Amendment to MFRS 116 Property, Plant and Equipment

Amendment to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 Income Taxes.

(c) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Effective upon application of MFRS 9
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014 and 1 January 2016

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (Cont'd)		
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014 and 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
MFRS 140	Investment Property	1 July 2014
New ICT Int		
IC Int 21	Levies	1 January 2014

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: *Mandatory Effective Date of FRS 9 and Transition Disclosures*, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of this first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets but will not have an impact on classification and measurement of financial liabilities. The Group will quantify the effect in conjunction with the other phase, when the final standard including all phases is issued.

MFRS 15 Revenue from Contracts with Customers

The objective of MFRS 15 is to improve the financial reporting of revenue and comparability of the financial statements among companies globally. The new Standard is expected to provide better clarity on revenue recognition especially on areas where existing requirements unintentionally created diversity in practice. It also provides new guidance for transactions that were not previously addressed comprehensively.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

For the real estate industry, MFRS 15 is expected to enable property developers to recognise revenue progressively. For many straightforward retail transactions, the Director expects MFRS 15 to have little, if any, effect on the amount and timing of revenue recognition. For other contracts, such as long-term service contracts and multiple-element arrangements (e.g. telecommunications and automobile sectors), MFRS 15 could result in some changes either to the amounts or timing of the revenue recognised.

MFRS 15 includes new disclosures (quantitative and/or qualitative information) to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The new comprehensive disclosures are in response to investors' comments that companies present revenue in isolation which made it difficult for them to relate to the company's financial position.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 *Financial Instruments: Presentation.* It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value thorough profit or loss in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and

- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached.

(d) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

(e) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) Revenue recognition of construction contracts

Revenue from work done on construction contracts is recognised based on the percentage of completion method. The stage of completion is determined based on the total costs incurred to date over the estimated total project costs. Allowance for foreseeable losses is made in the financial statements when such losses can be determined.

(ii) Estimation of fair value of properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts) adjusted to reflect those differences; or

(b) recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(iii) Impairment of other investments

The Group carried out the impairment test based on a variety of estimation including the value-in-use of the Cash Generating Unit ("CGU") to which the other investments and assets held for sale are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to opt for a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Impairment of receivables

The Group makes allowance for impairment losses based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer payment terms when making a judgement to evaluate the adequacy of allowances for doubtful debts. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(v) Impairment of non financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

(vi) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a reducing balance basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment as disclosed in Note 2(m)(iii) to the financial statements. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact on the economic.useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(vii) Allowances for inventory write down

Allowances for inventory write down is made based on an analysis of the ageing profile and expected sales patterns of individual items in inventory. This requires an analysis of inventory usage based on expected future sales transactions taking into account current market prices and expected cost to sell. Changes in the inventory ageing and expected usage profiles can have an impact on the allowance recorded.

(viii) Income taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax payable based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will have impact on the income tax and deferred tax provisions in the period in which such determination is made.

(ix) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, they are determined using the valuation techniques including discounted cash flow method. The inputs of these valuation models are taken from observable markets where possible. However, when this is considered unfeasible, a degree of judgement is made in establishing fair values. The judgements made include having considered a host of factors including liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(x) Impairment of investments in subsidiary companies

The Directors review the material investments in subsidiary companies for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiary companies are assessed by references to the value in use of the respective subsidiary companies.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiary companies discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumption to reflect their income and cash flows. Judgement has been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiary companies.

(xi) Contingent liabilities

The Board of Directors, after due consultation with the Group's solicitors, assess the merit of each case, and makes the necessary provision for liabilities in the financial statements if its crystallisation is deemed to be probable.

(xii) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

(f) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are entities, including structured entities, controlled by the Company. The financial statements of subsidiary companies are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investment in subsidiary companies are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debtor equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the consolidated statements of profit or loss and other comprehensive income.

When the Group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Transactions eliminated on consolidation

Intra-group balances including any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Transaction costs

Costs directly attributable to an acquisition are included as part of the cost of acquisition.

(g) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost less accumulated impairment losses. The policy of the recognition and measurement of impairment losses is in accordance with Note 2(o) to the financial statements.

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in the profit or loss.

(h) Investment in associate companies

Associate companies are entities over which the Group has significant influence and that are neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decision of the investee but not control or joint control over those policies.

Investments in associate companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in the profit or loss.

Investments in associate companies are accounted for using the equity method of accounting. Investments in associate companies include goodwill identified on acquisition, net of any accumulated impairment loss.

Equity accounting involves recording investments in associate companies initially at cost, and recognising the Group's share of its associate companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group's share of losses in an associate company equals or exceeds its interest in the associate company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate company.

(i) Investment in jointly controlled operations

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled operation is a joint venture that involves the use of the assets and other resources of the venturers rather than the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves.

Investments in jointly controlled entities are accounted for in the financial statements using the proportionate consolidation method of accounting. The Group combines its share of each of the assets, liabilities, income and expenses of the joint ventures with the similar items, line by line, in its financial statements.

(j) Other long term investments

Other long term investments in quoted and unquoted corporations are stated at cost less impairment losses, if any.

(k) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment property is measured initially at cost, including related transaction costs.

Subsequent to initial recognition, investment properties are carried at fair value reviewed annually by external professional valuers. Changes in fair values are recognised in the profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit or loss during the financial period in which they are incurred.

A property interest under an operating lease is classified and accounted for as an investment property on a property by property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

(l) Goodwill on consolidation

Goodwill arising from consolidation represents the excess of the purchase price over the Group's interest in the fair value of the identifiable assets and liabilities of subsidiary companies at the date of acquisition.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently when events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's CGU expected to benefit from synergies of the business combination. An impairment loss is recognised in the consolidated statements of profit or loss and other comprehensive income when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of the carrying amount of each asset in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

(m) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(o) to the financial statements.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair value of other items of property, plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss.

(iii) Depreciation

Depreciation is recognised in the profit or loss on a reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Plant and machinery	2 - 3 years
Freehold buildings	50 years
Leasehold building	99 years
Motor vehicles	5 years
Furniture, fittings and office equipment	10 years
Air conditioners and renovation	5 - 10 years

Leasehold land is amortised on a straight line method over the period of the lease.

The depreciable amount is determined after deducting the residual value.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method of depreciation are the expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Gains or losses on disposals are determined by comparing net disposal proceeds with carrying amount and are recognised in the profit or loss. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to distribution reserve.

(n) Leases

(i) Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to profit or loss on the straight line basis over the lease period.

(o) Impairment of non financial assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. An impairment loss is charged to the profit or loss immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately.

(p) Inventories

Inventories comprising trading merchandise and consumables are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost of inventories comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(q) Construction contracts

Construction contracts are stated at cost plus the attributable profits less applicable progress billings and provision for foreseeable losses, if any.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activities at the reporting date. The stage of completion is determined by the proportion that contract cost incurred for the work performed to date as a percent of the estimated contract costs.
When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount owing by customers on contracts. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount owing to customers on contracts.

(r) Financial assets

Financial assets are recognised in the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instruments.

The Group classifies its financial assets as loan and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date except for financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are unquoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the statements of financial position.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Investments are initially recognised at fair value plus transactions costs that are directly attributable to their acquisitions. Investment in equity instruments whose fair value cannot be reliably measured are valued at cost less impairment loss.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses.

On the derecognition, the cummulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit and loss.

(s) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For an equity instrument, a significant or prolonged declined in fair value below its cost is also considered objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised costs, the reversal is recognised in profit or loss.

(t) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(u) Financial liabilities

Borrowings, trade and other payables are classified as financial liabilities in the statements of financial position as there is a contractual obligation to make cash payments to another entity and is contractually obliged to settle the liabilities in cash.

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the Group designates the liabilities at fair value through profit or loss. Financial liabilities are designated at fair value through profit or loss when:

(i) they are acquired or incurred for the purpose of selling or repurchasing in the near term;
(ii) the designation eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial liabilities or recognising gains or losses on them; or
(iii) the financial liability contain an embedded derivative that would need to be separately recorded.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(v) Finance lease liabilities

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statements of financial position as liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the finance lease liabilities, when it is practical to determine; otherwise, the Group's incremental borrowing rate is used.

Finance lease liabilities payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for finance lease assets is consistent with that for depreciable property, plant and equipment which are owned.

Lease rental under operating lease is charged to the profit or loss on a straight line basis over the term of the relevant lease.

(w) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(x) Borrowing costs

Borrowing costs which are not eligible for capitalisation are recognised as an expense in the profit or loss in the period in which they are incurred.

(y) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Translation differences on non-monetary items, such as financial assets held for trading held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non monetary items, such as equities classified as available-for-sale financial assets, are included in the exchange fluctuation reserve in the equity.

Assets and liabilities of a foreign operation are translated to Ringgit Malaysia at rates of exchange ruling at the balance sheet date and the results and cash flows of foreign operation are translated at the average rate of exchange for the financial period. Exchange differences arising from the translation are recognised as a separate component equity.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

The closing exchange rates used for each unit of the main foreign currency in the Group is:

	2014 RM	2013 RM
United States Dollar (USD)	3.1973	3.2461
100 Vietnamese Dong (VND)	0.0150	0.0153
UAE Dirhams (AED)	0.8703	0.8681
Qatari Riyal (QAR)	0.8760	0.8893

(z) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

(i) Construction Contract

Revenue from work done on construction contracts is recognised based on the percentage of completion method. The stage of completion is determined based on the total costs incurred to date over the estimated total project costs.

Allowance for foreseeable losses is made in the financial statements when such losses can be determined.

(ii) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts and is recognised in the profit or loss when significant risks and rewards of the ownership have been transferred to the customers.

(iii) Rental and Interest income

Rental income and interest income are recognised on an accrual basis.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(aa) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group/Company.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences.

Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

(bb) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the statements of financial position and its tax base at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(cc) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares.

(dd) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

(ee) Reserves

(i) Share Premium

Share premium represent the excess of the consideration received over the nominal value of the share issued by the Group.

(ii) Foreign exchange translation reserves

The foreign exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(ff) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

4. Property, Plant and Equipment

Group	Plant and Machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Air conditioners and renovation RM	Total RM
Cost					
At 1 August 2013	2,702,792	1,425,395	445,855	209,658	4,783,700
Additions	-	-	570	4,990	5,560
Disposal	-	(631,300)	-	-	(631,300)
Write off	-	-	(1,581)	-	(1,581)
Foreign exchange adjustment	-	-	(148)	-	(148)
At 31 July 2014	2,702,792	794,095	444,696	214,648	4,156,231
Accumulated depreciation					
At 1 August 2013	2,686,923	1,119,071	314,675	90,202	4,210,871
Charge for the financial year	1,593	57,299	27,343	12,724	98,959
Disposal	-	(567,868)	-	-	(567,868)
Writen off	-	-	(1,186)	-	(1,186)
Foreign exchange adjustment	-	-	(105)	-	(105)
At 31 July 2014	2,688,516	608,502	340,727	102,926	3,740,671
Carrying amount					
At 31 July 2014	14,276	185,593	103,969	111,722	415,560

4. Property, Plant and Equipment (Cont'd)

Group	Plant and machinery RM	Buildings RM	Motor vehicles RM	Furniture, fittings and equipment RM	Air conditioners and renovation RM	Total RM
Cost						
At 1 August 2012	2,722,511	12,780	1,434,226	995,036	244,400	5,408,953
Additions	-	-	-	7,498	-	7,498
Disposals	(19,719)	(12,780)	-	(518,452)	-	(550,951)
Foreign exchange adjustment	-	-	(8,831)	(38,227)	(34,742)	(81,800)
At 31 July 2013	2,702,792	-	1,425,395	445,855	209,658	4,783,700
Accumulated depreciation						
At 1 August 2012	2,565,637	12,780	1,047,389	832,881	99,828	4,558,515
Charge for the financial year	164,693	-	77,864	34,973	13,640	291,170
Disposals	(19,719)	(12,780)	-	(501,076)	-	(533,575)
Foreign exchange adjustment	(23,688)	-	(6,182)	(52,103)	(23,266)	(105,239)
At 31 July 2013	2,686,923	-	1,119,071	314,675	90,202	4,210,871
Carrying amount						
At 31 July 2013	15,869	-	306,324	131,180	119,456	572,829

4. **Property, Plant and Equipment (Cont'd)**

(a) Motor vehicles with carrying amount of RM43,688 (2013: RM54,609) of the Group are held in trust by a Director of the Company.

(b) Included under property, plant and equipment of the Group are motor vehicles with carrying amount of RM156,465 (2013: RM195,580) acquired under finance lease liabilities arrangement.

