



I-BERHAD (7029-H)
CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007
(The figures have not been audited)

	Note	3 Months Ended		9 Months Ended	
		30/09/2007 RM'000	30/09/2006 RM'000	30/09/2007 RM'000	30/09/2006 RM'000
Revenue	4	183	3,411	2,436	15,530
Operating Expenses		(957)	(4,145)	(4,838)	(17,783)
Other Operating Income		132	132	560	1,809
Operating Profit/(Loss)		<u>(642)</u>	<u>(602)</u>	<u>(1,842)</u>	<u>(444)</u>
Interest income		1,088	994	3,042	2,959
Profit before taxation		<u>446</u>	<u>392</u>	<u>1,200</u>	<u>2,515</u>
Tax income/(expense)	19	(121)	(67)	204	(162)
Profit for the period		<u><u>325</u></u>	<u><u>325</u></u>	<u><u>1,404</u></u>	<u><u>2,353</u></u>
Earnings Per Share (sen)					
(a) Basic	27	0.30	0.43	1.52	3.14
(b) Fully diluted	27	0.30	0.43	1.52	3.14

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)



I-BERHAD (7029-H)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2007
(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30/09/2007 RM '000	As at 31/12/2006 (Restated) RM '000
ASSETS			
Non Current Assets			
Property, Plant and Equipment	9	7,129	7,440
Prepaid Lease Payments		2,943	2,977
Investment In Associate	11	875	-
Property Development Expenditures		29,525	7,439
		<u>40,472</u>	<u>17,856</u>
Current Assets			
Inventories		275	3,151
Investments	21	13,066	5,796
Marketable Securities	21	225	225
Receivables		1,557	2,409
Cash & Cash Equivalents		104,698	111,667
		<u>119,821</u>	<u>123,248</u>
TOTAL ASSETS		<u><u>160,293</u></u>	<u><u>141,104</u></u>
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders			
Share Capital		114,486	80,850
Treasury Shares	10	(8,470)	(5,718)
Reserves		43,482	22,341
ICULS		-	40,326
TOTAL EQUITY		<u>149,498</u>	<u>137,799</u>
Non Current Liabilities			
Other Deferred Liabilities		-	646
Total Non Current Liabilities		<u>-</u>	<u>646</u>
Current Liabilities			
Payables		10,252	2,205
Tax payables		543	454
Total Current Liabilities		<u>10,795</u>	<u>2,659</u>
TOTAL LIABILITIES		10,795	3,305
TOTAL EQUITY AND LIABILITIES		<u><u>160,293</u></u>	<u><u>141,104</u></u>
Net assets per share (RM) (Note 1)		<u><u>1.62</u></u>	<u><u>1.82</u></u>

Note 1:

The net assets per share for 2007 is calculated by dividing the total net assets by the weighted number of ordinary shares in issue of 92,458,138 ordinary shares.

The net assets per share for 2006 is calculated by dividing the total net assets by the weighted number of ordinary shares in issue of 75,619,429 ordinary shares.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)



I-BERHAD (7029-H)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007
(The figures have not been audited)

	Share Capital RM '000	ICULS RM '000	Reserve Attributable to Capital RM '000	Accumulated Loss RM '000	Treasury Shares RM '000	Total RM '000
At 1 January 2006	80,784	40,392	40,361	(16,320)	(3,635)	141,582
Movements during the period (cumulative)	66	(66)	43	2,353	(2,052)	344
Final dividend for the financial year ended 31 Dec 2005	-	-	-	(2,254)	-	(2,254)
Interest on ICULS	-	-	-	(1,513)	-	(1,513)
At 30 September 2006	<u>80,850</u>	<u>40,326</u>	<u>40,404</u>	<u>(17,734)</u>	<u>(5,687)</u>	<u>138,159</u>
At 1 January 2007	80,850	40,326	40,310	(17,969)	(5,718)	137,799
Movements during the period (cumulative)	33,636	(40,326)	21,867	1,404	(2,752)	13,829
Final dividend for the financial year ended 31 Dec 2006	-	-	-	(1,462)	-	(1,462)
Interest on ICULS	-	-	-	(668)	-	(668)
At 30 September 2007	<u>114,486</u>	<u>-</u>	<u>62,177</u>	<u>(18,695)</u>	<u>(8,470)</u>	<u>149,498</u>

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)



I-BERHAD (7029-H)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007
(The figures have not been audited)

	9 Months Ended	
	30/09/2007 RM '000	30/09/2006 RM '000
Net cash (used in) / generated from operating activities	(12,240)	(3,005)
Net cash (used in) / generated from investing activities	(4,677)	7,609
Net cash (used in)/generated from financing activities	9,948	(5,768)
Net (decrease) / increase in cash & cash equivalents	(6,969)	(1,164)
Cash & cash equivalents at beginning of financial period	111,667	116,292
Cash & cash equivalents at end of the financial period	104,698	115,128

Cash and cash equivalents at the end of the financial period comprise the following :

	As at 9/30/2007 RM '000	As at 9/30/2006 RM '000
	Cash and bank balances	104,698

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

**PART A -EXPLANATORY NOTES PURSUANT TO FRS 134****1 Basis of Preparation**

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") No. 134, Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

2 Changes in Accounting Policies

The same accounting policies and method of computation are followed in the interim financial statements as compared with the annual financial statements for the year ended 31 December 2006.

