

I-Berhad (7029-H)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Unaudited As at 30.06.2012 RM'000	Audited As at 31.12.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,812	21,750
Investment property	65,460	65,460
	<u>93,272</u>	<u>87,210</u>
Current assets		
Property development costs	63,630	42,177
Inventories	54,457	54,457
Trade and other receivables	4,959	4,131
Other investments	47	47
Current tax assets	517	746
Cash and cash equivalents	21,408	24,538
	<u>145,018</u>	<u>126,096</u>
TOTAL ASSETS	<u><u>238,290</u></u>	<u><u>213,306</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	114,486	114,486
Reserves	59,309	55,508
Treasury shares	(8,471)	(8,471)
Equity attributable to owners of the parent	<u>165,324</u>	<u>161,523</u>
Non-controlling interests	128	278
TOTAL EQUITY	<u><u>165,452</u></u>	<u><u>161,801</u></u>
Non-current liabilities		
Deferred tax liabilities	1,486	1,486
Current liabilities		
Trade and other payables	71,352	50,019
Current tax liabilities	-	-
	<u>71,352</u>	<u>50,019</u>
TOTAL LIABILITIES	<u><u>72,838</u></u>	<u><u>51,505</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>238,290</u></u>	<u><u>213,306</u></u>
Net Assets per share (RM)	<u>1.55</u>	<u>1.52</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2012 RM'000	Preceding Year Quarter 30 Jun 2011 RM'000	Current Year To Date 30 Jun 2012 RM'000	Preceding Year To Date 30 Jun 2011 RM'000
Revenue	10,941	6,710	19,591	11,292
Cost of Sales	(4,920)	(3,764)	(9,041)	(6,369)
Gross profit	6,021	2,946	10,550	4,923
Other income	2,085	554	2,313	958
Other expenses	(5,021)	(3,647)	(8,944)	(6,250)
Profit before taxation	3,085	(147)	3,919	(369)
Income tax expense	(189)	(45)	(281)	(66)
Profit net of tax	2,896	(192)	3,638	(435)
Other comprehensive income:				
Foreign currency translations	39	14	13	16
Total comprehensive income	2,935	(178)	3,651	(419)
Profit attributable to:				
Owners of the parent	2,969	(129)	3,788	(294)
Non-controlling interests	(73)	(63)	(150)	(141)
	2,896	(192)	3,638	(435)
Total comprehensive income attributable to:				
Owners of the parent	3,008	(115)	3,801	(278)
Non-controlling interests	(73)	(63)	(150)	(141)
	2,935	(178)	3,651	(419)
Earnings per share attributable to owners of the parent	sen	sen	sen	sen
Basic	2.80	(0.12)	3.57	(0.28)
Fully diluted	2.80	(0.12)	3.57	(0.28)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Non-distributable			Distributable					
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000			
Balance as at 1 January 2011	114,486	(8,471)	60,530	1,331	(5)	(6,690)	161,181	555	161,736
Total comprehensive income for the period					16	(294)	(278)	(141)	(419)
Transfer between reserves				(45)		45	-		-
Dividends paid						-	-		-
Balance as at 30 June 2011	114,486		60,530	1,286	11	(6,939)	160,903	414	161,317
Balance as at 1 January 2012	114,486	(8,471)	60,530	1,331	63	(6,416)	161,523	278	161,801
Total comprehensive income for the period						3,801	3,801	(150)	3,651
Transfer between reserves					13	(13)	-		-
Dividends						-	-		-
Balance as at 30 June 2012	114,486		60,530	-	76	(2,628)	165,324	128	165,452

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 2011 and the accompanying notes.

I-Berhad (7029-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	6 months ended	
	30 Jun 2012	30 Jun 2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,919	(369)
Adjustments for:		
Non-cash/operating items	3,467	1,332
Operating profit before working capital changes	7,386	963
Net changes in current assets	(19,258)	(8,172)
Net changes in current liabilities	18,117	(3,970)
Cash generated from operations	6,245	(11,179)
Tax paid	(51)	(375)
Net cash generated from operating activities	6,194	(11,554)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,734)	(118)
Interest received	397	562
Net cash used in investing activities	(9,337)	444
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	(3,143)	(11,110)
Effect of foreign exchange rate changes	13	16
Cash and cash equivalents at beginning of the period	24,538	43,136
Cash and cash equivalents at end of the period	21,408	32,042
Cash and cash equivalents comprise :		
Cash and bank balances	21,408	32,042

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying notes.

