

This Prospectus has been seen and approved by the Directors and promoters of LFE Corporation Berhad ("LFECB") and the Offerors (as hereinafter defined), and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading. The Directors of LFECB hereby accept full responsibility for the consolidated profit forecast for the financial year ending 31 December 2003 included in this Prospectus and confirm that the consolidated profit forecast has been prepared based on assumptions made.

Malaysian International Merchant Bankers Berhad, being the Adviser, Managing Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Placement and Offer for Sale, and is satisfied that the consolidated profit forecast for the financial year ending 31 December 2003 (for which the Directors of LFECB are fully responsible), prepared for inclusion in this Prospectus, have been stated by the said Directors after due and careful enquiry, and have been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the Placement and Offer for Sale, and the approvals shall not be taken to indicate that the SC recommends the Placement and Offer for Sale, which are the subject of this Prospectus.

The SC shall not be liable for any non-disclosure on the part of LFECB or the Offerors and take no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

The Kuala Lumpur Stock Exchange ("KLSE") shall not be liable for any non-disclosure on the part of LFECB or the Offerors and take no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of the Placement and Offer for Sale, the Offerors, LFECB or the shares of LFECB.

The valuation approved or accepted by the SC shall only be utilized for the purpose of the listing proposal submitted to and approved by the SC, and shall not be construed as an endorsement by the SC on the value of the subject assets for any other purposes.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the Application Form for the Placement and Offer for Sale has been lodged with the Registrar of Companies ("ROC"), and neither SC nor the ROC take any responsibility for its contents.

Indicative Timetable	Tentative Date
Opening Date of Offer for Sale	30 September 2003
Closing Date of Offer for Sale	*10 October 2003
Tentative Balloting Date	15 October 2003
Tentative Allotment Date	21 October 2003
Tentative Listing Date	27 October 2003

* *The Directors of LFECB and the underwriters may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting and allotment of the Offer Shares, and the listing of and quotation for the entire enlarged issued and paid-up share capital of LFECB on the Second Board of the KLSE would be extended accordingly. Any change to the closing date of the application will be published in a widely circulated daily newspaper within Malaysia.*

Information on other advisers involved in the Placement and Offer for Sale and/or the preparation of this Prospectus or the provision of information for the preparation of this Prospectus, are contained in Sections 1 and 12.2 of this Prospectus.

DEFINITIONS

In this Prospectus, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Acquisition of Mayduct Land”	:	Acquisition by LFECB of the Mayduct Land from Lew Mew Choi for a purchase consideration of RM10,250,000 satisfied partly by an issue of 5,401,420 new LFECB Shares at an issue price of RM1.11 per share and the remaining RM4,254,423 satisfied in cash
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“ASTA”	:	The Association of Short-circuit Testing Authorities, United Kingdom
“Associated Company”	:	A company in which the Company holds an equity interest of between 20% to 50%
“BMSB”	:	Barisan Minda Sdn Bhd (353428-V)
“Busway”	:	Busway Industries Sdn Bhd (206968-H)
“CDS”	:	Central Depository System
“Concession Agreement”	:	The concession agreement dated 8 October 1997 between the Government of Malaysia and SILK as amended by the Supplemental Concession Agreement and as may be further amended, supplemented, novated, varied or replaced from time to time, wherein the Government granted to SILK the Kajang Ring-Road Concession
“Concession Period”	:	A period of 36 years from 1 August 2001 (the date of the Supplemental Concession Agreement) and such further period as may be extended in accordance with the provisions of the Concession Agreement
“EBSB”	:	Eminent Builders Sdn Bhd (352003-K)
“Emulate”	:	Emulate Marketing Sdn Bhd (281162-V)
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee within the Economic Planning Unit of the Prime Minister’s Department
“ICPS”	:	Irredeemable convertible preference shares of RM1.00 each in LFEE
“Inai”	:	Inai Engineering Corporations Limited (I.B.C. No.156501)
“IPO”	:	Comprising the Placement and Offer for Sale collectively
“IPO Shares”	:	Comprising the Placement Shares and Offer Shares collectively

DEFINITIONS (continued)

“Issue/Offer Price”	:	RM1.70 for each Placement Share and each Offer Shares respectively
“Kajang Ring-Road”	:	The 37 km Kajang Traffic Dispersal Ring-Road linking major population centres in the south-eastern corridor of the Klang Valley and which is planned to function as a major road linking Balakong, Sungai Long, Bangi, Kajang, Putrajaya and Serdang
“Kajang Ring-Road Concession”	:	Concession to design, construct, operate and maintain the Kajang Ring-Road including the related toll equipment and ancillary facilities, upon terms and condition contained in the Concession Agreement
“KJH”	:	Kekal Jaya Holdings Sdn Bhd (532942-V), the investment holding company into which Ramli Bin Abu Kasim and MCL Realty will transfer their respective LFECB Shares
“KJV”	:	Kekal Jaya Ventures Sdn Bhd (616165-P), the investment holding company into which Liew Meow Nyeen, Lew Mew Choi and LMN Realty will transfer their respective LFECB Shares
“KLSE”	:	Kuala Lumpur Stock Exchange
“LFECB” or “Company”	:	LFE Corporation Berhad (579343-A)
“LFECB Group” or “Group”	:	LFECB and its Subsidiaries
“LFECB Shares”	:	Ordinary shares of RM1.00 each in LFECB
“LFEE”	:	LFE Engineering Sdn Bhd (25875-K) (<i>formerly known as Loong Fuat Electrical Engineering Sdn Bhd</i>)
“LFEE Group”	:	LFEE and its Subsidiaries
“LFEE Acquisition”	:	Acquisition by LFECB of the entire issued and paid-up share capital of LFEE comprising 900,000 ordinary shares of RM1.00 each and 545,000 ICPS, for a purchase consideration of RM31,478,619 wholly satisfied by an issue of 31,478,619 new LFECB Shares to the respective shareholders of LFEE at an issue price of RM1.00 per share
“LFET”	:	LFE Technology Sdn Bhd (<i>formerly known as GS-Two Network Sdn Bhd</i>) (548287-M)
“LFJB”	:	Loong Fuat Engineering (JB) Sdn Bhd (312804-P)
“LFBVI”	:	Loong Fuat Electrical Engineering Ltd (I.B.C. No. 136004)
“Listing”	:	Listing of and quotation for the entire enlarged issued and paid-up share capital of LFECB of RM52,000,002 comprising 52,000,002 LFECB Shares on the Second Board of the KLSE
“LMN Realty”	:	Liew Meow Nyeen Realty Sdn Bhd (38599-M)