5. **Investment Properties**

	Group	
	2014 RM	2013 RM
At fair value		
Long term leasehold land and buildings		
At beginning/end of year	402,954	402,954

(a) The investment properties of the Group of RM402,954 (2013: RM402,954) have been pledged to a licensed bank to secure the banking facility as disclosed in Note 21 to the financial statements.

(b) The investment properties were revalued by the Directors on 6 June 2013, based on independent professional valuations on the open market value basis.

(c) Fair value of investment properties are categorised as follows:

	Group 2014		
	Level 1 RM	Level 2 RM	Level 3 RM
Investment properties	-	-	402,954

Policy on Transfer between Levels

The fair value on an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 Fair Value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical properties that the entity can access at the measurement date.

Level 2 Fair Value

Level 2 fair value is estimate using inputs other than quoted prices included within Level 1 that are observable for the property, either directly o indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 Fair Value

Level 3 fair value is estimated using unobservable inputs for the investment property.

6. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company	
	2014	2013
	RM	RM
Unquoted shares, at cost	67,754,705	67,754,703
Less: Accumulated impairment losses	(42,178,619)	(42,178,619)
	25,576,086	25,576,084

(b) Details of the subsidiary companies are as follows:

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest 2014 %	2013 %	Principal activities
Direct holding:				
LFE Engineering Sdn Bhd	Malaysia	100	100	Provision of general and specialised electrical and mechanical engineering services and maintenance works.
LFE Builder Sdn Bhd	Malaysia	100	100	Property investment.
Lynex Construction Sdn Bhd	Malaysia	100	51	General contractors.
LFE International Limited**	British Virgin Islands	100	100	Distribution of consumer electronics products.
Teratai Megah Sdn Bhd	Malaysia	100	100	Building and general contractors.
LFE Technology Sdn Bhd	Malaysia	100	100	Provision of specialised engineering services for extra low voltage electrical systems and instrumental and control systems for intelligent transportation systems applications such as expressway traffic management systems, tunnel plant and traffic management systems and automatic cash transfer systems.

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest 2014 %	2013 %	Principal activities
Indirect holding *Subsidiary companies of LFE Engineering Sdn Bhd :*				
LFE Engineering (JB) Sdn Bhd	Malaysia	100	100	Provision of general and specialised electrical and mechanical engineering services and maintenance works.
LFE Engineering (Vietnam) Company Limited*	Socialist Republic of Vietnam	100	100	Technical design and provision of consultancy services for design, implementation and contracting of mechanical and electrical engineering services.

* Not audited by Morison Anuarul Azizan Chew.

** Not required to be audited in its country of incorporation.

(c) On 10 July 2014, the Company has acquired the remaining 49,000 ordinary shares of RM1.00 each representing 49% of the entire issued and paid-up ordinary share in Lynex Construction Sdn. Bhd. with purchase consideration of RM2. Subsequently, Lynex Construction Sdn. Bhd. became wholly-owned subsidiary of the Company.

7. Investment in Associate Companies

(a) Investment in associate companies

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Unquoted shares at cost	119,840	119,840	25,500	25,500
Share of post acquisition profit of associate Companies	13,733	21,256	-	-
	133,573	141,096	25,500	25,500

(b) Details of the associate companies are as follows:

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest 2014 %	2013 %	Principal activities
Direct holding:				
Mediaforte Holdings Sdn Bhd ("MHSB")	Malaysia	25.5	25.5	Investment holding.
Indirect holding:				
LFE Engineering (Qatar) W.L.L*	Qatar	49	49	Provision of mechanical and electrical works and general building contracting.

* Not audited by Morison Anuarul Azizan Chew.

(c) The summarised financial information of the associate companies are as follows:

	2014 RM	2013 RM
Assets and liabilities:		
Total assets	20,280,563	22,914,665
Total liabilities	22,197,358	24,653,523
Results:		
Revenue	5,579,901	5,951,003
Loss for the year	(39,497)	(17,258)
Share of results	(7,523)	(11,309)

8. Other Long Term Investments

	Group 2014 RM	Group 2013 RM
Held-to maturity investments		
Non-current		
Unquoted subordinated bonds, at cost	3,500,000	3,500,000
Less: Accumulated impairment losses	(3,500,000)	(3,500,000)
	-	-

9. Investments in Jointly Controlled Operations

(a) The details of the unincorporated jointly controlled operations are as follows:

Name of jointly controlled operations	Principal place of business/ Country of incorporation	Effective ownership and voting interest 2014 %	Effective ownership and voting interest 2013 %	Principal activities
IJM Construction Sdn. Bhd.- Sunway Builders Sdn. Bhd. - Zelan Holdings (M) Sdn. Bhd. - LFE Engineering Sdn. Bhd. Consortium ("ISZL")*	Abu Dhabi, United Arab Emirates	25	25	Designing, execution and completion of Zone C, Phase 1, Plot 1, Al Reem Island Development, consisting of five towers with an associated podium and villas
IJM Construction Sdn. Bhd. (Abu Dhabi Branch) - LFE Engineering Sdn. Bhd. (Abu Dhabi Branch) Joint Venture ("IJM-LFE")*	Abu Dhabi, United Arab Emirates	30	30	Execution and completion of Zone E2 Hotel Development, Phase 1, Plot 1, Al Reem Island

* Not audited by Morison Anuarul Azizan Chew.

(b) The summarised financial information of the jointly controlled operations are as follows:

	Group 2014 RM	Group 2013 RM
Assets and liabilities:		
Current assets	70,837,207	73,330,677
Non-current assets	1,891	4,015
Total assets	70,839,098	73,334,692
Total liabilities	48,032,397	49,701,690
Results:		
Revenue	-	13,067,255
Expenses	430,288	3,313,989
(Loss)/Profit for the year	(430,288)	8,365,620

10. Inventories

	Group 2014 RM	Group 2013 RM
Consumables, at cost	-	31,098

11. Amount Owing by/(to) Customers on Contracts

	Group 2014 RM	Group 2013 RM
Contract costs incurred to date	81,805,560	94,473,831
Add: Attributable profits	11,009,226	12,323,250
	92,814,786	106,797,081
Less: Progress billings including retention sum	(89,843,167)	(103,596,323)
	2,971,619	3,200,759
Less: Impairment loss	(369,439)	(375,734)
	2,602,180	2,825,025
Represented by:		
Amount owing by customers on contracts	7,226,153	7,509,323
Amount owing to customers on contracts	(4,623,973)	(4,684,298)

12. Trade Receivables

	Group 2014 RM	Group 2013 RM
Trade receivables	90,842,447	90,759,267
Retention sum receivables	12,057,238	14,074,718
	102,899,685	104,833,986
Less: Accumulated impairment loss	(9,865,434)	(10,157,428)
	93,034,251	94,676,557

The Group's normal trade credit terms range from 60 to 90 days (2013: 60 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	5,064,265	5,271,702
1 - 90 days past due but not impaired	5,983,275	9,002,234
91 - 180 days past due but not impaired	4,370,104	6,382,459
More than 1 year past due but not impaired	77,616,607	74,020,163
	87,969,986	89,404,856
Impaired	9,865,434	10,157,428
	102,899,685	104,833,986

	Group 2014 RM	Group 2013 RM
Individually impaired		
Nominal amounts	9,865,434	10,157,428
Less: Allowance for impairment loss	(9,865,434)	(10,157,428)
	-	-
Allowance for impairment loss:		
At 1 August	10,157,428	9,829,300
Allowance written back	-	(918,295)
Allowance written off	(291,994)	-
Additions	-	1,246,423
At 31 July	9,865,434	10,157,428

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These debtors are mostly long term customers with no history of default in payments.

The Group has significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables by one major customer, Tamouh Investments LLC ("Tamouh"), a company incorporated in United Arab Emirates amounting to RM67,970,084 (2013: RM70,408,163) which accounts for 66% (2013: 67%) of the total trade receivables of the Group.

The Group's trade receivables of RM87,969,986 (2013: RM89,404,856) that are past due at the reporting date but not impaired are unsecured. These balances relate mainly to customers who have never defaulted on payments but are slow paymasters hence, periodically monitored.

Included in trade receivables of RM87,969,986 (2013: RM89,404,856) that are past due at the reporting date but not impaired is an amount due from Tamouh, the developer for the Zone C Towers, Zone E1 Mall and Zone E2 Hotel and Apartment, Plot One, Marina Square projects in Al Reem Island, Abu Dhabi, United Arab Emirates amounting to RM67,970,084 (2013: RM70,408,163). The Zone C Towers and Zone E1 Mall projects were awarded to ISZL Consortium ("ISZL") whereas the Zone E2 Hotel and Apartment project was awarded to IJM-LFE Joint Venture ("IJM-LFE"). The Zone C Towers project has been completed and a final certificate has been issued. However, the Zone E1 Mall and Zone E2 Hotel and Apartment projects have been suspended.

On 23 April 2014, Tamouh has signed 3 settlement agreements with ISZL and IJM-LFE for Zone C Towers, Zone E1-Mall and Zone E2 Hotel and Apartment on the following terms:

(a) Zone C Towers

(i) The settlement sum comprises:

		AED
i.	Principal Sum	105,010,000
ii.	Retention Sum	33,250,000
iii.	Stakeholder Sum	10,000,000
		148,260,000

(ii) In respect of Principal Sum, by sales proceeds of 6 floors of office building in Zone C Towers together with a total of 60 car parking spaces ("Property A") by Tamouh to ISZL. The price of transfer of the Property A is AED110,432,300 and the excess sum of AED5,422,300 shall be settled by setting off the Retention Sum. Tamouh shall assist ISZL to identify purchasers for the Property A and notify ISZL of the purchaser and proposed sales price for Property A. The proceeds of any sales shall be paid to ISZL and Tamouh shall not be entitled to a fee in respect of the sales.

(iii) In respect of Retention Sum and Stakeholder Sum, Tamouh shall pay AED3,000,000 to ISZL on 23 April 2014. The remaining sum is to be settled by Tamouh subject to fulfillment of terms and condition imposed on rectification works.

(iv) ISZL shall commence rectification works on all defects with the aim of completing the same on or before 31 December 2014. Tamouh shall obtain Performance Certificate ("PC") once ISZL completed all rectification works.

(b) Zone E1 Mall

The settlement sum comprises sales proceeds of a vacant plot of land numbered RT4-C11b on Al Reem Island, Abu Dhabi ("Plot A") with a contractual price agreed at AED62,142,090 which is calculated at AED230 per square feet for an allocated plot of 270,183 square feet. Tamouh shall assist ISZL to identify purchaser for the Plot A and notify ISZL of the purchaser and proposed sales price for Plot A. The proceeds of any sales shall be paid to ISZL and Tamouh shall not be entitled to a fee in respect of the sales.

(c) Zone E2 Hotel and Apartment

The settlement sum comprises an initial sum of RM2,000,000 to be paid by Tamouh to IJM-LFE on or before 24 April 2014 and sales proceeds of a vacant plot of land numbered RT4-C12 on Al Reem Island, Abu Dhabi ("Plot B") with a contractual price agreed at AED87,490,000 which is calculated at AED230 per square feet for an allocated plot of 380,391 square feet. Tamouh shall assist IJM-LFE to identify purchaser for the Plot B and notify IJM-LFE of the purchaser and proposed sales price for Plot B. The proceeds of any sales shall be paid to IJM-LFE and Tamouh shall not be entitled to a fee in respect of the sales.

Currently, Tamouh is in the process of finalising "Musataha" Contracts which allow the ISZL and IJM-LFE JV to have the right of exclusive possession, development, use and enjoyment of the land and building identified as plot RTC-C11b for Zone E1 and RTC-C12 for Zone E2 respectively.

In summary, the Group is entitled to the receipt of the following settlement sums:

				AED	Exchange to RM
i.	Zone C Towers	ISZL	25%	37,065,000	32,258,486
ii.	Zone E1 Mall	ISZL	25%	15,535,523	13,520,907
iii.	Zone E2 Hotel and Apartment	IJM-LFE	30%	26,847,000	23,365,535
				*79,447,523	*69,144,928

*Based on maximum entitlement scenario.

As at the date of this report, Tamouh has paid to ISZL and IJM-LFE as follows:

			AED
i.	Zone C Towers	ISZL	3,000,000
ii.	Zone E2 Hotel and Apartment	IJM-LFE	2,000,000
			5,000,000

13. Other Receivables

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Other receivables	7,721,300	7,380,156	1,450,224	1,450,224
Less: Accumulated impairment loss	(3,891,514)	(3,970,502)	(1,405,224)	(1,405,224)
	3,829,786	3,409,654	45,000	45,000
Deposits	309,224	196,694	-	-
Prepayments	29,922	158,593	-	-
	4,168,932	3,764,941	45,000	45,000

The other receivables that are impaired

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Allowance for impairment loss				
At 1 August	3,970,502	4,023,236	1,405,224	1,405,224
Reversal	-	(52,734)	-	-
Write off	(78,988)	-	-	-
At 31 July	3,891,514	3,970,502	1,405,224	1,405,224

Included in other receivables of the Group are margin deposits with bank for issuance of labour guarantees amounting to RM40,477 (2013: RM216,872).

