



**I-BERHAD** (7029-H)  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2008**  
(The figures have not been audited)

	Note	-----Individual quarter-----		-----Cumulative quarter-----	
		Current year quarter 30/09/2008 RM '000	Preceding year corresponding quarter 30/09/2007 RM '000	Current year to date 30/09/2008 RM '000	Preceding year corresponding period 30/09/2007 RM '000
Revenue	4	11,518	183	12,385	2,436
Operating Expenses		(9,149)	(957)	(10,659)	(4,838)
Other Operating Income		289	132	812	560
<b>Operating Profit / (Loss)</b>		<u>2,658</u>	<u>(642)</u>	<u>2,538</u>	<u>(1,842)</u>
Interest income		439	1,088	1,788	3,042
Share of loss of associate		(123)	0	(243)	0
<b>Profit before taxation</b>		<u>2,974</u>	<u>446</u>	<u>4,083</u>	<u>1,200</u>
Tax income/(expense)	19	(6)	(121)	(74)	204
<b>Profit for the period</b>		<u><u>2,968</u></u>	<u><u>325</u></u>	<u><u>4,009</u></u>	<u><u>1,404</u></u>
Earnings Per Share (sen)					
(a) Basic	27	2.59	0.30	3.50	0.80
(b) Fully diluted	27	2.59	0.30	3.50	0.80

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements)



**I-BERHAD** (7029-H)  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2008**  
(The figures have not been audited)

	Note	As at end of current quarter 30/09/2008 RM '000	As at preceding financial year end 31/12/2007 RM '000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	9	7,280	7,502
Prepaid Lease Payments		2,898	2,932
Investment In Associate	11	614	857
		<u>10,792</u>	<u>11,291</u>
<b>Current Assets</b>			
Property Development Expenditure		89,118	42,050
Inventories		3	15
Investments	21	24,895	13,136
Marketable Securities	21	170	225
Receivables		15,483	3,380
Cash & Cash Equivalents		49,120	97,683
		<u>178,789</u>	<u>156,489</u>
<b>TOTAL ASSETS</b>		<u><u>189,581</u></u>	<u><u>167,780</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Equity Holders</b>			
Share Capital		114,486	114,486
Treasury Shares	10	(8,470)	(8,470)
Reserves		45,986	44,020
<b>TOTAL EQUITY</b>		<u>152,002</u>	<u>150,036</u>
<b>Current Liabilities</b>			
Payables		36,968	17,088
Tax payables		611	656
<b>Total Current Liabilities</b>		<u>37,579</u>	<u>17,744</u>
<b>TOTAL LIABILITIES</b>		37,579	17,744
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>189,581</u></u>	<u><u>167,780</u></u>
<b>Net assets per share (RM) (Note 1)</b>		<u>1.33</u>	<u>1.57</u>

**Note 1:**

The net assets per share for 2008 is calculated by dividing the total net assets by the number of ordinary shares in issue of 114,486,356 ordinary shares.

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 Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying notes attached to the financial statements)**



**I-BERHAD** (7029-H)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2008**  
(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
<b>At 1 January 2007</b>	80,850	40,326	40,310	(17,969)	(5,718)	137,799
Movements during the year (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)
<b>At 30 September 2007</b>	<u>114,486</u>	<u>-</u>	<u>62,177</u>	<u>(18,695)</u>	<u>(8,470)</u>	<u>149,498</u>
<b>At 1 January 2008</b>	114,486	-	62,099	(18,079)	(8,470)	150,036
Movements during the year (cumulative)	-	-	85	4,009		4,094
Final dividend for the financial year ended 31 Dec 2007				(2,128)		(2,128)
<b>At 30 September 2008</b>	<u>114,486</u>	<u>-</u>	<u>62,184</u>	<u>(16,198)</u>	<u>(8,470)</u>	<u>152,002</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 2007 and the accompanying explanatory notes attached to the financial statements)



**I-BERHAD** (7029-H)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2008**  
(The figures have not been audited)

	<b>Current year to date 30/09/2008 RM '000</b>	<b>Preceding year corresponding period 30/09/2007 RM '000</b>
Net cash used in operating activities	(35,968)	(12,240)
Net cash used in investing activities	(10,467)	(4,677)
Net cash (used in) / generated from financing activities	(2,128)	9,948
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(48,563)</b>	<b>(6,969)</b>
Cash & cash equivalents at beginning of financial year	97,683	111,667
<b>Cash &amp; cash equivalents at end of the financial year</b>	<b>49,120</b>	<b>104,698</b>
 <b>Cash and cash equivalents at the end of the financial year comprise the following :</b>		
 <b>Cash and bank balances</b>	 <b>49,120</b>	 <b>104,698</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the 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 unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007. The 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 2007.

