

LIPO CORPORATION BERHAD

(Company No: 491485-V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**FOR THE TWELVE MONTHS ENDED 30 JUNE 2011**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter ended 30/06/2011 RM '000	Preceding Year Corresponding Quarter ended 30/06/2010 RM '000	Current Year To Date 30/06/2011 RM '000	Preceding Year Corresponding Period 30/06/2010 RM '000
<u>Continuing Operations</u>				
Revenue	19,051	12,937	67,466	42,338
Operating expenses	(16,019)	(11,820)	(57,479)	(38,500)
Other operating income	311	386	1,531	975
Profit from operations	3,343	1,503	11,518	4,813
Income from investment	172	75	592	439
Profit before tax	3,515	1,578	12,110	5,252
Taxation				
- The Company and its subsidiaries	(990)	(193)	(2,644)	(952)
Profit for the period from continuing operations	2,525	1,385	9,466	4,301
<u>Discontinued Operation</u>				
(Loss)/profit for the period from discontinued operation	(24)	(34)	(31)	130
Profit for the period	2,501	1,351	9,435	4,431
Other comprehensive income :				
Foreign currency translation differences for foreign operations	240	(340)	(359)	(988)
Total comprehensive income for the period	2,741	1,011	9,076	3,443
Profit for the period attributable to :				
Equity holders of the Company	2,443	1,341	9,315	4,368
Non-controlling interest	58	10	120	63
Profit for the period	2,501	1,351	9,435	4,431
Total comprehensive income attributable to :				
Equity holders of the Company	2,683	1,001	8,956	3,380
Non-controlling interest	58	10	120	63
Total comprehensive income	2,741	1,011	9,076	3,443
Earning per share attributable to equity holders of the Company (sen)				
- continuing operations	4.90	2.73	18.56	8.42
- discontinued operation	(0.05)	(0.07)	(0.06)	0.26
Basic/diluted	4.85	2.66	18.50	8.67

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	(Unaudited)	(Audited)
	Current	Restated
	Year	Preceding
	As At	Financial Year
	30/06/2011	30/06/2010
	RM '000	RM '000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	31,847	32,669
Land Held For Property Development	7,106	7,106
Property Development Expenditure	8	-
Total Non-Current Assets	38,961	39,775
Current Assets		
Inventories	6,524	4,709
Trade Receivables	14,152	13,078
Other Receivables, Deposits & Prepayments	3,768	1,028
Amount Owing To Related Companies	22	-
Financial Assets At Fair Value Through Profit or Loss	2	-
Current Tax Assets	116	99
Cash & Cash Equivalents	26,900	20,542
Total Current Assets	51,484	39,456
Total Assets	90,445	79,231
EQUITY AND LIABILITIES		
Equity		
Share Capital	50,356	50,356
Reserves		
Share Premium	5,628	5,628
Legal Reserves	55	55
Currency Translation Reserve	97	456
Retained Earnings	22,845	13,530
Total Equity Attributable To Equity Holders Of The Company	78,981	70,025
Non-Controlling Interest	261	261
Total Equity	79,242	70,286
Non-Current Liabilities		
Deferred Income On Government Grant	123	164
Deferred Tax Liabilities	1,562	1,654
Total Non-Current Liabilities	1,685	1,818
Current Liabilities		
Trade Payables	5,533	4,059
Other Payables, Accruals & Provisions	3,316	2,054
Amount Owing To Holding Company	-	32
Amount Owing To Related Company	3	-
Current Tax Liabilities	666	982
Total Current Liabilities	9,518	7,127
Total Liabilities	11,203	8,945
Total Equity And Liabilities	90,445	79,231
Net assets per share attributable to equity holders of the parent (RM)	1.57	1.39

The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 30 JUNE 2011**

GROUP	<----- Attributable to equity holders of the Company ----->							Non- Controlling Interests RM'000	Total Equity RM'000
	<----- Non-Distributable ----->			Distributable					
	Share Capital RM'000	Share Premium RM'000	Currency Translation Reserve RM'000	Legal Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000			
<u>CURRENT YEAR</u>									
At 01 July 2010	50,356	5,628	456	55	13,530	70,025	261	70,286	
Total comprehensive income for the period	-	-	(359)	-	9,315	8,956	120	9,076	
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	(120)	(120)	
Balance as at 30 June 2011	50,356	5,628	97	55	22,845	78,981	261	79,242	

