

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

	(Unaudited) Individual Quarter		(Unaudited) Cumulative Quarter	
	Current Year Quarter 30 Sep 2012 RM'000	Preceding Year Quarter 30 Sep 2011 RM'000	Current Year To Date 30 Sep 2012 RM'000	Preceding Year To Date 30 Sep 2011 RM'000
Revenue	16,324	5,362	35,915	16,654
Cost of Sales	(8,801)	(3,045)	(17,842)	(9,414)
Gross profit	7,523	2,317	18,073	7,240
Other income	219	304	2,532	1,262
Other expenses	(3,526)	(3,921)	(12,470)	(10,171)
Share of losses of an associate	(18)	-	(18)	-
Profit/(Loss) before taxation	4,198	(1,300)	8,117	(1,669)
Income tax expense	(254)	(46)	(535)	(112)
Profit/(Loss) for the period	3,944	(1,346)	7,582	(1,781)
Other comprehensive income/(loss):				
Foreign currency translations	(46)	49	(33)	65
Total comprehensive income/(loss)	3,898	(1,297)	7,549	(1,716)
Profit/(Loss) attributable to:				
Owners of the parent	3,952	(1,282)	7,740	(1,576)
Non-controlling interests	(8)	(64)	(158)	(205)
	3,944	(1,346)	7,582	(1,781)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	3,906	(1,233)	7,707	(1,511)
Non-controlling interests	(8)	(64)	(158)	(205)
	3,898	(1,297)	7,549	(1,716)
<b>Earnings/(loss) per share attributable to owners of the parent</b>	sen	sen	sen	sen
Basic	3.71	(1.20)	7.27	(1.48)
Fully diluted	3.71	(1.20)	7.27	(1.48)

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.

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

	(Unaudited) As at 30.09.2012 RM'000	(Audited) As at 31.12.2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,640	21,750
Investment property	65,460	65,460
Investment in an associate	22	-
	<u>100,122</u>	<u>87,210</u>
<b>Current assets</b>		
Property development costs	62,153	42,177
Inventories	54,457	54,457
Trade and other receivables	10,262	4,131
Other investments	39	47
Current tax assets	362	746
Cash and cash equivalents	14,821	24,538
	<u>142,094</u>	<u>126,096</u>
<b>TOTAL ASSETS</b>	<u><u>242,216</u></u>	<u><u>213,306</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	114,486	114,486
Reserves	62,151	55,508
Treasury shares	(8,471)	(8,471)
Equity attributable to owners of the parent	<u>168,166</u>	<u>161,523</u>
Non-controlling interests	120	278
<b>TOTAL EQUITY</b>	<u><u>168,286</u></u>	<u><u>161,801</u></u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,486	1,486
<b>Current liabilities</b>		
Trade and other payables	72,444	50,019
Current tax liabilities	-	-
	<u>72,444</u>	<u>50,019</u>
<b>TOTAL LIABILITIES</b>	<u><u>73,930</u></u>	<u><u>51,505</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>242,216</u></u>	<u><u>213,306</u></u>
Net Assets per share (RM)	<u>1.58</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.

**I-Berhad (7029-H)**

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

(Unaudited)	<----- Attributable to owners of the parent ----->								
	<----- Non-distributable ----->					Distributable		Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation difference RM'000	Accumulated losses RM'000	Total RM'000		
<b>Balance as at 1 January 2011</b>	114,486	(8,471)	60,530	1,331	(5)	(6,691)	161,180		
Realisation of revaluation reserves	-	-	-	(68)	-	68	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	65	(1,576)	(1,511)	(205)	(1,716)
<b>Balance as at 30 September 2011</b>	114,486	(8,471)	60,530	1,263	60	(8,199)	159,669	351	160,020
<b>(Unaudited)</b>									
<b>Balance as at 1 January 2012</b>	114,486	(8,471)	60,530	1,331	63	(6,416)	161,523	278	161,801
Total comprehensive income/(loss) for the period	-	-	-	-	(33)	7,740	7,707	(158)	7,549
Dividend paid	-	-	-	-	-	(1,064)	(1,064)	-	(1,064)
<b>Balance as at 30 September 2012</b>	114,486	(8,471)	60,530	1,331	30	260	168,166	120	168,286