DEFINITIONS (continued)

“Mayduct”	:	Mayduct Technology Sdn Bhd (468082-P)
“Mayduct Acquisition”	:	Acquisition by LFECB of 5,100 ordinary shares of RM1.00 each in Mayduct representing 51% of the issued and paid-up share capital of Mayduct for a purchase consideration of RM509,684 wholly satisfied by an issue of 509,684 new LFECB Shares, at an issue price of RM1.00 per share
“Mayduct Land”	:	An unsubdivided piece of land measuring approximately 14,251.23 square metres in area, comprising part of all the lands held under Geran Mukim 1388, Lot 993, Mukim Cheras, District of Hulu Langat, Selangor Darul Ehsan, together with a 3-storey administration office building, a single storey factory annex and other ancillary buildings/structures erected thereon known as Wisma LFE, Lot 993, Off Jalan Balakong, 43300 Balakong, Seri Kembangan, Selangor Darul Ehsan
“MCD”	:	Malaysian Central Depository Sdn Bhd (165570-W)
“MCL Realty”	:	M.C. Lew Realty Sdn Bhd (70185-U)
“MI”	:	Minority interests
“MIDFCCS”	:	MIDF Consultancy & Corporate Services Sendirian Berhad (11324-H)
“MIMB”	:	Malaysian International Merchant Bankers Berhad (10209-W)
“MITI”	:	Ministry of International Trade and Industry
“MNESB”	:	Mee Nyeen Enterprise Sdn Bhd (195877-W)
“NTA”	:	Net tangible assets
“Offerors”	:	The following shareholders of LFECB who will offer their respective LFECB Shares for sale:-

Shareholder(s)	Offer Shares	% of enlarged share capital
EBSB	2,000,000	3.84
LMN Realty	1,000,000	1.92
MCL Realty	1,000,000	1.92
Ramli Bin Abu Kasim	1,000,000	1.92
Total	5,000,000	9.60

DEFINITIONS (continued)

“Offer for Sale” or “Offer”	:	Offer for sale by the Offerors of an aggregate of 5,000,000 LFECB Shares at an offer price of RM1.70 per share to the eligible employees, Directors, customers, suppliers and business associates of the LFECB Group and the Malaysian public
“Offer Shares”	:	The 5,000,000 LFECB Shares to be offered for sale pursuant to the Offer for Sale
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“PE Multiple”	:	Price-earnings multiple
“Placement Shares”	:	The 8,000,000 new LFECB Shares to be issued pursuant to the Placement
“Promoters”	:	Comprising collectively Liew Meow Nyeau, Lew Mew Choi, Liew Kiam Woon, Lew Chih Bok, and Ramli Bin Abu Kasim
“Placement”	:	Private placement of 8,000,000 new LFECB Shares at a placement price of RM1.70 per share to places to be determined
“PRC”	:	People’s Republic of China
“Rayton”	:	Kejuruteraan Rayton Sdn Bhd (26404-P)
“RM” or “Ringgit” and “sen”	:	Ringgit Malaysia and sen, respectively
“ROC”	:	Registrar of Companies
“SC”	:	Securities Commission
“SC Guideliens”	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC
“Settlement of Debts”	:	Cash settlement of debts owed by LFJB and Mayduct to Emulate and Busway, and the amounts owed by LFEE to certain Directors of LFEE as at 30 April 2002, totalling RM7,337,407 by utilising the proceeds arising from the issue of 6,610,277 new LFECB Shares at an issue price of RM1.11 per share to Emulate, Busway and the Directors of LFEE
“SIB”	:	Sunway Infrastructure Berhad (formerly known as SILK Concessionaire Holdings Berhad) (405897-V)
“SIB Share(s)”	:	Ordinary shares of RM1.00 each in SIB
“SILK”	:	Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd (371220-V), in which SIB holds 100% of the total issued and paid up share capital
“Subsidiary” or “Subsidiary Company”	:	Shall have the same meaning assigned to the word “subsidiary” in Section 5 of the Companies Act 1965

DEFINITIONS (continued)

“Supplemental Concession Agreement”	:	Supplemental Concession Agreement dated 1 August 2001 between the Government of Malaysia and SILK
“SunCon”	:	Sunway Construction Berhad (27175-V)
“SunInc”	:	Sunway Holdings Incorporated Berhad (37465-A)
“Turnkey Contract”	:	Turnkey Contract dated 31 July 2001 between SILK and SunCon, pursuant to which SunCon has been engaged to undertake the design, construction, completion and commissioning of the Kajang Ring-Road on a turnkey basis for a lump sum price of RM830,000,000.
“US Dollars”	:	United States Dollars

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1. CORPORATE INFORMATION

Board of Directors

	Name	Address	Occupation	Nationality
1.	Dato' Hamzah Bin Zainudin	19, Persiaran Batai Barat Bukit Damansara 50490 Kuala Lumpur	Chairman and Independent Non- Executive Director	Malaysian
2.	Lew Mew Choi	32, Jalan Jati Off Jalan Bukit Bintang 55100 Kuala Lumpur	Managing Director	Malaysian
3.	Liew Meow Nyeen	C3-1, Sri Bukit Tunku Lorong Tun Ismail Bukit Tunku 50480 Kuala Lumpur	Non-Executive Director	Malaysian
4.	Liew Kiam Woon	C3-1, Sri Bukit Tunku Lorong Tun Ismail Bukit Tunku 50480 Kuala Lumpur	Executive Director	Malaysian
5.	Ramli Bin Abu Kasim	58, Taman Tenaga Batu 9, Jalan Puchong 47100 Selangor Darul Ehsan	Non-Executive Director	Malaysian
6.	Ir. Cheong Thiam Fook	5, Jalan SL 8/2 Bandar Sungai Long 43300, Kajang Selangor Darul Ehsan	Executive Director	Malaysian
7.	Chin Soong Jin	Unit No. HR1/4/3 Riana Green Condominium Tropicana Golf & Country Resort Jalan Tropicana Utara 47410 Petaling Jaya Selangor Darul Ehsan	Executive Director	Malaysian
8.	Chung Tack Soon	3, Jalan Bunga Tanjung Taman P.Ramlee 53000 Kuala Lumpur	Independent Non- Executive Director	Malaysian
9.	Tong Hock Sen	35, Jalan SS23/37 Taman Sea 47400 Petaling Jaya Selangor Darul Ehsan	Independent Non- Executive Director	Malaysian