**2 Changes in Accounting Policies**

The significant accounting policies and methods of computation applied in the unaudited interim financial statement are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2007, except for the following Financial Reporting Standards ("FRS") and amendments :-

(a) FRS which are effective for annual periods beginning on or after 1 July 2007

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

(b) Framework for the Preparation and Presentation of Financial Statements ("Framework") which is effective for annual periods beginning on or after 1 July 2007

(c) Amendment which is effective for annual periods beginning on or after 1 July 2007

- Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

The adoption of the above FRSs, Framework and amendment has no material effect on the financial statements.

**3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2007 was not qualified.

**4 Segmental Information**

The Group's segmental report for the financial period under review is as follows:-

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30/09/2008 RM'000	Preceding year corresponding quarter 30/09/2007 RM'000	Current year to date 30/09/2008 RM'000	Preceding year corresponding period 30/09/2007 RM'000
<b>Segment Revenue</b>				
Digital Convergent Products	16	602	26	4,604
Property Development	11,493	-	12,350	-
Others	9	-	9	4
Total revenue including inter-segment sales	11,518	602	12,385	4,608
Elimination of inter-segment sales	-	(419)	-	(2,172)
<b>Total</b>	<b>11,518</b>	<b>183</b>	<b>12,385</b>	<b>2,436</b>
<b>Segment Results</b>				
Digital Convergent Products	(74)	(446)	(107)	(1,568)
Property Development	2,730	(81)	2,648	(148)
Others	138	(94)	243	(25)
	2,794	(621)	2,784	(1,741)
Elimination of inter-segment sales	-	(1)	-	116
Loss from operations	2,794	(622)	2,784	(1,625)
Unallocated corporate expenses	(136)	(20)	(246)	(217)
Operating profit/(loss)	2,658	(642)	2,538	(1,842)
Share of loss of associate	(123)	-	(243)	-
Interest income	439	1,088	1,788	3,042
Income taxes	(6)	(121)	(74)	204
<b>Net profit for the period</b>	<b>2,968</b>	<b>325</b>	<b>4,009</b>	<b>1,404</b>



**I-BERHAD** (7029-H)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

**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 quarter ended 30 September 2008.

**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 financial period.

**7 Comments about Seasonal or Cyclical Factors**

The Group's business was not affected by any significant seasonal or cyclical factors in the current interim period.

**8 Dividends Paid**

No dividend was paid in the current quarter.

**9 Valuation of Property, Plant and Equipment**

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

**10 Changes in Debt and Equity Securities**

There were no issuance or repayment of debt or equity securities, share buy-back, share cancellations and sale of treasury shares for the current financial year to date.

All the treasury shares were bought in the previous financial years and were being held and retained as treasury shares as defined under Section 67A of the Companies Act, 1965. As at 30 September 2008, 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**

There was no change in the composition of the Group during the interim financial period.

**12 Capital Commitments**

There was 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**

	As at 30/09/2008 RM'000	As at 31/12/2007 RM'000
i. Bank guarantees given to third parties in respect of services rendered to a subsidiary company	135	135
ii. Guarantee given to third party in respect of water reticulation works granted to a subsidiary company	<u>352</u>	<u>142</u>
	<u>487</u>	<u>277</u>

**b. Contingent Assets**

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

**14 Subsequent Events**

On 23 October 2008, the Selangor State Government endorsed i-City, the Company's 72 acres state-of-the-art ICT based development as an "International Park", offering cosmopolitan lifestyle components to support the international community. The i-City International Park was subsequently launched by the Selangor Menteri Besar, Tan Sri Dato' Abdul Khalid Bin Ibrahim on 27 October 2008. The recognition by the Selangor State Government of i-City as an International Park, would make i-City a preferred investment location for the global knowledge companies.



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

**15 Performance Review**

The Group reported a much improved results for the current nine months ended 30 September 2008 as compared to the same corresponding period a year ago, despite receiving a much lower interest income this year due to the utilisation of funds to self-finance the on-going i-City project. The higher revenue and operating profit achieved during the period under review was largely contributed by the completion of the Group's i-City Phase 1 project comprising 44 cybercentre office suites with an increase in the number of en-bloc units sold being recognised for the quarter under review. Whereas the revenue and operating loss for the 1st nine months last year was attributed to the already phased out digital convergent business.

