

15. VALUATION CERTIFICATE

(Prepared for inclusion in this Prospectus)

The Valuation Certificate is to be read in conjunction with Section 7.8 of this Prospectus.



22 SEP 2003

The Board of Directors
LFE Corporation Berhad
Wisma LFE
Lot 993, Off Jalan Balakong,
43300 Balakong,
Seri Kembangan,
SELANGOR DARUL EHSAN

Dear Sirs,

**RE: VALUATION OF TITLE GERAN MUKIM 1388 (FORMERLY EMR 3523), LOT 993,
MUKIM OF CERAS, DISTRICT OF HULU LANGAT, STATE OF SELANGOR**

This letter has been prepared for inclusion in the prospectus to be dated September 30, 2003 in connection with the private placement of 8,000,000 new LFE Corporation Berhad ("LFECB") shares and offer for sale of 5,000,000 LFECB shares at an issue / offer price of RM1.70 per LFECB share and the listing of and quotation for the entire issued and paid-up share capital of LFECB on the Second Board of the Kuala Lumpur Stock Exchange.

In accordance with your instruction, we have valued the above-mentioned subject property vide our Report and Valuation bearing Reference No. KL011954 dated June 26, 2002.

The valuation has been carried out in accordance with the Guidelines on Assets Valuations issued by the Securities Commission and also the Manual of Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents.

The basis of the valuation is to ascertain the Market Value of the subject property as at June 11, 2002. We have applied the Cost, Comparison and Investment Methods of Valuation.

In connection with this Circular, we are pleased to certify that the Market Value of the above-mentioned subject property as at the date of Valuation are as follows :-

Basis	Market Value
I	RM10,250,000/- (RINGGIT MALAYSIA : TEN MILLION TWO HUNDRED AND FIFTY THOUSAND ONLY)
II	RM16,600,000/- (RINGGIT MALAYSIA : SIXTEEN MILLION AND SIX HUNDRED THOUSAND ONLY)

International Property Consultants • Chartered Valuation Surveyors • Registered Valuers & Real Estate Agents
Project & Property Managers • Plant & Machinery Valuers • Auctioneers

Managing Director: P. TANGGA PERAGASAM, Fism, Frics, Chariman: CHIN LAI SITT, Fism, Frics, LLB (Hons), CLP Executive Directors: THOOD SING CHOON, Frics, Inv, A, Arb, Fpcc, TH'NG KIM KOK, Mism, Frics, Director / Advisor: JAAFAR ISMAIL, Fism, Frics,

TEH TEIK BIN, Aries, Msm, Inv, Prof. Dip (UK), CHN KIM GHAY, Mism, Dip. Est. Mgmt (UK), LEE THIAM SING, Mism, LIM CHANG MEE, Fism, Frics, BA, (Hons), B.Sc (Hons)

Headquarters : Kuala Lumpur Level 6, Block G North, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur Tel: 03-20955811 (10 Lines) Fax No: 03-20955843

Agency/Division : Colliers International Property Consultants Sdn. Bhd.

Nox. 109 & 202, Block C, Pusat Dagangan Phileo Damansara 1, No. 9 Jalan 16/11, 46350 Petaling Jaya, Off Jalan Damansara, Kuala Lumpur, Tel: 03-76602200 Fax: 03-76600230

Other Offices
Perak : Suites 1, 2 & 3, Tingkat Kedua, Labrooy House, Jalan Dato Sagor, 30000 Ipoh, Perak Darul Ridzuan, Tel: 05-2414826 (3 Lines) Fax: 05-25556363
N. Sembilan : 9A, Kompleks Negeri, Jalan Dr. Krishnan, 70000 Seremban, Negeri Sembilan Darul Khusus, Malaysia, Tel: 06-7638890 & 7638990 Fax No: 06-7637936
P. Jaya : 30A, Jalan Yong Shook Lin 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03-79565811 Fax No : 03-79555843
Selangor : 31, Jalan Kapar, 41400 Klang, Selangor Darul Ehsan. Tel: 03-33420860 (3 Lines) Fax No: 03-33417888
Johor : Suite 326, 3rd Floor, PanGlobal Plaza, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Takzim Tel: 07-2232299 Fax: 07-2245899
Pahang : 17, Jalan Gambut 2, 25000 Kuantan, Pahang Darul Makmur, Tel: 09-5555588 Fax No: 09-5142146
Melaka : No. 669 & 669A, Taman Melaka Raya, 75000, Melaka. Tel: 06-2835522 (3 Lines) Fax: 06-2837635
Penang : Lot 2.01, 2nd Floor, Southern Bank Building, 21, Lebuh Pantai, 10500 Pulau Pinang, Tel: 04-2637749 & 263 7750 Fax No: 04-2637644
Kuching : Lot 216 (2/F), Jalan Haji Taha, 93400 Kuching Sarawak. Tel: 082-419200 & 419222 Fax No: 082-429315



Other Colliers Offices: Australia, China, Hong Kong, India, Indonesia, Japan, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam, Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Republic of Ireland, Russia, Scotland, Slovenia, South Africa, Spain, Turkey, United Kingdom, The Americas Argentina, Canada, Mexico, Venezuela and United States Of America.

