.12</u>	<u>1.90</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 2013 and the accompanying notes.

I-Berhad (7029-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2014**

	←----- Attributable to owners of the parent ----->								
	←----- Non-distributable ----->				Distributable				
	Share capital	Treasury shares	Share premium	Revaluation reserve	Exchange translation difference	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 2013	114,486	(509)	60,167	1,331	17	1,739	177,231	119	177,350
Total comprehensive income/(loss) for the financial period	-	-	-	-	68	11,713	11,781	(10)	11,771
Transaction with owners:									
Dividend to shareholders	-	-	-	-	-	(4,560)	(4,560)	-	(4,560)
	-	-	-	-	-	(4,560)	(4,560)	-	(4,560)
Balance as at 30 June 2013	114,486	(509)	60,167	1,331	85	8,892	184,452	109	184,561
(Unaudited)									
Balance as at 1 January 2014	114,486	(509)	60,167	1,331	139	41,147	216,761	120	216,881
Total comprehensive income/(loss) for the financial period	-	-	-	-	(20)	25,509	25,489	24	25,513
Balance as at 30 June 2014	114,486	(509)	60,167	1,331	119	66,656	242,250	144	242,394

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 2013 and the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2014**

	(Unaudited) Quarter ended 30.06.2014 RM'000	(Unaudited) Quarter ended 30.06.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	34,043	13,097
Adjustments for:		
Non-cash/operating items	6,145	5,160
Operating profit before working capital changes	40,188	18,257
Net changes in current assets	(41,802)	(5,702)
Net changes in current liabilities	15,985	42
Cash generated from operations	14,371	12,597
Tax paid	(5,789)	(754)
Tax refunded	306	7
Net cash generated from operating activities	8,888	11,850
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,131)	(10,363)
Proceeds from disposal of property, plant and equipment	-	123
Development costs incurred for investment properties	(3,154)	-
Interest received	114	67
Net cash used in investing activities	(18,171)	(10,173)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(4,560)
Borrowing	10,000	-
Net cash from financing activities	10,000	(4,560)
Net increase in cash and cash equivalents	717	(2,883)
Effect of foreign exchange rate changes	(20)	68
Cash and cash equivalents at beginning of the financial period	7,068	15,989
Cash and cash equivalents at end of the financial period	7,765	13,174
Cash and cash equivalents comprise :		
Cash and bank balances	5,216	3,127
Deposits with licensed banks/financial institutions	2,588	10,170
Deposits pledged as bank guarantee	(39)	(123)
Total	7,765	13,174

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 2013 except as follows:

On 1 January 2014, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretations 21	Levies

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 July 2014

Amendments to FRSS	Annual Improvements 2010-2012 Cycle
Amendments to FRSS	Annual Improvements 2011-2013 Cycle
Defined Benefit Plans: Employee Contributions (Amendments to FRS 119)	

1 January 2015

FRS 9	Financial Instruments
Mandatory effective date of FRS 9 and Transition Disclosures	

1 January 2016

Amendment to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendment to FRS 14	Regulatory Deferral Accounts
Amendment to FRS 116	Clarification of Acceptable Methods of Depreciation and FRS and 138 Amortisation

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.

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 2015. 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 profits.

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 i-City's attractions 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 2014.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at quarter ended 30 June 2014.

5 Debt and equity securities

There were no issues, cancellations, repurchases, resale and repayments of debt and equity securities.

None of the 485,945 treasury shares was sold or cancelled in the current quarter.

6 Dividends paid

There was no dividend payment in the 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 2013.

8 Material events subsequent to the end of interim period

Further to the Company's announcements dated 24 October 2013, 11 December 2013, 8 April 2014, 16 May 2014, 27 June 2014 and 22 July 2014 in relation to the acquisition by I-Marcom Sdn. Bhd., a wholly-owned subsidiary of the Company, of a piece of freehold land held under Geran 26180, Lot 242, Seksyen 63, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("Kia Peng Land") measuring approximately 1.05 acres and located along Jalan Changkat Kia Peng from Sumuracres Sdn. Bhd. for a consideration of RM132.0 million to be settled by Redeemable Convertible Unsecured Loan Stocks ("RCULS") issued by the Company, CIMB Investment Bank Berhad had on 23 July 2014 announced on behalf of the Company that the Condition Precedents as set-out in the Kia Peng Land Sale and Purchase Agreement ("SPA") dated 24 October 2013 have been met and as such, the Kia Peng Land SPA has now become unconditional.

9 Changes in composition of the Group

On 1 April 2014, the Company's wholly-owned subsidiary, I-R&D Sdn. Bhd. has incorporated a new wholly-owned subsidiary namely I-City Travel Sdn. Bhd. with an authorised capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each and a paid-up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each. The intended principal activity of the new subsidiary is to provide transportation services.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2014 - UNAUDITED**9 Changes in composition of the Group (cont'd)**

On 30 June 2014, the Company has incorporated a wholly-owned subsidiary namely I-City (MM2H) Sdn. Bhd. ("I-City (MM2H)") with an authorised capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each and a paid-up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each. The eventual paid-up capital of I-City (MM2H) would be RM50,000.00 divided into 50,000 ordinary shares of RM1.00 each. The intended principal activity of I-City (MM2H) is to provide property management and advisory services in relation to the Malaysia My Second Home programme.

