

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2015**

		(Unaudited) Individual Quarter	(Unaudited) Preceding Year Quarter	(Unaudited) Cumulative Quarter Current Year To Date	(Unaudited) Preceding Year To Date
	Note	Current Quarter 30 Jun 2015 RM'000	Preceding Year Quarter 30 Jun 2014 RM'000	Current Year To Date 30 Jun 2015 RM'000	Preceding Year To Date 30 Jun 2014 RM'000
Revenue	12	52,725	70,649	128,071	115,563
Cost of sales		(37,425)	(36,589)	(89,117)	(64,899)
Gross profit		15,300	34,060	38,954	50,664
Other income		1,636	259	4,053	512
Other expenses		(7,894)	(8,605)	(20,331)	(17,103)
Share of loss of an associate		(1)	(30)	(1)	(30)
Profit before taxation	23	9,041	25,684	22,675	34,043
Tax expense	17	(518)	(6,269)	(3,902)	(8,510)
Profit for the financial period		8,523	19,415	18,773	25,533
Other comprehensive (loss)/income:					
Foreign currency translations		(12)	(25)	58	(20)
Total comprehensive income		8,511	19,390	18,831	25,513
Profit attributable to:					
Owners of the parent		8,518	19,406	18,753	25,509
Non-controlling interests		5	9	20	24
		8,523	19,415	18,773	25,533
Total comprehensive income attributable to:					
Owners of the parent		8,506	19,381	18,811	25,489
Non-controlling interests		5	9	20	24
		8,511	19,390	18,831	25,513
<b>Earnings per share ("EPS") attributable to owners of the parent</b>		sen	sen	sen	sen
Basic	22	0.80	4.04 *	1.77	5.31 *
Fully diluted	22	0.65	4.04 *	1.43	5.31 *

\* Restated for the effects of enlarged share capital pursuant to the share splits, rights issues and bonus issues.

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

**I-Berhad (7029-H)****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	(Unaudited) As at 30.06.2015 RM'000	(Audited) As at 31.12.2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	99,111	99,277
Investment properties	277,543	273,918
Investments in associates	497	578
Other investments	0	0
Deferred tax assets	1,259	202
	<u>378,410</u>	<u>373,975</u>
<b>Current assets</b>		
Property development costs	439,242	410,803
Inventories	54,858	55,122
Trade and other receivables	97,503	106,830
Other investments	39	39
Current tax assets	2,826	604
Deposits, cash and bank balances	144,108	163,474
	<u>738,576</u>	<u>736,872</u>
<b>TOTAL ASSETS</b>	12 <u>1,116,986</u>	<u>1,110,847</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	487,853	365,006
Reserves	236,166	172,801
Equity component - ICULS	54,390	210,488
Equity component - RCULS	14,547	14,547
	<u>792,956</u>	<u>762,842</u>
Non-controlling interests	167	147
<b>TOTAL EQUITY</b>	<u>793,123</u>	<u>762,989</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,535	2,253
Liability component - ICULS	5,246	19,728
Liability component - RCULS	190,355	185,324
	<u>201,136</u>	<u>207,305</u>
<b>Current liabilities</b>		
Trade and other payables	118,363	136,213
Current tax liabilities	4,364	4,340
	<u>122,727</u>	<u>140,553</u>
<b>TOTAL LIABILITIES</b>	12 <u>323,863</u>	<u>347,858</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,116,986</u>	<u>1,110,847</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.81</u>	<u>1.04</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 2014 and the accompanying notes.

I-Berhad (7029-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2015

----- 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
<b>Balance as at 1 January 2014</b>	114,486	(509)	60,167	1,331	139	-	-	-	-	41,147	216,761	120	216,881
Total comprehensive income for the financial year	-	-	-	-	(20)	-	-	-	-	25,509	25,489	24	25,513
<b>Balance as at 30 June 2014</b>	114,486	(509)	60,167	1,331	119	-	-	-	-	66,656	242,250	144	242,394
<b>(Unaudited)</b>													
<b>Balance as at 1 January 2015</b>	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	(365,006)	-	44,554	-	-	-	-	(156,098)	-	-	(476,550)	-	(476,550)
<b>Balance as at 30 June 2015</b>	-	-	87,526	1,331	266	39,126	1,474	54,390	14,547	106,443	305,103	167	305,270

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 2014 and the accompanying notes.

**I-Berhad (7029-H)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2015**

	(Unaudited) Quarter ended 30.06.2015 RM'000	(Unaudited) Quarter ended 30.06.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,675	34,043
Adjustments for:		
Non-cash/operating items	5,170	6,145
Operating profit before working capital changes	27,845	40,188
Net changes in current assets	(13,354)	(41,802)
Net changes in current liabilities	(17,964)	15,985
Cash (used)/generated from operations	(3,473)	14,371
Tax paid	(7,446)	(5,789)
Tax refunded	2	306
Net cash (used)/generated from operating activities	(10,917)	8,888
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,378)	(15,131)
Investment in associate company	(33)	-
Development costs incurred for investment properties	(3,625)	(3,154)
Repayment from associates	113	-
Interest received	2,416	114
Net cash used in investing activities	(8,507)	(18,171)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowing	-	10,000
Net cash from financing activities	-	10,000
Net (decrease)/increase in cash and cash equivalents	(19,424)	717
Effects of foreign exchange rate changes	58	(20)
Cash and cash equivalents at beginning of financial year	159,195	7,068
Cash and cash equivalents at end of financial year	139,829	7,765
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	2,396	5,216
Deposits with licensed banks/financial institutions	141,712	2,588
Deposits pledged as bank guarantee	(4,279)	(39)
Total	139,829	7,765