GROUP	<----- Attributable to equity holders of the Company ----->							Non- Controlling Interests RM'000	Total Equity RM'000
	<----- Non-Distributable ----->			Distributable					
	Share Capital RM'000	Share Premium RM'000	Currency Translation Reserve RM'000	Legal Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000			
<u>CORRESPONDING PRECEDING PERIOD</u>									
At 01 July 2009	50,356	5,628	1,444	55	9,162	66,645	258	66,903	
Total comprehensive income for the period	-	-	(988)	-	4,368	3,380	63	3,443	
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	(60)	(60)	
Balance as at 31 June 2010	50,356	5,628	456	55	13,530	70,025	261	70,286	

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 30 JUNE 2011

	Twelve Months Ended 30/06/2011 RM '000	Twelve Months Ended 30/06/2010 RM '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	12,110	5,252
- Discontinued operation	(31)	186
Adjustments for :		
- Non-cash items	4,503	5,588
- Non-operating items	(592)	(522)
Operating profit before changes in working capital	<u>15,990</u>	<u>10,504</u>
 Changes in Working Capital :-		
- Net change in current assets	(5,635)	(8,146)
- Net change in current liabilities	2,704	2,813
Net Cash generated from operations	<u>13,059</u>	<u>5,171</u>
 Tax (paid)/refund	(3,070)	748
Net cash generated from operating activities	<u>9,989</u>	<u>5,919</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Government grants received	-	205
Interest received	584	536
Proceed from disposal of property, plant and equipment	1,865	3
Purchase of land held for property development	-	(7,107)
Increase in property development expenditure	(8)	-
Purchase of property, plant & equipment	(5,836)	(837)
Net cash used in investing activities	<u>(3,394)</u>	<u>(7,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest of a subsidiary company	(120)	(60)
Fixed deposits released as security value	17	(110)
Net cash generated/(used) in financing activities	<u>(103)</u>	<u>(171)</u>
 NET CHANGE IN CASH & CASH EQUIVALENT	6,492	(1,450)
 Effect of foreign exchange rate changes	(117)	(154)
 CASH & CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	20,411	22,014
 CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>26,786</u>	<u>20,411</u>
 CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD		
Highly Liquid Investments	10,067	3,641
Deposit not pledged	14,261	14,113
Cash and bank balances	2,458	2,657
	<u>26,786</u>	<u>20,411</u>

Note : The amount excluded deposits amounting to RM114,000 (30 June 2010 : RM131,204) that have been pledged to licensed banks to secure certain facilities issued by the licensed banks on behalf of the Company and of the subsidiaries.

The Condensed Consolidated Statement Of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010.

**A. NOTES TO THE FINANCIAL REPORT PURSUANT TO FRS 134
FOR THE FORTH FINANCIAL QUARTER ENDED 30 JUNE 2011**

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 2010.

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 2010 except for the following :-

i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

In the current period ended 30 June 2011, the Group adopted the following new and revised FRSs, IC Interpretations which are applicable to its financial statement and are relevant to its operations :

Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations*
Amendments to FRS 2 *Share-based Payment*
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
Amendments to FRS 132 *Financial Instruments: Presentation*
Amendments to FRS 138 *Intangible Assets*
Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*, FRS 7 *Financial Instruments: Disclosures* and IC Interpretation 9 *Reassessment of Embedded Derivatives*
Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*
Amendments to FRSs contained in the document entitled "*Improvements to FRSs (2009)*"
FRS 1 *First-time Adoption of Financial Reporting Standards* (revised in 2010)
FRS 3 *Business Combinations* (revised in 2010)
FRS 7 *Financial Instruments: Disclosures*
FRS 101 *Presentation of Financial Statements* (revised in 2009)
FRS 123 *Borrowing Costs*
FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)
FRS 139 *Financial Instruments: Recognition and Measurement*
IC Interpretation 9 *Reassessment of Embedded Derivatives*
IC Interpretation 10 *Interim Financial Reporting and Impairment*
IC Interpretation 11 *FRS 2 - Group and Treasury Share Transactions*
IC Interpretation 13 *Customer Loyalty Programmes*
IC Interpretation 14 *FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are as following :-