Part A – Explanatory Notes Pursuant to FRS134

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 financial year ended 31 December 2011.

The significant accounting policies adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2011.

In November 2011, The Malaysian Accounting Standards Board published a new Malaysian Financial Reporting Standards ('MFRS') Framework that is applicable to all Entities Other Than Private Entities apart from entities that are within the scope of IC Interpretation 15 Agreements for the Construction of Real Estate ('Transitioning Entities'). The companies within the Group are Transitioning Entities and will continue with the FRS Framework and defer the adoption of the MFRS Framework until it is mandatory for all companies for annual periods beginning on or after 1 January 2014.

2 Seasonal or cyclical factors

The Group's results for the current financial period were not materially impacted by any seasonal or cyclical factors apart from the Leisure segment which is generally more active 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 financial period ended 30 June 2012 apart from a one-off gain of RM1.8 million from the divestment of the i-Home trademark in April 2012.

4 Changes in estimates

Not applicable.

5 Debt and equity securities

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

All the treasury shares totaling 8,085,000 ordinary shares and representing 7.06% of the paid-up share capital of the Company were bought in the previous financial years. None of the treasury shares was sold or cancelled during the financial period ended 30 June 2012.

6 Dividends paid

No dividends were paid in the current quarter.

7 Carrying amount of revalued assets

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial report for the year ended 31 December 2011.

8 Events after the interim period

On 18 July 2012, the Company's wholly-owned subsidiary, I-R & D Sdn Bhd ("I-R & D") subscribed for 40,000 ordinary shares of RM1.00 each at RM1.00 per share in I-City Hotel Sdn Bhd ("I-City Hotel") for a total cash consideration of RM40,000 representing 40% of the issued and paid-up capital of I-City Hotel resulting in I-City Hotel becoming an associated company of the Group. I-City Hotel was incorporated on 12 July 2012 as a private limited company under the Companies Act, 1965. The authorised capital of I-City Hotel is RM500,000 comprising 500,000 ordinary shares of RM1.00 each with an issued and paid-up capital of RM100,000. I-City Hotel is principally involved in operating a boutique hotel at i-City, Shah Alam, Selangor and is expected to commence business in September 2012.

9 Changes in composition of the Group

There were no changes in the composition of the Group as at 30 June 2012.

10 Changes in contingent liabilities and contingent assets

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
Contingent liabilities:		
Bank guarantee given to third parties in respect of services rendered to subsidiary companies	1,181	1,000
Guarantee given to third parties for securing sale and leaseback arrangement owing to third parties as part of the conditions of sale between the third parties and the Company's subsidiaries	9,892	13,383
	<u>11,073</u>	<u>14,383</u>

There were no contingent assets since the end of the last annual reporting period on 31 December 2011.

11 Capital commitments

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
Capital expenditure for property, plant, and equipment:		
Contracted but not provided for	<u>924</u>	<u>924</u>

12 Significant Related Party Transactions

None.

