

I-POWER BERHAD (596299-D) ("The Company" or "I-Power")

Quarterly report on unaudited consolidated results for the financial period ended 31 March 2008

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	As at Current year to date 31.03.08 RM'000	As at preceding financial year end 30.06.07 (Audited) RM'000
Property, Plant and Equipment	1,197	1,159
Investment in iZZinet Sdn Bhd	27,000	-
Intangible Assets		
Intellectual Property Rights (IPR)	2,950	3,100
Development costs	1,477	1,818
	<u>4,427</u>	<u>4,918</u>
Current assets		
Receivable	58,409	29,744
Cash And Cash Equivalents	30,890	32,009
	<u>89,299</u>	<u>61,753</u>
Current liabilities		
Payables	616	18,354
Taxation	-	-
	<u>616</u>	<u>18,354</u>
Net current assets	<u>88,683</u>	<u>43,399</u>
	<u>121,307</u>	<u>49,476</u>
Share capital	43,820	21,280
Share premium/(Listing expenses)	50,125	11,109
Retained profits		
- Balance B/F	17,087	6,853
- Balance C/F	10,275	10,234
Shareholders' fund	<u>121,307</u>	<u>49,476</u>
Net Assets Per Share (sen)	<u>27.68</u>	<u>23.25</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 2007.

I-POWER BERHAD (596299-D)

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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 MARCH 2008

	----- Individual quarter -----		----- Cumulative quarter -----	
	Current year quarter 31.03.08 RM'000	Preceding year corresponding quarter 31.03.07 (Unaudited) RM'000	Current year to date 31.03.08 RM'000	Preceding year corresponding period 31.03.07 (Unaudited) RM'000
Revenue	20,563	16,824	73,652	29,642
Cost of Sales	<u>(14,871)</u>	<u>(11,887)</u>	<u>(59,497)</u>	<u>(18,621)</u>
Gross Profit	5,692	4,937	14,155	11,021
Operating Expenses	<u>(1,484)</u>	<u>(1,240)</u>	<u>(3,880)</u>	<u>(3,707)</u>
Profit From Operation	4,208	3,697	10,275	7,314
Interest Expenses	-	-	-	-
Interest Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit Before Taxation	4,208	3,697	10,275	7,314
Taxation	-	-	-	-
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit After Taxation And Minority Interest	4,208	3,697	10,275	7,314
Pre-acquisition Portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Profit For The Period	<u>4,208</u>	<u>3,697</u>	<u>10,275</u>	<u>7,314</u>
Earnings per share (sen):-				
a) Basic (based on 31/03/2008 : 339,014,918.03 weighted average basis ordinary shares and 31/03/2007 : weighted average basis of 173,250,000 ordinary shares) (sen)	<u>1.24</u>	<u>2.13</u>	<u>3.03</u>	<u>4.22</u>
b) Fully diluted (sen)	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2007.

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CONDENSED CONSOLIDATED CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2008

	Current year to date 31.03.08	Preceding yr corresponding period 31.03.07
	RM'000	RM'000
Profit Before Taxation	10,275	7,314
Adjustments for :-		
Non-cash items	482	150
Non-operating items	-	293
	<u>10,757</u>	<u>7,757</u>
Operating profit before changes in working capital	10,757	7,757
Changes in working capital		
Net change in current assets	(28,665)	(8,705)
Net change in current liabilities	(17,397)	8,739
Income tax paid	-	-
Net cash generated from operating activities	<u>(35,305)</u>	<u>7,791</u>
Investing Activities		
Development expenditure paid	-	-
Government grant received	-	-
Purchase of plant and equipment	(370)	(38)
Investment - Acquisition of iZZinet Sdn Bhd	(27,000)	-
	<u>(27,370)</u>	<u>(38)</u>
Financing Activities		
Bank borrowings	-	-
Proceeds from issue of shares/(Payment of listing expenses)	61,556	4,093
	<u>61,556</u>	<u>4,093</u>
Net Change in Cash and Cash Equivalents	(1,119)	11,846
Cash and Cash Equivalents at beginning of period	<u>32,009</u>	<u>4,148</u>
Cash and Cash Equivalents at end of period	<u><u>30,890</u></u>	<u><u>15,994</u></u>

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 2007.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2008

	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 2007 (Audited)	21,280	11,109	-	-	17,087	49,476
Issue of share capital	22,540	39,016	-	-	-	61,556
Dividends	-	-	-	-	-	-
Unappropriate Profit as at 31 March 2008	-	-	-	-	10,275	10,275
As at 31 March 2008	43,820	50,125	-	-	27,362	121,307

As at preceeding year corresponding quarter 31 March 2007

As at 30 June 2006 (Audited)	6,300	4,439	-	-	9,361	20,100
Issue of share						
Public Issue via						
- Private Placement	630	(4,439)	-	-	-	(3,809)
Bonus Issue	10,395	-	-	-	(2,493)	7,902
Dividends	-	-	-	-	-	-
Unappropriate Profit as at 31 March 2007	-	-	-	-	7,314	7,314
As at 31 March 2007	17,325	-	-	-	14,182	31,507

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 2007.