3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

4 Segmental Information

	3 Months		9 Months	
	Ended 30 September		Ended 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Digital Convergent Products	602	5,736	4,604	26,522
Property Development	-	-	-	-
Others	-	2	4	406
Total revenue including inter-segment sales	602	5,738	4,608	26,928
Elimination of inter-segment sales	(419)	(2,327)	(2,172)	(11,398)
Total	<u>183</u>	<u>3,411</u>	<u>2,436</u>	<u>15,530</u>
Segment Results				
Digital Convergent Products	(446)	(337)	(1,568)	(657)
Property Development	(81)	-	(148)	-
Others	(94)	131	(25)	(538)
	(621)	(206)	(1,741)	(1,195)
Elimination of inter-segment sales	(1)	51	116	97
Loss from operations	(622)	(155)	(1,625)	(1,098)
Gain from sale of property	-	-	-	1,101
Unallocated corporate expenses	(20)	(447)	(217)	(447)
Operating profit/(loss)	(642)	(602)	(1,842)	(444)
Interest income	1,088	994	3,042	2,959
Income taxes	(121)	(67)	204	(162)
Net profit for the period	<u>325</u>	<u>325</u>	<u>1,404</u>	<u>2,353</u>

5 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 financial period ended 30 September 2007.

6 Change in Estimates

There are no changes in estimates reported in prior interim periods of the current financial year or prior financial year which have a material effect in the current interim period.

7 Comments about Seasonal or Cyclical Factors

The Group's operation was not materially affected by seasonal demand.

8 Dividends Paid

No dividend was paid in the current quarter.

**9 Carrying Amount of Revalued Assets**

The valuation of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

10 Debt and Equity Securities

Save as disclosed below, there were no issuance or repayment of debt and equity securities for the current financial year to date.

a. Share buy-backs, share cancellations and sale of treasury shares

During the current financial year-to-date, the Company bought back its issued shares from the open market as follows:-

Month	No of Shares	Highest Price RM	Lowest Price RM	Average Price RM	Total Consideration Paid # RM
Jan-07	73,100	0.94	0.94	0.95	69,341
Feb-07	43,200	1.03	1.03	1.04	45,021
Mar-07	324,700	1.13	0.98	1.07	346,927
Apr-07	<u>1,646,100</u>	1.61	1.09	1.39	<u>2,291,390</u>
	<u>2,087,100</u>				<u>2,752,679</u>

Inclusive of commission, stamp duty and other charges

All the above shares were being held and retained as treasury shares as defined under Section 67A of the Companies Act, 1965. As at 30 September 2007, the total number of treasury shares held were 8,085,000 representing 7.06% of the total paid-up share capital of the Company. None of the treasury shares were sold or cancelled during the current quarter.

11 Changes in Composition of the Group

Other than I-Office2 Sdn Bhd (formerly known as Sumurgreens Sdn Bhd) becoming an associate Company of I-R&D Sdn Bhd (a subsidiary of I-Berhad) on 5 September 2007, there were no changes in the composition of the Group during the interim period.

12 Capital Commitments

There were no capital commitments as at the end of the current quarter or last annual balance sheet date.

13 Changes in Contingent Liabilities or Contingent Assets**a. Contingent Liabilities**

	9 Months Ended 30/09/2007 RM'000	12 Months Ended 31/12/2006 RM'000
i. Bank guarantees given to third parties in respect of services rendered to a subsidiary company	60	60
ii. Bank guarantees given to third parties in respect of commercial development project granted to subsidiary companies	313	238
	<u>373</u>	<u>298</u>

b. Contingent Assets

There were no contingent assets as at the end of the current quarter or last annual balance sheet date.

14 Subsequent Events

There were no significant events subsequent to the end of the current quarter other than the following:

a.

Further to the Company's announcement on 28 August 2007, the Company's subsidiary, I-R & D Sdn Bhd had on 5 September 2007 subscribed for 250,000 ordinary shares of RM3.50 each representing 35% of the issued share capital of the Joint Venture Company known as I-Office2 Sdn Bhd (formerly known as Sumurgreens Sdn Bhd) which is principally involved in the delivery of workspace management, communications and productivity benefits through a managed network to the tenants, occupants and residents of I-City, an ICT -based commercial development project in Shah Alam. Its joint venture partner, Office Squared Malaysia Sdn Bhd holds 65% equity in I-Office2 Sdn Bhd which has already commenced operations.

b.