13 Segmental information - By business segments

6 months ended 30 June 2012	Property Development RM'000	Property Investment RM'000	Leisure RM'000	ICT Services RM'000	Others RM'000	Consolidated RM'000
Revenue						
Total revenue	3,374	4,339	13,608	679	408	22,408
Inter-segment revenue	(2,275)	(272)	-	(73)	(197)	(2,817)
External revenue	1,099	4,067	13,608	606	211	19,591
Results						
Segment results	(3,107)	(1,819)	7,618	(820)	1,808	3,680
Unallocated income						304
Unallocated expenses						(66)
Income tax expense						(280)
Profit net of tax for the period						3,638
As at 30 June 2012						
Assets						
Segment assets	154,992	62,325	9,345	1,095	10,016	237,773
Unallocated assets						517
Total assets						238,290
Liabilities						
Segment liabilities	63,694	5,592	752	473	841	71,352
Unallocated liabilities						1,486
Total liabilities						72,838
6 months ended 30 June 2011						
Revenue						
Total revenue	-	4,970	5,986	672	219	11,847
Inter-segment revenue	-	(321)	-	(17)	(217)	(555)
External revenue	-	4,649	5,986	655	2	11,292
Results						
Segment results	(1,587)	(949)	2,245	(718)	229	(780)
Unallocated income						467
Unallocated expenses						(56)
Income tax expense						(66)
Loss net of tax for the period						(435)
As at 30 June 2011						
Assets						
Segment assets	114,302	65,282	756	3,088	29,693	213,121
Unallocated assets						810
Total assets						213,931
Liabilities						
Segment liabilities	43,038	7,039	107	874	629	51,687
Unallocated liabilities						926
Total liabilities						52,613

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia and other directives

14 Auditors' Report on preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

15 Review of performance (current quarter and year to date)

In the quarter ended 30 June 2012, the Group recorded revenue of RM10.94 million and a pre-tax profit of RM3.09 million mainly from the Leisure segment and a one-off gain of RM1.8 million from the divestment in i-Home trademark. Year to date revenue for the Group was RM19.59 million and the pre-tax profit recorded was RM3.92 million.

The performance of the business segments is analysed as follows:

- a) Property development
Revenue in the current quarter represents the percentage of completion of the i-Residence condominium project launched during the year. Piling and substructure works are in progress.
- b) Property investment
Revenues are declining as some tenancies for the Cybercentre offices were not renewed upon expiry.
- c) Leisure
Stronger revenues were generated from the upgrade of the SnoWalk and the increase in visitors to the LED Lightscapes and new Theme Park attractions installed in the final quarter of 2011.
- d) ICT Services
Results remained stable as there was no significant change in the number of subscribers

16 Material changes in profit/(loss) before taxation vs. preceding quarter

Pre-tax profit increased by RM3.09 million compared to the preceding quarter and is analysed as follows:

	RM'000
Profit before taxation for the quarter ended 31 March 2012	834
Property development – i-Residence condominium project profit recognition	236
Property development – higher marketing expenses and increase in depreciation	(939)
Leisure - increase in visitors to the Theme Park and SnoWalk.	806
Divestment of i-Home trademark	1,800
Others	348
Profit before taxation for the quarter ended 30 June 2012	<u>3,085</u>

17 Commentary on prospects – current financial year

The Board expects the Leisure segment to continue to contribute positively to the Group performance. For the six months ended 30 June 2012, the Leisure segment achieved a profit of RM7.6 million that is triple the segment results of RM2.2 million for the corresponding period in 2011. Apart from the increased revenue from the exciting attractions - LED lightscape, SnoWalk and Theme Park rides - the Group also expects the new WaterWorld@i-City, that is target to open in the first week of November 2012, to contribute strongly to the Leisure segment performance.

The i-Residence was launched in May 2012 and as at August 2012, all the 173 units in the West Wing were sold out. The Group opened the 173 units in the East Wing units as well as the 20 Villas for sale in August 2012 and expects similar sales response. The total Gross Development Value ('GDV') of i-Residence is RM225 million. With piling and substructure works expected to be completed by year end, this i-Residence revenue recognition will contribute further to the property development segment of I-Berhad's business.

In addition to i-Residences, the Group sold out all the 220 units of SOVO development with GDV of RM65 million in August 2012. As the SOVO is built on top of a completed car park block, it is envisaged that these units would be handed over to the end buyers in 2 years. These SOVO units will also contribute to the Group's performance as work progresses.

The Group expects to launch the 950 units, RM300 million GDV SOHO project in November 2012. The Group also intends to launch about 1 million sq ft of development every year and this SOHO development completes the launch programme for 2012. The SOHO is situated on 12 acres of land in i-City and is the first of the 3 phases planned for this plot.

Barring any unforeseen circumstances and based on the aforementioned factors, the Board is confident that the performance for the second half of 2012 will improve compared to the first half of 2012. This momentum is expected to continue into 2013.