1. CORPORATE INFORMATION (continued)

Audit Committee

Name	Responsibility	Directorship
1. Dato' Hamzah Bin Zainudin	Chairman of the committee	Independent Non-Executive Director
2. Chin Soong Jin	Member of the committee	Executive Director
3. Chung Tack Soon	Member of the committee	Independent Non-Executive Director

Company Secretary : Ng Wai Peng (MAICSA 7014112)
1, Jalan USJ 2/4G
47600 Subang Jaya
Selangor Darul Ehsan
Telephone number : 603-5638 4676

**Registered office/
Management office** : Wisma LFE
Lot 993, Off Jalan Balakong
43300 Balakong
Seri Kembangan
Selangor
Telephone number : 603 – 8995 8888
Fax number : 603 – 8961 0042
e-mail : cls@lfe.com.my

Branch office – Johor Bahru : 43, Jalan Molek 2/30
Taman Molek
81100 Johor Bahru
Telephone number : 607 – 353 9817
Fax number : 607 – 351 5887
e-mail : lfejb@po.jaring.my

Branch office – Shanghai : Room 2806, Tower 1
Kerry Everbright City
218, Tian Mu West Road
Zhabei District
Shanghai 200070
China
Telephone number : 00 – 8621 – 6317 6786
Fax number : 00 – 8621 – 6353 5792
e-mail : lfeesb@public.sta.net.cn

Registrar : Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone number : 603-2145 4337

1. CORPORATE INFORMATION (continued)

Principal bankers	: OCBC Bank (Malaysia) Berhad Jalan Ampang Branch Menara Great Eastern 303, Jalan Ampang 50450 Kuala Lumpur EON Bank Berhad SS2 Petaling Jaya Branch 28 & 30, Jalan SS2/67 47300 Petaling Jaya Malayan Banking Berhad 12 & 14, Jalan 14/48A The Boulevard Shopoffice Off Jalan Sentul 50100 Kuala Lumpur Alliance Bank Malaysia Berhad No 1 & 3, Jalan Permas 10/2 Bandar Baru Permas Jaya 81750 Johor Bahru Johor Darul Takzim
Auditors and Reporting Accountants	: KPMG Chartered Accountants Wisma KPMG, Jalan Dungun Damansara Heights 50490 Kuala Lumpur Telephone number : 603-2095 3388
Issuing House	: MIDF Consultancy and Corporate Services Sendirian Berhad 12 th Floor, Bangunan MIDF 195A, Jalan Tun Razak 50400 Kuala Lumpur Telephone number : 603-2161 3355
Solicitors for the IPO and for Due Diligence	: Zain & Co Advocates & Solicitors 6th Floor, Bangunan Dato' Zainal 23 Jalan Melaka 50100 Kuala Lumpur Telephone number : 603-2698 6255
Solicitors for the Company	: Yip & Co. Advocates & Solicitors Suite 3.6, 3rd Floor Menara Aik Hua Cangkat Raja Chulan 50200 Kuala Lumpur Telephone number : 603-2070 2185

1. **CORPORATE INFORMATION** (continued)

- Adviser, Managing Underwriter and Placement Agent** : Malaysian International Merchant Bankers Berhad
12th Floor, Wisma Cyclecarri
288 Jalan Raja Laut
50350 Kuala Lumpur
Telephone number : 603-2691 0200
- Co-Underwriter and Co-Placement Agent** : Commerce International Merchant Bankers Berhad
10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Telephone number : 603-2084 8888
- Valuer** : Collier, Jordan Lee & Jaafar Sdn Bhd
Company No. 59901-U / VE(1)0063
Level 6, Block G North
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Telephone number : 603-2095 5811
- Listing Sought** : Second Board of the KLSE

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2. SUMMARY OF INFORMATION

The information contained in this section is intended only to be a summary of some salient information relating to the Company and the information concerned is derived from and should be read in conjunction with the full text of the Prospectus. Investors should read and understand the whole Prospectus prior to deciding whether or not to invest in the LFECB Shares.

2.1 History and Business

LFECB was incorporated in Malaysia under the Companies Act 1965 on 8 May 2002 as a public company limited by shares under its present name.

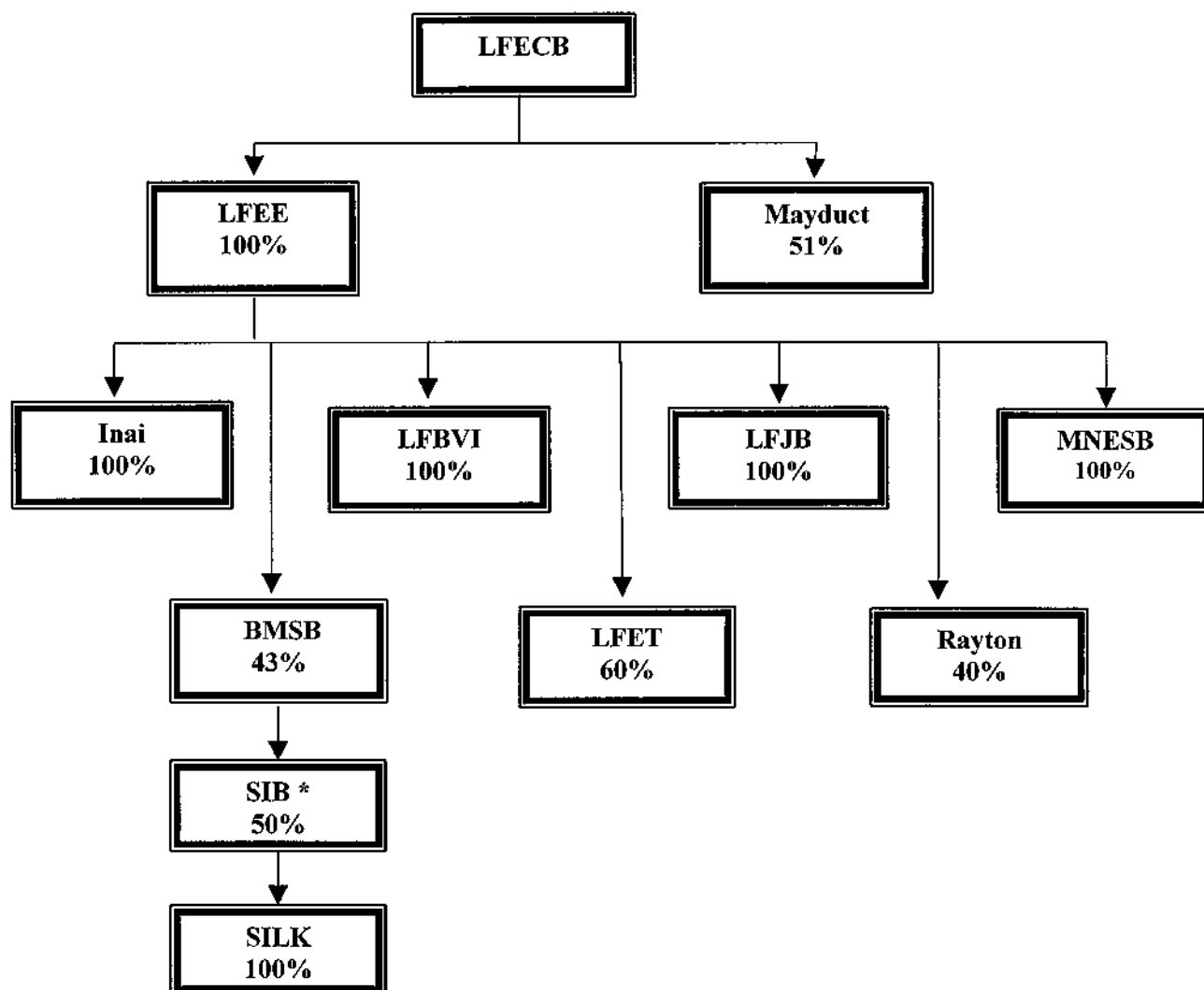
Principally, LFECB is an investment holding company whilst the principal activities of its Subsidiaries and Associated Companies are detailed below:-

