



**LFE CORPORATION BERHAD**  
(Company No: 579343-A)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the first quarter ended 30 June 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarters	
	Current year quarter 30.06.2010 RM'000	Preceding year corresponding quarter 30.06.2009 RM'000	Current year- to-date 30.06.2010 RM'000	Preceding year corresponding period 30.06.2009 RM'000
Revenue	37,632	67,738	37,632	67,738
Cost of sales	(33,515)	(63,703)	(33,515)	(63,703)
<b>Gross profit</b>	<b>4,117</b>	<b>4,035</b>	<b>4,117</b>	<b>4,035</b>
Other income	756	3,422	756	3,422
Operating expenses	(777)	(2,157)	(777)	(2,157)
Administrative expenses	(2,555)	(3,700)	(2,555)	(3,700)
Finance costs	(1,378)	(832)	(1,378)	(832)
	<b>163</b>	<b>768</b>	<b>163</b>	<b>768</b>
Income tax expense	(78)	(31)	(78)	(31)
<b>Net Profit for the period</b>	<b>85</b>	<b>737</b>	<b>85</b>	<b>737</b>
Net profit/(loss) attributable to:				
Equity holders of the company	35	738	35	738
Minority interests	50	(1)	50	(1)
	<b>85</b>	<b>737</b>	<b>85</b>	<b>737</b>
<b>Earnings per share</b>				
- Basic (sen)	<b>0.04</b>	<b>0.87</b>	<b>0.04</b>	<b>0.87</b>

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2010)

**LFE CORPORATION BERHAD**  
(Company No: 579343-A)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the first quarter ended 30 June 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarters	
	Current year quarter 30.06.2010 RM'000	Preceding year corresponding quarter 30.06.2009 RM'000	Current year- to-date 30.06.2010 RM'000	Preceding year corresponding period 30.06.2009 RM'000
<b>Net Profit for the period</b>	85	737	85	737
<b>Other comprehensive income</b>				
Currency translation differences	(64)	(399)	(64)	(399)
<b>Other comprehensive income net of tax</b>	<u>21</u>	<u>338</u>	<u>21</u>	<u>338</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the company	(29)	339	(29)	339
Minority interests	50	(1)	50	(1)
	<u>21</u>	<u>338</u>	<u>21</u>	<u>338</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2010)

**LFE CORPORATION BERHAD**  
(Company No : 579343-A)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2010**

(The figures have not been audited)

	Unaudited 30.06.2010 RM'000	Audited 31.03.2010 RM'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,672	4,393
Land held for property development	4,122	4,122
	<u>8,794</u>	<u>8,515</u>
<b>Current assets</b>		
Inventories	2,418	2,776
Non current assets held for sale	670	5,570
Trade receivables	107,986	129,535
Amount due from contract customers	19,577	28,241
Amount due from an associate	4,218	3,828
Amount due from a former director	26,507	26,507
Other receivables, deposits and prepayments	14,479	16,384
Tax recoverable	924	915
Fixed deposits with licensed banks	13,296	13,630
Cash and bank balances	12,952	6,338
	<u>203,027</u>	<u>233,724</u>
<b>TOTAL ASSETS</b>	<b><u>211,821</u></b>	<b><u>242,237</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the parent</b>		
Share capital	84,900	84,900
Share premium	5,218	5,218
Reserves	(59,669)	(59,640)
	<u>30,449</u>	<u>30,478</u>
<b>Minority interests</b>	<u>360</u>	<u>310</u>
<b>Total equity</b>	<u>30,809</u>	<u>30,788</u>
<b>Non current liabilities</b>		
Long term borrowings	25,888	25,817
Deferred tax liabilities	5	11
	<u>25,893</u>	<u>25,828</u>
<b>Current liabilities</b>		
Trade payables	58,643	81,476
Amount due to contract customers	12,399	15,014
Amount due to an associate	38	38
Other payables and accruals	51,790	49,589
Amount due to directors	139	604
Short term borrowings	31,951	38,901
Tax payable	159	-
	<u>155,119</u>	<u>185,622</u>
<b>Total liabilities</b>	<u>181,012</u>	<u>211,450</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>211,821</u></b>	<b><u>242,237</u></b>
<b>Net assets per share (RM)</b>	<u>0.36</u>	<u>0.36</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2010)

**LFE CORPORATION BERHAD**  
(Company No : 579343-A)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the first quarter ended 30 June 2010

(The figures have not been audited)