14. Amount Owing by/(to) Subsidiary Companies

The amount owing by/(to) subsidiary companies are unsecured, interest free and repayable on demand.

15. Amount Owing by/(to) Associate Companies

The amount owing by/(to) associate companies are unsecured, interest free and repayable on demand.

16. Amount Owing by A Former Director

	Group	
	2014	2013
	RM	RM
Amount owing by a former Director	26,506,700	26,506,700
Less: Accumulated impairment loss	(26,506,700)	(26,506,700)
	-	-

The amount owing by a former Director as at 31 July 2011 of RM26,506,700 of the Group arose from his undertaking pursuant to advances made for and his profit guarantee obligations on the computer products trading activities carried out by a subsidiary company, LFE International Limited ("LFEI"), during the financial year and period ended 31 December 2007 and 31 March 2009 respectively. This undertaking also gave rise to an amount owing to the Company by LFEI of RM17,497,026 after the Directors of the Company have decided out of prudence to disregard and not to recognise in totality the revenue, cost of sales and profit generated from the trading activities of LFEI for these accounting periods.

The undertaking is secured by the former Director's pledge of 25 million shares in Stanton Technologies Limited ("STL"), a Company incorporated in Dubai International Financial Centre, at USD0.30 per share.

The former Director has not met the repayment schedule on or before 21 December 2008 to pay the full amount of undertaking and the actions initiated by the former Directors of the Company to recover the amount owing in accordance with terms of the undertakings and pledge are ongoing.

Kuala Lumpur Regional Centre for Arbitration ("KLRCA") had on 29 September 2011 awarded the Company final award of proceedings amounting to RM26,356,698 and the interest rate of 8% per annum until the date of the realisation of the said sum.

The amount has been fully impaired in the financial year ended 31 July 2012.

17. Fixed Deposits Placed with Licensed Banks

	Group 2014 RM	Group 2013 RM
Fixed deposits pledged to licensed banks as collateral to secure:		
- bank guarantee and banking facilities as disclosed in Note 21 to the financial statements	9,069	899,699
- bank guarantee for performance bond	331,952	322,329
	341,021	1,222,028

18. Share Capital

	Group/Company			
	Number of ordinary shares		Amount	
	2014	2013	2014 RM	2013 RM
Authorised				
Ordinary shares of RM1 each:				
At beginning/end of year	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
Ordinary shares of RM1 each:				
At beginning/end of year	84,900,002	84,900,002	84,900,002	84,900,002

19. Reserves

The movements in the reserves are reflected in the statements of changes in equity.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Share premium	5,218,125	5,218,125	5,218,125	5,218,125
Foreign exchange translation reserves	(872,583)	(386,669)	-	-
Accumulated losses	(78,418,076)	(78,616,357)	(46,806,772)	(46,391,789)
	(74,072,534)	(73,784,901)	(41,588,647)	(41,173,664)

20. Finance Lease Liabilities

		Group 2014 RM	Group 2013 RM
(a)	Future minimum finance lease liabilities payments		
	- Not later than one year	59,262	85,860
	- Later than one year but not later than 5 years	-	59,262
		59,262	145,122
	Future finance charges	(6,006)	(14,475)
	Present value of finance lease liabilities	53,256	130,647
(b)	Present value of finance lease liabilities		
	Current		
	- Not later than one year	53,256	77,391
	Non-current		
	- Later than one year but not later than 5 years	-	53,256
		53,256	130,647
	Analysed as:		
	Repayable within twelve months	53,256	77,391
	Repayable after twelve months	-	53,256
		53,256	130,647

The effective interest rates of the Group are between 2.4% and 3.0% (2013: 2.4% and 3.0%) per annum.

The finance lease liabilities are effectively secured on the rights of the assets under finance lease arrangement.

21. Bank Borrowings

	Group 2014 RM	Group 2013 RM
Secured		
Bank overdrafts	1,391,726	1,992,871
Revolving credits	2,799,294	3,326,399
	4,191,020	5,319,270
Unsecured		
Bank overdrafts	833,110	882,152
Term loans	11,881,116	14,300,238
	12,714,226	15,182,390
Total bank borrowings	16,905,246	20,501,660

	Group	
	2014	2013
	RM	RM
Analysed as follows:		
Current liabilities		
Bank overdrafts	2,224,836	2,875,023
Revolving credits	518,290	323,932
Term loans		
- Floating	8,326,557	10,282,811
	11,069,683	13,481,766
Non-current liabilities		
Revolving credits	2,281,004	3,002,467
Term loans		
- Floating	3,554,559	4,017,427
	5,835,563	7,019,894
Total bank borrowings	16,905,246	20,501,660

Maturity of borrowings is as follows:

	Group	
	2014	2013
	RM	RM
Within one year	11,069,683	13,481,766
Later than one year but not later than five years	5,835,563	7,019,894
	16,905,246	20,501,660

The weighted average effective interest rate is as follows:

	Group	
	2014	2013
	%	%
Bank overdrafts	7.6%	7.6%
Term loans	7.6%	7.6%
Revolving credits	7.6%	7.6%

Secured borrowings are secured by way of:

		Group	
		2014	2013
	Note	RM	RM
Investment properties	5	402,954	402,954
Fixed deposits placed with licensed banks	17	-	899,699

Certain short term borrowings are also secured by way of:

(i) Corporate guarantee by the Group;
(ii) Joint and several guarantees by a current and a former Directors of the Group;
(iii) Fixed charge over the project accounts for the proceeds of designated contract/project; and
(iv) Deed of assignment of assets belonging to the Group to financial institutions and irrevocable instructions to the Bilateral Lenders for the repatriation of the Group's portion of profits or security money relating to its overseas joint venture projects.

Included in unsecured term loans of the Group is an outstanding principal amount of RM7,653,432 (2013 RM7,653,432) out of the initial sum of RM35,000,000 payable to a specific purpose vehicle, Kerisma Berhad ("Kerisma"), under a Primary Collaterised Loan Obligations programme ("PCLO"). The Kerisma's bondholders, pursuant to their extraordinary general meeting held on 3 June 2009, have in principle agreed to the Group's restructuring proposal to reschedule the repayments of the term loans.

On 29 July 2011, the Group further entered into a new settlement agreement ("SA") for the PCLO with Kerisma and Malaysian Trustees Berhad ("MTB"). The SA entailed that Kerisma and MTB as trustees and issuers respectively agreed to accept a sum of RM8,477,575 as the settlement amount of the outstanding loan amounting to RM24,221,644 as at 3 June 2010. The issuers and trustees agreed to waive the Group's obligation to repay the sum of RM15,744,069 which arose from the difference between the outstanding loan and the settlement amount. Consequently, the Group had recognised RM15,744,069 as waiver of the PCLO in the financial year ended 31 July 2011.

In the previous financial years, the Group has paid an amount of RM824,143 of the above mentioned settlement amount. However, the repayments were not in accordance with the SA. In addition, the Group has applied to Corporate Debt Restructuring Committee ("CDRC") for a restructuring scheme to mediate the outstanding loans amounting to RM9,251,814 (2013: RM10,639,552) from the financial lenders besides the trustees and issuers.

On 28 February 2013, the Group has entered into a Debt Restructuring Agreement ("DRA") with the aforesaid financial lenders, trustees and issuers ("scheme creditors") relating to the outstanding loans amounting for RM16,905,246 (2013: RM18,292,948). This DRA was signed on 28 February 2014. A supplemental DRA was signed on 17 June 2014 with the scheme creditors and the Group as amendment to the terms and conditions of the DRA signed on 28 February 2014.

22. Deferred Tax Liabilities

	Group	
	2014	2013
	RM	RM
At 1 August	10,200	6,500
Recognised in profit or loss	4,600	3,700
At 31 July	14,800	10,200

Represented after appropriate offsetting as follows:

	Group	
	2014	2013
	RM	RM
Deferred tax liabilities	14,800	10,200

This is represented by the components and movements of deferred tax liabilities and assets of the Group prior to its offsetting during the financial year as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances	
	2014	2013
	RM	RM
At 1 August	10,200	48,078
Recognised in profit or loss	4,600	(37,878)
At 31 July	14,800	10,200

Deferred tax assets of the Group have not been recognised in respect of the following items:

	2014	2013
	RM	RM
Unused tax losses	41,771,998	46,938,362
Unabsorbed capital allowances	-	4,170
Accelerated capital allowances	-	(102,707)
	41,771,998	46,839,825

23. Trade Payables

	Group	
	2014	2013
	RM	RM
Trade payables	36,946,814	39,457,093
Retention sums payables	6,383,406	6,932,964
	43,330,220	46,390,057

The normal trade credit term granted to the Group is 60 days (2013: 60 days).

24. Other Payables

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other payables	35,515,805	28,509,003	295,388	369,500
Accruals	4,022,714	3,886,336	400,784	346,110
	39,538,519	32,395,339	696,172	715,610

Included in other payables of the Group is advances received from customers of RM1,909,360 (2013: Nil).

25. Amount Owing to Directors

The amount owing to Directors are unsecured, interest free and repayable on demand.

26. Revenue

This represent income from construction contracts recognised on percentage of completion method.

27. Finance Costs

	Group	
	2014	2013
	RM	RM
Interest expense on:		
Term loans	975,214	1,286,273
Bank overdrafts	192,331	237,384
Revolving credits	41,147	103,172
Finance lease liabilities	8,469	8,469
Jointly controlled operation	1,670,424	1,490,842
	2,887,585	3,126,140

28. Profit/(Loss) Before Taxation

Profit/(Loss) before taxation is derived after charging/(crediting):

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration	136,938	160,316	30,000	30,000
Impairment loss on trade receivables	-	1,246,423	-	-
Bad debts written off				
- non trade	-	79,491	-	-
Depreciation of property, plant and equipment				
- recognised in profit or loss	98,959	121,149	-	-
- recognised in contract costs	-	170,021	-	-
Realised loss on foreign exchange	32,884	42,224	-	-
Rental of premises	122,160	159,138	-	-
Rental of plant and machinery recognised in contract cost	518,450	4,800	-	-
Rental of equipment				
- recognised in profit or loss	12,840	12,840	-	-
- recognised in contract costs	2,846	11,060	-	-
Property, plant and equipment written off	395	-	-	-
Inventories written off	25,838	-	-	-
Directors' remuneration				
- fees	48,000	48,000	48,000	48,000
- other	526,512	612,312	-	-
Fair value adjustment on:				
- trade receivables	(168,521)	(32,556)	-	-
- trade payables	847	(22,921)	-	-
Gain on disposal of property, plant and equipment	(22,068)	-	-	-
Waiver of debts	(4,147)	-	-	-
Interest income	(20,742)	(32,636)	-	-
Impairment for trade receivables written back	-	(918,295)	-	-
Bad debt recovered	(250,000)	-	-	-

29. Taxation

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Malaysian income tax				
Income tax:				
- Current year	86,000	480,900	-	-
- Under/(Over) provision in prior years	71,882	(16,000)	-	-
	157,882	464,900	-	-
Deferred tax:				
- Current year	4,600	16,852	-	-
- Over provision in prior years	-	(13,152)	-	-
	4,600	3,700	-	-
Real property gain tax	(8,100)	668	-	-
Tax expense for the financial year	154,382	469,268	-	-

Income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit/(loss) for the financial year. The statutory tax rate will be reduced to 24% from the current year rate at 25% effective year of assessment 2016.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(Loss) before taxation	352,663	13,904,423	(414,983)	(210,587)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	88,166	3,476,106	(103,746)	(52,647)
Expenses not deductible for tax purposes	503,508	387,189	166,606	52,647
Income not subject to tax	(134,609)	(3,023,235)	(62,860)	-
Deferred tax assets not recognised during the year	-	77,732	-	-
Utilisation of previously unrecognised tax losses and capital allowances	(366,466)	(420,040)	-	-
Under/(Over) provision of current taxation in respect of prior years	71,883	(16,000)	-	-
Over provision of deferred taxation in respect of prior years	-	(13,152)	-	-
Real property gain tax	(8,100)	668	-	-
Tax expense for the financial year	154,382	469,268	-	-

30. Basic Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the consolidated profit after taxation for the financial year attributable to owners of the Company by the weighted average number of ordinary shares issued during the financial year.

(b) Diluted

The diluted earnings per share is equal to basic earnings per share as the Company does not have any potential dilutive ordinary shares as at financial year end.