Name	Country of incorporation	Equity interest %	Principal activities
Electrical and Mechanical Engineering Services			
LFEE	Malaysia	100.00	Provision of general and specialised electrical and mechanical engineering services and maintenance works
LFBVI	British Virgin Islands	100.00	Provision of general and specialised electrical and mechanical engineering services and maintenance works
Inai	British Virgin Islands	100.00	Supply of general and specialised electrical and mechanical equipment and components
LFJB	Malaysia	100.00	Provision of general and specialised electrical and mechanical engineering services and maintenance works
LFET	Malaysia	60.00	Provision of specialised engineering services for extra low voltage electrical systems and instrumentation and control systems for intelligent transportation system applications such as expressway traffic management systems, tunnel plant and traffic management systems, toll collection systems and automatic cash transfer systems
Rayton	Malaysia	40.00	Provision of water and sewerage related mechanical engineering services for applications such as water treatment plants, sewerage treatment plants, pumping plants, fire protection systems and pipe laying
Manufacturing			
Mayduct	Malaysia	51.00	Manufacturing of electrical busbar trunking systems, equipment, components and other related electrical products

2. SUMMARY OF INFORMATION (continued)

Name	Country of incorporation	Equity interest %	Principal activities
Investment Holding			
MNESB	Malaysia	100.00	Property investment
BMSB	Malaysia	43.00	Investment holding, which owns 50% of the existing issued and paid up share capital of SIB

The structure of the LFECB Group and its Associated Companies is as set out below:-



* To be listed on the Main Board of the KLSE

Further information on the history and business of the LFECB Group and its Associated Companies is set out in Section 7 of this Prospectus.

2. SUMMARY OF INFORMATION (continued)

2.2 Promoters/Substantial Shareholders, Directors and Key Management/Technical Personnel

2.2.1 Promoters

Some relevant details of the Promoters of LFECB are as follows:-

Name	Nationality	Designation	No. of shares held after the IPO			
			Direct	%	Indirect	%
1. Liew Meow Nyeen	Malaysian	Non-Executive Director	844,392	1.62	4,605,562 ⁽ⁱ⁾	8.86
2. Lew Mew Choi	Malaysian	Managing Director	8,628,169	16.59	5,806,748 ⁽ⁱⁱ⁾	11.17
3. Liew Kiam Woon	Malaysian	Executive Director	326,768	0.63	4,605,562 ⁽ⁱⁱⁱ⁾	8.86
4. Lew Chih Bok	Malaysian	Engineering Manager / Director of Mayduct	209,870	0.40	920,907 ^(iv)	1.77
5. Ramli Bin Abu Kasim	Malaysian	Non-Executive Director	5,287,182	10.17	-	-

Notes:

- i. Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct 20% equity interest in LMN Realty.
- ii. Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct 50% equity interest in MCL Realty and 57.12% equity interest in Busway.
- iii. Deemed interest pursuant to section 6A of the Companies Act, 1965 by virtue of his direct 30% equity interest in LMN Realty.
- iv. Deemed interest pursuant to section 6A of the Companies Act, 1965 by virtue of his 27.88% equity interest in Busway.

The above shareholdings do not take into consideration the allocation of the Offer Shares reserved for eligible employees of the LFECB Group pursuant to the Offer for Sale.

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2. SUMMARY OF INFORMATION (continued)

2.2.2 Substantial Shareholders

Some relevant details of the substantial shareholders of LFECB are as follows:-

Name	Nationality/ Place of Incorporation	Principal Activity/ Designation	No. of shares held after the IPO			
			Direct	%	Indirect	%
1. Lew Mew Choi	Malaysian	Managing Director	8,628,169	16.59	5,806,748 ⁽ⁱ⁾	11.17
2. Ramli Bin Abu Kasim	Malaysian	Non-Executive Director	5,287,182	10.17	-	-
3. Chang Lau Hoi @ Chang Sow Lan	Malaysian	Substantial Shareholder	-	-	4,605,562 ⁽ⁱⁱ⁾	8.86
4. Soong Moi @ Song Mou	Malaysian	Substantial Shareholder	-	-	5,561,769 ⁽ⁱⁱⁱ⁾	10.70
5. LMN Realty	Malaysia	Investment Holding	4,605,562	8.86	-	-
6. MCL Realty	Malaysia	Investment Holding	4,885,841	9.40	-	-
7. EBSB	Malaysia	Investment Holding	12,615,381	24.26	-	-
8. Liew Meow Nyeon	Malaysian	Non-Executive Director	844,392	1.62	4,605,562 ^(iv)	8.86
9. Liew Kiam Woon	Malaysian	Executive Director	326,768	0.63	4,605,562 ^(v)	8.86

Note 1:

- i. Deemed interest pursuant to section 6A of the Companies Act, 1965 by virtue of his direct 50% equity interest in MCL Realty and 57.12% equity interest in Busway.
- ii. Deemed interest pursuant to section 6A of the Companies Act, 1965 by virtue of her direct 50% equity interest in LMN Realty.
- iii. Deemed interest pursuant to section 6A of the Companies Act, 1965 by virtue of her direct 50% equity interest in MCL Realty and 84.9% equity interest in Emulate.
- iv. Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct 20% equity interest in LMN Realty.
- v. Deemed interest pursuant to section 6A of the Companies Act, 1965 by virtue of his direct 30% equity interest in LMN Realty.