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

**Part A – Explanatory Notes Pursuant to FRS134**

**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 2014 except as follows:

On 1 January 2015, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

**1 July 2014**

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

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 2016**

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRSs	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, FRS 12 and FRS128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative
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

**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.

**Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)**

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 and Hotel 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 2015.

**4 Material changes in estimates**

There were no material changes in estimates that have material effect as at quarter ended 30 June 2015.

**5 Debt and equity securities**

There were no issues, cancellations, repurchases, resale and repayments of debt and equity securities, 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 2014.

**8 Material events subsequent to the end of interim period**

There was no material event subsequent to the end of the current quarter under review that has not been reflected in the financial statements.

**9 Changes in composition of the Group**

There was no change in the composition of the Group as at 30 June 2015.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED  
30 JUNE 2015 - UNAUDITED**10 Capital commitments**

	<b>As at 30.06.2015</b>
	<b>RM'000</b>
Approved and contracted for, analysed as follows:	
New leisure attractions	1,251
Hotel development	66
Investment properties	16,074
	<u>17,391</u>

**11 Significant related party transactions**

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

**12 Segmental information- By business segments**

Financial period ended 30 June 2015	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
<b>Revenue</b>					
Total revenue	100,709	5,267	23,946	586	130,508
Inter-segment revenue	(704)	(963)	(674)	(96)	(2,437)
External revenue	<u>100,005</u>	<u>4,304</u>	<u>23,272</u>	<u>490</u>	<u>128,071</u>
<b>Results</b>					
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	<u>21,045</u>	<u>(1,048)</u>	<u>1,473</u>	<u>1,205</u>	<u>22,675</u>
Tax expense					(3,902)
Profit for the financial period					<u>18,773</u>
As at 30 June 2015					
<b>Assets</b>					
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					<u>1,116,986</u>
<b>Liabilities</b>					
Segment liabilities	109,383	10,298	205	194,078	313,964
Current tax liabilities	-	-	-	-	4,364
Deferred tax liabilities	-	-	-	-	5,535
Total liabilities					<u>323,863</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED  
30 JUNE 2015 - UNAUDITED**12 Segmental information- By business segments (cont'd)**

Financial period ended 30 June 2014	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
<b>Revenue</b>					
Total revenue	90,327	5,029	21,581	782	117,719
Inter-segment revenue	(1,461)	(406)	-	(289)	(2,156)
External revenue	88,866	4,623	21,581	493	115,563
<b>Results</b>					
Segment results	32,165	202	3,188	(1,558)	33,997
Interest income	11	6	-	59	76
Share of loss of an associate	-	-	(30)	-	(30)
Profit/(Loss) before taxation	32,176	208	3,158	(1,499)	34,043
Tax expense	-	-	-	-	(8,510)
Profit for the financial period					25,533
As at 30 June 2014					
<b>Assets</b>					
Segment assets	163,360	144,609	51,466	15,791	375,226
Tax recoverable	-	-	-	-	718
Investment in an associate	-	-	-	-	3,450
Total assets					379,394
<b>Liabilities</b>					
Segment liabilities	111,434	10,039	842	8,213	130,528
Current tax liabilities	-	-	-	-	3,603
Deferred tax liabilities	-	-	-	-	2,869
Total liabilities					137,000



**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 2014 was not qualified.

**14 Review of performance – Current quarter and financial period ended 30 June 2015 by segment**

For the current quarter ended 30 June 2015, the Group posted lower revenue and profit before tax of RM52.7 million and RM9.0 million respectively as compared to the revenue and profit before tax of RM70.6 million and RM25.7 million respectively for the corresponding quarter ended 30 June 2014.

For the financial period ended 30 June 2015, the Group posted higher revenue with lower profit before tax of RM128.1 million and RM22.7 million respectively as compared to the revenue and profit before tax of RM115.6 million and RM34.0 million for the financial period ended 30 June 2014.

**a) Property development**

There is an increase in revenue with lower profit before tax for the financial period ended 30 June 2015 as compared to financial period ended 30 June 2014. This is because although there is more revenue recognition due to more projects being developed this year, the profits are lower as the property products that were developed in 2014 had better margins than the current property products. In 2014 the revenue and contribution were mainly from i-Residence and i-SOVO whereas in 2015, the contribution was mainly from the i-SOHO, i-Suites, Liberty and Parisien towers which the on-going developments are at their initial stage of construction.