	Group	
	2014 RM	2013 RM
Net profit for the financial year attributable to owners of the Company	198,281	13,435,155
Weighted average number of ordinary shares in issue	84,900,002	84,900,002
Basic earnings per share (sen)	0.23	15.82

31. Key Management Personnel

The key management personnel compensation is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term employee benefits				
- Fees	48,000	48,000	48,000	48,000
- Salaries and other emoluments	929,620	889,000	22,000	19,000
	977,620	937,000	70,000	67,000
Post employment benefits				
- Defined contribution plan	100,800	86,400	-	-
	1,078,420	1,023,400	70,000	67,000

Key management personnel comprise of the Directors of the Group and of the Company, who have authority and responsibility for planning, directing and controlling the activities of the Group and Company either directly or indirectly.

32. Staff Costs

	Group	
	2014	2013
	RM	RM
Staff costs (excluding Directors)	1,847,825	2,090,751
Less: Staff costs recognised in contract costs	(709,607)	(1,050,609)
	1,138,218	1,040,142

Included in the staff costs above are contributions made to Employees Provident Fund under a defined contribution plan for the Group amounting to RM117,978 (2013: RM118,701).

33. Significant Related Parties Transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Human resources and accounting service fee income from an associate company				
- LFE Engineering Qatar W.L.L	213,583	203,675	-	-
Interest expense with a jointly controlled operation				
- ISZL	270,712	259,194	-	-

34. Financial Guarantees

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Guarantees given to financial institutions for credit facilities granted to subsidiary companies and an associate companies	-	-	18,782,881	67,151,160
Guarantees given to financial institutions for credit facilities granted to a jointly control operation	-	-	-	30,174,000
Guarantees issued by a subsidiary company to a third party for a contract awarded	-	-	-	-
Performance bonds issued by company to clients in respect of due performance of contracts awarded to subsidiary companies	916,785	916,785	-	627,900
	916,785	916,785	18,782,881	97,953,060

35. Segment Information – Group

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:-

Electrical and Mechanical Engineering	:	General and specialized electrical and mechanical engineering services and maintenances works
Construction	:	Design and build, civil and structural, equipment, procurement and construction activities
Investment	:	Investment holding

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit/(loss) is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets are used to measure the return of assets of each segment.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

The accounting policies of the segments are consistent with the accounting policies of the Group.

35. Segment Information – Group (Cont'd)

2014	Electrical and Mechanical Engineering RM	Technology Products RM	Investment RM	Eliminations RM	Total RM
Revenue					
Total Revenue	32,088,775	-	-	-	32,088,775
Results					
Segment profit/(loss)	3,642,380	(2,743)	(421,801)	9,182	3,227,018
Interest income					20,753
Share of results of associate companies					(7,523)
Profit from operations					3,240,248
Finance costs					(2,887,585)
Profit before tax					352,663
Income tax expense					(154,382)
Profit after tax					198,281
Assets/Liabilities					
Segment assets	121,918,117	11,551	48,142,026	(54,684,862)	115,386,832
Segment liabilities	114,111,931	15,995,132	3,340,521	(28,888,221)	104,559,363

35. Segment Information – Group (Cont'd)

2013	Electrical and Mechanical Engineering RM	Technology Products RM	Investment RM	Eliminations RM	Total RM
Revenue					
Total Revenue	72,528,301	-	-	-	72,528,301
Results					
Segment profit/(loss)	15,596,790	1,616,350	(217,778)	13,875	17,009,237
Interest income					32,636
Share of results of associate companies					(11,310)
Profit from operations					17,030,563
Finance costs					(3,126,140)
Profit before tax					13,904,423
Income tax expense					(469,268)
Profit after tax					13,435,155
Assets/Liabilities					
Segment assets	120,595,777	24,418	48,044,177	(52,862,821)	115,801,551
Segment liabilities	113,011,537	16,007,208	2,820,872	(27,153,167)	104,686,450

35. Segment Information – Group (Cont'd)

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

(b) Geographical segments

2014	Malaysia RM	United Arab Emirates RM	Socialist Republic of Vietnam RM	Elimination RM	Total RM
Revenue	32,088,775	-	-	-	32,088,775
Assets	93,300,679	70,839,099	5,931,916	(54,684,862)	115,386,832
Capital expenditure	5,560	-	-	-	5,560
2013					
Revenue	59,435,232	13,067,255	25,814	-	72,528,301
Assets	89,291,328	73,334,692	6,038,352	(52,862,821)	115,801,551
Capital expenditure	7,498	-	-	-	7,498

(c) Major Customers

The revenue from three major customers amounting to RM23,706,235 (2013: RM47,649,026) represents 74% (2013: 66%) of the Group's total revenue.

36. Financial Instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including interest rate risk, credit risk, foreign currency exchange risk, liquidity and cash flow risk. The Group operates within clearly defined guidelines that are approved by the Directors and the Group's policy is not to engage in speculative transactions.

(b) Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective operations' functional currency. The Group maintains natural hedges to the extent that payments for foreign currency payables will be matched against receivables denominated in the same foreign currency and whenever possible, borrow in the currency of the country in which the business is located. Exposure to foreign currency risks are monitored on an ongoing basis. The Group does not hedge their foreign currency risks but keeps this policy under review and will take necessary action to minimise the exposure.

Exposure to foreign currency risk

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:-

Functional Currency	Vietnamese Dong ("VND") RM	UAE Dirhams ("AED") RM	Qatari Riyal ("QAR") RM	United States Dollar ("USD") RM	Total RM
Group					
2014					
Amount owing by subsidiary companies					
Ringgit Malaysia	785,054	-	-	15,837,061	16,622,115
Amount owing by associate companies					
Ringgit Malaysia	-	-	5,240,800	-	5,240,800
Trade receivables					
Ringgit Malaysia	-	67,970,084	-	-	67,970,084
Trade payables					
Ringgit Malaysia	-	19,208,036	-	-	19,208,036

Functional Currency	**Vietnamese Dong ("VND") RM**	**UAE Dirhams ("AED") RM**	**Qatari Riyal ("QAR") RM**	**United States Dollar ("USD") RM**	**Total RM**
2013					
Amount owing by subsidiary companies					
Ringgit Malaysia	687,222	-	-	15,846,726	16,533,948
Amount owing by associate companies					
Ringgit Malaysia	-	-	5,353,362	-	5,353,362
Trade receivables					
Ringgit Malaysia	-	70,408,163	-	-	70,408,163
Trade payables					
Ringgit Malaysia	-	21,682,957	-	-	21,682,957

As at the reporting date, the impact of change in 5% on RM exchange rate against the functional currency of a subsidiary companies, with all other variables remain constant, is immaterial to the Group's profit/(loss) net of tax and equity.

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to a reasonably possible change in the AED, QAR, VND and USD exchange rates against the functional currency of the affected group of companies ("RM") with all other variables held constant.

Group

	2014 Profit/(Loss) net of tax RM
AED/RM – strengthening/weakening 5%	2,438,103
QAR/RM – strengthening/weakening 5%	262,040
VND/RM – strengthening/weakening 5%	39,253
USD/RM - strengthening/weakening 5%	791,853
	3,531,249

(c) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from borrowings and deposits. The Group does not hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	Group	
	2014 RM	2013 RM
Floating rate instrument		
Revolving credit	2,281,004	3,002,467
Term loan	3,554,559	4,017,427

Interest rate risk sensitivity analysis

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increase/decrease equity and profit/(loss) net of tax by the amounts shown below, assuming all other variables remain constant.

Group	**2014 Profit/(Loss) net of tax 100bp Increase**	**2013 Profit/(Loss) net of tax 100bp Increase**
Floating rate instrument:-		
Revolving credit	17,108	22,519
Term Loan	26,659	30,131

(d) Credit risk

Exposure to credit risk

The Group's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action taken to recover debts when due.

Credit risk concentration profile

At reporting date, there were no significant concentrations of credit risk other than as disclosed in Note 12 to the financial statements. The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

(e) Liquidity and cash flow risk

The Group seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's ability to repay and/or refinance.

The Group also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Below 1 year RM	Between 2 and 5 years RM
Group					
2014					
Trade payables	43,330,220	-	43,330,220	43,330,220	-
Other payables	35,515,805	-	35,515,805	35,515,805	-
Finance lease liabilities	53,256	2.40 - 3.00	59,262	59,262	-
Bank borrowings					
Bank overdraft	2,224,836	7.60	2,224,836	2,224,836	-
Revolving credit	2,799,294	7.60	2,799,294	518,290	2,281,004
Term loans	11,881,116	7.60	11,881,116	8,326,557	3,554,559
	95,804,527		95,810,533	89,974,970	5,835,563
2013					
Trade payables	46,390,057	-	46,390,057	46,390,057	-
Other payables	28,509,003	-	28,509,003	28,509,003	-
Finance lease liabilities	130,647	2.40 - 3.00	145,122	85,860	59,262
Bank borrowing					
Bank overdraft	2,875,023	7.60	2,875,023	2,875,023	-
Revolving credit	3,326,399	7.60	3,326,399	323,932	3,002,467
Term loans	14,300,238	7.60	14,300,238	10,282,811	4,017,427
	95,531,367		95,545,842	88,466,686	7,079,156

(f) Fair values

The aggregate fair values of the other financial liabilities as at 31 July 2014 are as follows:

	2014		2013	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair Value**
	RM	**RM**	**RM**	**RM**
Group				
Financial liabilities				
Finance lease liabilities	-	-	53,256	50,725

(i) The carrying amounts of cash and cash equivalents, current portion of trade and other receivables, inter-company loans and advances, current portion of trade and other payables, short term borrowings approximate fair value due to the relatively short term nature of these financial instruments.

(ii) The carrying amount of long term bank borrowing carried on the statements of financial position is a reasonable approximate of fair value due to it being a floating rate instrument that is re-priced to market interest rate on or near the reporting date.

(iii) The fair value of long term finance lease liabilities carried on the statements of financial position are estimated using valuation technique under the hierarchy level 3 mentioned below whereby the expected future cash flows are discounted at the market interest rate for similar types of borrowings.

(iv) The fair value of long term trade receivables and long term trade payables are estimated using valuation technique under the hierarchy level 3 mentioned below whereby the expected future cash flows are discounted at market incremental lending rate for similar types of lending at the reporting date.

(v) The aggregate fair value of the other financial assets and liabilities carried on the statements of financial position approximates its carrying value and the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled.

Fair value hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair value of long term Finance lease liabilities carried on the statements of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar types of borrowings.

37. Significant and Subsequent Events

(a) On 28 February 2013, the Company entered into a Debt Restructuring Agreement ("DRA") with scheme creditors to restructure their bank borrowings.

On 23 September 2013, the Company submitted an application to Bursa Securities to seek approval for an extension of time of up to three months from the date of the original submission timeline to submit their regularisation plan to regularise the Group's financial condition and business operations.

On 18 October 2013, Bursa Securities granted the Company an extension of time up to 30 December 2013 to submit a regularisation plan to the regulatory authorities.

On 4 April 2014, Bursa Securities granted the Company second extension of time up to 30 June 2014 to submit a regularisation plan to the regulatory authorities.

On 10 July 2014, Bursa Securities granted the Company third extension of time up to 31 July 2014 to submit a regularisation plan to the regulatory authorities.

On 25 July 2014, the Company has submitted a Proposed Regularisation Plan ("PRP") to Bursa Securities for approval. The details of PRP is as follows:

(i) Proposed capital reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 in Malaysia involving the cancellation of RM0.70 of the par value of every existing ordinary share of RM1.00 each in the Company;

(ii) Proposed reduction of share premium account of the Company of RM5,218,125 based on the audited financial statements of the Company for the financial period ended 28 February 2014 pursuant to Section 60(2) and 64(1) of the Companies Act, 1965 in Malaysia;

(iii) Proposed renounceable rights issue of up to 42,450,001 new ordinary shares of RM0.30 each on the basis of one (1) Rights Share for every two (2) of the Company's ordinary shares of RM0.30 each held after the completion of the Proposed Capital Reduction and Proposed Share Premium Reduction, on an entitlement date to be determined later;

(iv) Proposed private placement of up to 66,666,667 new ordinary shares of RM0.30 each in the Company to be subscribed by strategic investors at an issue price of RM0.30 per Placement Share;

(v) Proposed part settlement of debt owing to the Scheme Creditors; and

(vi) Proposed amendments to the relevant clauses of the Memorandum and Articles of Association of the Company and the cancellation in its existing authorised share capital to facilitate the change in par value of the existing ordinary share from RM1.00 each to RM0.30 each.

As at the date of this report, the PRP is being reviewed by Bursa Securities and their approval is pending.

38. Capital Management

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The Group monitors the capital using gearing ratio, which is net borrowings divided by equity attributable to owners of the Company. The Group's policy is to keep the gearing ratio within reasonable levels.