In line with the Group's venture into property development activities since year 2006, the revenue of the Group with effect from the current financial year ending 31 December 2008, will be derived substantially from property development.

**16 Comment on the Profit Before Taxation for the Quarter Reported against the Second Quarter 2008**

The Group posted stronger results for the current quarter against the immediate preceding quarter, due mainly to the higher contribution from Phase 1 of its i-City project comprising 44 cybercentre office suites which were completed during the third quarter under review thereby resulting in higher revenue being recognised.

**17 Commentary on Prospects**

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

**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**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30/09/2008 RM'000	Preceding year corresponding quarter 30/09/2007 RM'000	Current year to date 30/09/2008 RM'000	Preceding year corresponding period 30/09/2007 RM'000
Current Year Provision	(6)	(121)	(74)	(442)
Deferred Tax	-	-	-	646
Tax Income/(Expense)	<u>(6)</u>	<u>(121)</u>	<u>(74)</u>	<u>204</u>

The Group recorded tax expenses RM0.074 million for the financial period under review. The Group's effective tax rate for the year was lower than the statutory tax rate of 26%. This was mainly due to the utilisation of the unabsorbed tax losses and capital allowances.

**20 Sale of Unquoted Investments and/or Properties**

There were no sales of investment and/or properties for the current financial period under review.

**21 Quoted Securities**

	As At 30/09/2008 RM'000
<b>a. Investments in quoted securities as at the reporting period:</b>	
At Cost/Book Value	170
At Market value	96
<b>b. Investments in Money Market Fund</b>	
At Cost/Book Value	24,895
At Market value	24,888



**I-BERHAD** (7029-H)  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

**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**

<b>Utilisation As Approved</b>	Revised Amount As Approved RM'000	Utilisation As At 30/09/08 RM'000	Balance Unutilised RM'000	Revised Utilisation As Per 17 Oct 2008's Submission RM'000
Working Capital	37,431	37,431	-	-
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	7,746
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	-	-
Development of i-City :-				
- Bridge financing for i-City	-	-	-	25,209
- Long term investment in data centre	-	-	-	20,000
- Investment in ICT facilities	-	-	-	10,000
- Investment in the retail centre	-	-	-	10,000
Marketing network, sales and service outlet showroom for i-City	-	-	-	1,000
<b>Total</b>	<b>119,156</b>	<b>45,201</b>	<b>73,955</b>	<b>73,955</b>

On 21 November 2008, the Board resolved to further extend the utilisation period up to 21 November 2009 for the Company's unutilised right issue proceeds of RM73.955 million. The Company has on 17 October 2008 made a submission to the Securities Commission ("SC") for the revised utilisation of the rights issue proceeds as shown above. The proposed revision in the utilisation of the rights issue proceeds is currently pending approval from the SC.

**23 Group Borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 30 September 2008.

**24 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**

In relation to BBDO (M) Sdn Bhd's (BBDO) suit against the Company and its subsidiary for advertising services rendered by BBDO amounting to RM1,130,341 plus interest and costs, the said suit has been settled amicably between the parties. BBDO has discontinued the action in the Kuala Lumpur High Court against the Company with no order as to costs and with no liberty to file afresh. The said settlement was made on a non-admission of liability basis by the parties and the parties shall have no further claims whatsoever against the other party in respect of the subject matter of the said action.

**26 Dividend**

No interim dividend has been declared for the financial quarter ended 30 September 2008 (30 September 2007: Nil)

**27 Earnings Per Ordinary Share**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30/09/2008 RM'000	Preceding year corresponding quarter 30/09/2007 RM'000	Current year to date 30/09/2008 RM'000	Preceding year corresponding period 30/09/2007 RM'000
<b>a. Basic</b>				
Net profit for the period	2,968	325	4,009	1,404
Adjustment for interest on ICULS	-	-	-	(668)
Adjusted net profit attributable to ordinary shares	<u>2,968</u>	<u>325</u>	<u>4,009</u>	<u>736</u>
Weighted number of ordinary shares in issue, net of treasury shares ('000)	<u>114,486</u>	<u>107,490</u>	<u>114,486</u>	<u>92,458</u>
Basic earnings per ordinary share (sen)	<u>2.59</u>	<u>0.30</u>	<u>3.50</u>	<u>0.80</u>

**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 financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 November 2008.

**BY ORDER OF THE BOARD**

**TOO YET LAN**

**Secretary**

Kuala Lumpur

28 November 2008