	Attributable to equity holders of the parent						
	Share capital	Share premium	Non distributable Exchange reserve	Distributable Retained earnings	Total	Minority interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2009	84,900	5,218	3,136	(54,392)	38,862	676	39,538
Total comprehensive income for the period	-	-	(399)	738	339	(1)	338
As at 30 June 2009	<b>84,900</b>	<b>5,218</b>	<b>2,737</b>	<b>(53,654)</b>	<b>39,201</b>	<b>675</b>	<b>39,876</b>
As at 1 April 2010	84,900	5,218	454	(60,094)	30,478	310	30,788
Total comprehensive income for the period	-	-	(64)	35	(29)	50	21
As at 30 June 2010	<b>84,900</b>	<b>5,218</b>	<b>390</b>	<b>(60,059)</b>	<b>30,449</b>	<b>360</b>	<b>30,809</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010)

**LFE CORPORATION BERHAD**  
(Company No : 579343-A)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the first quarter ended 30 June 2010

(The figures have not been audited)

	Current Year-to-date RM'000	Preceding year Corresponding Period RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	163	768
Adjustments for :		
Non-cash items	531	4,021
Non-operating items	721	889
Operating profit before working capital changes	1,415	5,678
Changes in working capital		
Net change in current assets	6,407	(9,056)
Net change in current liabilities	3,415	5,414
Cash generated from operations	11,237	2,036
Income taxes paid	-	(130)
<b>Net cash generated from operating activities</b>	<b>11,237</b>	<b>1,906</b>
<b>Cash Flows From Investing Activities</b>		
Interest income	40	84
Purchase of property, plant and equipment	(708)	(386)
Proceed from sale of investment properties	4,900	-
Proceed from sale of property, plant and equipment	618	-
Advances to an associate	(390)	-
<b>Net cash generated from/(used in) investing activities</b>	<b>4,460</b>	<b>(302)</b>
<b>Cash Flows From Financing Activities</b>		
Interest expense	(1,971)	(832)
Proceeds from short term borrowings	-	12,764
Repayment of term loans and other bank borrowings	(6,695)	(5,252)
Repayment of hire purchase liabilities	(11)	(23)
Repayment to directors	(465)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(9,142)</b>	<b>6,657</b>
Exchange differences on translation	(101)	(155)
Net increase in cash and cash equivalents	6,454	8,106
Cash & cash equivalents at beginning of period	3,577	(3,272)
<b>Cash &amp; cash equivalents at end of period</b>	<b>10,031</b>	<b>4,834</b>
<b>Cash &amp; cash equivalents comprise:</b>		
Cash and bank balances	12,952	9,954
Fixed deposits placed with licensed banks	13,296	14,005
Bank overdrafts	(3,685)	(9,452)
	22,563	14,507
Less : Pledged deposit	(12,532)	(9,673)
	<b>10,031</b>	<b>4,834</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2010)

**LFE CORPORATION BERHAD**  
**(Company No: 579343-A)**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**For the first quarter ended 30 June 2010**

**A EXPLANATORY NOTES AS PER FRS 134**

**A1 Basis of preparation**

This interim financial report are unaudited and have been prepared in accordance with the applicable disclosure provisions stated in Chapter 9 Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), including compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

The preparation of an interim financial report in conformity with FRS 134, Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial statements should be read in conjunction with the most recent audited financial statements of the Group for the financial year ended 31 March 2010. 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 March 2010.

**A2 Changes in accounting policies**

The significant accounting policies adopted for the interim financial statements are consistent with those in the audited financial statements for the year ended 31 March 2010 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 April 2010. The adoption of these standards, amendments and interpretations do not result in significant changes in accounting policies of the Group other than the following:-

(i) FRS 7 Financial Instruments : Disclosures

FRS 7 requires disclosures in financial statements that enable users to evaluate the significance of financial instruments of the entity to which is exposed and how these risks are managed. This is a disclosure standard with no impact on the financial position or financial performance of the Group.

(ii) FRS 8 Operating Segments

FRS 8 replaces FRS 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that for internal reporting purposes.

The Group presents its segment information based on its business segments for its internal reporting purposes and the format, the basis of measurement of segment results are the same as that for external reporting purposes. This standard does not have any impact on the financial position and results of the Group

(iii) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transaction with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. This standard does not have any impact on the financial position and results of the Group.

(iv) FRS 139 Financial Instruments : Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. There were no significant changes to the interim financial report on the adoption of FRS139.

