
17. STATUTORY AND GENERAL INFORMATION

17.1 Share Capital

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares. As at the date of this Prospectus, there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save for the Offer Shares reserved for eligible employees, Directors, customers, suppliers and business associates of the LFECB Group as disclosed in Section 5.3.2 of this Prospectus, no person has been or is entitled to be given an option to subscribe for any share, stock or debenture of the Company or its Subsidiaries.
- (iv) Save as disclosed in Section 7 of this Prospectus, no shares and debentures of the Company and its Subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise within the two (2) years immediately preceding the date of this Prospectus.

17.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association.

(1) Remuneration of Directors

The provisions in the Articles of Association of the Company dealing with remuneration of Directors are as follows:-

Article 93

- “(1) The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting provided that such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (2) In addition to the fees payable to the Directors as provided in Article 93 (1), executive Directors shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration as the Directors may from time to time determine.
- (3) Fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) Salaries payable to executive Directors may not include a commission on or percentage of turnover.
- (5) Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.”

17. STATUTORY AND GENERAL INFORMATION (continued)

(2) *Voting and borrowing powers of the Directors*

The provisions in the Articles of Association of the Company dealing with voting powers of the Directors in proposals, arrangements or contracts in which they are interested in and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:-

Article 98

- “(1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its Subsidiaries.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company’s or its Subsidiaries’ undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party unless otherwise permitted by the Listing Requirements.”

(3) *Changes in capital and variation of class rights*

The provisions in the Articles of Association of the Company as to changes in capital and variation of class rights are as follows:-

Article 13

“If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is wound up, be varied with the consent in writing of the holders of three fourths (3/4) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply so that the necessary quorum shall be two (2) Holders present in person or by proxy. To every such Special Resolution, the provisions of Section 152 of the Act shall apply with such adaptations as are necessary.”

Article 14

“The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issued of the shares of that class, be deemed to be varied by the creation or issued of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects pari passu therewith.”

Article 110

“Any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors. In the case of an equality of votes, the Chairman shall have a second or casting vote provided always that the Chairman of a meeting at which only a quorum of two (2) Directors is present or at which only two (2) Directors are competent to vote on the question at issue, shall not have a Second or casting vote.”

17. STATUTORY AND GENERAL INFORMATION (continued)

Article 113

“A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his shall be counted.”

Article 52

“The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, by ordinary resolution increase its share capital by the creation and issue of new shares; such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividends, return of capital or otherwise as the Company by the resolution authorising such increase may direct.”

Article 56

“The Company may by ordinary resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; or
- (b) divide its share capital or any part thereof into shares of smaller amounts than is fixed by the Memorandum of Association of the Company by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may by the resolution by which such subdivision is effected be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares; and
- (c) cancel shares which at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.”

Article 57

“The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any authorisation and consent as required by law and the Act.”

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17. STATUTORY AND GENERAL INFORMATION (continued)

(4) *Transfer of securities*

The provisions in the Articles of Association of the Company in respect of the arrangement for transfer of securities of the Company and restrictions on their free transferability are as follows:-

Article 32

“The transfer of any Listed Securities of the Company shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Securities.”

Article 33

“(1) Neither the Company nor its Directors nor any of its officers shall incur any liability for any transfer of Listed Securities apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the Listed Securities proposed or professed to be transferred and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside and notwithstanding that the Company may have notice of such transfer. And in every such case, the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such Listed Securities and the previous holder shall so far as the Company is concerned, be deemed to have transferred his whole title hereto.

(2) The Central Depository may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.”

Article 39

“(1) Where:-

- (a) the Securities of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of such Securities held by such Securities holder from the Foreign Register to the register of holders maintained by the registrar of the Company in Malaysia (“the Malaysian Register”) subject to the following condition:-

- (i) there shall be no change in the ownership of such Securities; and

17. STATUTORY AND GENERAL INFORMATION (continued)

- (ii) the transmission shall be executed by causing such Securities to be credited directly into the Securities Account of such Securities holder.
- (2) Notwithstanding the fulfillment of the requirements in paragraphs (a) and (b) in Article 39 (1) above, there shall be no transmission of Securities from the Malaysian Register into the Foreign Register.