	Group	
	2014	2013
	RM	RM
Bank borrowings	16,905,246	20,501,660
Finance lease liabilities	53,256	130,647
Cash and cash equivalents	(3,179,826)	(1,217,550)
Net borrowings	13,778,676	19,414,757
Equity attributable to owners of the Company	10,827,468	11,115,101
Gearing ratio	1.27	1.75

There were no changes to the Group's approach to capital management during the financial year.

39. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 July 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 13 November 2014.

Realised and Unrealised Profits/Losses (Supplementary Information)

The breakdown of the accumulated losses of the Group and of the Company as of 31 July 2014 into realised and unrealised profit, pursuant to paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirement are as follows:

	Group RM	Company RM
2014		
Total accumulated losses of the company and its subsidiary companies:		
Realised losses	(78,241,394)	(46,806,772)
Unrealised losses	(14,800)	-
	(78,256,194)	(46,806,772)
Total accumulated losses of the associate companies:		
Realised profit	(161,882)	-
	(78,418,076)	(46,806,772)

	Group RM	Company RM
2013		
Total accumulated losses of the company and its subsidiary companies:		
Realised losses	(78,451,798)	(46,391,789)
Unrealised losses	(10,200)	-
	(78,461,998)	(46,391,789)
Total accumulated losses of the associate companies:		
Realised losses	(154,359)	-
	(78,616,357)	(46,391,789)

The determination of realised and unrealised profits/losses is based on Guidance on Special Matter No.1, "*Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*" as issued by the Malaysian Institute of Accountants on 20 December 2010.

UNAUDITED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015

LFE CORPORATION BERHAD
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the Fourth quarter ended 31 July 2015

CERTIFIED TRUE COPY
WONG YOUN KIM
MAICSA 7018778
HMC CORPORATE SERVICES SDN. BHD.
(Company No: 83556-P)
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur.
Tel: 2241 5800

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 Jul 2015	31 Jul 2014	31 Jul 2015	31 Jul 2014
	RM'000	RM'000	RM'000	RM'000
Revenue	3,581	8,139	28,024	32,089
Cost of sales	(2,425)	(5,990)	(23,357)	(25,171)
Gross Profit	**1,156**	**2,149**	**4,667**	**6,918**
Other operating income	887	105	2,430	840
Administrative expenses	(1,111)	(1,441)	(3,957)	(4,216)
Other operating expenses	(111)	(87)	(181)	(295)
Finance costs	(583)	(786)	(2,079)	(2,888)
Share of results of associate companies	9	(3)	19	(7)
Profit / (loss) before taxation	**247**	**(63)**	**899**	**352**
Taxation	-	(91)	(20)	(154)
Net Profit / (loss) for the period	**247**	**(154)**	**879**	**198**
Other comprehensive profit :				
Item that may be reclassified subsequently to profit or loss				
- Exchange differences arising from translation of foreign operations	**707**	**(425)**	**3,383**	**(486)**
Total comprehensive profit / (loss) for the period	**954**	**(579)**	**4,262**	**(288)**
Net Profit / (loss) attributable to :				
Equity holders of the company	247	(154)	879	198
Minority interests	-	-	-	-
	247	**(154)**	**879**	**198**
Total comprehensive profit / (loss) attributable to :				
Equity holders of the company	954	(579)	4,262	(288)
Minority interests	-	-	-	-
	954	**(579)**	**4,262**	**(288)**
Earnings per share attributable to owners of the Company (sen)				
- Basic	**0.29**	**(0.18)**	**1.04**	**0.23**
- Diluted (Note B12)	**N/A**	**N/A**	**N/A**	**N/A**

Note : N/A denotes Not Applicable

(The unaudited Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2014)

LFE CORPORATION BERHAD
(Company No : 579343-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 31 July 2015

	Unaudited 31 July 2015	Audited 31July 2014
ASSETS		
Non-current Assets	**(RM'000)**	**(RM'000)**
Property, plant and equipment	365	416
Investment properties	266	403
Investment in associate companies	153	133
	784	**952**
Current Assets		
Amount owing by customers on contracts	9,847	7,226
Assets held for sale	66,498	-
Trade receivables	15,215	93,034
Other receivables	3,984	4,169
Amount owing by associate companies	7,001	6,452
Tax recoverable	101	33
Fixed deposits placed with licensed banks	9	341
Cash and bank balances	3,427	3,180
	106,082	**114,435**
TOTAL ASSETS	**106,866**	**115,387**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	84,900	84,900
Reserves	(69,811)	(74,073)
	15,089	**10,827**
Non-Current liabilities		
Bank borrowings	6,143	5,836
Deferred tax liabilities	15	15
	6,158	**5,851**
Current Liabilities		
Amount owing to customers on contracts	2,951	4,624
Trade payables	23,677	43,330
Other payables	49,583	39,538
Amount owing to associate companies	-	38
Amount owing to Directors	-	56
Finance lease liabilities	-	53
Bank borrowings	9,408	11,070
	85,619	**98,709**
Total Liabilities	**91,777**	**104,560**
TOTAL EQUITY AND LIABILITIES	**106,866**	**115,387**
Net assets per share (RM)	0.18	0.13

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2014)

LFE CORPORATION BERHAD
579343-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the Fourth quarter ended 31 July 2015

	← Attributable to Equity Holders of the Company →						
	Share capital	Share premium	Exchange translation reserve	Accumulated lossess	Total	Minority interests	Total equity
(Unaudited)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
As at 1 Aug 2014	84,900	5,218	(873)	(78,418)	10,827	-	10,827
Total comprehensive profit for the period	-	-	3,383	879	4,262	-	4,262
As at 31 July 2015	**84,900**	**5,218**	**2,510**	**(77,539)**	**15,089**	-	**15,089**

	← Attributable to Equity Holders of the Company →						
	Share capital	Share premium	Exchange translation reserve	Accumulated lossess	Total	Minority interests	Total equity
(Audited)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
As at 1 Aug 2013	84,900	5,218	(387)	(78,616)	11,115	(0)	11,115
Total comprehensive (loss)/ profit for the year	-	-	(486)	198	(288)	-	(288)
As at 31 July 2014	**84,900**	**5,218**	**(873)**	**(78,418)**	**10,827**	**(0)**	**10,827**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 July 2014)

LFE CORPORATION BERHAD
(Company No : 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For the Fourth quarter ended 31 July 2015

	Current Period Ended 31 July 2015 (RM'000)	Preceding Financial Period Ended 31 July 2014 (RM'000)
Cash Flows From Operating Activities		
Profit before taxation	899	352
Adjustments for :		
Non-cash items	74	99
Non-operating items	2,008	2,879
Operating profit before working capital changes	2,981	3,330
Changes in working capital		
Net change in current assets	7,213	1,461
Net change in current liabilities	(9,609)	4,083
Cash generated from operations	585	8,874
Interest received	7	21
Interest paid	(1,398)	(2,888)
Income taxes (paid)/refund	(88)	(524)
Net cash (used in) /generated from operating activities	**(894)**	**5,483**
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(38)	(6)
Investment in associated company	-	-
Disposal of subsidiary companies	-	-
Proceeds from disposal of property, plant and equipments	15	91
Proceeds from disposal of investment properties	18	
Proceeds from disposal of assets held for sale	-	-
Advances to associate	(587)	(328)
Net cash (used in) investing activities	**(592)**	**(243)**
Cash Flows From Financing Activities		
Decrease in fixed deposit pledged	332	881
Repayment of bank borrowings	(1,560)	(2,946)
Repayment of hire purchase payables	(53)	(77)
Repayment to Directors	(56)	-
Net cash (used in) financing activities	**(1,337)**	**(2,142)**
Exchange differences on translation	3,383	(486)
Net (decrease) / increase from cash and cash equivalents	560	2,612
Cash & cash equivalents at beginning of year	955	(1,657)
Cash & cash equivalents at end of period	**1,515**	**955**
Cash & cash equivalents comprise:		
Cash and bank balances	3,427	3,180
Fixed deposits placed with licensed banks	9	341
Bank overdrafts	(1,912)	(2,225)
	1,524	1,296
Less : Fixed deposit pledged	(9)	(341)
	1,515	**955**

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the financial year ended 31 July 2014)

LFE CORPORATION BERHAD
(Company No: 579343-A)
NOTES TO THE INTERIM FINANCIAL REPORT
For the Fourth quarter ended 31 July 2015

A EXPLANATORY NOTES AS PER MFRS 134

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reportijng Standard (MFRS) 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. MFRS framework is a fully IFRS-Compliant framework and hence the interim financial statements are in compliance with IAS 34 Interim Financial Reporting.

The interim financial statements should be read in conjunction with the most recent audited financial statements of the Group for the financial year ended 31 July 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2014.

On 1 October 2012, the Company triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(a) and 2.1 (e) of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as of that date, is considered a PN17 company. The PN17 criteria was triggered as a consequence of the Company's unaudited quarterly announcement for the full financial year ended 31 July 2012 that was announced on 28 September 2012 wherein the shareholders' equity of the Company on a consolidated basis was less than 25% of the Company's issued and paid-up capital and such shareholders' equity was less than RM40 million.

On 30 September 2013, the Company's Proposed Regularisation Plan ("PRP") was announced.

MIDF, on behalf of the Group has submitted a Proposed Regularisation Plan on 25 July 2014 to the Regulatory Authorities for approval.

On 7 May 2015, Bursa Malaysia has conditionally approved the Proposed Regularisation Plan.

On 10 September 2015, the Proposed Regularisation Plan was approved by the shareholders in the Extraordinary General Meeting. Hence, an application for Court order on the Par Value Reduction and Share Premium Reduction pursuant to Section 60(2) and 64(1) of the Act was made to the High Court. Currently it is pending for the Court to grant the Order in order to proceed further.

A2 Accounting Policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 31 July 2014. The following amendments/ improvements to MFRS standards are effective for the current financial period beginning on 01 August 2014 :

Amendments / Improvements to MFRSs

MFRS 1	Fiirst-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Comninations
MFRS 8	Operating Segments
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments : Presentation
MFRS 136	Impairment of Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments ; Recognition and Measurements
MFRS 140	Investment Property

New IC Interpretation

IC Int 21	Levies

The adoption of the above amendment / improvement to standards and new interpretations have no material impact on the Group's financial statements during the financial period.

A3 Audit report of preceding annual financial statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A4 Seasonality or cyclicality factors

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A5 Unusual and extraordinary items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period and financial period-to-date under review.

A6 Changes in accounting estimates

There were no changes in estimates of amounts reported in the prior financial year that have a material effect in the current period and financial period-to-date results.

A7 Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period-to-date under review.

A8 Dividends paid

No dividend was paid for the current period and financial period-to-date under review.

A9 Segmental reporting

12 months period ended 31 July 2015	Construction / Electrical & mechanical RM'000	Investment holding RM'000	Distribution of consumer electronics products RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE					
External Sales					
Malaysia	28,024	-	-	-	28,024
Overseas	-	-	-	-	-
Total revenue	28,024	-	-	-	28,024
RESULTS					
Operating profit /(loss)	3,250	(282)	(2)	(7)	2,959
Interest expense	(2,079)	-	-	-	(2,079)
Share of results in associate	-	-	19	-	19
Profit/(Loss) before tax	1,171	(282)	17	(7)	899
Income tax expense	(20)	-	-	-	(20)
Net Profit/(Loss) for the period	1,151	(282)	17	(7)	879

A10 Carrying amount of revalued assets

The valuations of land and buildings have been brought forward without amendment from the previous audited financial statements.

A11 Material events subsequent to balance sheet date

On 16 December 2014, LFE Engineering Sdn Bhd, the wholly-owned subsidiary of LFE Corporation Berhad received a Letter of Award dated 8 December 2014 from Shapadu Boulevard Sdn Bhd for a provisional contract sum of Ringgit Malaysia : Three hundred and fifty million (RM350,000,000) for a contract on engineering, procurement and construction of a mixed development, known as Project 2M9 Putrajaya, in Precinct 2, Putra Jaya, Malaysia

A12 Changes in the composition of the Group

There were no changes in the compositions of the Group during the period under review.

A13 Capital commitments

There were no capital commitments for the period and financial period under review.

A14 Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities of the Company and the Group since the date of the last financial statements.

A15 Related party transactions

There were no significant related party transactions as at the end of the current period under review.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1 Review of performance

The Group recorded total revenue of RM 3.581 million for the current quarter as compared to RM 8.139 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM 0.247 million for the current quarter as compared to operating loss of RM 0.154 million for the corresponding period of the preceding year.

The average gross profit margin (GP) of all other projects for the current quarter, excluding a local project which has completed during the financial year is 16.52%. The overall average GP margin for all projects for the current quarter is 32% This was mainly due to the recognition of revenue on the final certification of work done for certain local project with no further cost incurred and hence contributed to this high GP margin for this quarter.