15. VALUATION CERTIFICATE (continued)

COLLIERS
JORDAN LEE & JAAFAR

TERMS OF REFERENCE

We have been specifically instructed by the client to ascertain the Market Value of the subject property on the following bases:-

- BASIS I** - AS A PARCEL OF INDUSTRIAL LAND IMPROVED WITH *AN INDUSTRIAL PREMISES AND OTHER ANCILLARY BUILDINGS/STRUCTURES (*PORTION A*) TOGETHER WITH THE GREEN AREA (*PORTION B*) IN ACCORDANCE WITH THE SURVEY PLAN PREPARED BY MESSRS. UKUR SEKITAR BEARING REFERENCE US 368/02/KL 055.
- BASIS II** - AS A PARCEL OF INDUSTRIAL LAND WITH A SURVEYED LAND AREA OF **8.137 ACRES IMPROVED WITH AN INDUSTRIAL PREMISES AND OTHER ANCILLARY BUILDINGS/STRUCTURES

Notes: * The layout plan bearing reference Plan No. HRC/HONG/LP(3177)/230499-A prepared by Messrs. HRC Development Consultant Sdn. Bhd. was approved by Jabatan Perancang Bandar, Majlis Perbandaran Kajang on May 30, 2001 (Pelan bil. MPKJ/PB RM/10-2000) whilst the building plan approval was only obtained on June 11, 2002 vide letter from Majlis Perbandaran Kajang under reference MPKj 6/P/14/2000.

As at the date of valuation, the relevant authorities have yet to issue the Certificate of Fitness for Occupation for the subject property. Nevertheless, the issuance of the said certificate is deemed to be forthcoming as there are already letters of recommendation / approval from Jabatan Bekalan Air Selangor, Jabatan Perkhidmatan Pembentukan and other relevant departments within Majlis Perbandaran Kajang with regards to the matter. Also, the fine for commencement of earthworks prior to obtaining Majlis Perbandaran Kajang's approval and the compound on building plan have been fully paid.

** The surveyed land area of the subject property, now known as Lot 3177 as per Certified Plan No. PA 10-052044, is 3.293 hectares (about 8.137 acres). Vide Gazette Notification No. 1964 dated December 20, 2001, it is noted that an area measuring approximately 8.72 square metres (0.0008 hectare) is to be acquired for "Projek Lebuhraya Penyuraian Trafik Jalan Lingkaran Kajang". Thus, the net land area of the subject property after acquisition is about 8.135 acres (32,921.28 square metres). We have adopted this area in our computation of value.

15. VALUATION CERTIFICATE (continued)

COLLIERS
JORDAN LEE & JAAFAR

Brief details of the above-mentioned subject property are attached in a Schedule with this letter.

Yours faithfully
For and on behalf of
COLLIERS
JORDAN LEE & JAAFAR SDN. BHD.



TH'NG KIM KOK, MISM FRICS
Chartered Valuation Surveyor
& Registered Valuer (V-093)

