

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2008
 (The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	(Unaudited) Current Year Quarter ended 31/03/2008 RM '000	(Unaudited) Preceding Year Corresponding Quarter ended 31/03/2007 RM '000	(Unaudited) Current Year To Date 31/03/2008 RM '000	(Unaudited) Preceding Year Corresponding Period 31/03/2007 RM '000
Revenue	11,970	10,309	34,637	32,792
Operating expenses	(10,281)	(9,398)	(31,494)	(29,588)
Other operating income	410	426	1,117	1,275
Profit from operations	2,099	1,337	4,260	4,479
Income from investment	19	16	53	39
Finance costs	-	-	(2)	(21)
Impairment loss for goodwill	-	-	-	(95)
Profit before tax	2,118	1,353	4,311	4,402
Taxation				
- The Company and its subsidiaries	(95)	(354)	(126)	(885)
Profit for the period	2,023	999	4,185	3,517
Attributable to :				
Equity holders of the parent	1,996	979	4,113	3,459
Minority interests	27	20	72	58
Profit for the period	2,023	999	4,185	3,517
Earning per share attributable to equity holders of the parent (sen)				
- Basic	3.96	1.94	8.17	6.87
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007.

LIPO CORPORATION BERHAD
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2008

	(Unaudited) Current Year As At 31/03/2008 RM '000	(As restated) (Audited) Preceding Financial Year As At 30/06/2007 RM '000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	29,354	30,116
Investment Property	3,879	0
Prepaid Lease Payments	5,689	3,968
Total Non Current Assets	38,922	34,084
Current Assets		
Inventories	5,046	6,151
Trade Receivables	9,579	8,043
Other Receivables, Deposits & Prepayments	1,003	1,260
Tax Recoverable	1,616	1,121
Short-Term Deposits With Licensed Banks	10,717	13,357
Cash & Bank Balances	3,484	2,652
Total Current Assets	31,445	32,584
Total Assets	70,367	66,668
EQUITY AND LIABILITIES		
Equity		
Share Capital	50,356	50,356
Reserves		
Share Premium	5,628	5,628
Capital & Legal Reserves	55	55
Exchange Fluctuation Reserve	-268	-461
Retained Profit	7,533	3,420
Total Equity Attributable To Equity Holders Of The Parent	63,304	58,998
Minority Interests	246	214
Total Equity	63,550	59,212
Liabilities		
Deferred Income	61	81
Deferred Taxation	1,822	1,750
Total Non Current Liabilities	1,883	1,831
Trade Payables	3,502	3,981
Other Payables, Accruals & Provisions	1,373	1,620
Taxation	59	24
Total Current Liabilities	4,934	5,625
Total Liabilities	6,817	7,456
Total Equity And Liabilities	70,367	66,668
Net assets per share attributable to equity holders of the parent (RM)	1.26	1.17

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007.

LIPO CORPORATION BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2008**

GROUP	Attributable to equity holders of the parent							Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Exchange Fluctuation Reserve RM'000	Legal Reserve RM'000	Retained Profit RM'000	Sub-Total RM'000		Minority Interest RM'000
At 01 July 2007	50,356	5,628	-	(461)	55	3,420	58,998	214	59,212
Net profit after tax for the period	-	-	-	-	-	4,113	4,113	72	4,185
Exchange fluctuation during the period	-	-	-	193	-	-	193	-	193
Dividend paid to minority interests of a subsidiary company	-	-	-	-	-	-	-	(40)	(40)
Balance as at 31 March 2008	50,356	5,628	-	(268)	55	7,533	63,304	246	63,550

Attributable to equity holders of the parent

GROUP	Attributable to equity holders of the parent							Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Exchange Fluctuation Reserve RM'000	Legal Reserve RM'000	Retained Profit/ (Accumulated Losses) RM'000	Sub-Total RM'000		Minority Interest RM'000
At 01 July 2006	50,356	5,628	84	(400)	55	(1,156)	54,567	155	54,722
- As previously reported	-	-	(84)	-	-	84	-	-	-
- Effect of adopting FRS 3	50,356	5,628	-	(400)	55	(1,072)	54,567	155	54,722
- As restated	-	-	-	-	-	-	-	-	-
Net profit after tax for the period	-	-	-	-	-	3,459	3,459	50	3,509
Exchange fluctuation during the period	-	-	-	336	-	-	336	-	336
Balance as at 31 March 2007	50,356	5,628	-	(64)	55	2,387	58,362	205	58,567