The annual average GP margin for all projects in this financial year is 17%. This is mainly attributable to the existing projects with GP margin ranging 5% to 20%.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and profit after tax of RM 3.581 million and RM 0.247 million respectively for the current quarter as compared to revenue of RM 7.854 million and profit after tax of RM 0.109 million in the immediate preceding quarter ended 30 April 2015.

Thus, the group recorded aggregate revenue of RM 28.024 million and profit after tax of ("PAT") of RM 0.879 million for the financial year to date ended 31 July 2015.

B3 Future prospects

As an Affected Listed Issuer under PN17 of Bursa Malaysia Listing Requirements, the future of the Group is largely dependent on the successful implementation of its Proposed Regularisation Plan which would ensure that the Group continues as a public listed company of Bursa Malaysia and put the Group on a strong footing to implement its projects and normalise its operations.

On 7 May 2015, Bursa Malaysia has conditionally approved the Proposed Regularisation Plan.

On 10 September 2015, the Proposed Regularisation Plan was approved by the shareholders in the Extraordinary General Meeting. Hence, an application for Court order on the Par Value Reduction and Share Premium Reduction pursuant to Section 60(2) and 64(1) of the Act was made to the High Court. Currently it is pending for the Court to grant the Order in order to proceed further.

Barring any unforeseen circumstances, the Proposed Regulorisation Plan is expected to be completed in the fourth quarter of 2015.

The Group will continue to explore viable and profitable business opportunities locally and regionally through strategic alliances with both established local and foreign partners to enhance shareholders' value and strengthen its financial foundations.

B4 Variance of actual profit from forecast profit and shortfall in profit guarantee

This is not applicable.

B5 Tax expense / (Credit)

	Current quarter ended		Cumulative period ended	
	31.07.2015	31.07.2014	31.07.2015	31.07.2014
Malaysian income tax	-	86	20	157
Overseas taxation	-	-	-	-
Sub - total	-	86	20	157
Over provision of Real property gain tax	-	-	-	(8)
Deferred taxation	-	5	-	5
Write back of deferred tax of prior years	-	-	-	-
Tax benefit arising from dividends	-	-	-	-
Tax expense / (Credit)	-	91	20	154

B6 Sale of unquoted investments and properties

There were no sales of unquoted investments and / or properties during the current quarter under review.

B7 Status of corporate proposals announced

There was no other corporate proposals announced but not completed as at the date of the announcement of this quarterly report, other than the following :

On 7 May 2015, MIDF Investment, on behalf of the Board of Directors of LFE ("Board"), announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has resolved to approve the Proposed Regularisation Plan of the Company comprising the following.

(i) Proposed Capital Reduction;
(ii) Proposed Share Premium Reduction;
(iii) Proposed Rights Issue;
(iv) Proposed Private Placement;
(v) Proposed Part Debt Settlement; and
(vi) Proposed Amendments to the M&A.

Bursa Securities has also resolved to approve the admission to the Official List and the listing of:
(i) Up to 42,450,001 new LFE Shares to be issued pursuant to the Proposed Rights Issue;
(ii) 66,666,667 new LFE Shares to be issued pursuant to the Proposed Private Placement; and
(iii) 11,197,117 new LFE Shares to be issued pursuant to the Proposed Part Debt Settlement.

The approval granted by Bursa Securities for the Proposed Regularisation Plan is subject to the following conditions:

(i) A moratorium to be imposed on Shapadu Capital Sdn Bhd ("Shapadu Capital") and its ultimate individual shareholders of Shapadu Capital that they are not allowed to sell, transfer or assign their entire shareholdings in LFE as of the date of listing, for 6 months from the date of listing on Bursa Secutities;

(ii) All direct and indirect shareholders of Shapadu Capital up to the ultimate individual shareholders must give an undertaking to Bursa Securities that they will not sell, transfer or assign any of their securities in Shapadu Capital for the period stipulated in paragraph (i) above;

(iii) With regards to the trade receivables, LFE is required to:

a) Fully disclose in the circular the trade receivables position, ageing analysis and comments by its directors on the recoverability of the amount owing by trade receivables which have exceeded the credit period;

b) Make full provision for all overdue trade receivables (excluding those that have been addressed via the settlement agreement with AL Tamouh Investment LCC ("Tamouh") which are in dispute or under legal action, or for amounts which have been outstanding for more than 6 months. The directors of LFE should confirm to Bursa Securities that this condition has been complied with prior to the issuance of the circular; and

c) Submit a declaration by the directors of LFE to Bursa Securities that trade receivables exceeding the credit period which have not been provided for as daubtful debts, excluding those under Paragraph (b) above, are recoverable.

(iv) Completion of the settlement agreements with Tamouh prior to the implementation of the Proposed Rights Issue and Proposed Private Placement;

(v) LFE and MIDF Amanah Investment Bank Berhad ("MIDF Investment") to fully comply with the relevant provisions under the Main LR pertaining to the implementation of the Proposed Regularisation Plan

(vi) LFE and/or MIDF Investment to inform Bursa Securities upon the completion of the Proposed Regularisation Plan; and

(vii) LFE to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Regularisation Plan is completed.

The quotation for all the new LFE shares to be issued pursuant to the Proposed Rights Issue, Proposed Private Placement and Proposed Part Debt Settlement will commence two (2) market days upon the receipt of the documents as specified under Part C of Annexure PN28-B (where applicable) together with the following documents:

(i) Submission of the following information in respect of the moratorium and undertakings to Bursa Malaysia Depository Sdn Bhd;
 (a) Name of shareholders;
 (b) Number of shares; and
 (c) Date of expiry of the moratorium for each block of share;

(ii) A letter from MIDF Investment confirming all approvals of relevant authorities have been obtained;

(iii) A copy of all letters of approval from the relevant authorities; and

(iv) A certified true copy of the resolution passed by the shareholders at the general meeting for the Proposed Regularisation Plan.

LFE is required to ensure full compliance of all requirements as provided under the Main LR at all times.

On 10 September 2015, the Proposed Regularisation Plan was approved by the shareholders in the Extraordinary General Meeting. Hence, an application for Court order on the Par Value Reduction and Share Premium Reduction pursuant to Section 60(2) and 64(1) of the Act was made to the High Court. Currently it is pending for the Court to grant the Order in order to proceed further

B8 Borrowings and debt securities

Details of the Group's borrowings as at 31 July 2015 are as follows:

	31.07.2015 RM'000	31.07.2014 RM'000
Short Term Borrowings		
Bank Overdraft	414	2,225
Revolving Credit	583	518
Term loan	8,411	8,327
Hire purchase	0	53
	9,408	11,123
Long Term Borrowings		
Bank Overdraft	1,498	
Revolving Credit	1,647	2,281
Term loan	2,998	3,555
	6,143	5,836
Total	15,551	16,959

All the borrowings are in Malaysian currency.

Off balance sheet financial instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

B10 Changes in material litigation

There were no changes in material litigation, including the status of pending material litigation since 31 July 2014.

B11 Dividend payable

No interim dividend has been recommended for the current quarter under review.

B12 Earnings per share

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the Group's net profit for the period by the weighted average number of shares in issue.

	Current quarter ended 31.07.2015	Cumulative period ended 31.07.2015
Net profit attributable to shareholders of the Company ('000)	247	879
Weighted average number of shares ('000)	84,900	84,900
Basic earnings per share (sen)	0.29	1.04

(b) Diluted earnings per share

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

B13 Realised and unrealised profits/losses disclosure

	As at 31.07.2015 RM'000	As at 31.07.2014 RM'000
Total accumulated losses of the company and its subsidiaries:		
Realised	(90,588)	(91,456)
Unrealised	(15)	(15)
	(90,603)	(91,471)
Total accumulated losses of the associated companies		
Realised	(143)	(162)
Unrealised	-	-
	(90,746)	(91,633)
Less: Consolidation adjustments	13,207	13,215
Total group retained profit/accumulated losses as per consolidated accounts	(77,539)	(78,418)

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 September 2015.

DIRECTORS' REPORT

LFE CORPORATION BERHAD
(Company No.579343-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

16 October 2015

To : The Shareholders of LFE Corporation Berhad ("LFE" or the "Company")

Dear Sir/Madam,

On behalf of the Board of Directors of LFE ("Board"), I wish to report that, after making due enquiries in relation to the interval between 31 July 2014, being the date to which the last audited consolidated financial statements of the Company and its subsidiaries and its associate company ("Group") have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the date of issuance of this Abridged Prospectus ("AP"):

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by any company within our Group;

(v) there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in the Group since the last audited consolidated financial statements of the Group; and

(vi) save as disclosed in this AP, there has been no material changes in the published reserves or any unusual factor affecting the profits of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully,
For and on behalf of the Board of Directors
LFE CORPORATION BERHAD

LIEW KIAM WOON
Managing Director

FURTHER INFORMATION

1. SHARE CAPITAL

(i) No securities in our Company will be issued or allotted on the basis of this AP later than twelve (12) months after the date of this AP.

(ii) As at the date of this AP, there is no founder, management or deferred shares in our Company. There is only one (1) class of shares, namely ordinary shares of RM0.30 each in our Company.

(iii) The LFE Shares will be subject to all provisions of the M&A of the Company.

The LFE Shares to be issued arising from the Rights Issue shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing LFE Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment and issue of the Rights Shares.

(iv) The names, addresses and professions of our Board are set out under the section on Corporate Directory of this AP.

(v) Save for the Rights Shares to be issued pursuant to the Rights Issue to our Entitled Shareholders, no person has been or is entitled to be granted an option to subscribe for any securities of our Company.

(vi) Save as disclosed in Section 3 of Appendix II, no securities of our Company have been issued or agreed to be issued as fully or partly paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this AP.

2. REMUNERATION OF DIRECTORS

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows (capitalised terms mentioned are as defined in our Company's Articles of Association):

Article	Provision	
93 (Director's fees)	(i)	The fees payable to the Directors shall from time to time be determined by a 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;
	(ii)	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;
	(iii)	Fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover;
	(iv)	Salaries payable to executive Directors may not include a commission on or percentage of turnover; and

Article	Provision	
	(v)	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.
94 (Reimbursement of expenses)	(i)	The Directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the Company including their travelling and other expenses incurred in attending general meetings, meetings of the Directors or committee of Directors of the Company or other meetings in connection with the business of the Company and in the course of the performance of their duties as Directors; and
	(ii)	Without limiting the generality of the foregoing Articles, if any Director being willing shall be called upon to render special duties or services outside his ordinary duties as Directors or if any Director being willing shall be called upon to perform extra services or to make special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a commission on or percentage of profits or turnover) as may be determined by the Board of Directors and such remuneration may be, either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to non-executive Directors shall not include a commission or percentage of profits or turnover.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiaries has entered into any other material contract (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business of the Company or its subsidiaries during the two (2) years immediately preceding the date of this AP:

(i) On 28 February 2013, LFE and LFE Engineering entered into a DRA with Scheme Creditors to restructure a total debt owing to the Scheme Creditors of RM18,080,290.00 as at 30 June 2012. Pursuant to terms of the DRA, LFE shall pay the sum of RM9,367,094.96 from the issuance of new shares pursuant to its Proposed Capital Injection Proceeds to Kerisma by 31 March 2014 and LFE shall cause its major shareholder Liew Kiam Woon to transfer new warrants without consideration to Malaysian Trustees in the value of RM500,000.00 by 31 March 2014. In the event that LFE fails to fully settle the sum of RM9,367094.96 by 31 March 2014, LFE shall pay an interest on such overdue amount at the rate of 8.5% per annum calculated from 31 March 2014 until the actual date of payment. In respect of Bilateral Lenders, LFE shall issue such number of new shares totaling a value equivalent to 35% of the Unsecured Amount due to each of them. LFE shall settle the balance agreed settlement sum to the Bilateral Lenders in instalments at interest rate of BLR+1% over a period of 48 months commencing from 31 May 2013. In addition LFE shall cause Liew Kiam Woon to execute the Put and Call Option in respect of the Settlement Shares to be issued to the Bilateral Lenders;

(ii) On 23 April 2014, Tamouh and LFE Engineering together with other members of ISZL Consortium entered into a Settlement Agreements to mutually cancel the letter of award dated 9 September 2006 and the formal agreement dated 10 October 2006, whereby subject to the terms of the Settlement Agreement, Tamouh had agreed to pay the Consortium a sum of AED 148,260.00 by way of transfer of property and cash;