TKK/CJL

15. VALUATION CERTIFICATE (continued)

COLLIERS
JORDAN LEE & JAAFAR

SCHEDULE

Property Identification	General Description of Property	Market Value (as at June 11, 2002)
<p>The subject property is a parcel of freehold industrial land identified as Lot 993 held under Title Geran Mukim 1388 (formerly EMR 3253) Mukim of Ceras, District of Hulu Langat, State of Selangor.</p> <p>The subject property bears postal address, Lot 993, Off Jalan Balakong, 43300 Balakong, Seri Kembangan, Selangor Darul Ehsan.</p> <p>The category of land use is perusahaan / perindustrian as stated in the title particulars and the registered proprietor is Liew Mew Choi.</p> <p>At the time of inspection, the subject property was tenanted to Mayduct Technology Sdn. Bhd. for a term of two (2) years commencing from July 1, 2001 and expiring on June 30, 2003 at a monthly rental of RM20,000/-.</p> <p>The subject property, together with Lot 963 and Lot 1032, have been approved for change of land use from "agriculture" to "industry" and also for the imposition of new express conditions to "light industry" by Pejabat Daerah/Tanah Hulu Langat vide letter bearing reference Bil(51) dlm.PTD.UL.5/2/02-92 dated February 9, 1998 subject to payment of premium and other terms and conditions stipulated therein.</p>	<p>The subject property has been improved with a 3-storey administration office building, a single-storey factory annexe with surau, canteen and TNB control room and other ancillary buildings/structures.</p> <p>The 3-storey administration office building is constructed of reinforced concrete framework, concrete flooring, plastered brickwalls and pitch roof covered with metal decks and has a gross floor area of about 1,608 square metres.</p> <p>The single-storey factory is constructed of steel portal framework with metal deck cladding, reinforced concrete floor slabs and pitch roof covered with metal decks and has a gross floor area of about 2,680 square metres.</p> <p>The single-storey factory annexe surau, canteen, kitchen and toilets is constructed of reinforced concrete framework, concrete flooring, plastered brickwalls and metal cladding covered with corrugated roofing sheets and has a gross floor area of about 268.80 square metres.</p> <p>The TNB control room is constructed of reinforced concrete framework and flooring, plastered brickwalls and reinforced concrete flat roof and has a gross floor area of about 168 square metres.</p>	<p>BASIS I – RM10,250,000/- (RINGGIT MALAYSIA : TEN MILLION TWO HUNDRED AND FIFTY THOUSAND ONLY)</p> <p>BASIS II – RM16,600,000/- (RINGGIT MALAYSIA : SIXTEEN MILLION AND SIX HUNDRED THOUSAND ONLY)</p> 

15. VALUATION CERTIFICATE (continued)

COLLIERS
JORDAN LEE & JAAFAR

	<p>The guardhouse is basically constructed of reinforced concrete framework and flooring, plastered brickwalls and metal deck roofing sheets and has an estimated gross floor area of about 12 square metres.</p> <p>The open-sided car park shed is basically of metal framework with corrugated zinc roofing sheets.</p> <p><i>We were informed by the client that the Certificate of Fitness for Occupation for the above buildings has yet to be issued. However, for the purpose of this Valuation, it is deemed to be forthcoming as there are supporting letters from Jabatan Bekalan Air Selangor and Jabatan Perkhidmatan Pembentungan and other relevant departments within Majlis Perbandaran Kajang with regards to the matter.</i></p> <p><i>Hence, for the purpose of this Report and Valuation, we have assumed that the above buildings have been constructed in accordance with the approved building plans and specifications, and thereafter certified fit for occupation by relevant authorities.</i></p> <p>This parcel of detached industrial land is of freehold tenure. It is trapezoidal in shape and contains a surveyed land area of 8.137 acres (about 32,930 square metres). The net remaining land area (after the proposed acquisition) is about 8.135 acres (32,921.28 square metres).</p> <p>The terrain of the land is generally flat but slopes gently upwards towards the rear portion.</p>	
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16. DIRECTORS' REPORT

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(Prepared for inclusion in this Prospectus)



Since 1967

LFE Corporation Berhad

(579343-A)

22 SET 2003

The Shareholders of LFE Corporation Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of LFE Corporation Berhad, I report after due inquiry that during the period from 31 March 2003 (being the date to which the last audited accounts of the Company and its subsidiaries have been made up) to 22 September 2003 (being a date not earlier than fourteen (14) days before the issue of this Prospectus), that:

- (a) the business of the Company and its subsidiaries, in the opinion of the Directors, has been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited accounts of the Company and its subsidiaries which have adversely affected the trading or the value of the assets of the Company or its subsidiaries;
- (c) the current assets of the Company and its subsidiaries that appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 13.5(iv) of this Prospectus, no contingent liabilities have arisen by reason of any guarantees given by the Company and/or its subsidiaries;
- (e) there have not been, since the last audited accounts of LFECB Group, any default or any known event that could give rise to a default situation, in respect of payments of either and/or principal sums in relation to any borrowings as disclosed in Section 13.5(ii) of this Prospectus in which the Directors are aware of; and
- (f) save as disclosed in Section 13.11 of this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profits of the Company or its subsidiaries.

Yours faithfully,

For And On Behalf Of The Board Of Directors Of
LFE Corporation Berhad

Lew Mew Choi
Managing Director

Registered Office

Wisma LFE

Lot 993, Off Jalan Balakong,
43300 Balakong, Seri Kembangan,
Selangor Darul Ehsan, Malaysia
Tel : 603 8995 8888
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