

**I-POWER BERHAD (596299-D)**

Quarterly report on unaudited consolidated results for the financial period ended 30 June 2010

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2010**

	----- Individual quarter -----		----- Cumulative quarter -----	
	Current year quarter 30.06.10 RM'000	Preceding year corresponding quarter 30.06.09 (Unaudited) RM'000	Current year to date 30.06.10 RM'000	Preceding year corresponding period 30.06.09 (Unaudited) RM'000
Revenue	1,201	4,540	13,376	25,853
Cost of Sales	<u>(909)</u>	<u>(4,289)</u>	<u>(11,895)</u>	<u>(20,201)</u>
Gross Profit	292	251	1,481	5,652
Operating Expenses	<u>(92,883)</u>	<u>(1,519)</u>	<u>(97,200)</u>	<u>(5,533)</u>
(Loss)/Profit From Operation	(92,591)	(1,268)	(95,719)	119
Share of associated company's results	1	10	38	78
Interest Expenses	-	-	-	-
Interest Income	<u>8</u>	<u>-</u>	<u>64</u>	<u>-</u>
(Loss)/Profit Before Taxation	(92,582)	(1,258)	(95,617)	197
Taxation	<u>(2)</u>	<u>-</u>	<u>(16)</u>	<u>-</u>
Net (Loss)/Profit For The Period	<u>(92,584)</u>	<u>(1,258)</u>	<u>(95,633)</u>	<u>197</u>
Earnings per share (sen):-				
a) Basic (based on 30/06/2010 : 405,421,256 weighted average basis ordinary shares and 30/06/2009 : weighted average basis of 415,094,606 ordinary shares) (sen)	<u>(22.84)</u>	<u>(0.30)</u>	<u>(23.59)</u>	<u>0.05</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 2009.

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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010**

	As at Current year to date 30.06.10 RM'000	As at preceding financial year end 30.06.09 (Audited) RM'000
Property, Plant and Equipment	2,003	2,031
Investment	6,793	27,136
Intangible Assets		
Intellectual Property Rights (IPR)	2,500	2,700
Software Licenses	4,219	4,444
Development costs	2,047	909
	<u>8,766</u>	<u>8,053</u>
Current assets		
Receivables	3,003	16,228
Amount owing by associate	-	58,607
Cash And Cash Equivalents	3,431	10,954
	<u>6,434</u>	<u>85,789</u>
Current liabilities		
Payables	102	1,984
Taxation	16	23
	<u>118</u>	<u>2,007</u>
Net current assets	6,316	83,782
	<u>23,878</u>	<u>121,002</u>
Share capital	43,820	43,820
Share premium/(Listing expenses)	51,103	51,053
Treasury Share	(5,160)	(3,619)
Retained profits		
- Balance B/F	29,748	29,611
- Balance C/F	(95,633)	137
Shareholders' fund	<u>23,878</u>	<u>121,002</u>
Long Term Liabilities		
Borrowings	-	-
	<u>23,878</u>	<u>121,002</u>
Net Assets Per Share (sen)	<u>5.93</u>	<u>29.31</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 2009.

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**CONDENSED CONSOLIDATED CASH FLOW FOR THE QUARTER ENDED 30 JUNE 2010**

	Current year to date 30.06.10 RM'000	Preceding yr corresponding period 30.06.09 (Unaudited) RM'000
(Loss)/Profit Before Taxation	(95,617)	197
Adjustments for :-		
Non-cash items	91,714	1,130
Non-operating items	-	-
Operating (loss)/profit before changes in working capital	(3,903)	1,327
Changes in working capital		
Net change in current assets	2,035	(11,427)
Net change in current liabilities	(1,882)	1,067
Income tax paid	(23)	(38)
Net cash generated from operating activities	<u>(3,773)</u>	<u>(9,071)</u>
Investing Activities		
Purchase of plant and equipment	(667)	(1,439)
Purchase of Software Licenses	-	(4,500)
R&D Expenditure	(1,592)	
	<u>(2,259)</u>	<u>(5,939)</u>
Financing Activities		
Purchase of Treasury Shares	(1,541)	(3,619)
Proceeds from resale of treasury shares	50	927
	<u>(1,491)</u>	<u>(2,692)</u>
Net Change in Cash and Cash Equivalents	(7,523)	(17,702)
Cash and Cash Equivalents at beginning of period	10,954	28,656
Cash and Cash Equivalents at end of period	<u>3,431</u>	<u>10,955</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 2009.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2010**

	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 2009 (Audited)	43,820	51,053	(3,619)	-	-	29,748	121,002
Issue of share capital	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Purchase of Treasury Shares	-	-	(1,541)	-	-	-	(1,541)
Gains from Resale of Treasury share	-	50	-	-	-	-	50
Accumulated loss as at 30 June 2010	-	-	-	-	-	(95,633)	(95,633)
As at 30 June 2010	43,820	51,103	(5,160)	-	-	(65,885)	23,878
<b>As at preceeding year corresponding quarter 30 June 2009</b>							
As at 30 June 2008 (Audited)	43,820	50,126	-	-	-	29,611	123,557
Issue of share capital	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Purchase of Treasury Shares	-	-	(3,619)	-	-	-	(3,619)
Gains from Resale of Treasury share	-	927	-	-	-	-	927
Unappropriated Profit as at 30 June 2009	-	-	-	-	-	137	137
As at 30 June 2009	43,820	51,053	(3,619)	-	-	29,748	121,002

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 2009.