

LIPO CORPORATION BERHAD
(Company No: 491485-V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2003

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	<u>Current Year</u> <u>Quarter ended</u> <u>31/12/2003</u> <u>RM '000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter ended</u> <u>31/12/2002</u> <u>RM '000</u>	<u>Current Year</u> <u>To Date</u> <u>31/12/2003</u> <u>RM '000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31/12/2002</u> <u>RM '000</u>
Revenue	7,011	7,224	13,774	13,189
Operating expenses	(7,317)	(7,780)	(13,666)	(14,593)
Other operating income	260	52	458	153
Profit/(Loss) from operations	(46)	(504)	566	(1,251)
Finance costs	(116)	(153)	(228)	(309)
Profit/(Loss) before tax	(162)	(657)	338	(1,560)
Taxation				
- The Company and its subsidiaries	(13)	95	(57)	(97)
Profit/(Loss) after tax	(175)	(562)	281	(1,657)
Minority interests	(13)	(11)	(30)	(20)
Net profit/(Loss) for the period	(188)	(573)	251	(1,677)
Earnings/(Loss) per share (sen)				
- Basic	(0.37)	(1.14)	0.50	(3.33)
- Diluted	(0.36)	-	0.48	-

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2003.

LIPO CORPORATION BERHAD**(Company No: 491485-V)****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2003**

	(Unaudited) Current Quarter As At 31/12/2003 RM ' 000	(Audited) Preceding Financial Year As At 30/6/2003 RM ' 000
1.PROPERTY , PLANT & EQUIPMENT	41,391	43,674
2.INVESTMENT	131	131
3.GOODWILL ON CONSOLIDATION	151	154
4.CURRENT ASSETS		
Stocks	7,755	7,049
Trade debtors	5,210	5,950
Other debtors , deposit & prepayment	1,201	1,043
Fixed Deposits	5,745	5,563
Tax recoverable	217	289
Cash and bank balances	1,487	840
Total current assets	<u>21,615</u>	<u>20,734</u>
5.CURRENT LIABILITIES		
Trade creditors	2,135	2,973
Other creditors , accruals & provision	1,439	1,670
Hire purchase creditors	707	832
Bank borrowings / bankers acceptance	645	641
Bank overdraft	74	99
Taxation	-	10
Total current liabilities	<u>5,000</u>	<u>6,225</u>
NET CURRENT ASSETS/(LIABILITIES)	16,615	14,509
	<u>58,288</u>	<u>58,468</u>
Represented by :-		
6.SHARE CAPITAL	50,356	50,338
7.SHARE PREMIUM	5,628	5,620
8.RETAINED PROFITS	(410)	(661)
9.EXCHANGE FLUCTUATION RESERVE	(188)	(172)
10.CAPITAL & LEGAL RESERVE	50	50
11.RESERVE ON CONSOLIDATION	84	67
SHAREHOLDERS' FUNDS	<u>55,520</u>	<u>55,243</u>
12.LONG TERM LIABILITIES	2,616	3,067
13.MINORITY INTERESTS	77	83
14.DEFERRED TAXATION	75	75
	<u>58,288</u>	<u>58,468</u>
Net tangible assets per share (RM)	1.10	1.09

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2003.

LIPO CORPORATION BERHAD**(Company No: 491485-V)****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2003**

GROUP	Non-Distributable				Distributable			Total
	Share Capital	Share Premium	Reserve on Consolidation	Exchange Fluctuation Reserve	Capital Reserve	Legal Reserve	Retained Profits	
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<u>CURRENT YEAR</u>								
<u>1ST QUARTER</u>								
At 1st July 2003	50,338	5,620	67	(172)	-	50	(661)	55,243
Net profit/(loss) for the period	-	-	-	-	-	-	251	251
Issuance of share option (ESOS)	18	8	-	-	-	-	-	26
Acquisition of subsidiary company	-	-	17	-	-	-	-	17
Exchange fluctuation during the period	-	-	-	(16)	-	-	-	(16)
Dividend paid during the period	-	-	-	-	-	-	-	-
Balance as at 31st December 2003	50,356	5,628	84	(188)	-	50	(410)	55,520

GROUP	Non-Distributable				Distributable			Total
	Share Capital	Share Premium	Reserve on Consolidation	Exchange Fluctuation Reserve	Capital Reserve	Legal Reserve	Retained Profits	
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<u>CORRESPONDING PRECEDING PERIOD</u>								
At 1st July 2002	50,323	5,612	67	(194)	-	50	12,458	68,316
Net profit/(loss) for the period	-	-	-	-	-	-	(1,677)	(1,677)
Issuance of share option (ESOS)	-	-	-	-	-	-	-	-
Exchange fluctuation during the period	-	-	-	254	-	-	-	254
Dividend paid during the period	-	-	-	-	-	-	-	-
Balance as at 31st December 2002	50,323	5,612	67	60	-	50	10,781	66,893

LIPO CORPORATION BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2003

	Six Months Ended 31/12/2003 RM ' 000	Six Months Ended 31/12/2002 RM ' 000
Net profit/(loss) before taxation	338	(1,560)
Adjustments for :		
- Non cash items	2,353	2,745
- Non operating items	151	196
Operating profit/(loss) before changes in working capital	<u>2,842</u>	<u>1,381</u>
Changes in Working Capital :-		
- Net change in current assets	(124)	(2,875)
- Net change in current liabilities	(1,075)	1,228
Net Cash (used in)/generated from operating activities	<u>(1,199)</u>	<u>(1,647)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Released of fixed deposits pledged to licensed banks	79	-
Equity investments	-	-
Other investments	(15)	(1,775)
Net cash (used in) / from investing activities	<u>64</u>	<u>(1,775)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	26	-
Interest expenses	(228)	(255)
Drawdown of hire purchase	-	-
Proceed from bank borrowings	950	550
Repayment of hire purchase and bank borrowing	(1,522)	(1,527)
<i>Net cash (used in) / from financing activities</i>	<i>(774)</i>	<i>(1,232)</i>
NET CHANGE IN CASH & CASH EQUIVALENT	933	(3,273)
CASH & CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	6,095	11,204
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u><u>7,028</u></u>	<u><u>7,931</u></u>

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2003.

Note : The amount excluded deposits amounting to RM129,969 (30 June 2003 : RM209,403) that have been pledged to licensed bank to secure certain facilities issued by the licensed banks on behalf of the Company and of the subsidiaries.