17.3 Listing Requirements of the KLSE

The provisions of the Listing Requirements of the KLSE on the transferability of securities are as follows:-

“Paragraph 7.13 - Transfer of securities

The transfer of any securities or class of securities of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of securities.

Paragraph 7.14 – Transmission of securities from Foreign Register

(1) *Where:-*

- (a) *the securities of a company are listed on an Approved Market Place; and*
- (b) *such company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities;*

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such securities.

(2) *For the avoidance of doubt, no company which fulfil the requirements of subparagraphs 1(a) and (b) above shall allow any transmission of securities from the Malaysian Register in the Foreign Register.”*

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17. STATUTORY AND GENERAL INFORMATION (continued)

17.4 Companies Act, 1965

The provisions within the Companies Act, 1965 on the transferability of securities are as follows:-

“Section 103(1)

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation law.

Section 103(1A)

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for the purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the titles of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company or class of securities which have been deposited.

Section 107C(1)

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited.

Section 107C(2)

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.”

17.5 Rules of the MCD

The rules within MCD on the transferability of securities are as follows:-

“Rule 8.01 (2)

The Central Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

17. STATUTORY AND GENERAL INFORMATION (continued)

Rule 8.05A

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this Chapter.

Rule 9.03(2)

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) *the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;*
- (b) *the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than depositor's spouse);*
- (c) *the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:*
 - (i) *transmission and transfer of securities arising from the provision of any written law or an order of court of competent jurisdiction;*
 - (ii) *rectification of errors;*
 - (iii) *pledge, charge or mortgage;*
 - (iv) *mandatory offer pursuant to the provisions of the Malaysian Code On Takeovers and Mergers 1998;*
 - (v) *any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;*
- (d) *documents to support the reason for the transfer; and*
- (e) *such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedural Manual."*

17.6 Directors and Substantial Shareholders

- (1) The names, addresses and occupations of the Directors of LFECB are set out in Section 1.0 of this Prospectus.
- (2) A Director is not required to hold any qualification share in the Company.
- (3) No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-
 - petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;

17. STATUTORY AND GENERAL INFORMATION (continued)

- conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.
- (4) None of the Directors of the Company has any existing or proposed service contracts with LFECB or its Subsidiary Company, which cannot be determined or terminated without payment or compensation other than statutory compensation or salary in lieu of notice.
- (5) For the financial year ended 31 December 2002, the amount paid to the Directors for services in all capacities to LFECB Group was RM850,000. For the current financial year ending 31 December 2003, Directors' remuneration is estimated to be RM1,300,000.
- (6) Save as disclosed in Section 7.3 and 12.1 of this Prospectus relating to the restructuring scheme, none of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed or proposed to be disposed of by or leased or proposed to be leased to the Company or its Subsidiary Company within the 2 years immediately preceding the date of this Prospectus.
- (7) Save as disclosed in Section 12.1, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its Subsidiary Company and which is not quoted on a recognised stock exchange.
- (8) Save as disclosed in Section 12.1, of this Prospectus, there are no contracts or arrangements subsisting at the date of this Prospectus in which a director of the Company is materially interested and which is significant in relation to the business of the Company and its Subsidiary Company.
- (9) Based on the Register of Directors of the Company as at 15 September 2003 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the Directors of LFECB, in the issued and paid-up share capital of the Company before and after the IPO are as follows:-

