

I-POWER BERHAD (596299-D)

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2008

| | ----- Individual quarter ----- | | ----- Cumulative quarter ----- | |
|---|--|--|--|---|
| | Current year quarter 31.12.08 RM'000 | Preceding year corresponding quarter 31.12.07 (Unaudited) RM'000 | Current year to date 31.12.08 RM'000 | Preceding year corresponding period 31.12.07 (Unaudited) RM'000 |
| Revenue | 7,988 | 25,830 | 17,406 | 53,089 |
| Cost of Sales | <u>(6,198)</u> | <u>(20,799)</u> | <u>(12,491)</u> | <u>(44,626)</u> |
| Gross Profit | 1,790 | 5,031 | 4,915 | 8,463 |
| Operating Expenses | <u>(1,331)</u> | <u>(1,135)</u> | <u>(2,506)</u> | <u>(2,396)</u> |
| Profit From Operation | 459 | 3,896 | 2,409 | 6,067 |
| Share of associated company's results | 2 | - | 76 | - |
| Interest Expenses | - | - | - | - |
| Interest Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Profit Before Taxation | 461 | 3,896 | 2,485 | 6,067 |
| Minority Interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Profit After Taxation And Minority Interest | 461 | 3,896 | 2,485 | 6,067 |
| Pre-acquisition Portion | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Profit For The Period | <u>461</u> | <u>3,896</u> | <u>2,485</u> | <u>6,067</u> |
| Earnings per share (sen):- | | | | |
| a) Basic (based on 31/12/2008 : 406,497,600 weighted average basis ordinary shares and 31/12/2007 : weighted average basis of 339,014,918 ordinary shares) (sen) | <u>0.11</u> | <u>1.15</u> | <u>0.61</u> | <u>1.79</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 2008.

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

| | As at Current year to date 31.12.08 RM'000 | As at preceding financial year end 30.06.08 (Audited) RM'000 |
|------------------------------------|---|--|
| Property, Plant and Equipment | 2,299 | 1,090 |
| Investment | 27,134 | 27,058 |
| Software Licenses | 4,500 | - |
| Intangible Assets | | |
| Intellectual Property Rights (IPR) | 2,800 | 2,900 |
| Development costs | 1,136 | 1,363 |
| | <u>3,936</u> | <u>4,263</u> |
| Current assets | | |
| Receivables | 35,187 | 22,564 |
| Amount owing by associate | 40,843 | 40,843 |
| Cash And Cash Equivalents | 11,244 | 28,656 |
| | <u>87,274</u> | <u>92,063</u> |
| Current liabilities | | |
| Payables | 3,573 | 879 |
| Taxation | 38 | 38 |
| | <u>3,611</u> | <u>917</u> |
| Net current assets | 83,663 | 91,146 |
| | <u>121,532</u> | <u>123,557</u> |
| Share capital | 43,820 | 43,820 |
| Share premium/(Listing expenses) | 50,126 | 50,126 |
| Treasury Share | (4,510) | - |
| Retained profits | | |
| - Balance B/F | 29,611 | 17,087 |
| - Balance C/F | 2,485 | 12,524 |
| Shareholders' fund | <u>121,532</u> | <u>123,557</u> |
| Long Term Liabilities | | |
| Borrowings | - | - |
| | <u>121,532</u> | <u>123,557</u> |
| Net Assets Per Share (sen) | <u>29.90</u> | <u>28.20</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 2008.

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CONDENSED CONSOLIDATED CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2008

| | Current year to date 31.12.08 RM'000 | Preceding yr corresponding period 31.12.07 (Unaudited) RM'000 |
|---|---|--|
| Profit Before Taxation | 2,485 | 2,171 |
| Adjustments for :- | | |
| Non-cash items | 466 | 166 |
| Non-operating items | - | - |
| Operating profit before changes in working capital | 2,951 | 2,337 |
| Changes in working capital | | |
| Net change in current assets | (12,624) | (1,434) |
| Net change in current liabilities | 2,694 | (16,020) |
| Income tax paid | - | - |
| Net cash generated from operating activities | <u>(6,979)</u> | <u>(15,117)</u> |
| Investing Activities | | |
| Purchase of plant and equipment | (1,424) | (350) |
| Purchase of Software Licenses | (4,500) | |
| Investment | | |
| | <u>(5,924)</u> | <u>(350)</u> |
| Financing Activities | | |
| Purchase of Treasury Shares | (4,510) | - |
| Proceeds from issue of shares/(Payment of listing expenses) | - | - |
| | <u>(4,510)</u> | <u>-</u> |
| Net Change in Cash and Cash Equivalents | (17,413) | (15,467) |
| Cash and Cash Equivalents at beginning of period | 28,656 | 32,009 |
| Cash and Cash Equivalents at end of period | <u><u>11,244</u></u> | <u><u>16,542</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 2008.

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

| | Share Capital RM'000 | Non-distributable Share Premium/ (Listing Expenses) RM'000 | Non-distributable Treasury Shares 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 2008 (Audited) | 43,820 | 50,126 | - | - | - | 29,611 | 123,557 |
| Issue of share capital :- | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Unappropriate Profit as at 31 December 2008 | - | - | - | - | - | 2,485 | 2,485 |
| Purchase of Treasury Shares | - | - | (4,510) | - | - | - | (4,510) |
| As at 31 December 2008 | 43,820 | 50,126 | (4,510) | - | - | 32,096 | 121,532 |
| As at preceeding year corresponding quarter 31 December 2007 | | | | | | | |
| 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 December 2007 | - | - | - | - | - | 6,067 | 6,067 |
| As at 31 December 2007 | 43,820 | 50,125 | - | - | - | 23,154 | 117,099 |

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 2008.