CORRESPONDING PRECEDING PERIOD

At 01 July 2006

- As previously reported
- Effect of adopting FRS 3
- As restated

Net profit after tax for the period

Exchange fluctuation during the period

Balance as at 31 March 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2008

	Nine Months Ended 31/03/2008 RM '000	Nine Months Ended 31/03/2007 RM '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,311	4,402
Adjustments for :		
- Non cash items	3,823	3,561
- Non operating items	(373)	998
Operating profit before changes in working capital	<u>7,762</u>	<u>8,961</u>
Changes in Working Capital :-		
- Net change in current assets	(174)	(1,427)
- Net change in current liabilities	(726)	165
Net Cash generated from operations	<u>6,862</u>	<u>7,699</u>
Tax paid	(515)	(943)
Net cash generated from operating activities	<u>6,347</u>	<u>6,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	277	341
Fixed deposit released from/(pledge to) licensed banks	-	3
Proceed from disposal of other investment	-	1,000
Proceed from disposal of property, plant and equipment	217	12
Purchase of property, plant & equipment	(2,933)	(1,451)
Purchase of investment property	(3,909)	-
Prepayment of land lease	(1,800)	-
Net cash used in investing activities	<u>(8,148)</u>	<u>(95)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest expenses paid	(2)	(21)
Repayment of bank borrowings and term loan	-	(594)
Net cash used in financing activities	<u>(2)</u>	<u>(615)</u>
NET CHANGE IN CASH & CASH EQUIVALENT	(1,804)	6,047
CASH & CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	15,990	13,094
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>14,186</u>	<u>19,140</u>
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD		
Deposit not pledged	10,702	16,408
Cash and bank balances	<u>3,484</u>	<u>2,732</u>
	<u>14,186</u>	<u>19,140</u>

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2007.

Note : The amount excluded deposits amounting to RM15,350 (30 June 2007 : RM19,108) 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.

**A. NOTES TO THE FINANCIAL REPORT PURSUANT TO FRS 134
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008**

1. Accounting policies and methods of computation

The interim financial report, which is unaudited and has been prepared in accordance with FRS134, 'Interim Financial Reporting' and Chapter 9, Appendix 9B of the Listing Requirement of the Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2007.

The interim financial report has been prepared based on accounting policies and methods of computation that are consistent with those adopted in the preparation of annual audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised FRS :-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to	
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 124	Related Party Disclosures
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the new/revised FRS does not have significant impact on the Group.

2. Audit report of preceding annual financial statement

The Group's audited financial statements for the year ended 30 June 2007 were reported without any qualification.

3. Seasonal or cyclical operations

The performance of the Group is generally dependent on the performance of the global electronics industry.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no unusual items during the reporting quarter which affecting assets, liabilities, equity, net income or cashflow of the Group.

5. Nature and amount of changes in estimates of amount reported in prior interim periods of the current financial year, which give a material effect in the current interim period

There were no significant changes in estimates of amounts reported in prior interim periods of the current financial year or prior years, that have a material affect in the current quarter.

6. **Issuances, cancellations, repurchases, resale and repayments of debt and equity security**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity security during the reporting quarter.

7. **Dividends**

No interim dividend has been declared for the current quarter and financial year-to-date (31 Mar 2007 : Nil)

8. **Group segment reporting**

Business Segments

For management purposes, the Group is organized into the following operating divisions :

- investment holding (includes management services)
- manufacture of precision machined components and parts, precision stamping parts, metal products attribute from machining, precision plating and surface treatment.

<u>For Nine Months Ended 31/03/08</u>	<u>Investment holding (RM'000)</u>	<u>Manufacturing (RM'000)</u>	<u>Total (RM'000)</u>	<u>Eliminations (RM'000)</u>	<u>Consolidated Amount (RM'000)</u>
REVENUE					
External sales	223	34,414	34,637	-	34,637
Inter-segment sales	1,709	1,109	2,818	(2,818)	-
Total revenue	1,932	35,523	37,455	(2,818)	34,637
RESULTS					
Segmental results	919	4,895	5,814	(1,554)	4,260
Investment revenue					53
Finance costs					(2)
Profit before tax					4,311
Income tax expense					(126)
Profit after tax					4,185
Minority Interests					(72)
Net profit After Tax & Minority Interests					4,113
<u>Current Period Ended 31/03/08</u>	<u>Investment holding (RM'000)</u>	<u>Manufacturing (RM'000)</u>	<u>Total (RM'000)</u>	<u>Eliminations (RM'000)</u>	<u>Consolidated Amount (RM'000)</u>
Assets					
Segmental assets	1,032	57,002	58,034	-	58,034
Income producing assets	7,417	3,300	10,717	-	10,717
Income tax assets	848	768	1,616	-	1,616
Consolidated total assets					70,367
Liabilities					
Segmental liabilities	73	4,802	4,875	-	4,875
Deferred income on government grant	-	61	61	-	61
Income tax liabilities	-	1,881	1,881	-	1,881
Consolidated total liabilities					6,817