Name	Before the IPO				After the IPO			
	Direct No of shares	%	Indirect No of shares	%	Direct No of shares	%	Indirect No of shares	%
Dato' Hamzah Zainudin	-	-	-	-	-	-	-	-
Lew Mew Choi	8,628,169	19.61	6,806,748 ⁽ⁱ⁾	15.47	8,628,169	16.59	5,806,748 ⁽ⁱ⁾	11.17
Liew Meow Nyeau	844,392	1.92	5,605,562 ⁽ⁱⁱ⁾	12.74	844,392	1.62	4,605,562 ⁽ⁱⁱ⁾	8.86
Liew Kiam Woon	326,768	0.74	5,605,562 ⁽ⁱⁱⁱ⁾	12.74	326,768	0.63	4,605,562 ⁽ⁱⁱⁱ⁾	8.86
Chin Soong Jin	-	-	-	-	-	-	-	-
Ramli Bin Abu Kasim	6,287,182	14.29	-	-	5,287,182	10.17	-	-
Ir. Cheong Thiam Fook	-	-	1,596,835 ^(iv)	3.63	-	-	1,596,835 ^(iv)	3.07
Chung Tack Soon	-	-	-	-	-	-	-	-
Tong Hock Sen	-	-	-	-	-	-	-	-

17. STATUTORY AND GENERAL INFORMATION (continued)

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 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 of 15% in Busway and 15% in Emulate.

- (10) According to the Register of Substantial Shareholders of the Company as at 15 September 2003 (being the latest practicable date prior to the printing of this Prospectus), the substantial shareholders' direct and indirect interests, in the Company before and after the IPO are set out below:-

Name	Before the IPO				After the IPO			
	Direct No of shares	%	Indirect No of shares	%	Direct No of shares	%	Indirect No of shares	%
Lew Mew Choi	8,628,169	19.61	6,806,748 ⁽ⁱ⁾	15.47	8,628,169	16.59	5,806,748 ⁽ⁱ⁾	11.17
Ramli Bin Abu Kasim	6,287,182	14.29	-	-	5,287,182	10.17	-	-
Chang Lau Hoi @ Chang Sow Lan	-	-	5,605,562 ⁽ⁱⁱ⁾	12.74	-	-	4,605,562 ⁽ⁱⁱ⁾	8.86
Soong Moi @ Song Mou	-	-	6,561,769 ⁽ⁱⁱⁱ⁾	14.91	-	-	5,561,769 ⁽ⁱⁱⁱ⁾	10.70
LMN Realty	5,605,562	12.74	-	-	4,605,562	8.86	-	-
MCL Realty	5,885,841	13.38	-	-	4,885,841	9.40	-	-
EBSB	14,615,381	33.22	-	-	12,615,381	24.26	-	-
Liew Meow Nyeon	844,392	1.92	5,605,562 ^(iv)	12.74	844,392	1.62	4,605,562 ^(iv)	8.86
Liew Kiam Woon	326,768	0.74	5,605,562 ^(v)	12.74	326,768	0.63	4,605,562 ^(v)	8.86

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 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.

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.