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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	(Unaudited) 9 months ended 30 Sep 2012 RM'000	(Unaudited) 9 months ended 30 Sep 2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	8,117	(1,669)
Adjustments for:		
Non-cash/operating items	4,742	2,239
Operating profit before working capital changes	12,859	570
Net changes in current assets	(26,266)	(6,226)
Net changes in current liabilities	22,425	(6,114)
Cash generated from/(for) operations	9,018	(11,770)
Tax paid	(151)	(435)
Net cash generated from/(for) operating activities	8,867	(12,205)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(18,008)	(6,124)
Proceeds from disposal of property, plant & equipment	98	-
Investment in an associate	(40)	-
Interest received	463	727
Net cash used in investing activities	(17,487)	(5,397)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,064)	-
Net cash used in financing activities	(1,064)	-
Net decrease in cash and cash equivalents	(9,684)	(17,602)
Effect of foreign exchange rate changes	(33)	65
Cash and cash equivalents at beginning of the period	24,538	43,136
Cash and cash equivalents at end of the period	14,821	25,599
<b>Cash and cash equivalents comprise :</b>		
Cash and bank balances	630	1,611
Deposits with licensed banks/financial institutions	14,191	23,988
Total	14,821	25,599

*Note:*

*Included in the deposits with licensed banks/financial institutions:-*

*(a) an amount of RM4,048,000 being unutilised right issue proceeds, which are restricted for certain usage as prescribed by the relevant authorities.*

*(b) an amount of RM123,000.00 has been pledged to a bank as bank guarantee, hence, it is not available for general use.*

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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2012

**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 division 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 current quarter and financial year-to-date.

**4 Changes in estimates**

There were no material changes in estimates that have had material effect in the current quarter and the financial year-to-date.

**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 September 2012.

**Share Dividend**

On 22 November 2012, the Board of Directors approved the distribution of one (1) I-Berhad treasury share for every fourteen (14) existing ordinary shares of RM1.00 each held by shareholders whose names appear in the Record of Depositors on 12 December 2012, fractions of treasury shares to be disregarded.

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

**6 Dividends paid**

The Company paid a final single tier dividend of 1 sen, amounting to RM1,064,014 on 10 September 2012 in respect of the financial year ended 31 December 2011.

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

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

**9 Changes in composition of the Group**

The Company's wholly-owned subsidiary, I-R & D Sdn Bhd ("I-R & D") had on 18 July 2012 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 associate of the Group.

**10 Changes in contingent liabilities and contingent assets**

	<b>As at 30.9.2012 RM'000</b>	<b>As at 31.12.2011 RM'000</b>
Contingent liabilities:		
Bank guarantees given to third parties in respect of services rendered to certain subsidiaries	1,255	1,000
Guarantee given to a third party for securing sale and leaseback arrangement owing to third party as part of the conditions of sale between the third party and a subsidiary	8,146	13,383
	<u>9,401</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**

	<b>As at 30.9.2012 RM'000</b>	<b>As at 31.12.2011 RM'000</b>
Capital expenditure in respect of construction of property, plant and equipment:-		
- Contracted but not provided for	<u>6,727</u>	<u>924</u>

**12 Significant Related Party Transactions**

There were no related party transactions in the current quarter and the financial year-to-date.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2012