**b) Property investment**

The slight decrease in the revenue for the period ended 30 June 2015 compared to the corresponding period ended 30 June 2014 is due to changes in the tenants mix. At the same time the loss before tax for the current quarter and financial period ended 30 June 2015 as compared to a profit before tax for the preceding financial year's corresponding quarter and financial period was due to once-off cost saving in previous financial quarter ended 30 June 2014.

**c) Leisure**

The increase in the revenue for the financial period ended 30 June 2015 as compared to the preceding financial year is due to contribution from the 3-star Best Western i-City ("Best Western Hotel") that commenced operations in January 2015 while the drop in profit before taxation for the financial period ended 30 June 2015 as compared to that in the preceding financial year due to the hotel's pre-opening expenses.

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

The Group's revenue and profit before tax for the current quarter was lower at RM52.7 million and RM9.0 million respectively compared to the revenue and profit before tax of RM75.3 million and RM13.6 million respectively for the preceding quarter. The decline in performance was mainly due to the lower contribution from the Property Development segment resulting from the completion of i-Residence project in the previous quarter.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED  
30 JUNE 2015 - UNAUDITED**16 Commentary on prospects – current 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.

In the first half of this year, sales generated by the Property Development segment was 50 % higher as compared to the sale recorded for the first half of 2014. This has resulted in the unbilled sales as at the end of June 2015 growing to RM580.2 million as compared to RM 417.6 million at the end of June 2014. The Board expects this to translate into higher revenue for the Group when the construction progresses further in the second half of this year.

The growth in the occupancy of Best Western Hotel as well as the contribution from the new attractions at Leisure Park @ i-City that were opened in the beginning of this year, will drive the growth of the Leisure segment.

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 2015.

**17 Tax Expense**

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Taxation				
- Income tax	1,149	6,269	4,988	8,512
- Deferred tax	(631)	-	(1,281)	(2)
	<u>518</u>	<u>6,269</u>	<u>3,707</u>	<u>8,510</u>
Under/(Over) provision in prior year				
- Income tax	-	-	195	-
- Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>195</u>	<u>-</u>
Total	<u>518</u>	<u>6,269</u>	<u>3,902</u>	<u>8,510</u>

Overall, the effective tax rate is slightly lower than the statutory tax rate mainly due to the unutilised capital losses brought forward in certain subsidiaries.

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

Details of utilisation	Approved utilisation RM'000	Utilisation as at 30.06.2015 RM'000	Unutilised as at 30.06.2015 RM'000
Property development expenditure and/or activities	160,000	61,504	98,496
Repayment of amount owing to Sumurwang	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>82,336</u>	<u>115,153</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED  
30 JUNE 2015 - UNAUDITED**19 Group borrowings and debt securities**

The Group has no borrowing as at 30 June 2015 other than the liability components of remaining unconverted 116.4 million five year 2% to 3% irredeemable convertible unsecured loan stocks ("ICULS") of RM58.2 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 August 2015 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 2014, a final single tier dividend amounting to 1.51 sen per ordinary share which has been approved by the shareholders during the 48<sup>th</sup> Annual General Meeting held on 29 June 2015 will be paid on 22 September 2015 to Depositors whose names appear in the Record of Depositors on 7 September 2015.

ICULS holders and Warrant holders who wish to be entitled to the above final single tier dividend should exercise their rights to convert/subscribe for new ordinary shares by lodging their duly completed conversion/subscription forms together with the relevant subscription monies with the Share Registrar no later than 5.00 p.m. on 24 August 2015 in order for the new shares to be listed and credited by 7 September 2015.

**22 Earnings per share**

## (i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2015	30.06.2014 Restated	30.06.2015	30.06.2014 Restated
Profit attributable to owners of the parent (RM'000)	8,518	19,406	18,753	25,509
Weighted average number of ordinary shares in issue ('000)	1,061,314	480,636	1,061,314	480,636
Basic earnings per share (sen)	0.80	4.04	1.77	5.31

## (ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2015	30.06.2014 Restated	30.06.2015	30.06.2014 Restated
Profit attributable to owners of the parent (RM'000)	8,518	19,406	18,753	25,509
Weighted average number of ordinary shares in issue ('000)	1,061,314	480,636	1,061,314	480,636
Effect of dilution ('000)	254,326	-	254,326	-
Diluted earnings per share (sen)	0.65	4.04	1.43	5.31

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED  
30 JUNE 2015 - UNAUDITED**23 Note to consolidated statements of comprehensive income**

	Quarter ended/ Three months ended		Year to date/ Six months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Profit before taxation for the financial period is arrived at after crediting:				
Interest income	1,134	36	2,378	76
Other income	502	209	1,675	436
and charging:				
Depreciation of property, plant and equipment	3,972	2,853	7,579	6,627

**24 Disclosure of realised and unrealised profits**

	Year to date/ Six months ended	Year to date/ Six months ended
	30.06.2015 RM'000	30.06.2014 RM'000
Total retained earnings of I-Berhad and its subsidiaries:		
- Realised	82,065	46,050
- Unrealised	20,489	17,687
	102,554	63,737
Total share of retained earnings from an associate:		
- Realised	130	93
Consolidation adjustments	3,759	2,826
Total retained earnings as per consolidated accounts	106,443	66,656

**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 24 August 2015.