17. STATUTORY AND GENERAL INFORMATION (continued)

17.7 General

- (a) The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in Sections 7.1, 7.4 and 7.5 of this Prospectus.
- (b) The time of the opening and closing of the Application of the Placement and Offer for Sale are set out in Sections 5 and 18 of this Prospectus.
- (c) The amount payable in full on application to the Company is RM1.70 per share
- (d) As at the date of this Prospectus, the Company and its Subsidiaries do not have any outstanding convertible debt securities.
- (e) Save for certain Offer Shares reserved for eligible employees and Directors who are employees of the LFECB Group pursuant to this Prospectus and save for the LFET Shareholders' Agreement, there are at present no other schemes for or involving the employees in the capital of the Company or its Subsidiaries.
- (f) Save for paragraphs (i), (ii) and (iii) below, there is no amount paid within the 2 years immediately preceding the date hereof or is payable by the Company or its Subsidiary Company in connection with the issue or sale of any capital of the Company or its Subsidiaries as commission, discount, brokerage or other special terms for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company and its Subsidiary Company and no director, promoter or expert is or are entitled to receive such commission:-
 - (i) Underwriting commission is payable by the Offerors to Underwriters mentioned herein at the rate of 2.5% of the issue price of RM1.70 per share on the total number of shares underwritten as stated in Section 5.8 and 5.9 of this Prospectus.
 - (ii) Brokerage is payable by the Offerors at the rate of 1.0% of the offer price of RM1.70 per share in respect of successful applications bearing the stamp of MIMB, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDFCCS.
 - (iii) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM1,300,000 shall be borne by the Company.
- (g) Save as is disclosed in Section 17.6 (4) and (5), no amount or benefit has been paid or given within the 2 years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
- (h) The name and address of the Reporting Accountants of the Company are set out in Section 1 of this Prospectus.
- (i) Save as is disclosed in Section 7.3, no property has been acquired or is proposed to be acquired by the Company or its Subsidiary Company in contemplation of the IPO.
- (j) Save for the IPO pursuant to this Prospectus, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.

17. STATUTORY AND GENERAL INFORMATION (continued)

- (k) Save as disclosed in this Prospectus, the Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its Subsidiaries.
- (l) Save as disclosed in this Prospectus, the financial conditions and operations of the Company and its Subsidiaries are not materially affected by any of the following:-
- (i) known trends or known demands, commitments, events or uncertainties that will result in or that is reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
 - (ii) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from the operations of the LFECB Group;
 - (iii) known trends or uncertainties that have had or that the LFECB Group reasonably expects to have a materially favourable or unfavourable impact on the revenue or operating income of the LFECB Group; and
 - (iv) material commitments for any capital expenditure.
- (m) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained is set out in Section 18 of this Prospectus.

17.8 Material Contracts / Agreements

There are no contracts/agreements which are or may be material (not being contracts/agreements entered into in the ordinary course of business) which have been entered into by the Company or its Subsidiary Companies within the 2 years immediately preceding 15 September 2003 save for the following:-

A. LFECB
(i) Sale and Purchase Agreement for Mayduct Land

By way of a sale and purchase agreement dated 26 June 2002 between LFECB and Lew Mew Choi, as part of the restructuring scheme for the Listing, LFEE agreed to purchase and Lew Mew Choi agreed to sell the Mayduct Land, at a purchase price of RM10,250,000 to be wholly satisfied partly by the issue of 5,401,420 new LFECB Shares at an issue price of RM1.11 and the remaining RM4,254,423 in cash from the proceeds from the Placement.

17. STATUTORY AND GENERAL INFORMATION (continued)

(ii) Sale and Purchase Agreement for 51% of the total issued and paid up capital of Mayduct

By way of a sale and purchase agreement dated 26 June 2002 entered into between the shareholders of Mayduct and LFECB, as part of the restructuring scheme for the Listing, the shareholders of Mayduct agreed to sell and LFECB agreed to purchase the 5,100 shares in Mayduct, representing 51% of the entire issued and paid-up share capital of Mayduct for a purchase consideration of RM509,684 to be wholly satisfied by an issue of 509,684 new LFECB Shares to the respective shareholders of Mayduct.

(iii) LFEE Share Sale and Purchase Agreement

By way of a sale and purchase agreement dated 26 June 2002 entered into between the shareholders of LFEE and LFECB, as part of the restructuring scheme for the Listing:-

- the shareholders of LFEE agreed to sell and LFECB agreed to purchase the entire issued and paid-up share capital of LFEE for an aggregate purchase consideration of RM31,478,619 to be wholly satisfied by an issue of 31,478,619 new LFECB Shares to the respective shareholders of LFEE;
- LFECB is to allot or to cause to be allotted to each of Emulate, Liew Meow Nyeau, Lew Mew Choi and Ramli Bin Abu Kasim an aggregate of 5,429,917 LFECB Shares;
- LFEE is to procure that LFJB repay to Emulate a debt of RM462,287 which is due and owing as at 30 April 2002;
- LFECB is to pay Liew Meow Nyeau and Ramli Bin Abu Kasim a sum of RM437,251 and RM1,046,003 respectively in respect of dividends declared for LFEE's past financial years;
- LFEE is to pay to Liew Meow Nyeau and Lew Mew Choi the a sum of RM500,000 and RM3,581,667 respectively in respect of shareholders' advances/loans due and owing by LFEE to the aforesaid shareholders as at 30 April 2002; and