Amendments to FRS 117 Leases

Prior to the adoption of Amendment to FRS117, leasehold lands were treated as operating leases. The consideration paid was classified as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or operating lease is based on the extent to which the risks and rewards incident to ownership lie. In making this judgement, the management has concluded that lands with an initial lease period of 50 years or more are finance leases due to the present value of the minimum lease payments (i.e. the consideration paid or payable) is substantially equal to the fair value of the land. Therefore, the Group has changed the classification of the leasehold lands from operating leases to finance leases in the current quarter. This change in classification has no effect to profit or loss of the current period ended 30 June 2011 or the comparative period. The effect to the comparative of the prior year's statement of financial position is as follow :-

30 June 2010 (Net Book Value)	As previously reported (RM'000)	Reclassification (RM'000)	As restated (RM'000)
Property, plant & equipment	27,268	5,401	32,669
Prepaid lease payments	5,401	(5,401)	-

FRS 101(revised) Presentation of Financial Statements (revised in 2009)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of change in equity, a statement of cash flow and notes to the financial statements.

The effect of the change in presentation are as follow :-

The gains and losses that were recognized directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for the preceding corresponding period is presented separately and allocation is made to show the amount attributable to Equity Holders of the Company and to Non-controlling Interests. The effects on the comparatives to the Group on adoption of the revised FRS 101 are as follows :-

For the period ended 30 June 2010	Income Statement As previously reported (RM'000)	Effects of adopting FRS101 (RM'000)	Statement of Comprehensive Income As restated (RM'000)
Profit for the period	4,431	-	4,431
Other comprehensive income	-	(988)	(988)
Total comprehensive income			3,443
Total comprehensive income attributable to :			
Equity holders of the Company	-	-	3,380
Non-controlling Interests	-	-	63
			3,443

The total comprehensive income for the period is presented as a one-line item in the Statement Of Changes In Equity.

The adoption of the other new and revised FRSS, IC Interpretations and amendments has no effect to the Group's consolidated financial statements of the current quarter or the comparative financial statement of the preceding year corresponding period.

ii) New and Revised FRSs, IC Interpretations and Amendments issued but are not yet effective for the Group's current quarter report

Amendment to FRS 1 Limited Exemption from Comparative FRS7 Disclosures for First-time Adopters

Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7 Improving Disclosure about Financial Instruments

The adoption of other New and Revised FRSs, IC Interpretations and Amendments will have no significant impact or not result in changes to the existing accounting policies.

2. Seasonal or cyclical operations

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

3. 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 cash flow of the Group.

4. 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 effect in the current quarter.

5. 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.

6. Dividend Paid

No dividend has been paid for the current quarter and financial year-to-date (30 June 2010 : Nil).

7. Segmental information

For management purpose, the Group views the business from the geographic perspective. The reportable segments are Malaysia, China and Thailand. The Malaysia segment's products & services comprise of manufacturing of precision components, sheet metal and surface treatment, while the China and Thailand segments' products & services comprise of manufacturing of precision components. The reported segment of Thailand has ceased its operations on 17 January 2011.

For Twelve Months Ended 30/06/11

	Continuing Operations		Discontinued operation	Unallocated non-operating segments	Consolidation adjustments and eliminations	Total
	Malaysia	China	Thailand			
	RM'000	RM'000	RM'000			
Revenue from external customer	54,389	13,077	293	0	0	67,759
Intersegment revenue	1,649	0	37	6,681	(8,367)	0
Depreciation and amortization	3,064	1,082	79	138	0	4,363
Reportable segment profit	7,852	2,619	(31)	5,280	(6,285)	9,435
Reportable segment assets	39,611	13,990	157	77,790	(41,103)	90,445
Expenditure for non-current assets	4,100	1,707	29	0	0	5,836
Reportable segment liabilities	8,872	3,205	-	15,315	(16,189)	11,203

Note : "Unallocated non-operating segments" consist of two inactive subsidiaries in Malaysia and holding company.