2. SUMMARY OF INFORMATION (continued)

Note 2:

Upon completion of the IPO and subject to the SC's approval but prior to the Listing, the following shareholders of LFEE will transfer their respective LFECB Shares to KJH and KJV in accordance with the tables below. These LFECB Shares (which will also be subject to moratorium condition set out by the SC, as mentioned in Section 10 of this Prospectus) will be held by KJH and KJV respectively, as follows.

KJH:-

Shareholders transferring LFECB Shares	LFECB Shares to be transferred to KJH		Percentage shareholding held in KJH	LFECB Shares held under moratorium by KJH	
	No. of shares	% share- holding in LFECB		No. of shares	% share- holding in LFECB
Ramli Bin Abu Kasim	5,287,182	10.17	52.0	-	-
MCL Realty	4,885,841	9.40	-	-	-
Lew Mew Choi	-	-	24.0	-	-
Soong Moi @ Song Mou	-	-	24.0	-	-
Total	10,173,023	19.57	100.0	8,557,521	16.45

KJV:-

Shareholders transferring LFECB Shares	LFECB Shares to be transferred to KJV		Percentage shareholding held in KJV	LFECB Shares held under moratorium by KJV	
	No. of shares	% share- holding in LFECB		No. of shares	% share- holding in LFECB
Liew Meow Nyeon	844,392	1.62	12.5	-	-
LMN Realty	4,605,562	8.86	-	-	-
Lew Mew Choi	8,628,169	16.59	61.3	-	-
Chang Lau Hoi @ Chang Sow Lan	-	-	16.4	-	-
Liew Kiam Woon	-	-	9.8	-	-
Total	14,078,123	27.07	100.0	11,842,480	22.78

The above shareholdings do not take into consideration the allocation of the Offer Shares reserved for eligible employees of the LFECB Group pursuant to the Offer for Sale.

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2. SUMMARY OF INFORMATION (continued)

2.2.3 Directors

Some relevant details of the Directors of LFECB are as follows:

Name	Nationality	Designation	No. of shares held after the IPO			
			Direct	%	Indirect	%
Dato' Hamzah Bin Zainudin	Malaysian	Chairman and Independent Non-Executive Director	-	-	-	-
Lew Mew Choi	Malaysian	Managing Director	8,628,169	16.59	5,806,748 ⁽ⁱ⁾	11.17
Liew Meow Nyeen	Malaysian	Non-Executive Director	844,392	1.62	4,605,562 ⁽ⁱⁱ⁾	8.86
Liew Kiam Woon	Malaysian	Executive Director	326,768	0.63	4,605,562 ⁽ⁱⁱⁱ⁾	8.86
Ir. Cheong Thiam Fook	Malaysian	Executive Director	-	-	1,596,835 ^(iv)	3.07
Chin Soong Jin	Malaysian	Executive Director	-	-	-	-
Ramli Bin Abu Kasim	Malaysian	Non-Executive Director	5,287,182	10.17	-	-
Chung Tack Soon	Malaysian	Independent Non-Executive Director	-	-	-	-
Tong Hock Sen	Malaysian	Independent Non-Executive Director	-	-	-	-

Notes:

- i Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his direct 50% equity interest in MCL Realty and 57.12% equity interest in Busway.
- ii Deemed interest by pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct 20% equity interest in LMN Realty.
- iii Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct 30% equity interest in LMN Realty.
- iv Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct interest of 15% in Busway and 15% in Emulate.

The above shareholdings do not take into consideration the allocation of the Offer Shares reserved for eligible employees of the LFECB Group pursuant to the Offer for Sale.

2. SUMMARY OF INFORMATION (continued)

2.2.4 Key Management/Technical Personnel

Other than executive directors of LFECB, some relevant details of the key management/technical personnel of LFECB Group are as follows:

For LFEE:-

Name	Designation	No. of shares held after the IPO			
		Direct	%	Indirect	%
Wong Yin Kiong	General Manager (Project)	-	-	-	-
Chang Chui Seng	Deputy General Manager (Project)	-	-	-	-
Wong Omn Fah	Head of Tender, Purchasing and Inventory Division	-	-	-	-
Liew Soo Chee	Head of Human Resource and Administrative	-	-	-	-
Ong Bee Bee	Group Financial Controller	-	-	-	-
Nasadurai A/L Sellathurai	Senior Project Manager	-	-	-	-
Ir. Ooi Beng Hooi	Senior Project Manager	-	-	-	-
Chan Kah Leong	Mechanical Manager	-	-	-	-

For Mayduct:-

Name	Designation	No. of shares held after the IPO			
		Direct	%	Indirect	%
Lew Chih Bok	Engineering Manager / Director	209,870	0.40	920,907 ⁽ⁱ⁾	1.77

Note:

- i. Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his direct interest of 27.88% in Busway.

2. SUMMARY OF INFORMATION (continued)

For LFJB:-

Name	Designation	No. of shares held after the IPO			
		Direct	%	Indirect	%
Ang Kit Kok	Branch Manager	-	-	-	-

For LFBVI:-

Name	Designation	No. of shares held after the IPO			
		Direct	%	Indirect	%
Ir. Lee Kian Guan	General Manager	-	-	-	-

For LFET:-

Name	Designation	No. of shares held after the IPO			
		Direct	%	Indirect	%
Ng Eng Heah	Director of Operations	-	-	-	-

The above shareholdings do not take into consideration the allocation of the Offer Shares reserved for eligible employees of the LFECB Group pursuant to the Offer for Sale.

Detailed information on the promoters/substantial shareholders, directors, as well as the key management/technical personnel is set out in Section 8 of this Prospectus.

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2. SUMMARY OF INFORMATION (continued)

2.3 Proforma Consolidated Income Statement

The table below sets out a summary of the proforma consolidated audited results of the LFECB Group for the past five (5) financial years ended 31 December 2002 and the proforma consolidated audited results for the 3-month period ended 31 March 2003. They are provided for illustrative purposes on the assumption that the current structure of the Group has been in existence throughout the period under review.

