

**A. NOTES TO THE FINANCIAL REPORT PURSUANT TO FRS 134
FOR THE FORTH FINANCIAL QUARTER ENDED 30 JUNE 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 dividend has been declared for the current quarter and financial year-to-date (30 June 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 Twelve Months Ended 30/06/09</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	-	35,095	35,095	-	35,095
Inter-segment sales	3,046	642	3,080	(3,688)	-
Total revenue	3,046	35,737	38,783	(3,688)	35,095
RESULTS					
Segment results	1,912	1,207	3,119	(3,046)	73
Investment revenue					455
Finance costs					-
Profit before tax					528
Income tax expense					(296)
Profit after tax					232
Minority Interests					(35)
Net profit After Tax & Minority Interests					197

<u>Current Period Ended 30/06/09</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	163	52,016	52,179	-	52,179
Income producing assets	16,604	2,261	18,865	-	18,865
Income tax assets	670	785	1,455	-	1,455
Consolidated total assets					72,499
Liabilities					
Segmental liabilities	38	3,295	3,333	-	3,333
Deferred income on government grant	-	27	27	-	27
Income tax liabilities	-	2,236	2,236	-	2,236
Consolidated total liabilities					5,596

<u>Current Period Ended 30/06/09</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>
Capital expenditure	1	4,203	4,204	-	4,204
Depreciation and amortization	5	4,884	4,889	-	4,889

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	16,494
Other Asia Pacific Countries	11,858
United States of America	1,856
European Countries	2,583
Thailand	2,247
Others	57
Total	35,095

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 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 RM6.37 million, representing significant drop of revenue amounted to RM6.18 million or 49.25% from RM12.55 million. The Group recorded loss before tax of RM0.20 million, representing a decrease of RM2.28 million or 109.91%. 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 twelve months ended 30 June 2009, the group recorded revenue of RM35.09 million, representing a decrease of RM11.80 million or 25.16% from preceding year corresponding period. Although the group recorded a pre-tax profit of RM0.52 million, there was a vast drop of profit by RM5.86 million or 91.74% 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 slight decrease in revenue by RM0.42 million or 6.28% from the preceding quarter with the slight improvement in loss before tax of RM0.20 million as compared to loss before tax reported of RM0.54 million in last quarter. The slight improvement result was mainly attributed to the effective implementation of overall cost control measure.

3. Current year prospects

The Board expects the group's performance persistently challenging in the coming quarters. 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>	
	<u>Current Year</u> <u>4th Quarter</u> <u>Ended</u> <u>30/06/2009</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>30/06/2008</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>30/06/2009</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period Ended</u> <u>30/06/2008</u> <u>RM'000</u>
Group				
Current year	2	(350)	(265)	(404)
Deferred tax	196	(64)	(96)	(136)
	198	(414)	(361)	(540)
(Under) / over provision in prior years	65	(193)	65	(193)
Total	263	(607)	(296)	(733)

The provision for taxation for the current year to date was in respect of the profit reported by the local subsidiaries despite the loss reported by the overseas components subsidiary.

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 Jun 2008 : Nil).

13. Earnings Per Share

(a) Basic earnings per share

<u>Basic/diluted</u>	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter Ended 30/06/2009	Preceding Year Corresponding Quarter Ended 30/06/2008	Current Year To Date Ended 30/06/2009	Preceding Year Corresponding Period Ended 30/06/2008
Net profit for the period attributable to the equity holders of the Company (RM'000)	53	1,432	197	5,545
No. of ordinary shares in issue ('000)	50,356	50,356	50,356	50,356
Basic/diluted earnings per share attributable to the equity holders of the Company (sen)	0.11	2.84	0.39	11.01

b) Diluted earnings per share

The diluted earnings per ordinary share in individual and accumulative period ended 30 Jun 2009 is not shown as the effect of the assumed conversion of outstanding Employee Share Option Scheme 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 27 Aug 2009, the Board of Directors authorized the issuance of these interim financial statements.