

I-POWER BERHAD (596299-D)

Quarterly report on unaudited consolidated results for the financial period ended 30 September 2006

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

	As at Current year to date 30.09.06 RM'000	As at preceding financial year end 30.06.06 (Audited) RM'000
Property, Plant and Equipment	1,410	1,505
Intangible Assets		
Intellectual Property Rights (IPR)	3,250	3,300
Development costs	<u>2,159</u>	<u>2,272</u>
	<u>5,409</u>	<u>5,572</u>
Current assets		
Receivable	12,619	9,212
Cash And Cash Equivalents	<u>4,548</u>	<u>4,292</u>
	<u>17,167</u>	<u>13,504</u>
Current liabilities		
Payables	2,240	481
Taxation	<u>-</u>	<u>-</u>
	<u>2,240</u>	<u>481</u>
Net current assets	14,927	13,023
	<u>21,746</u>	<u>20,100</u>
Share capital	6,300	6,300
Share premium/(Listing expenses)	4,439	4,439
Retained profits		
- Balance B/F	9,361	2,164
- Balance C/F	1,646	7,197
Less: Dividend	<u>-</u>	<u>-</u>
Shareholders' fund	<u>21,746</u>	<u>20,100</u>
Long Term Liabilities		
Borrowings	<u>-</u>	<u>-</u>
	<u>21,746</u>	<u>20,100</u>
Net Tangible Assets Per Share (sen)	<u>25.93</u>	<u>23.06</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2006.

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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2006

	-----Individual quarter -----		-----Cumulative quarter -----	
	Current year quarter 30.09.06 (Unaudited) RM'000	Preceding year corresponding quarter 30.09.05 (Audited) RM'000	Current year to date 30.09.06 (Unaudited) RM'000	Preceding year corresponding period 30.09.05 (Audited) RM'000
Revenue	6,827	3,403	6,827	3,403
Cost of Sales	(3,930)	(1,693)	(3,930)	(1,693)
Gross Profit	2,897	1,710	2,897	1,710
GP Margin	42.43%	50.25%	42.43%	50.25%
Operating Expenses	(1,251)	(490)	(1,251)	(490)
Profit From Operation	1,646	1,220	1,646	1,220
Interest Expenses	-	-	-	-
Interest Income	-	-	-	-
Profit Before Taxation	1,646	1,220	1,646	1,220
Minority Interest	-	-	-	-
Profit After Taxation And Minority Interest	1,646	1,220	1,646	1,220
Pre-acquisition Portion	-	-	-	-
Net Profit For The Period	1,646	1,220	1,646	1,220
NP Margin	24.11%	35.85%	24.11%	35.85%
Earnings per share (sen):-				
a) Basic (based on 30/09/06 : 63,000,000 weighted average basis ordinary shares and 30/09/05 : weighted average basis of 63,000,000 ordinary shares) (sen)	2.61	1.94	2.61	1.94
b) Fully diluted (sen)	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2006.

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CONDENSED CONSOLIDATED CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2006

	Current year to date 30.09.06 RM'000	Preceding yr corresponding period 30.09.05 (Audited) RM'000
Profit Before Taxation	1,646	1,220
Adjustments for :-		
Non-cash items	147	111
Non-operating items	-	-
Operating profit before changes in working capital	1,793	1,331
Changes in working capital		
Net change in current assets	(3,263)	(806)
Net change in current liabilities	1,872	181
Income tax paid	-	-
Net cash generated from operating activities	402	706
Investing Activities		
Development expenditure paid	-	-
Government grant received	-	-
Purchase of plant and equipment	(2)	(97)
	(2)	(97)
Financing Activities		
Bank borrowings	-	-
Proceeds from issue of shares/(Payment of listing expenses)	-	-
Dividend Payment	-	-
	-	-
Net Change in Cash and Cash Equivalents	400	609
Cash and Cash Equivalents at beginning of period	4,148	3,431
Cash and Cash Equivalents at end of period	4,548	4,040

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2006.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

	Share Capital RM'000	Non-distributable Share Premium/ (Listing Expenses) RM'000	Non-distributable Reserve on Consolidation RM'000	Non-distributable Foreign Exchange Reserve RM'000	Distributable Retained Profits/ (Accumulated Losses) RM'000	Total RM'000
As at 30 June 2006 (Audited)	6,300	4,439	-	-	9,361	20,100
Issue of share capital:- Public Issue	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Unappropriate Profit as at 30 September 2006	-	-	-	-	1,646	1,646
As at 30 June 2006	6,300	4,439	-	-	11,007	21,746

As at preceeding year corresponding quarter 30 September 2005 (Audited)

As at 30 June 2005 (Audited)	6,300	-	-	-	2,164	8,464
Dividends	-	-	-	-	-	-
Issue of share	-	4,439	-	-	-	4,439
Unappropriate Profit as at 30 September 2005	-	-	-	-	1,220	1,220
As at 30 September 2005	6,300	4,439	-	-	3,384	14,123

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2006.