	← Financial year ended 31 December →					Audited 3-month period ended 31.3.03 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Revenue	91,130	46,053	44,382	56,271	89,472	31,625
Profit before depreciation, interest and taxation	5,436	7,230	9,172	9,719	14,587	4,250
Depreciation	(265)	(324)	(391)	(570)	(842)	(242)
Interest income	850	237	164	121	59	11
Interest expense	(129)	(109)	(154)	(1,294)	(1,486)	(354)
PBT	5,892	7,034	8,791	7,976	12,318	3,665
Taxation	(992)	(125)	(1,961)	(1,808)	(4,450)	(1,295)
PAT	4,900	6,909	6,830	6,168	7,868	2,370
MI	(5)	(243)	(172)	(45)	(289)	(26)
PAT and MI	4,895	6,666	6,658	6,123	7,579	2,344
No. of ordinary shares assumed in issue ('000)	44,000	44,000	44,000	44,000	44,000	44,000
Gross EPS (sen)	0.13	0.16	0.20	0.18	0.28	0.33*
Net EPS (sen)	0.11	0.16	0.16	0.14	0.18	0.22*
Gross dividend rate (%)	200	1,050	-	-	-	-

* Annualised.

Notes:-

- i. The gross EPS has been calculated by dividing PBT by the number of shares in issue in the respective years.
- ii. The net EPS has been calculated by dividing PAT by the number of shares in issue in the respective years.
- iii. There were no extraordinary and exceptional items for all the years/period under review.
- iv. The audited financial statements of the LFECB Group for the past 5 years were not subject to any auditors' qualifications.

Details are set out in Section 14 of this Prospectus.

2. SUMMARY OF INFORMATION (continued)

2.4 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets of LFECB as at 31 March 2003 as set out below are provided for illustrative purposes only to show the effects of the LFEE Acquisition, Mayduct Acquisition, Settlement of Debts, Acquisition of the Mayduct Land and the IPO on the assumption that these transactions were completed on 31 March 2003, and should be read in conjunction with the notes and assumptions to the proforma consolidated balance sheets as set out in Section 13.11 of this Prospectus.

	I	II
	After the LFEE	
Audited	Acquisition, Mayduct	Proforma LFECB
Proforma	Acquisition,	Group after IPO
balance	Acquisition of	and utilisation of
sheet at	Mayduct Land and	proceeds from
31.03.2003*	Settlement of Debts	Placement
RM'000	RM'000	RM'000
PROPERTY, PLANT AND EQUIPMENT		
–	18,721	18,721
INVESTMENT PROPERTIES		
–	1,528	1,528
INTANGIBLE ASSETS		
–	1,029	1,029
INVESTMENT IN ASSOCIATE		
–	4,740	4,740
OTHER INVESTMENTS		
–	16	16
CURRENT ASSETS		
Inventories	3,855	3,855
Investment properties	3,638	3,638
Trade receivables	51,655	51,655
Other receivables and prepayments	594	28,922
Cash and deposits with licensed banks	*	7,076
	594	95,146
	95,146	103,192
CURRENT LIABILITIES		
Trade payables	–	30,452
Other payables and accruals	599	10,028
Amount due to Directors	–	4,486
Borrowings	–	9,661
Provision for taxation	–	2,188
	599	56,815
	56,815	52,561
NET CURRENT ASSETS		
	(5)	38,331
	(5)	64,365
	64,365	76,665
Share capital	*	44,000
Share premium	–	1,321
Reserves	(5)	13,749
Shareholders' funds	(5)	59,070
	59,070	71,370
Deferred taxation	–	431
Minority interest	–	804
Borrowings	–	4,060
	(5)	64,365
	64,365	76,665
No. of shares (*000)	*	44,000
NTA per share (RM)	2,500.00	1.24
	1.24	1.29

2. SUMMARY OF INFORMATION (continued)

Notes:

- * Issued and paid-up share capital of LFECB of RM2.00, representing 2 ordinary shares of RM1.00 each.
- i. The detailed proforma consolidated balance sheets as at 31 March 2003 are set out in Section 13.11 of the Prospectus.
- ii. The proforma consolidated balance sheets are prepared on the assumption that the LFEE Acquisition and Mayduct Acquisition have been completed, and were accounted for under the acquisition accounting method.
- iii. The proforma consolidated balance sheets have not taken into account tax exempt dividend amounting to RM5 million approved at an extraordinary general meeting of LFEE held on 22 August 2003. This dividend has been approved by the SC vide their letter dated 16 September 2003, as summarised in Section 11 of this Prospectus.

2.5 Audit Qualifications in the Audited Accounts for the Past Five (5) Financial Years

None.

2.6 Principal statistics relating to the IPO for LFECB

2.6.1 Share Capital

	RM
Authorised:	
100,000,000 shares of RM1.00 each	<u>100,000,000</u>
Issued and fully paid-up as at the date of this Prospectus:	
44,000,002 ordinary shares of RM1.00 each	44,000,002
To be issued pursuant to the Placement:	
8,000,000 ordinary shares of RM1.00 each	8,000,000
Enlarged issued and paid-up share capital	<u>52,000,002</u>
Offer for Sale pursuant to this Prospectus:	
5,000,000 ordinary shares of RM1.00 each	5,000,000

Details are set out in Section 4 of this Prospectus.

2.6.2 *Issue/Offer Price per ordinary share* **RM1.70**

2.6.3 Proforma consolidated NTA as at 31 March 2003

Proforma Consolidated NTA (RM'000)	67,059
<i>(after providing for estimated listing expenses of approximately RM1,300,000)</i>	
Proforma Consolidated NTA per share (RM)	1.29
<i>(based on the enlarged issued and fully paid-up share capital of 52,000,002 shares)</i>	

Detailed calculations of the proforma consolidated NTA are set out in Section 13.11 of this Prospectus.

2. SUMMARY OF INFORMATION (continued)

2.6.4 *Class of Shares*

There is only one class of shares in LFECB, namely, ordinary shares of RM1.00 each, all of which rank pari-passu with one another. The Placement Shares will rank pari-passu in all respects with the existing issued and paid-up ordinary shares in the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the issue and allotment of the Placement Shares.