10 Capital commitments

	As at 30.06.2014
	RM'000
Approved and contracted for, analysed as follows:	
New leisure attractions	3,876
Hotel development	7,180
Investment properties	25,932
	<u>36,988</u>

11 Significant related party transactions

There was no significant related party transaction in current quarter.

12 Segmental information - By business segments

Financial period ended	Property	Property		ICT		Consolidated
30 June 2014	Development	Investment	Leisure	Services	Others	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue						
Total revenue	90,327	5,029	21,581	537	245	117,719
Inter-segment revenue	(1,461)	(406)	-	(71)	(218)	(2,156)
External revenue	<u>88,866</u>	<u>4,623</u>	<u>21,581</u>	<u>466</u>	<u>27</u>	<u>115,563</u>
Results						
Segment results	32,165	202	3,188	32	(1,590)	33,997
Interest income	11	6	-	6	53	76
Share of loss of an associate	-	-	(30)	-	-	(30)
Profit / (Loss) before taxation	<u>32,176</u>	<u>208</u>	<u>3,158</u>	<u>38</u>	<u>(1,537)</u>	<u>34,043</u>
Tax expense	-	-	-	-	-	(8,510)
Profit for the financial period						<u>25,533</u>
As at 30 June 2014						
Assets						
Segment assets	163,360	144,609	51,466	692	15,099	375,226
Tax recoverable	-	-	-	-	-	718
Investment in associates	-	-	-	-	-	3,450
Total assets						<u>379,394</u>
Liabilities						
Segment liabilities	111,434	10,039	842	232	7,981	130,528
Current tax liabilities	-	-	-	-	-	3,603
Deferred tax liabilities	-	-	-	-	-	2,869
Total liabilities						<u>137,000</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2014 - UNAUDITED**12 Segmental information - By business segments (cont'd)**

Financial period ended 30 June 2013	Property Development RM'000	Property Investment RM'000	Leisure RM'000	ICT Services RM'000	Others RM'000	Consolidated RM'000
Revenue						
Total revenue	36,472	4,663	20,088	584	208	62,015
Inter-segment revenue	(580)	(292)	-	(68)	(127)	(1,067)
External revenue	35,892	4,371	20,088	516	81	60,948
Results						
Segment results	7,777	(1,753)	7,359	(135)	(257)	12,991
Interest income	18	-	6	7	47	78
Share of profit of an associate	-	-	28	-	-	28
Profit /(Loss) before taxation	7,795	(1,753)	7,393	(128)	(210)	13,097
Tax expense						(1,394)
Profit for the financial period						11,703
As at 30 June 2013						
Assets						
Segment assets	140,791	65,533	50,804	878	10,977	268,983
Tax recoverable	-	-	-	-	-	1,019
Investment in an associate	-	-	-	-	-	103
Total assets						270,105
Liabilities						
Segment liabilities	72,909	7,810	840	413	567	82,539
Current tax liabilities	-	-	-	-	-	850
Deferred tax liabilities	-	-	-	-	-	2,155
Total liabilities						85,544

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 2013 was not qualified.

14 Review of performance – Current quarter and financial period ended 30 June 2014 by segment.

For the quarter ended 30 June 2014, the Group posted higher revenue and profit before tax of RM70.6 million and RM25.7 million respectively as compared to the revenue and profit before tax of RM33.8 million and RM8.0 million respectively for the quarter ended 30 June 2013. The increase in both the revenue and profit before tax of 109% and 221% respectively was mainly contributed by the Property Development segment.

For the financial period ended 30 June 2014, the Group posted higher revenue and profit before tax of RM115.6 million and RM34.0 million respectively as compared to the revenue and profit before tax of RM60.9 million and RM13.1 million for the financial period ended 30 June 2013. The increase in both the revenue and profit before tax of 90% and 160% respectively was mainly due contributed by the Property Development segment.

a) Property development

The significant increase in both revenue and profit before tax for the current quarter and the financial period ended 30 June 2014 were driven by higher percentage of recognition for both the project completion and sales for i-Residence, i-SOVO, i-SOHO and i-Suites projects.

b) Property investment

The improvement in performance for both revenue and profit before tax for current quarter and the financial period ended 30 June 2014 are due to higher occupancy rate and a once off waiver of the service charge.

c) Leisure

The higher revenue with lower profit before tax for the current quarter and financial period ended 30 June 2014 is due and pre-opening costs and additional operating costs incurred for the new attractions.

d) ICT Services

The improvement in performance for this segment mainly due to a more effective cost management.

