

**A. NOTES TO THE FINANCIAL REPORT PURSUANT TO FRS 134
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009**

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 2008.

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 2008.

2. Audit report of preceding annual financial statement

The Group's audited financial statements for the year ended 30 June 2008 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. Dividend

No interim dividend has been declared for the current quarter and financial year-to-date (31 March 2008 : 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</u> <u>31/03/09</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>
REVENUE					
External sales	-	28,725	28,725	-	28,725
Inter-segment sales	2,515	565	3,080	(3,080)	-
Total revenue	2,515	29,290	31,805	(3,080)	28,725
RESULTS					
Segment results	1,408	1,303	2,711	(2,335)	376
Investment revenue					358
Finance costs					-
Profit before tax					734
Income tax expense					(559)
Profit after tax					175
Minority Interests					(31)
Net profit After Tax & Minority Interests					144

<u>Current Period</u> <u>Ended 31/03/09</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>
Assets					
Segmental assets	106	53,831	53,937	-	53,937
Income producing assets	16,083	1,850	17,933	-	17,933
Income tax assets	433	817	1,250	-	1,250
Consolidated total assets					73,120
Liabilities					
Segmental liabilities	44	3,971	4,015	-	4,015
Deferred income on government grant	-	34	34	-	34
Income tax liabilities	-	2,284	2,284	-	2,284
Consolidated total liabilities					6,333

<u>Current Period</u> <u>Ended 31/03/09</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	1	4,168	4,169	-	4,169
Depreciation and amortization	4	3,522	3,526	-	3,526

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.

The following is an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services :-

Sales revenue by geographical market	RM'000
Malaysia	13,809
Other Asia Pacific Countries	9,698
United States of America	1,459
European Countries	1,783
Thailand	1,919
Others	57
Total	28,725

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 09 (30 June 2008 – RM1.50 million), being corporate guarantee given to financial institution 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 revenue of RM6.79 million, representing tremendous drop of revenue amounted to RM5.11 million or 42.91% from RM11.90 million. The Group recorded loss before tax of RM0.54 million, representing a decrease of RM2.66 million or 125.59%. The poor result reported was mainly attributed to significant decline in revenue despite several measures have been taken to control the overall cost.

For the nine months ended 31 March 2009, the group recorded revenue of RM28.72 million, representing a decrease of RM5.68 million or 16.52% from preceding year corresponding period. Although the group recorded a pre-tax profit of RM0.73 million, there was a vast drop of profit of RM3.57 million or 82.97% as compared to preceding year corresponding period. The unfavourable performance was attributable to significant drop in revenue and also the poor result reported by the overseas components division as compared to preceding year corresponding period.

2. Comparison with preceding quarter's result

For the quarter under review, the Group recorded tremendous decrease in revenue by RM4.07 million or 37.46% from the preceding quarter with the loss reported of RM0.54 million as compared to profit reported of RM0.03 million in last quarter. The unfavourable result was mainly attributed to the lower orders received and loss reported from overseas components division.

3. Current year prospects

The Board expects the group's performance to remain challenging in the coming quarter. The group will be taking the necessary measures to cut costs and intensify its marketing workforce to mitigate downturn impact of the global economy.

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 31/03/2009 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2008 RM'000	Current Year To Date 31/03/2009 RM'000	Preceding Year Corresponding Period Ended 31/03/2008 RM'000
Group				
Current year	22	50	(267)	(54)
Deferred tax	(100)	(145)	(292)	(72)
	(78)	(95)	(559)	(126)
(Under) / over provision in prior years	-	-	-	-
Total	(78)	(95)	(559)	(126)

The reversal for taxation during the quarter was in respect of the loss reported by the local subsidiaries.

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 Mar 2008 : Nil).

13. Earnings Per Share

(a) Basic earnings per share

<u>Basic/diluted</u>	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter Ended 31/03/2009	Preceding Year Corresponding Quarter Ended 31/03/2008	Current Year To Date Ended 31/03/2009	Preceding Year Corresponding Period Ended 31/03/2008
Net (loss)/profit for the period attributable to the equity holders of the Company (RM'000)	(612)	1,996	144	4,113
No. of ordinary shares in issue ('000)	50,356	50,356	50,356	50,356
Basic/diluted (loss)/earnings per share attributable to the equity holders of the Company (sen)	(1.22)	3.96	0.29	8.17

b) Diluted earnings per share

The diluted earnings per ordinary share in individual and accumulative period ended 31 Mar 2009 is not shown as the effect of the assumed conversion of outstanding ESOS options to ordinary shares would be anti-dilutive due to market price of the ordinary shares is currently lower than the subscription price.

14. Authorisation for issuance of the interim financial statements

On 21 May 2009, the Board of Directors authorized the issuance of these interim financial statements.