2.6.5 *Consolidated Profit Forecast*

Financial year ending 31 December	LFECB Forecast 2003 RM'000
Consolidated PBT after MI	15,330
Less : Taxation	<u>(4,828)</u>
Consolidated PAT after MI	10,502
Pre-acquisition profit #	(7,001)
Exceptional items ^	<u>5,473</u>
Profit attributable to shareholders	<u>8,974</u>
Number of shares in issue based on enlarged issued and paid-up share capital ('000)	52,000
Net EPS (based on consolidated PAT after MI) (sen)	20.20
Net PE multiple based on the issue/offer price of RM1.70 per share (times) (please refer to section 5.4 for further information)	8.42

The pre-acquisition profit are computed based on the completion of the LFEE Acquisition and Mayduct Acquisition on 3 September 2003.

^ *The exceptional items comprise negative goodwill written off to the profit and loss account amounting to RM9.0 million and allowance for doubtful debts amounting to approximately RM3.5 million as required by the SC pursuant to the SC's condition (vii)(c) as set out in Section 11 of this Prospectus.*

The consolidated profit forecast of LFECB together with the Reporting Accountants' letter thereon is set out in Sections 13.6 and 13.7 of this Prospectus.

2.6.6 *Dividend Forecast*

Financial year ending 31 December	LFECB Forecast 2003
Gross dividend per share (sen)	7.00
Net dividend per share (sen)	5.04
Net dividend yield based on the issue price of RM1.70 per share (%)	2.96
Net dividend cover (times)	4.00

However, as the LFEE Acquisition and Mayduct Acquisition were completed on 3 September 2003, declaration of dividend will be limited to the amount of post-acquisition profit available for distribution at LFECB.

Details of the Dividend Forecast are set out in Section 13.10 of this Prospectus.

2. SUMMARY OF INFORMATION (continued)

2.7 Planned Utilisation of Proceeds

The total gross proceeds of RM13,600,000 arising from the Placement shall be utilised in the following manner:-

Planned Utilisation of Proceeds	RM
1. Acquisition of Mayduct Land	4,254,423
2. Estimated listing expenses	1,300,000
3. Working capital requirements for LFECB Group	8,045,577
	13,600,000

Details of the proposed utilisation of proceeds are set out in Section 5.6 of this Prospectus.

2.8 Material Litigation, Commitments, Contingent Liabilities, Working Capital and Borrowings

2.8.1 Material Litigation

As at 15 September 2003, (being the latest practicable date prior to the registration of this Prospectus), neither LFECB nor its Subsidiary Companies are engaged in any material litigation either as plaintiff or defendant and the Directors of LFECB do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or any of its Subsidiaries, save for the following:-

(a) **Johor Bahru Sessions Court Summons No. 52-1461 year 1997 (1)**

LFEE is claiming against E-Pin Furniture Industries Sdn Bhd (“E-Pin”) for a sum of RM81,160.71 for goods delivered and works done (renovation and installation works) in 1996, in respect of E-Pin’s premise in Johor Bahru, together with 8% interest thereon, costs and other relief as the Court deems fit. E-Pin has counter-claimed against LFEE for a sum of RM168,990 as damages for alleged defective works done by LFEE and also for late delivery of the said works. This matter has been fixed full trial on 24 February 2004.

(b) **Potential claim by LFEE for specific performance under a sale and purchase agreement**

By a letter of demand dated 3 December 2002, LFEE is claiming specific performance against the vendor of a condominium unit for wrongful termination of a sale and purchase agreement dated 19 June 1997 pursuant to which the vendor had agreed to sell and LFEE had agreed to buy the said condominium unit, the purchase price of which is RM326,550, for wrongful termination of the said sale and purchase agreement. The summons in respect of this matter has not yet been filed.

2. SUMMARY OF INFORMATION (continued)

2.8.2 Material Commitments

Save as disclosed below, as at 15 September 2003 (being the latest practicable date prior to the registration of this Prospectus), the Directors of LFECB are not aware of any capital commitments which, upon becoming enforceable, may have material impact on the consolidated profit or consolidated net assets value of LFECB:-

As at 15 September 2003	RM
Approved and contracted for	*21,500,000
Approved but not contracted for	**886,000
	<hr/>
	22,386,000
	<hr/>

Notes:-

- * *In respect of the commitment to pay an amount of RM21.5 million at end of year 3 of the Kajang Ring-Road Concession (for further details of this commitment, please refer to Section 6.19 on Risk Factors).*
- ** *In respect of Mayduct's budget to spend approximately RM886,000 for the purchase of capital equipment for its manufacturing activities.*

2.8.3 Contingent Liabilities

Save as disclosed below, as at 15 September 2003 (being the latest practicable date prior to the registration of this Prospectus), the Directors of LFECB are not aware of any contingent liabilities which, upon becoming enforceable, may have material impact on the consolidated profit or consolidated net assets value of LFECB:-

Contingent Liability	RM'000
Letters of guarantee issued by various banks to guarantee the due performance of contracts awarded to LFECB Group	25,986
Letter of guarantee issued by LFEE to Davex (Malaysia) Sdn Bhd ("Davex") for materials supplied by Davex to the sub-contractor of LFEE for the Putrajaya Parcel 2G5 & 6 project.	2,500

2. SUMMARY OF INFORMATION (continued)

2.8.4 Working Capital and Borrowings

The Directors of LFECB are of the opinion that, after taking into account the cashflow forecast, banking facilities available and the gross proceeds from the Placement, the LFECB Group will have adequate working capital for a period of twelve (12) months from the date of issue of this Prospectus.

As at 15 September 2003 (being the latest practical date which such amounts could be calculated prior to the registration of this Prospectus), the total banking facilities available to the LFECB Group amounted to RM49.37 million, details of which are as follows:-

Description of Banking Facility	RM'million
1. Trade line and overdraft facilities from OCBC Bank (Malaysia) Berhad ("OCBC")	9.8
2. Trade line and overdraft facilities from Malayan Banking Berhad	7.5
3. Trade line, overdraft and term loan facilities from EON Bank Berhad	31.65
4. Overdraft facilities from Alliance Bank Malaysia Berhad	0.42
Total	49.37

The Group's total borrowings as at 15 September 2003 amounted to approximately RM15.9 million, of which RM4.1 million are long term borrowings and RM11.8 million are short term borrowings. All the banking facilities are interest bearing and secured. A brief summary of the type of securities given for each of the above banking facilities is set out below.

Banking Facility	Type of security given
1. Trade line and overdraft facilities from OCBC	<ul style="list-style-type: none"> • First and third party fixed charges over landed properties. • Joint and several guarantees of Liew Meow Nyeen, Lew Mew Choi and Liew Kiam Woon.
2. Trade line and overdraft facilities from Malayan Banking Berhad	<ul style="list-style-type: none"> • First party fixed charges over landed property and an assignment of rights over a parcel of land. • Joint and several guarantees of Lew Mew Choi, Liew Meow Nyeen, Liew Kiam Woon and Ramli Bin Abu Kasim. • A blanket assignment by LFEE to Malayan Banking Berhad of the proceeds of any projects awarded by certain prescribed corporations to LFEE.