Pursuant to 2 letters dated 24 February 2003 and 10 April 2003, the parties agreed that a tax exempt dividend of RM5 million will be declared by LFEE in favour of the shareholders of LFEE in respect of the financial year ended 31 December 2002 whereby RM3 million will be payable in cash and RM2 million will be payable in specie by transferring certain properties from LFEE to certain shareholders of LFEE.

(iv) Underwriting Agreement

An underwriting agreement dated 18 September 2003 between the Company, the Managing Underwriter and the Co-Underwriter for the underwriting of the Offer Shares for an underwriting commission of 2.5% of the offer price of RM1.70 per share.

17. STATUTORY AND GENERAL INFORMATION (continued)

B. LFEE**(i) BMSB Shareholders' Agreement**

Shareholders' agreement dated 3 August 2001 (the "BMSB Shareholders' Agreement") between (i) Petroforce (M) Sdn Bhd, (ii) Viable Bond (M) Sdn Bhd and (iii) LFEE; wherein the parties thereto agreed with each that the relationship between (i) Petroforce (M) Sdn Bhd, (ii) Viable Bonds Sdn Bhd and (iii) LFEE, all as shareholders of BMSB, be regulated by the terms and conditions contained in BMSB Shareholders' Agreement

(ii) SILK Shareholders' Agreement

Shareholders' agreement in relation to the shares in Sistem Lingkaran-Lebuh raya Kajang Sdn Bhd ("SILK") dated 10 August 2001 (the "SILK Shareholders' Agreement") between BMSB and SunInc; wherein the parties thereto agreed with each other that their relationship as shareholders of the SILK, be regulated by the terms and conditions contained in the SILK Shareholders' Agreement.

(iii) LFEE-Rayton JVA

Joint Venture Agreement dated 10 January 2002 entered into between LFEE and Rayton (the "LFEE-Rayton JVA No. 2") pursuant to which Rayton and LFEE agreed to form an unincorporated joint venture to carry out and complete the provision and installation of electrical services portion of the projects for the proposed design, construction and completion of two office buildings blocks and external works at Lots 2G5 and 2G6 respectively, and both at Precinct 2, at Pusat Pentadbiran Kerajaan Persekutuan, Wilayah Persekutuan, Putra Jaya, for Sunway Engineering Sdn Bhd. According to the LFEE-Rayton JVA No. 2, the parties thereto shall contribute to the working capital requirements in accordance to the specified proportions of Rayton (60%) and LFEE (40%).

(iv) Settlement of Debt of RM342,003.23 Due and Owing by MH Resort Development Sdn Bhd

A Settlement Agreement dated 18 April 2002 entered into between LFEE and MH Resort Development Sdn Bhd (the "MH Resort Settlement Agreement"), pursuant to which MH Development Sdn Bhd offered and LFEE accepted a settlement of the sum of RM342,003.23 which was due and owing by MH Resort Development Sdn Bhd ("MH Resort") to LFEE as at 15 October 2001, in the following manner:-

- MH Resort shall sell, transfer or assign to LFEE all that parcel of residential condominium known as Unit No. 2A-1, D'Haven Condominium measuring approximately 1,719 square feet in area erected on part of the land held under H.S(M) 28337, PT. No. 51650, Mukim of Klang, District of Klang, Selangor at the consideration sum of RM237,000.00 only (the "Consideration Sum"); and