18 Statement of the board of directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets are likely to be achieved

Not applicable. The Company has not announced or disclosed any estimates, forecasts, projections or internal targets.

19 Taxation

	Quarter		Year to date	
	3 months ended		6 months ended	
	30.06.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	210	46	302	67
In respect of prior years	(21)	(1)	(21)	(1)
Deferred tax	-	-	-	-
Income tax expense	<u>189</u>	<u>45</u>	<u>281</u>	<u>66</u>

The effective tax rate for the year to date is lower than the statutory tax rate mainly due to the utilisation of tax losses brought forward from prior years.

20 Corporate proposals

(a) Status of corporate proposals
Not applicable.

(b) Status of utilisation of rights issue proceeds

<u>Approved purpose</u>	Approved revised utilisation RM'000	Utilisation as at 30.6.2012 RM'000	Balance unutilized RM'000
Advertising and promotions	7,746	7,746	-
Development of i-City:			
- Bridge financing for i-City	25,209	25,209	-
- Long term investment in data centre	20,000	18,380	1,620
- Investment in ICT facilities	10,000	6,951	3,049
- Investment in retail centre	10,000	10,000	-
Marketing network, sales and service outlet showroom for i-City	1,000	1,000	-
Total	<u>73,955</u>	<u>69,286</u>	<u>4,669</u>

21 Group borrowings and debt securities

There were no group borrowings and debt securities as at 30 June 2012.

22 Material litigation

There were no changes in material litigation since the date of the last annual statement of financial position on 31 December 2011. The Group has no material litigation as at 19 August 2012.

23 Dividend

No interim ordinary dividend has been declared for the quarter ended 30 June 2012.

The Board of Directors has recommended the payment of a final dividend of 1% single tier dividend, equivalent to 1.0 sen per share tax exempt, (2010: 1.0 sen per share single tier tax exempt) for the financial year ended 31 December 2011 amounting to RM1.064 million (2010: RM1.064 million). The proposed dividend was approved by the shareholders at the Annual General Meeting on 12 June 2012 and is payable on 10 September 2012 to shareholders entitled to dividends determined on the basis of the record of depositors as at 17 August 2012.

24 Earnings per share

Basic earnings per share is calculated by dividing the profit net of tax for the period 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 3 months ended		Year to date 6 months ended	
	30.06.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Profit/(loss) attributable to owners of the parent (RM'000)	2,969	(129)	3,788	(294)
Weighted average number of ordinary shares in issue less treasury shares ('000)	106,401	106,401	106,401	106,401
Basic earnings/(loss) per share (sen)	2.80	(0.12)	3.57	(0.28)
Diluted earnings per share (sen)	2.80	(0.12)	3.57	(0.28)

25 Note to statement of comprehensive income

	Quarter 3 months ended		Year to date 6 months ended	
	30.06.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Profit before taxation for the period is arrived at after crediting:				
Interest income	174	226	304	467
Other income	1,911	328	2,009	491
and charging:				
Interest expense	-	-	-	-
Depreciation	1,851	587	3,570	1,169
Provision for and write off of receivables	20	494	114	619
Provision for and write off of inventories	-	-	-	-
Gain or loss on disposal of quoted/unquoted investments	-	-	-	-
Gain or loss on disposal of properties	-	-	-	-
Impairment of assets	-	8	-	11
Foreign exchange gain or loss	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

26 Disclosure of derivatives pursuant to implementation of FRS 139
(Bursa directive dated 25 March 2010 ref: SR/RPA/TAC(RO)/LD09/10)

None.

27 Disclosure of realised and unrealised profits/losses

	Current financial period 30.06.2012 RM'000	Financial year ended 31.12.2011 RM'000
Total retained profits / (accumulated losses) of I-Berhad and its subsidiaries:		
- Realised	(12,758)	(16,353)
- Unrealised	6,074	6,074
	(6,684)	(10,279)
Less: Consolidation adjustments	4,056	3,863
Total accumulated losses as per consolidated accounts	(2,628)	(6,416)

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 August 2012.

By Order of the Board

TOO YET LAN
Secretary
Shah Alam
27 August 2012