

**A. NOTES TO THE FINANCIAL REPORT PURSUANT TO FRS 134
FOR THE FOURTH FINANCIAL QUARTER ENDED 30 JUNE 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, 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 (30 June 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 Twelve Months Ended 30/06/08</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	294	46,897	47,191	-	47,191
Inter-segment sales	3,317	1,606	4,923	(4,923)	-
Total revenue	3,611	48,503	52,114	(4,923)	47,191
RESULTS					
Segmental results	2,246	7,308	9,554	(3,241)	6,313
Investment revenue					78
Finance costs					(2)
Profit before tax					6,389
Income tax expense					(733)
Profit after tax					5,656
Minority Interests					(111)
Net profit After Tax & Minority Interests					5,545
<u>Current Period Ended 30/06/08</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	1,730	56,560	58,290	-	58,290
Income producing assets	10,332	2,611	12,943	-	12,943
Income tax assets	463	694	1,157	-	1,157
Consolidated total assets					72,390
Liabilities					
Segmental liabilities	101	5,258	5,359	-	5,359
Deferred income on government grant	-	54	54	-	54
Income tax liabilities	-	1,966	1,966	-	1,966
Consolidated total liabilities					7,379

<u>Current Period</u> <u>Ended 30/06/08</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	13	9,069	9,082	-	9,082
Depreciation and amortization	5	4,695	4,700	-	4,700

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 30 June 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 RM12.55 million, an increase of RM2.63 million or 26.56% from RM9.91 million and the Group's profit before taxation increased to RM2.07 million or 152.18% as compared to RM0.82 million. The favourable result was attributable to better performance by the local and overseas Precision Components Division during the quarter.

For the twelve months ended 30 June 2008, the Group recorded increase in revenue by RM4.48 million or an increase of 10.48% from preceding year corresponding period. The increase was mainly derived from the overseas Precision Components Division. In line with the increase in revenue, the group recorded a pre-tax profit of RM6.38 million, representing an increase of RM1.16 million or 22.25% as compared to preceding year corresponding period.

2. Comparison with preceding quarter's result

For the quarter under review, the Group recorded a slight increase in revenue by RM0.58 million or 4.87% from the preceding quarter with no significant change in profit before tax reported.

3. Current year prospects

Barring any unforeseen circumstances, the Board expects the group's performance to remain satisfactory in the coming quarters.

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 4th Quarter Ended 30/06/2008 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2007 RM'000	Current Year To Date 30/06/2008 RM'000	Preceding Year Corresponding Period Ended 30/06/2007 RM'000
Group				
Current year	(313)	213	(367)	(337)
Deferred tax	(86)	17	(158)	(318)
	(399)	230	(525)	(655)
(Under) / over provision in prior years	(208)	1	(208)	1
Total	(607)	231	(733)	(654)

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 (30 June 2007 : Nil).

13. Earnings Per Share

(a) Basic earnings per share

<u>Basic</u>	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter Ended 30/06/2008	Preceding Year Corresponding Quarter ended 30/06/2007	Current Year To Date 30/06/2008	Preceding Year Corresponding Period Ended 30/06/2007
Net profit for the period attributable to the equity holders of the parent (RM'000)	1,432	1,033	5,545	4,492
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)	2.84	2.05	11.01	8.92

b) Diluted earnings per share

The diluted earnings per ordinary share in individual and accumulative period ended 30 June 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 21 Aug 2008, the Board of Directors authorized the issuance of these interim financial statements.