For Twelve Months Ended 30/06/10

	Continuing Operations		Discontinued operation	Unallocated non-operating segments	Consolidation adjustments and eliminations	Total
	Malaysia	China	Thailand			
	RM'000	RM'000	RM'000			
Revenue from external customer	32,989	9,349	2,012	0	0	44,350
Intersegment revenue	1,190	0	0	2,813	(4,003)	0
Depreciation and amortization	4,250	982	216	138	0	5,586
Reportable segment profit	4,226	1,403	130	1,062	(2,390)	4,431
Reportable segment assets	38,328	12,389	943	69,675	(42,104)	79,231
Expenditure for non-current assets	583	164	73	7,209	(85)	7,944
Reportable segment liabilities	9,291	3,887	131	12,481	(16,845)	8,945

Note : "Unallocated non-operating segments" consist of two inactive subsidiaries in Malaysia and holding company.

Geographical Information

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 for twelve months period ended 30 June 2011 and preceding year corresponding quarter ended 30 June 2010, irrespective of the origin of the goods/services :-

Sales revenue by geographical market	Current Year Period Ended 30/06/2011 RM'000	Preceding Year Corresponding Period Ended 30/06/2010 RM'000
<u>Continuing Operations</u>		
Malaysia	35,950	23,115
Other Asia Pacific Countries	25,434	14,413
United States of America	4,261	2,896
European Countries	1,231	1,495
Others	590	419
	67,466	42,338
<u>Discontinued Operation</u>		
Thailand	293	2,012
Total	67,759	44,350

Information about major customer

Revenue from two customers of Malaysia's segment contributed approximately 6.79 million and RM13.14 million respectively (10.02% & 19.39% respectively) of the total Group's revenues.

8. 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.

9. Subsequent Events

There were no material events subsequent to the end of the reporting financial period except the following :-

- a) Lipo has on 4 July 2011 incorporated a wholly owned private limited subsidiary in Suzhou, China namely Suzhou Univex Metal Tech Co. Ltd. (Company No. 320500400041051). The intended registered capital is USD300,000. The principal activity of Univex is manufacturing of metal products and surface treatments.
- b) Further to the cessation of operation by a subsidiary in Thailand, Paradigm Precision Components (Thailand) Co Ltd (PPCT), on 17 January 2011, PPCT has been completely dissolved on 11 Jul 2011.

10. Changes in composition of the Group

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

11. Changes in contingent liabilities or contingent assets

The Company has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to limit of RM1.50 million as at 30 June 2011 (30 June 2010 : RM1.50 million), of which RM0.11 million has been utilised as at 30 June 2011.

12. Capital Commitments

Authorised capital commitments not recognized in the interim financial statements as at 30 June 2011 are as follows :-

Contracted	RM'000
Property, Plant & Equipment	300
Land Held For Property Development	<u>2,800</u>
	<u>3,100</u>

13. Material related party transactions

There were no material related party transactions for the current quarter and financial year-to-date.

B. ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of performance

The Group recorded revenue of RM19.05 million, representing a significant increase of revenue amounted to RM6.11 million or 47.26% from RM12.93 million as recorded in preceding year corresponding quarter. The significant improvement in revenue recorded was mainly due to high orders loading by customers from Malaysia & China operating segments. In tandem with significant sales increase, the Group pre-tax profit reported has been double up to RM3.51 million from RM1.57 million as recorded in preceding year corresponding quarter. Although the appreciation of Ringgit Malaysia did bring the adverse impact to the Group, the Group managed to mitigate the impact by posted high revenue with more high value add products and efficient cost control.

For the twelve months ended 30 June 2011, the group recorded revenue of RM67.46 million, representing significant increase of RM25.12 million or 59.35% from preceding year corresponding period. In tandem with the higher sales revenue recorded, the group posted a pre-tax profit of RM12.11 million as compared to pre-tax profit of RM5.25 million as recorded in preceding year corresponding period. The favourable performance was attributable to improved result reported from Malaysia & China operating segments, as result of strong orders received for high value products and efficient cost control.