**13 Segmental information- By business segments**

9 months ended 30 September 2012	Property Development RM'000	Property Investment RM'000	Leisure RM'000	ICT Services RM'000	Others RM'000	Consolidated RM'000
<b>Revenue</b>						
Total revenue	14,455	6,389	18,950	985	481	41,260
Inter-segment revenue	(4,420)	(414)	-	(106)	(405)	(5,345)
External revenue	10,035	5,975	18,950	879	76	35,915
<b>Results</b>						
Segment results	1,422	(1,681)	7,506	(898)	1,494	7,843
Interest income						370
Unallocated expenses						(78)
Share of losses of an associate						(18)
Income tax expense						(535)
Profit for the period						7,582
As at 30 September 2012						
<b>Assets</b>						
Segment assets	82,924	117,414	31,497	1,083	8,914	241,832
Current tax assets						362
Investment in an associate						22
Total assets						242,216
<b>Liabilities</b>						
Segment liabilities	61,878	8,545	888	556	577	72,444
Deferred tax liabilities						1,486
Total liabilities						73,930
9 months ended 30 September 2011						
<b>Revenue</b>						
Total revenue	-	7,165	8,994	1,009	335	17,503
Inter-segment revenue	-	(468)	-	(48)	(333)	(849)
External revenue	-	6,697	8,994	961	2	16,654
<b>Results</b>						
Segment results	(2,395)	(855)	1,858	(1,038)	175	(2,255)
Interest income						633
Unallocated expenses						(47)
Share of losses of an associate						-
Income tax expense						(112)
Loss for the period						(1,781)
As at 30 September 2011						
<b>Assets</b>						
Segment assets	49,852	120,856	21,833	2,357	14,766	209,664
Current tax assets						886
Total assets						210,550
<b>Liabilities</b>						
Segment liabilities	42,875	5,617	86	586	379	49,543
Current tax liabilities						106
Deferred tax liabilities						881
Total liabilities						50,530

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2012

**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**

**(i) Third quarter ended 30 September 2012**

The Group registered higher revenue and profit before taxation of RM16.3 million and RM4.2 million respectively for the current quarter compared to revenue of RM5.4 million and loss before tax of RM1.3 million respectively for the preceding year's corresponding quarter. The increase in revenue by 202% was mainly due to the profit recognition from on-going projects from the Property Development division as well as from the new Theme Park attractions from the Leisure division.

**(ii) Current year-to-date ended 30 September 2012 by segments**

The Group's revenue increased by 115% for the current year-to-date to RM35.9 million from RM16.7 million as compared to the preceding year-to-date. The increase in revenue was mainly contributed by both the Property Development and Leisure divisions.

The Group has turnaround from a loss before taxation of RM1.7 million in the preceding year-to-date to a profit before taxation of RM8.1 million which was mainly contributed by the Property Development and Leisure divisions as well as from a one-off gain of RM1.8 million from the divestment of i-Home trademark.

**a) Property development**

This division has recognised revenue progressively on the i-Residence condominium project which was launched early this year, whereas, there was no revenue recognised in the preceding year-to-date.

**b) Property investment**

The decrease in revenue and increase in losses were mainly due to some tenancies not being renewed upon expiry of the tenancy periods in addition to the slow increase in the number of new tenancies.

**c) Leisure**

There were significant increase in revenue and profit before taxation in this division mainly due to higher revenue generated from the upgrading of SnoWalk and the addition of new Theme Park attractions which were opened to the public at the end of 2011 as well as the increase in the number of visitors to the LED lightscape.

**d) ICT Services**

There was a slight decrease in revenue which was caused by the low occupancy rate in the Cybercentre offices. However it registered lower losses in the current year-to-date as compared to preceding year-to-date mainly due to lower depreciation charge.

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

The profit before taxation for the current quarter was higher at RM4.2 million as compared to RM3.1 million in the preceding quarter mainly due to higher profit recognition from the property development division.



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED  
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**17 Commentary on prospects – current financial year**

The Board expects the Leisure division will continue to contribute positively to the Group's performance. For the nine (9) months ended 30 September 2012, the Leisure division registered an increase in profit before taxation by 295% from RM1.9 million to RM7.5 million as compared to the preceding year-to-date. Apart from the increased revenue from the existing attractions - LED lightscape, SnoWalk and Theme Park rides the Board also expects the new water theme park known as "WaterWorld@i-City" which opened in November 2012 to contribute positively to the Leisure division in the forthcoming quarter of 2012.

The i-Residence project which was launched in May 2012 with a Gross Development Value ('GDV') of RM232 million is showing a promising sales response so far, and is expected to contribute further to the Property Development division upon the completion of its piling and substructure works by year end.

In addition to i-Residence, the other Small Office Versatile Office ("SOVO") development with a GDV of RM64 million has been fully booked 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 purchasers in 2 years. These SOVO units will also contribute to the Group's performance as work progresses.