2. SUMMARY OF INFORMATION (continued)

Banking Facility	Type of security given
3. Trade line, overdraft and term loan facilities from EON Bank Berhad	<ul style="list-style-type: none"> • A charge in respect of 1,290,000 ordinary shares of RM1.00 each (representing 43%) in the issued share capital of BMSB. • A charge in respect of monies standing to the credit of LFEE's account with EON Bank Berhad. • A third party charge over two parcels of land. • An assignment of all proceeds of the Sub-Contract dated 3 August 2001 between SunCon and LFEE for the electrical and mechanical engineering works for the SILK project. • Joint and several guarantees of Ir. Cheong Thiam Fook and Lew Chih Bok.
4. Overdraft facilities from Alliance Bank Malaysia Berhad	<ul style="list-style-type: none"> • Third party charges for landed properties. • Joint and several guarantees of Lew Mew Choi and Liew Kiam Woon.

There have not been any default on payments of either interest and/or principal sums, for all the borrowings disclosed above, throughout the financial year ended 31 December 2002 and as at 15 September 2003.

In addition to the current RM7.5 million facilities from Malayan Banking Berhad, LFEE has accepted an offer of RM9.5 million overdraft and trade line facilities, which is pending documentation. Additional security in the form of a charge over RM400,000 fixed deposit is required.

Save as disclosed above, the LFECB Group does not have any other loan capital outstanding or loan created including unissued, mortgages or charges outstanding.

2.9 Material Risk Factors

The following factors are deemed essential by LFECB for the consideration of any applicant for the IPO Shares and shall be read in conjunction with the details of such material risk factors are further elaborated in Section 6 in this Prospectus.

- (a) No prior public trading for LFECB ordinary shares - There has been no market for LFECB Shares and as a result of which, there can be no assurance that an active market for LFECB Shares will develop upon the listing of the LFECB Shares on the Second Board of the KLSE.
- (b) Ownership and control of the LFECB Group - The Promoters, their related companies and EBSB will effectively and jointly hold dominant shareholding in the enlarged issued and paid-up capital of LFECB after the IPO, and as such, they will generally be expected to have significant influence on the outcome of matters requiring the votes of LFECB's shareholders.
- (c) Failure and/or delay in the listing exercise - The Listing may fail or delay should certain events take place.

2. SUMMARY OF INFORMATION (continued)

- (d) **Business risks** - The LFECB Group is subject to certain risks inherent in the electrical and mechanical engineering services industry, such as, changes in general, local and international economic conditions and changes in business conditions.
- (e) **Operational risks** - The LFECB Group is subject to other risks inherent in the electrical and mechanical engineering services industry, such as, fire outbreaks, the disruption of electricity supply, and theft of stock, works-in-progress, fittings and materials used for the Group's business,
- (f) **Foreign exchange rate exposure** - The LFECB Group is subject to foreign exchange rate fluctuation risk as it purchases certain of its raw materials and equipment from overseas. The Group is also exposed to translation loss or gain arising from consolidation of its foreign subsidiaries as their financial statements are denominated in US Dollars.
- (g) **Supplier base and raw materials** - In the event of any shortage of supplies and equipment, or unanticipated increase in the price of these supplies and equipment, the LFEE Group may not be able to source from alternative specialist suppliers at comparable prices in a timely manner, and this may lead to cost overruns and adversely affect the profit margins of the LFEE Group. Any substantial increase in prices of copper will affect the operating profit of Mayduct.
- (h) **Political, economic and regulatory conditions** - Any adverse change in the political and economic environment and uncertainties in Malaysia and PRC may materially and adversely affect the financial performance of the LFECB Group.
- (i) **Competition** - There is no certainty that the LFEE Group will always be able to maintain its existing market share in the future due to the competition the LFEE Group faces from its existing competitors.
- (j) **Contracts** - There is no certainty that the LFEE Group will continue to secure more contracts or orders in the coming years and therefore there is uncertainty as to whether the LFEE Group may be able to sustain the current level of operations and financial performance.
- (k) **Dependency on key personnel** - The success of the LFECB Group depends substantially upon the continued efforts of its key personnel. There is no assurance that the efforts put in by the LFECB Group would be successful in retaining its personnel and maintaining a smooth transition should changes in the management structure occur.
- (l) **Debt financing** - All the borrowings of the LFECB Group are interest bearing and were secured from local banks. Any future fluctuation in interest rates may adversely affect the performance of the LFECB Group.
- (m) **Profit forecast** - This Prospectus contains the profit forecast of the LFECB Group that is based on certain assumptions made by the Directors of LFECB, but which nevertheless are subject to uncertainties.
- (n) **Adequacy of insurance coverage of the LFECB Group's assets** - Although the LFECB Group has taken the necessary measures to ensure that all its assets are adequately insured, there can be no assurance that the insurance coverage would be adequate for the replacement cost of such assets or any consequential loss arising therefrom.
- (o) **Recoverability of debts** - LFECB Group may face the risk of non-recoverability of debts owed to the LFECB Group.

2. SUMMARY OF INFORMATION (continued)

- (p) Delay in completion of projects - No assurance could be given that the LFEE Group's performance would be unaffected as completion of the projects undertaken by the LFEE Group hinges on various factors.
- (q) Shortage in the supply of foreign workers - The LFECB Group's operations and financial performance are vulnerable to the shortage and employment cost of foreign workers.
- (r) Risk in rapid technology change - Being an engineering-based business, the LFECB Group's performance is subject to the risk of rapid change in technology.
- (s) SILK and Kajang Ring-Road Concession- LFECB Group may face certain investment risks.
- (t) Risk associated with LFECB's investment activities - LFECB Group may face certain risks in its investing activities.
- (u) Economic conditions and uncertainties in the Government policies in the PRC - The operating results of LFECB Group may, amongst others, be affected by changes in the PRC's political, economic and social conditions.
- (v) No manufacturing licence - In the event that Mayduct is required to obtain a manufacturing licence pursuant to the Industrial Coordination Act, 1975, there can be no assurance that such licence will be issued to Mayduct.
- (w) Forward looking statements - Certain statements in this Prospectus are forward-looking in nature, which may or may not be achievable.

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