<u>Current Period</u> <u>Ended 31/03/08</u>	<u>Investment</u> <u>holding</u> <u>(RM'000)</u>	<u>Manufacturing</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>	<u>Eliminations</u> <u>(RM'000)</u>	<u>Consolidated</u> <u>Amount</u> <u>(RM'000)</u>
Capital expenditure	7	8,640	8,642	-	8,642
Depreciation and amortization	3	3,541	3,544	-	3,544

Geographical Segments

The Group's business is managed on a worldwide basis, and operates in three principal geographical areas of the world. The Group's home country is Malaysia, and the Group also operates in Thailand and China.

9. Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendment from the previous annual report.

10. Subsequent Events

There were no material events subsequent to the end of the reporting financial period.

11. Changes in composition of the Group

There were no changes in the composition of the Group in the current quarter.

12. Changes in contingent liabilities or contingent assets

The contingent liabilities of Lipo Corporation Berhad has been maintained at RM1.50 million as at 31 March 08 (30 June 2007 – RM1.50 million), being corporate guarantee given to financial institute for banking facilities granted to its subsidiaries.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1. Review of performance

Compared with the corresponding quarter last year, the Group recorded higher revenue of RM11.97 million or an increase of 16.11% from RM10.30 million and the Group's profit before taxation increased to RM2.11 million or 56.54% as compared to RM1.35 million. The favourable result was attributable to improved performance by the local and overseas Precision Components Division during the quarter.

For the nine months ended 31 March 2008, the Group recorded slight increase in revenue by RM1.84 million, with no significant change in term of profit before taxation.

2. Comparison with preceding quarter's result

For the quarter under review, the Group recorded revenue of RM11.97 million, representing an increase of RM0.78 million or 7.02% from the preceding quarter. However, a higher pre-tax profit of RM2.11 million in the current quarter was recorded by the Group as compared to the pre-tax profit of RM1.55 million as recorded in the preceding quarter which was attributed to the favourable performance of the overseas subsidiaries.

3. Current year prospects

Barring any unforeseen circumstances, the Board expects the group's performance to remain positive in the remaining quarter.

4. Variance on forecast profit/ profit guarantee

No profit guarantee / forecast was issued during the period.

5. Taxation

Taxation comprises the following :-

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year 3rd Quarter Ended 31/03/2008 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period Ended 31/03/2007 RM'000
Group				
Current year	50	(269)	(54)	(550)
Deferred tax	(145)	(85)	(72)	(235)
	(95)	(354)	(126)	(885)
(Under) / over provision in prior years	-	-	-	-
Total	(95)	(354)	(126)	(885)

The effective rate for the cumulative period is lower than the statutory tax rate due to the utilisation of reinvestment allowances and unabsorbed capital allowance.

6. Profit on sale of investments or properties

There were no profits on the sale of investments and properties for the current quarter and financial year-to-date.

7. Purchases and sales of quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

8. Status of corporate proposals

There was no corporate proposal announced as at the date of this interim report but pending completion.

9. Group Borrowing

There were no local and foreign borrowings as at the date of this report.

10. Financial instruments with off balance sheet risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

11. Material litigation

There were no material litigation pending at the date of this report.

12. Dividend

The Board of Directors does not recommend any dividend for the current quarter and financial year-to-date (31 March 2007 : Nil).

13. Earnings Per Share

(a) Basic earnings per share

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter Ended 31/03/2008 RM'000	Preceding Year Corresponding Quarter ended 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period Ended 31/03/2007 RM'000
<u>Basic</u>				
Net profit for the period attributable to the equity holders of the parent	1,996	979	4,113	3,459
Weighted average No. of ordinary shares ('000)	50,356	50,356	50,356	50,356
Basic earnings per share attributable to the equity holders of the parent (sen)	3.96	1.94	8.17	6.87

b) Diluted earnings per share

The diluted earnings per ordinary share in individual and accumulative period ended 31 March 2008 is not shown as the effect of the assumed conversion of ESOS options to ordinary shares would be anti-dilutive.

14. Authorisation for issuance of the interim financial statements

On 23 May 2008, the Board of Directors authorized the issuance of these interim financial statements.