2. Comparison with preceding quarter's result

For the quarter under review, the Group recorded increase in revenue by RM3.16 million or 19.88% from the preceding quarter and higher profit before tax of RM3.51 million was recorded as compared to profit before tax of RM1.84 million as reported in preceding quarter. The favourable performance was mainly attributed to the higher revenue recorded.

3. Commentary on the prospects of the Group

The Board anticipates that the current uncertain global economic environment will bring negative impact to the Group's financial performance for the coming financial year. Amid of the challenging environment, the Group will remain focus on its core business to provide high value added products as well as maintaining cost efficiencies. Barring any unforeseen circumstances, the Board expects the performance for the financial year ending 30 June 2012 to be challenging.

4. Variance of actual profit from forecast profit or profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

5. Taxation

Taxation comprises the following :-

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter Ended 30/06/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2010 RM'000	Current Year To Date 30/06/2011 RM'000	Preceding Year Corresponding Period Ended 30/06/2010 RM'000
Group				
Current year	(803)	(677)	(2,816)	(1,380)
Deferred tax	(119)	376	164	368
	(922)	(301)	(2,652)	(1,012)
(Under) / over provision in prior years	(68)	108	8	60
Total	(990)	(193)	(2,644)	(952)

The effective rate for the quarter and year-to-date was lower than the statutory tax rate due to the reinvestment allowance and capital allowance claimed during the quarter.

6. Profits or losses on sale of unquoted investments or properties

There were no profits or losses on the sale of unquoted 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 and debt securities

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

10. Derivative financial instruments

During the quarter, the Group entered into the foreign exchange forward contract to hedge exposure to currency risk for receivables which are denominated in a currency other than the functional currency of the Group.

The outstanding of foreign exchange forward contract as at 30 June 2011 :

	Notional Value RM'000	Fair Value RM'000	Gain on Fair Value Changes RM'000
Less than 1 year - US Dollar	<u>610</u>	<u>608</u>	<u>2</u>

Forward foreign exchange contract is entered into with credit worthy financial institute to hedge part of the Group's sales from exchange rate movements. Given that the contract is entered into with credit worthy financial institute, credit risk for non-performance by the counterparty is minimal.

With the adoption of FRS 139, all derivative financial instruments held by the Group will be recognised as assets or liabilities in the balance sheets date, and will be classified as financial assets or financial liabilities at fair value through profit and loss. Derivative contracts is recognized and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in the income statement at each reporting date.

11. Gains or losses arising from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes of financial liabilities for the current quarter and financial year-to-date.

12. Breakdown of realised and unrealized profits or losses of the Group

	30/06/2011	31/03/2011
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	30,972	28,179
- Unrealised	<u>(1,560)</u>	<u>(1,371)</u>
	29,412	26,808
Consolidation adjustments and elimination	<u>(6,567)</u>	<u>(6,444)</u>
Total retained profits for the Group	<u>22,845</u>	<u>20,364</u>

13. Change in material litigations

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

14. Dividend

The Board of Directors recommends the payment of first & final tax exempt dividend of 3% in respect of financial year ended 30 June 2011 (30 June 2010 : Nil).

15. Earnings Per Share

(a) Basic earnings per share

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter Ended 30/06/2011	Preceding Year Corresponding Quarter Ended 30/06/2010	Current Year To Date Ended 30/06/2011	Preceding Year Corresponding Period Ended 30/06/2010
<u>Basic/diluted</u>				
Net profit /(loss) for the period attributable to the equity holders of the Company (RM'000):-				
- Continuing operations	2,467	1,375	9,346	4,238
- Discontinued operation	(24)	(34)	(31)	130
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):-				
- Continuing operations	4.90	2.73	18.56	8.42
- Discontinued operation	(0.05)	(0.07)	(0.06)	0.26

b) Diluted earnings per share

The diluted earnings per ordinary share in individual and accumulative period ended 30 June 2011 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.

16. Audit report of preceding annual financial statements

The Group's audited financial statements for the year ended 30 June 2010 were reported without any qualification.