The Group expects to launch the residential incubator phase 1 project, comprising of 956 units of Small Office Home Office ("SOHO") with a GDV of RM317 million in December 2012. The Group property development plans involve the launch of about 1 million square feet of development project every year and this SOHO development project will complete the property launch programme for the year 2012. The entire SOHO project is situated on 12 acres of land in i-City and consists of 3 phases of development which have been scheduled for launching from 2012 to 2014.

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 2012 owing to further profit recognition from on-going projects which were launched during the year as well as from the additional contribution envisaged from the Leisure division. 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 Tax Expense**

	<b>Current Quarter 30.9.2012 RM'000</b>	<b>Current Year-to-Date 30.9.2012 RM'000</b>
Current taxation		
- income tax	254	556
- deferred tax	-	-
	254	556
Over provision in prior years	-	(21)
	254	535
Total		

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

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

**20 Corporate proposals**

## (a) Status of corporate proposals

A wholly-owned subsidiary of the Company, I-City Properties Sdn Bhd (“ICP”) had on 12 September 2012, entered into a Memorandum of Understanding (“MOU”) with Central Pattana Public Company Limited (“CPN”) of Thailand for the purpose of working towards forming a joint venture through a Special Purpose Vehicle (“SPV”) to undertake the proposed development of a retail mall at i-City, an integrated mixed development with MSC Malaysia Cybercentre Status located at Section 7, Shah Alam, Selangor Darul Ehsan.

The Parties are envisaged to enter into a joint venture agreement to formalise the terms of the above venture upon the completion of the due diligence exercise by the end of November 2012.

## (b) Status of utilisation of rights issue proceeds

<u>Approved purpose</u>	<b>Approved revised utilisation</b> RM'000	<b>Utilisation as at 30.9.2012</b> RM'000	<b>Balance unutilised as at 30.9.2012</b> 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	7,212	2,788
- 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>69,547</u>	<u>4,408</u>

**21 Group borrowings and debt securities**

There were no group borrowings and debt securities as at 30 September 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 21 November 2012.

**23 Dividend**

The Board of Directors is pleased to declare a distribution of share dividend on the basis of one (1) I-Berhad treasury share for every fourteen (14) existing ordinary shares of RM1.00 each held by shareholders whose name appear in the Record of Depositors on 12 December 2012, fractions of treasury shares to be disregarded.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2012**24 Earnings per share**

Basic earnings/(loss) per share is calculated by dividing the profit 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.

	<b>Quarter</b>		<b>Year to date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(loss) attributable to owners of the parent (RM'000)	3,952	(1,282)	7,740	(1,576)
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)	3.71	(1.20)	7.27	(1.48)
Diluted earnings/(loss) per share (sen)	3.71	(1.20)	7.27	(1.48)

**25 Note to statement of comprehensive income**

	<b>Quarter</b>		<b>Year to date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before taxation for the period is arrived at after crediting:				
Interest income	66	165	370	632
Other income	153	139	2,162	630
and charging:				
Interest expense	-	-	-	-
Depreciation of property, plant & equipment	1,457	600	5,027	1,769
Provision for and write off of receivables	(47)	(170)	67	449
Provision for and write off of inventories	-	-	-	-
Gain or loss on disposal of quoted/unquoted investments	-	-	-	-
Gain or loss on disposal of property, plant & equipment	6	-	6	-
Impairment of assets	-	-	-	-
Allowance for diminution in value of quoted investment	8	17	8	28
Foreign exchange gain or loss	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2012**26 Disclosure of realised and unrealised profits/losses**

	<b>Current financial period 30.9.2012 RM'000</b>	<b>Financial year ended 31.12.2011 RM'000</b>
Total retained profits / (accumulated losses) of I-Berhad and its subsidiaries:		
- Realised	(11,848)	(16,353)
- Unrealised	<u>6,074</u>	<u>6,074</u>
	(5,774)	(10,279)
Less: Consolidation adjustments	<u>6,034</u>	<u>3,863</u>
Total accumulated losses as per consolidated accounts	<u>260</u>	<u>(6,416)</u>

**27 Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 22 November 2012.

By Order of the Board

TOO YET LAN  
Secretary  
Shah Alam  
22 November 2012