(iii) On 23 April 2014, Tamouh and LFE Engineering together with other members of ISZL Consortium entered into a Settlement Agreements to mutually cancel the letter of intent dated 2 September 2007, whereby subject to the terms of the Settlement Agreements, Tamouh had agreed to pay the sum of AED 62,142,090 to the Consortium by way of grant of rights over vacant plot of land number RT4-C11b on Reem Island, Abu Dhabi, United Arab Emirates;

(iv) On 23 April 2014, Tamouh and IJM-LFE entered into a Settlement Agreement to mutually cancel the letter of award dated 23 April 2008 and the letter of acceptance dated 16 June 2009, whereby subject to the terms of the settlement agreement, Tamouh had agreed to pay IJM-LFE the total sum of AED 89,490,000.00 by way of grant of rights over vacant plot of land number RT4-C12 on Reem Island, Abu Dhabi, United Arab Emirates and cash of AED 2,000,000;

(v) On 17 June 2014, LFE and LFE Engineering entered into a Supplemental DRA with its Scheme Creditors to amend the DRA dated 28 February 2013. The salient terms of the Supplemental DRA are that the proposed settlement date to Kerisma be amended to 31 December 2014, the submission date to Bursa Securities for approval shall be 30 June 2014 and LFE shall compensate Kerisma by paying a cash sum of RM500,000.00 in lieu of the warrants;

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

(vi) Pursuant to the terms of Settlement Agreement executed on 23 April 2014 between Tamouh and IJM LFE, on 2 July 2015, IJM-LFE's nominee namely IJM LFE Sdn Bhd had entered into a Musataha Contract For vacant land with Tamouh,('Musataha Contract') whereby subject to the terms of the Musataha Contract, IJM–LFE Sdn Bhd has been given the exclusive possession and development rights in respect of the land known as RT4-C12, Al Reem Island, Abu Dhabi, United Emirates;

(vii) Pursuant to the terms of Settlement Agreement executed on 23 April 2014 between Tamouh and ISZL Consortium, on 2 July 2015, ISZL Consortium's nominee namely IJM Sunway Sdn Bhd had entered into a Musataha Contract for vacant land with Tamouh, whereby subject to the terms of the Musataha Contract, IJM Sunway Sdn Bhd has been given the exclusive possession and development rights in respect of the land known as RT4-C11b, Al Reem Island, Abu Dhabi, United Emirates; and

(viii) On 29 January 2015, six (6) Sale and purchase agreements have been entered between Tamouh and ISZL Consortium's nominees namely IJM Construction and Sunway Engineering Sdn Bhd to transfer the properties known as office floors 4 to 9 (inclusive) of building A2, Marina Square, Reem Island, Abu Dhabi United Emirates pursuant to the terms of the Settlement Agreement executed between Tamouh and ISZL Consortium dated 23 April 2014.

4. MATERIAL LITIGATION, CLAIM AND ARBITRATION

Save as disclosed below, neither LFE nor our subsidiaries are engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Board is not aware of any proceedings, pending or threatened against our Group or any of our subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the position and business of LFE or any of its subsidiaries during the two (2) years immediately preceding the date of this AP:

(i) LFE International Limited and LFE ("The Companies") ("The Plaintiffs") had obtained a final Arbitration Award at Kuala Lumpur Regional Arbitration Centre against its former Director Alan Rajendram a/l Jeya Rajendram ("The Defendant") on 29 September 2011 for the sum of RM26,356,698 together with interest at the rate of 8% on the award sum until full date. The Company further obtained an order dated 13 February 2012 to record the said Arbitration Award as Judgement of the High Court. The Company has commenced execution proceedings against the Defendant by way of writ of seizure and sale at the Penang High Court (37WS-12-09/2013) and is currently pending the Court Bailiff's further action. In addition to the execution proceedings the Company has also commenced Bankruptcy Proceedings (29-1697-06/2013) at the Penang High Court against the Defendant and the same is currently pending the hearing of the Creditors Petition at the Penang High Court. LFE has written off this amount due from the Defendant on 28 September 2012. As such there is no further exposure to LFE as a result of the execution proceeding and the bankruptcy proceeding instituted against the Defendant.

(ii) LFE Engineering had instituted a writ action against KUB Builders Sdn Bhd via suit No: 22C-48-10-2013 for non payment of RM2,005,864.29 in respect of the works carried out by LFE Engineering Sdn Bhd in Johor Bharu. The parties in the writ action subsequently entered into a consent judgement dated 3 January 2014 whereby KUB Builders Sdn Bhd had agreed to pay a sum of RM1,892,694.29 as full and final settlement of the action by 7 instalment payments commencing from 3 January 2014 until 30 June 2014. There is no further exposure to the Plaintiff as a result of this action as the Defendant has paid almost all the amount due pursuant to the Consent Judgment.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. GENERAL

(i) The total expenses of or in connection with the Rights Issue including professional fees, fees payable to the relevant authorities, registration and other incidental expenses is estimated to be approximately RM1,000,000 which will be borne by our Company;

(ii) None of our Directors has any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payments or compensation (other than statutory compensation) within one (1) year from the date of this AP;

(iii) Save as disclosed in this AP, the financial condition and operations of our Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

(b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of funding;

(c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from our operations and the extent to which income was so affected;

(d) known trends or uncertainties which have had, or that our Group reasonably expects will have, a material favourable or unfavourable impact on revenues or operating income; and

(e) material information, including all special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

(i) Our Principal Adviser, Share Registrar, Principal Bankers, Company Secretaries and Solicitors have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto, as the case may be, in the form and manner in which they so appear in this AP.

(ii) Our Auditors and Reporting Accountants, have given and have not subsequently withdrawn their written consents to the inclusion of their names in this AP, the Reporting Accountants' letter on our pro forma consolidated statements of financial position of our Company as at 31 July 2014 and the Auditors' Report on our audited consolidated financial statements of our Company for the FYE 31 July 2014, and all references thereto, as the case may be, in the form and manner in which they so appear in this AP.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents are available for inspection during normal business hours at the registered office of our Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur from Mondays to Fridays (except public holidays) during normal business hours for a period of twelve (12) months from the date of this AP:

(i) the M&A of LFE;

(ii) the audited consolidated financial statements of LFE Group for the past two (2) FYE 31 July 2013 and FYE 31 July 2014 and the latest unaudited financial statements of LFE for the FYE 31 July 2015;

(iii) the Undertakings referred to in Section 9 of this AP;

(iv) Certified true extract of the ordinary resolution pertaining to the Rights Issue passed at EGM held on 10 September 2015 as set out in Appendix I of this AP;

(v) the pro forma consolidated statements of financial position of the our Group as at 31 July 2014 together with the Reporting Accountants' letter, referred to in Appendices III of this AP;

(vi) the Director's report referred to in Appendix VI;

(vii) the material contracts referred to in Section 3 of the Appendix VII above;

(viii) the cause papers in respect of the material litigation referred to in Section 4 of the Appendix VII above;

(ix) the letters of consent referred to in Section 6 of the Appendix VII above;

(x) the DRA; and

(xi) the Supplemental DRA.

8. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this AP, together with the accompanying NPA and the RSF. They individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in this AP and the accompanying NPA and the RSF false or misleading.

MIDF Investment, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

The provisional allotment of Rights Shares (as defined herein) as contained in this Notice of Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 ("**SICDA 1991**") and therefore, SICDA 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 ("**SICDA 1998**") and any amendments thereof and the Rules of Bursa Malaysia Depository Sdn Bhd (165570-W) ("**Bursa Depository**") shall apply in respect of dealings in the provisional allotment of Rights Shares.

Since 1967

LFE Corporation Berhad
(579343-A)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 42,450,001 NEW ORDINARY SHARES OF RM0.30 EACH IN LFE CORPORATION BERHAD ("LFE SHARES") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.30 EACH IN LFE HELD AS AT 5.00 P.M. ON 28 OCTOBER 2015 AT AN ISSUE PRICE OF RM0.30 PER RIGHTS SHARE ("RIGHTS ISSUE")

Principal Adviser

midf INVESTMENT
MIDF AMANAH INVESTMENT BANK BERHAD

To: Shareholders of LFE

Dear Sir/Madam,

Our Board of Directors ("**Board**") has provisionally allotted to you the number of Rights Shares as indicated below, in accordance with the Ordinary Resolution passed by our shareholders at the Extraordinary General Meeting convened on 10 September 2015 and the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") via its letter dated 7 May 2015 in relation to the Rights Issue ("**Provisional Allotment**").

We wish to advise that the following number of Rights Shares provisionally allotted to you in respect of the Rights Issue have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and conditions as stated in the Rights Subscription Form ("**RSF**") and the Abridged Prospectus dated 28 October 2015 issued by LFE.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 28 October 2015 issued by LFE. Bursa Securities has already prescribed the securities of LFE, listed on the Main Market of Bursa Securities, to be deposited with Bursa Depository. Accordingly, the Provisional Allotment arising from the Rights Issue are prescribed securities, as such, all dealings in the Provisional Allotment will be by way of book entries through CDS account(s) and will be governed by the SICDA 1991, the SICDA 1998 and the Rules of Bursa Depository.

ALL THE RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE SHAREHOLDER(S) WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORY AS AT 5.00 P.M ON 28 OCTOBER 2015 ("ENTITLEMENT DATE") ("ENTITLED SHAREHOLDERS") AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

The Excess Rights Shares shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s) (if applicable). It is the intention of our Board to allot the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:-

(i) to minimise the incidence of odd lots;

(ii) on a pro-rata basis to the Entitled Shareholders who have applied for Excess Rights Shares, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) on a pro-rata basis to the Entitled Shareholders who have applied for Excess Rights Shares, taking into consideration the quantum of their respective excess application; and

(iv) on a pro-rata basis to the renouncee(s) who have applied for Excess Rights Shares, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out above are achieved. Our Board also reserves the right to accept any Excess Rights Shares Application, in full or in part, without assigning any reason.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF LFE SHARES HELD AT 5.00 P.M. ON 28 OCTOBER 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.30 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date .... : Wednesday, 28 October 2015 at 5.00 p.m.

Last dates and times for:

Sale of provisional allotment of rights .... : Wednesday, 4 November 2015 at 5.00 p.m.
Transfer of provisional allotment of rights .... : Monday, 9 November 2015 at 5.00 p.m.
Acceptance and payment .... : Friday, 13 November 2015 at 5.00 p.m.*
Excess application and payment .... : Friday, 13 November 2015 at 5.00 p.m.*

* *or such later date and time as our Board may decide and announce not less than two (2) market days before the stipulated date and time.*

By order of the Board

WONG YOUN KIM
(MAICSA 7018778)
Company Secretary

Share Registrar
SYMPHONY SHARE REGISTRARS SDN BHD (Company No. 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-7879 0777
Fax: 603-7841 8151 / 52

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 28 OCTOBER 2015

RIGHTS SUBSCRIPTION FORM ("RSF")

THIS RIGHTS SUBSCRIPTION FORM ("RSF") RELATES TO THE ABRIDGED PROSPECTUS DATED 28 OCTOBER 2015 ("ABRIDGED PROSPECTUS") AND IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES PURSUANT TO THE RIGHTS ISSUE (AS DEFINED HEREIN) OF LFE CORPORATION BERHAD ("LFE" OR THE "COMPANY"). YOU SHOULD READ AND UNDERSTAND THE NOTES AND INSTRUCTIONS AS SET OUT IN THIS RSF AND CONTENTS OF THE ABRIDGED PROSPECTUS BEFORE COMPLETING THIS RSF. THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M ON FRIDAY, 13 NOVEMBER 2015 OR SUCH LATER TIME AND DATE AS MAY BE DETERMINED AND ANNOUNCED BY OUR BOARD OF DIRECTORS ("BOARD"). THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL RIGHTS SHARES STANDING TO CREDIT OF HIS/HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

Since 1967

LFE Corporation Berhad

(579343-A)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 42,450,001 NEW ORDINARY SHARES OF RM0.30 EACH IN LFE CORPORATION BERHAD ("LFE SHARES") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.30 EACH IN LFE HELD AS AT 5.00 P.M. ON 28 OCOTBER 2015 AT AN ISSUE PRICE OF RM0.30 PER RIGHTS SHARE ("RIGHTS ISSUE")

NAME AND ADDRESS
(in block letters as per
Bursa Depository's Record)

NRIC NO./ PASSPORT NO.
(STATE COUNTRY)/COMPANY NO.