In relation to the Memorandum of Understanding ("MOU") entered between Cisco and the Company's wholly owned subsidiary, I-City Properties Sdn Bhd ("I-City Properties") on 30 March 2007, with immediate effect, I-City Properties will not be pursuing the MOU further as Cisco will be working together with I-Office2 Sdn Bhd to provide the ICT facilities and services for I-City. The cessation of the MOU with Cisco has no effect on the Company, financially and legally.

**PART B -EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****15 Performance Review**

For the current financial period ended 30 September 2007, the Group's revenue was RM2.436 million compared to RM15.530 million in the preceding financial period ended 30 September 2006. The decrease in revenue was mainly due to the phasing out of the digital convergent business. As noted in our announcement dated 19 October 2005, the Group has commenced its property development activities, particularly the I-City project in Shah Alam, Selangor. Accordingly, the future revenue of the Group will be derived mainly from property development.

The Group recorded a lower profit before tax of approximately RM1.200 million compared to RM2.515 million for the corresponding financial period ended 30 September 2006 mainly due to a lower turnover of the digital convergent business.

16 Comment on the Profit Before Taxation for the Quarter Reported against the Second Quarter 2007

The Group recorded a profit before taxation of approximately RM0.446 million for the current quarter as compared to a profit before taxation of approximately RM0.116 million for the quarter ended 30 June 2007 mainly due to a lower operating expenses.

17 Commentary on Prospects

The performance of the Group's business is expected, barring any unforeseen circumstances, to improve in the forthcoming quarter.

18 a. Explanatory Note for Variance of Actual Profit After Tax and Minority Interest and Profit Forecast After Tax and Minority Interest

Not applicable

b. Explanatory Note for Any Shortfall in Profit Guarantee

Not applicable

19 Income Tax Expense

	3 Months Ended 30/09/2007 RM'000	3 Months Ended 30/09/2006 RM'000	9 Months Ended 30/09/2007 RM'000	9 Months Ended 30/09/2006 RM'000
Current Year Provision	(121)	(75)	(442)	(159)
Deferred Tax	0	8	646	23
Real Property Gains Tax	-	0	-	(26)
Tax Income/(Expense)	<u>(121)</u>	<u>(67)</u>	<u>204</u>	<u>(162)</u>

For the financial year to date, the Group has Tax Income mainly due to the reversal of the Deferred Tax Liabilities which was previously provided in the Real Property Gains Tax.

20 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

21 Quoted Securities

	3 Months Ended 30/09/2007 RM'000	9 Months Ended 30/09/2007 RM'000
a. Investments in quoted securities as at the reporting period:		
At Cost/Book Value	225	225
At Market value	262	262
b. Investments in Money Market Fund		
At Cost/Book Value	13,066	13,066
At Market value	13,042	13,042

**22 a. Status of Corporate Proposals**

There were no new corporate proposals for the financial quarter under review.

b. Status on Utilisation of Right Issue Proceeds

Utilisation As Approved	Revised	Utilisation	Balance Unutilised RM'000
	Amount As Approved RM'000	As at 30/09/07 RM'000	
Working Capital	37,431	37,430	1
Replacement, upgrading and expansion of existing manufacturing facilities	27,000	-	27,000
Investment in research and development centre	25,000	-	25,000
Advertising and promotions	20,000	6,064	13,936
Expansion and improvement in the marketing network, setting up of new sales and service outlet and showroom in Malaysia	7,000	674	6,326
Investment in Group's computerisation	2,000	307	1,693
Fund raising expenses	725	725	-
Total	119,156	45,200	73,956

On 22 November 2007, the Board resolved to further extend the utilisation period up to 22 November 2008 for the Company's unutilised rights issue proceeds of RM73.956 million.

The proposed extension of time is to enable the Board :-

(i) to consider utilisation of the rights issue proceeds for future phases of the Company's on-going development of the I-City project in Shah Alam, Selangor, in line with the Company's current business focus in property development; and

ii) to explore all possible current and future options for the benefit of the Company and also to enhance shareholders' value.

23 Group Borrowings and Debt Securities

All the outstanding ICULS 2002/2007 had been converted into new ordinary shares of RM1.00 each on 3 May 2007.

24 Summary of Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk at the date of the report.

25 Changes in Material Litigation

There were no material litigation pending since the last annual balance sheet date up to the date of this report.

26 Dividend

No interim dividend has been declared for the financial period ended 30 September 2007 (30 September 2006 : Nil)

27 Earnings Per Ordinary Share

	3 Months	3 Months	9 Months	9 Months
	Ended 30/09/2007 RM'000	Ended 30/09/2006 RM'000	Ended 30/09/2007 RM'000	Ended 30/09/2006 RM'000
a. Basic				
Net profit for the period	325	325	1,404	2,353
Weighted number of ordinary shares in issue, net of treasury shares ('000)	107,490	74,881	92,458	74,881
Basic earnings per ordinary share (sen)	0.30	0.43	1.52	3.14

b. Diluted

The fully diluted earnings per share have not been presented as there is no diluted effect for the shares of the Company.

28 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 November 2007.

BY ORDER OF THE BOARD

TOO YET LAN
Secretary

Kuala Lumpur
27 November 2007