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

The Group registered a significant growth in both the revenue and profit before taxation for the current quarter at RM70.6 million and RM25.7 million respectively as compared to RM44.9 million and RM8.4 million respectively for the preceding quarter. The improvement is contributed by all the operating segments with the highest contribution from the Property Development segment. The Property Development segment is growing rapidly in line with the promising sale performance as well as the continuous construction programme. As compared to preceding quarter, the Leisure segment had attained higher revenue and hence higher profit before tax due to the school holidays.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2014 - UNAUDITED**16 Commentary on prospects – current financial year**

The Board expects both the Property Development and Leisure segment to continue to contribute positively to the Group's performance for the remaining quarters of current financial year.

For the Leisure division, the Group expects the new attractions that are coming on stream before the final quarter of the financial year to boost the segment's performance.

As for the Property division, the Group is looking into launching two new projects, namely Grand i-Residence and the next phase of i-Suite, with a combined Gross Development Value of approximately RM1.6 billion before the end of the financial year of 2014. Grand i-Residence which is the Group's maiden property project in Kuala Lumpur is a 50 storey luxury condominium project located on 1.05 acres along Jalan Kia Peng in the vicinity of Kuala Lumpur City Centre ('KLCC').

Barring any unforeseen circumstances and based on the aforementioned factors, the Board is confident that the Group would achieve better operating results for the financial year ending 31 December 2014.

17 Tax Expense

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Taxation				
- Current tax	6,269	1,238	1,396	8,510
- Deferred tax	-	(2)	(2)	-
Total	6,269	1,236	1,394	8,510

Overall, the effective tax rate for the both quarter and financial period ended 30 June 2014 is slightly lower than the statutory tax rate mainly due the tax incentive for the Leisure segment.

18 Corporate proposals

At the Extraordinary General Meeting of the Company held on 22 July 2014, the following resolutions relating to the Company's Corporate Proposals as detailed in the Circular to shareholders dated 30 June 2014 were duly passed by shareholders of the Company:

- (i) Proposed Share Split;
- (ii) Proposed Rights Issue with Warrants;
- (iii) Proposed Bonus Issue;
- (iv) Proposed Increase in Authorised Share Capital;
- (v) Proposed Long Term Incentive Plan;
- (vi) Proposed Kia Peng Land Acquisition;
- (vii) Proposed SOHO Land Acquisition;
- (viii) Proposed Tower Land Acquisition;
- (ix) Proposed CPN Joint Venture and Proposed Mall Land Acquisition;
- (x) Proposed Arrangement;
- (xi) Proposed Ratification; and
- (xii) Proposed Amendment

18 Corporate proposals (cont'd)

CIMB had on 24 July 2014 announced on behalf of the Company, the proposed Share Split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each in the Company.

CIMB also announced that the date of the listing of and quotation for the Subdivided Shares will be on 12 August 2014, being the next market day following the entitlement date of 11 August 2014 for the Share Split.

19 Group borrowings and debt securities

The Group has drawn down a total of RM10.0 million from its short term revolving credit facility as at 30 June 2014.

20 Material litigation

The Group is not engaged in any material litigation as at 1 August 2014 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 2013, a final single tier dividend of 6 sen per ordinary share declared by the Board of Directors was approved by shareholders of the Company at the Annual General Meeting held on 30 June 2014. The entitlement and payment dates have been fixed on 5 September and 29 September 2014 respectively.

22 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of shares in issue during the period less treasury shares held by the Company.

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Profit attributable to owners of the parent (RM'000)	19,406	6,788	25,509	11,713
Weighted average number of ordinary shares in issue less treasury shares ('000)	114,000	114,000	114,000	114,000
Basic earnings per share (sen)	17.02	5.95	22.38	10.27
Diluted earnings per share (sen)	17.02	5.95	22.38	10.27

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
30 JUNE 2014 - UNAUDITED**23 Note to consolidated statements of comprehensive income**

	<u>Quarter ended/ Three months ended</u>		<u>Year to date/ Six months ended</u>	
	<u>30.06.2014</u>	<u>30.06.2013</u>	<u>30.06.2014</u>	<u>30.06.2013</u>
	RM'000	RM'000	RM'000	RM'000
Profit before taxation for the financial period is arrived at after crediting:				
Interest income	36	38	76	78
Other income	223	209	436	358
Gain on disposal of property, plant and equipment	-	-	-	49
and charging:				
Depreciation of property, plant and equipment	2,853	2,754	6,227	5,340
(Reversal)/Allowance of diminution in value of quoted investment	-	(3)	-	11

24 Disclosure of realised and unrealised profits/losses

	<u>Quarter ended/ Three months ended</u>	<u>Financial year ended</u>
	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	25,941	21,465
- Unrealised	17,687	17,687
	<u>43,628</u>	<u>39,152</u>
Total share of retained earnings from an associate:		
- Realised	-	93
	<u>43,628</u>	<u>39,245</u>
Consolidation adjustments	<u>3,622</u>	<u>1,902</u>
Total retained earnings as per consolidated accounts	<u>47,250</u>	<u>41,147</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 8 August 2014.