CDS ACCOUNT NO. _ _ _ – _ _ _ – _ _ _ _ _ _ _ _ _

NUMBER OF LFE SHARES HELD AT 5.00 P.M. ON 28 OCTOBER 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.30 PER RIGHTS SHARE (RM)

Note: ***If you have subsequently purchased additional Rights Shares from the open market, you should indicate your acceptance of the total provisional Rights Shares that you have standing to the credit of your CDS account under Part I(a) below.***

To: Our Board of Directors of LFE

PART I – ACCEPTANCE OF THE RIGHTS SHARES AND EXCESS RIGHTS SHARES APPLICATION

In accordance with the terms of this RSF and the Abridged Prospectus dated 28 October 2015, I/we* hereby irrevocably:
(i) accept the number of Rights Shares as stated below which were provisionally allotted/renounced to me/us*;
(ii) apply the number of Excess Rights Shares as stated below in addition to my/our* acceptance of (a) above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We* enclose herewith the appropriate remittance(s)/reference for payment as stated below being the full amount payable for the Rights Shares and/or Excess Rights Shares accepted/applied for, and hereby request for the said Rights Shares and/or Excess Rights Shares to be credited into my/our* valid and subsisting CDS account as stated above:

NUMBER OF RIGHTS SHARES ACCEPTED/ EXCESS RIGHTS SHARES APPLIED		AMOUNT PAYABLE BASED ON RM0.30 PER RIGHTS SHARE (RM)	BANKER'S DRAFT/ CASHIER'S ORDER/ MONEY ORDER/ POSTAL ORDER NO.	PAYABLE TO
(a) ACCEPTANCE				**LFE RIGHTS SHARES ACCOUNT**
(b) EXCESS				**LFE EXCESS RIGHTS SHARES ACCOUNT**

PART II – DECLARATION

(a) I/We* hereby confirm and declare that:
- (i) all information provided by me/us* is true and correct;
- (ii) all information is identical with the information in the records of the Bursa Malaysia Depository Sdn Bhd (165570-W) ("**Bursa Depository**") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our* rights may be rejected;
- (iii) where I/we* have provided my/our* bank account information to Bursa Depository for purposes of cash dividend/distribution, I/we* hereby consent in accordance with the relevant laws of Malaysia, including Section 134 of Financial Services Act 2013 and Section 45(1)(a) of the Securities Industry (Central Depositories) Act, 1991, to the disclosure by LFE, Bursa Depository, the Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund (if any) to me/us* as the case may be, of information pertaining to myself/ourselves* and my/our* account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund (if any) or for any other purpose in connection with such payment(s); and
  - I am 18 years of age or over.
  - I am/We are* resident(s) of Malaysia.
  - I am/We are* resident(s) of ………………….. (country) and having …………………… citizenship.
  - I am/We are* nominee(s) of a person who is a Bumiputera*/Non-Bumiputera*/Non-Citizen* resident in …………………………(country) and having…………………… citizenship

(b) I/We* consent to the Company and the Share Registrar collecting the information and personal data (collectively, "**Data**") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations.

(c) I/We* have read and understood and hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus dated 28 October 2015 and further confirm compliance with all the requirements for acceptance and payment as set out therein.

AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE

Date

Signature / Authorised Signatory(ies)
(Corporate Bodies must affix their Common Seal)

Contact Number (Office / Mobile)

IMPORTANT RELEVANT DATED - LAST DATE AND TIME FOR
Acceptance and payment ……………………………………… : Friday, 13 November 2015 at 5.00 p.m. ^
Excess rights application and payment ……………………………………… : Friday, 13 November 2015 at 5.00 p.m.^

^ *or such later date and time as the Board may decide and announce not less than two (2) market days before the stipulated date and time.*

* *Please delete whichever is not appropriate.*

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your shares in LFE Corporation Berhad (Company No. 579343-A) ("**LFE**" or the "**Company**"), you should at once hand this AP together with the Notice of Provisional Allotment ("**NPA**") and the Rights Subscription Form ("**RSF**") (collectively, the "**Documents**") to the agent or broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue (as defined herein)should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (Company No. 378993-D) Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301, Petaling Jaya, Selangor Darul Ehsan. **YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS ("AP") TO WHICH THIS RSF RELATES BEFORE COMPLETING AND SIGNING THIS RSF. IN ACCORDANCE WITH THE CAPITAL MARKETS & SERVICES ACT, 2007 ("CMSA"), THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE AP DATED 28 OCTOBER 2015.**

The Documents are only despatched to our shareholders ("**Entitled Shareholders**") whose names appear in our Record of Depositors as at 5.00 p.m. on Wednesday, 28 October 2015 ("**Entitlement Date**") at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia no later than 5.00 p.m. on Friday, 13 November 2015. The Documents are not intended to be and will not be issued, circulated or distributed, and the Rights Issue is not intended to be and will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. No action has been or will be taken under the requirements of the laws or regulations or of the legal or regulatory authorities of any jurisdiction other than Malaysia for filing and/or registration of the AP. The Rights Issue to which this AP relates to is only available to persons receiving this AP and the RSF electronically or otherwise within Malaysia. The Documents does not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdictions other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Malaysia where shareholders may have their registered addresses, the Documents have not been and will not be despatched to shareholders with a registered addresses outside Malaysia unless they have provided an address in Malaysia for the service of this Documents by the Entitlement Date as set out below. However, nothing shall preclude Foreign Addressed Shareholders from collecting the Documents, in person, at the office of our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to this Rights Issue. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Rights Shares (as defined herein), application for Excess Rights Shares (as defined herein), or the subscription, offer, sale, resale, pledge, or other transfer of the Rights Shares would result in the contravention of any laws of such countries or jurisdictions. Neither the Company nor MIDF Amanah Investment Bank Berhad ("**MIDF Investment**") nor any other advisers to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation of the provisional allotment of the rights shares made by Entitled Shareholder(s) and or/ their renounce(s) (if applicable) of LFE whose names appear in the Record of Depositors of LFE on the Entitlement Date ("**Entitled Shareholder**") is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction in which the Entitled Shareholders and/or their renouncee(s)/ (if applicable) is a resident.

A copy of the AP has been registered with the Securities Commission Malaysia ("**SC**"). The registration of the AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Documents. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of the Documents.

Approval for this Rights Issue has been obtained from our shareholders at the Extraordinary General Meeting held on 10 September 2015. Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") via its letter dated 7 May 2015 for the listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The admission of the Right Shares to the official lot of Bursa Securities and the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all CDS Accounts of the successful Entitled Shareholders and/or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed herein.

Our Board has seen and approved all the documentation relating to the Rights Issue in the Documents. They individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in the Documents false or misleading.

MIDF Investment, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

Unless otherwise stated, the unit of currency used in this RSF is RM and sen. Terms defined in the AP dated 28 October 2015 shall have the same meaning when used in this RSF, unless stated otherwise or the context otherwise requires.

INSTRUCTIONS:

(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on Friday, 13 November 2015 or such later date and time as our Board may decide in its absolute discretion and announce no less than two (2) market days before the stipulated date and time.

(ii) FULL OR PART ACCEPTANCE OF THE RIGHTS SHARES

The Rights Issue is renounceable in full or in part. If you wish to accept all or part of your entitlement to the Rights Shares, you may do so by completing Parts I (a) and II of this RSF and forwarding this RSF, together with the appropriate remittance(s) in RM in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia made payable to "**LFE RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and your CDS Account number for the full amount payable for the Rights Shares accepted, to be received by the Share Registrar at the address above not later than 5.00 p.m. on Friday, 13 November 2015 (or such later date and time as our Board may decide in its absolute discretion and announce no less than two (2) market days before the stipulated date and time). Any excess or insufficient payment and other than in the manner stated in this RSF may be rejected at the absolute discretion of your Board. Cheques or any other mode(s) of payment not prescribed herein are not acceptable. Each completed and signed RSF with the relevant payment must be dispatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar at the address stated below.

FOR DELIVERY BY HAND AND/OR COURIER:-
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FOR ORDINARY POST:-
Symphony Share Registrars Sdn Bhd
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan,
Malaysia

Helpdesk Telephone No: 603-7849 0777
Facsimile No: 603-7841 8151/8152

No acknowledgement of the receipt of this RSF or application monies will be issued by our Company or our Share Registrar in respect of the Rights Issue. However, if your application is successful, the Rights Shares will be allotted and a notice of allotment will be despatched to you by ordinary post to the address as shown in our Record of Depositors at your own risk within eight (8) market days from the last day for acceptance of and payment for the Rights Shares or such other period as may be prescribed by Bursa Securities. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

You should note that all RFS(s) and remittances so lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn. In respect of unsuccessful or partially accepted applications, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and will be despatched to you by ordinary post to the address as shown in our Record of Depositors at your own risk within fifteen (15) market days from the last day for acceptance of and payment for the Rights Shares.

(iii) APPLICATION FOR EXCESS RIGHTS SHARES

If you wish to apply for additional Rights Shares in excess of those provisionally allotted to you, you may do so by completing Part I (b) of this RSF (in addition to Parts I (a) and II of this RSF) and forwarding this RSF, together with a SEPARATE remittance in RM in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia made payable to "**LFE EXCESS RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and your CDS Account number for the full amount payable for the Excess Rights Shares applied for, to be received by the Share Registrar at the address above not later than 5.00 p.m. on Friday, 13 November 2015 (or such later date and time as our Board may decide in its absolute discretion and announce no less than two (2) market days before the stipulated date and time). Any excess or insufficient payment and other than in the manner stated in this RSF may be rejected at the absolute discretion of our Board. Cheques or any other mode(s) of payment not prescribed herein are not acceptable.

No acknowledgement of receipt of the RSF or the application monies will be issued by our Company or our Share Registrar in respect of the Excess Rights Shares. However, if your application is successful, the Excess Rights Shares will be allotted and a notice of allotment will be despatched to you by ordinary post to the address as shown in our Record of Depositors at your own risk within eight (8) market days from the last date and tiem for application of and payment for the Excess Rights Shares or such other period as may be prescribed by Bursa Securities. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

You should note that all RFS(s) and remittances lodged with our Share Registrar will be irrevocable and cannot subsequently be withdrawn. In respect of unsuccessful or partially Excess Rights Shares applications, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and will be despatched to you by ordinary post to the address as shown in our Record of Depositors at your own risk within fifteen (15) market days from the last date and time for application of and payment for the Excess Rights Shares.

Our Board will allot any Excess Rights Shares applied for under the RSF in such manner as it deems fit and expedient and in the best interest of our Company. The allocation of the Excess Rights Shares will be made in a fair and equitable manner. It is intention of our Board to allot the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:-

(i) to minimise the incidence of odd lots;
(ii) on a pro-rata basis to the Entitled Shareholders who have applied for Excess Rights Shares, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;
(iii) on a pro-rata basis to the Entitled Shareholders who have applied for Excess Rights Shares, taking into consideration the quantum of their respective excess application; and
(iv) on a pro-rata basis to the renouncee(s) who have applied for Excess Rights Shares, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under Part I (b) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out above are achieved. Our Board also reserves the right to accept any Excess Rights Shares Application, in full or in part, without assigning any reason.

(iv) SALE/TRANSFER OF PROVISIONAL RIGHTS SHARES

As an Entitled Shareholder, you may wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more than one (1) person immediately through your stockbroker(s) without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account(s). To sell/transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the Provisional Rights Shares.

In selling/transferring all or part of your Entitlement provisionally allotted Rights Shares, you and/or your renouncee(s) (if applicable) need not deliver any document (including the RSF), to any stockbroker in respect of the portion of the provisional allotment sold/transferred. However, you and/or your renouncee(s) (if applicable) must ensure that there is sufficient provisionally allotted Rights Shares standing to the credit of your CDS account that are available for settlement of the sale/transfer.

Purchaser(s) of the provisional Rights Shares may obtain a copy of this AP and the RSF from their stockbrokers or from our Share Registrar or at our Registered Office. This AP and the RSF are also available on Bursa Securities website at (http://www.bursamalaysia.com).

If you and/or your renouncee(s) (if applicable) have sold/transferred only part of your provisionally allotted Rights Shares, you may still accept the balance of the entitlements of the Rights Shares by completing Parts I (a) and II of the RSF and forwarding the RSF together with the full amount payable on the balance of the Rights Shares accepted for to our Share Registrar in accordance with the instructions set out in Section (ii) of this RSF.

(V) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF, All corporate bodies must affix their Common Seals.
(b) Rights Shares subscribed by the entitled shareholders and/or their renounce(s) will be credited into their respective CDS accounts as shown in the Record of Depositors.
(c) Any interest or other benefit accruing on or arising from or in connection with any remittance shall be for the benefit of our Company shall not be under any obligation to account for such interest or other benefit to you.
(d) The contract arising from the acceptance of the provisionally allotted Rights Shares by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the Courts of Malaysia in respect of any matter in connection with this RSF and the contract.
(e) Our Company reserves the right to accept or reject any acceptance and/or application (if applicable) if the instructions stated hereinabove are not strictly adhered to.
(f) The Entitled Shareholders and/or their renouncee(s) (if applicable) should note that the RSF and remittances so lodged with the Share Registrar shall be irrevocable and may not subsequently be withdrawn.
(g) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.