17. STATUTORY AND GENERAL INFORMATION (continued)

- MH Resort shall pay LFEE a sum equivalent to RM73,547.43 only, which sum shall be settled by MH Resort in the following manner:
 - (1) Payment of a sum of RM15,000.00 only prior to the execution of the MH Resort Settlement Agreement;
 - (2) Payment of a sum of RM15,000 only on 15 April 2002; and
 - (3) Payment of a RM43,547.43 in 8 monthly instalments with the first instalment commencing on 15 May 2002 and the balance thereof on the same day of each and every succeeding month until full payment thereof.
- The parties to the MH Resort Settlement Agreement agreed:
 - (1) That in the event that LFEE shall be successful in selling and/or disposing of the aforesaid property to a 3rd party within 6 months from the date of the MH Resort Settlement Agreement, and the price at which LFEE is disposing the same (the “Disposal Sum”) is less than the Consideration Sum, MH Resort shall pay LFEE the difference between the two amounts within 1 month from the date of the receipt by MH Resort of a written notification from LFEE;
 - (2) That LFEE shall endeavour to sell or dispose of the said property at a price no less than RM190,000.00;
 - (3) That the reimbursement by MH Resort shall not at any time, exceed RM47,000.00; and
 - (4) That in the event that LFEE shall decide to dispose of the said property at the Disposal Price of RM190,000.00, LFEE shall give MH Resort a first option to purchase the said property at the Disposal Price of RM190,000.00 before disposing of the same to a 3rd party.

(v) Joint Venture between LFEE and Metronic Engineering Sdn Bhd

Joint-Venture Agreement dated 16 November 2001, between Metronic Engineering Sdn Bhd and LFEE (the “LFEE-Metronic Joint Venture Agreement”) pursuant to which LFEE and Metronic agreed to form an unincorporated joint venture (the “LFEE-Metronic Joint Venture”) is to submit a tender to Putrajaya Holdings Sdn Bhd for the proposed design, supply, installation, testing and commissioning of the “Tunnel Management Systems for the Common Utility Trench in Precinct 2, 3 and 4 of the Federal Administrative Centre at Putrajaya” project (the “Contract Works”). By a letter of award dated 8 January 2002, Putrajaya Holdings Sdn Bhd awarded the Contract Works to the LFEE-Metronic Joint Venture at a contract sum of RM13,100,000.00, inclusive of a provisional sum of RM800,000.00. Pursuant to a supplemental agreement dated 3 April 2002 entered into between LFEE and Metronic (the “LFEE-Metronic JV Supplemental Agreement”), the parties agreed to amend, vary, modify or other supplement the LFEE-Metronic JV Agreement in the following manner:-

17. STATUTORY AND GENERAL INFORMATION (continued)

- That notwithstanding any provision contained in the LFEE-Metronic JV Agreement, (i) the Contract Works shall be carried out by Metronic, and (ii) the performance bond, if any, required by the Employer for the due observance and performance by the LFEE-Metronic Joint Venture, shall be furnished absolutely by Metronic, and all cost relating to the same shall be borne by Metronic;
- That Metronic shall pay to LFEE the sum of RM307,500.00, (being 2.5% of RM12,300,000.00) in 6 instalments of RM51,250.00 only each, the first of which shall be payable within 7 days from the date of receipt by LFEE-Metronic Joint Venture of the first progress payment from the Employer and the balance thereof within seven business days from the date of receipt of each of the second to the sixth progress payment respectively from the Employer, failing which interest at the rate of 8% per annum on daily rests, on the same shall become due and payable from the due date to the date of full settlement. This obligation on the part of Metronic shall remain effective despite termination of the said letter of award;
- That Metronic shall pay LFEE a sum equivalent to 2.5% of the provisional sum of RM800,000.00 and such additional and/or variation works thereof, if any, that the LFEE-Metronic Joint Venture may be requested to carry out pursuant to the said letter of award and such sum shall be paid within 7 business days from the date of receipt of payment by LFEE-Metronic Joint Venture from the Employer in respect of such work, failing which, interest at the rate of 8% per annum on daily rest, on the same shall become due and payable from the due date to the date of full settlement. Provided that in the event of any reduction of the Contract Works by the Employer, the sum paid by Metronic to LFEE shall accordingly be adjusted, and LFEE shall refund to Metronic any excess of payment to Metronic. This obligation on the part of Metronic shall remain effective despite the termination of the said letter of award;
- That Metronic shall indemnify and keep LFEE fully indemnified against any loss, cost or expense incurred or suffered by LFEE as a result of Metronic's breach or, non-observance of any provisions in the said letter of award, or of any act or omission on the part of Metronic's servants or agents. The obligation of Metronic to indemnify LFEE shall survive the termination of the LFEE-Metronic JV Agreement or this LFEE-Metronic JV Supplemental Agreement; and
- That in the event that there shall be any claim against the Employer, all costs and expenses incurred thereby shall be borne by Metronic, and Metronic shall indemnify LFEE for any loss, cost or expense incurred or suffered by LFEE in this respect.

17. STATUTORY AND GENERAL INFORMATION (continued)

17.9 Material Litigation

As at 15 September 2003, (being the latest practicable date prior to the registration of this Prospectus), neither LFECB nor its Subsidiary Company are engaged in any material litigation either as plaintiff or defendant and the Directors 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 Subsidiary Companies, 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 RM 81,160.71 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.

The Directors of LFEE are of the view that their chances of success in the above claim and in defending the said counterclaim, are fair.

(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.

The Directors of LFEE are of the view that their chances of success, in the event the claim is filed, are fair.

17.10 Public Take-Overs

During the last financial year and the current financial year up to the date of this Prospectus, there were:-

- (a) no public take-over offers by third parties in respect of the Company’s shares; or
- (b) no public take-over offers by the Company in respect of other companies’ shares.

17.11 Consents

The written consents of the Adviser, Underwriters, Principal Bankers, Solicitors for the IPO, Share Registrar, Company Secretary and the Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

17. STATUTORY AND GENERAL INFORMATION (continued)

The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and letters relating to the Consolidated Profit Forecast for the financial year ending 31 December 2003 and Proforma Consolidated Balance Sheets as at 31 March 2003 in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consents of Collier, Jordan Lee & Jaafar Sdn Bhd (Independent Valuer) to the inclusion in this Prospectus of their name and the valuation certificate, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently withdrawn.

17.12 Documents for Inspection

Copies of the following documents are available for inspection at the Registered Office of the Company during normal business hours for a period of 12 months from the date of this Prospectus:-

- (a) Memorandum and Articles of Association of the Company.
- (b) The Reporting Accountants' Letters relating to the Proforma Consolidated Profit Forecast for the financial year ending 31 December 2003 and the Proforma Consolidated Balance Sheets as at 31 March 2003 as included herein.
- (c) The Accountants' Report as included herein.
- (d) The Directors' Report as included herein.
- (e) The Valuation Certificate referred to in Section 15 above.
- (f) Audited accounts of LFECB and its Subsidiary Company for the past 5 financial years ended 31 December 2002 and audited accounts for the 3-month period ended 31 March 2003.
- (g) The material contracts referred to in Section 17.8 above.
- (h) The writs and relevant cause papers referred to in Section 17.9 above.
- (i) The letters of consent referred to in Section 17.11 above.
- (j) A copy of each of the agreements in respect of:-
 - the LFEE Acquisition
 - the Mayduct Acquisition; and
 - the Acquisition of Mayduct Land
- (k) A copy of each of the agreements referred to in Section 12.1 above

17. STATUTORY AND GENERAL INFORMATION (continued)

17.13 Responsibility

This Prospectus has been seen and approved by the Directors and Promoters of LFECB and the Offerors, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and 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.

MIMB, 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.

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