### **A3 Audit report of preceding annual financial statements**

The audit report for the financial statements of the Group for the financial year ended 31 March 2010 has expressed the following audit qualification: -

#### *"1. Report on the financial statements*

*We have audited the accompanying financial statements which comprise the balance sheet of the Group and of the Company as at 31 March 2010, and the related statements of income, changes in equity and cash flows for the year ended 31 March 2010, and a summary of significant accounting policies and other explanatory notes.*

##### *1.1 Directors' responsibility for the financial statements*

*The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1965 ("Act") and the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.*

##### *1.2 Auditors' responsibility*

*Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in paragraph 1.3, we conducted our audit in accordance with the Approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.*

*An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

##### *1.3 Basis for qualified opinion*

*As at 31 March 2010, there is an amount due to the Group by a former director of the Company of RM26,506,700 where the scheduled full repayment on or before 21 December 2008 has not been met. The amount arose from an undertaking of the former director pursuant to advances made for and his profit guarantee obligations on the computer products trading activities carried out by a wholly owned subsidiary of the Company, LFE International Limited ("LFEI"), which also gave rise to an amount due to the Company by LFEI as at 31 March 2010 of RM17,497,026. The undertaking is secured by way of a pledge by the former director of 25 million ordinary shares in Stanton Technologies Limited ("Stanton Shares"), a company incorporated in Dubai International Financial Centre. As discussed in Note 24 to the financial statements, no allowance for doubtful debt has been made on these amounts.*

*The scheduled full repayment of the undertaking amount has not been met by the former director and we are also unable to satisfy ourselves as to whether the value of the pledged Stanton Shares provides adequate security to cover any loss that may arise from the non repayment of the undertaking amount. Accordingly, we are unable to satisfy ourselves as to the recoverability of both the amounts due to the Group by the former director of RM26,506,700 and due to the Company by LFEI of RM17,497,026.*

#### 1.4 Qualified opinion

*In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the recoverability of the amounts due to the Group by the former director and due to the Company by LFEI as explained in paragraph 1.3, the financial statements have been properly drawn up in accordance with the Act and the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2010, and of their financial performance and their cash flows for the year ended 31 March 2010.*

#### 2. Report on other legal and regulatory requirements

*In accordance with the requirements of the Act, we also report on the following:*

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries incorporated in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.*
- (b) We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 13 to the financial statements, being financial statements that have been included in the Group's financial statements.*
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the Group's financial statements and we have received satisfactory information and explanations required by us for those purposes.*
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material in relation to the Group's financial statements and did not include any comment made under Section 174(3) of the Act.*

#### 3. Other matters

*This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Act and for no other purpose. We do not assume responsibility to any other person for the content of this report. "*

#### **A4 Seasonality or cyclicity 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 quarter 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 quarter 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 quarter and financial period-to-date under review.



## A9 Segmental reporting

3 months period ended 31 March 2010	Electrical & mechanical RM'000	Property & investment holding RM'000	Distribution of consumer electronics products RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External Sales					
Malaysia	849	-	2,345	-	3,194
Overseas	34,438	-	-	-	34,438
Total revenue	<u>35,287</u>	<u>-</u>	<u>2,345</u>	<u>-</u>	<u>37,632</u>
<b>RESULTS</b>					
Operating profit /(loss)	1,663	(250)	128	-	1,541
Interest expense	(1,378)	-	-	-	(1,378)
Income tax	(52)	-	(26)	-	(78)
(Loss)/ profit after tax	<u>232</u>	<u>(250)</u>	<u>102</u>	<u>-</u>	<u>85</u>
Minority interest					(50)
Net profit					<u>35</u>

## 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

There was no material event subsequent to the end of the reporting period and up to the date of issuance of this report.

## 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 quarter 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

The Group and the Company had the following transactions with related parties during the financial year.

	Current quarter ended 30.06.2010 RM'000	Cumulative period ended 30.06.2010 RM'000
<b>Transactions with key management personnel</b>		
<b>Rental expenses paid to a director</b>		
- Lew Mew Choi	19	19
<b>Transactions with a company in which a director and substantial shareholder has interests</b>		
<b>Rental expenses payable</b>		
- Megaduct Systems (M) Sdn Bhd	43	43
<b>Maintenance charges</b>		
- Megaduct Systems (M) Sdn Bhd	14	14

## B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

### B1 Review of performance

For the period under review, the Group achieved revenue of RM37.6 million which is 44.1% lower compared to the previous year's corresponding period. The lower revenue was due to lower contribution from the construction activities undertaken by the Group.

The Group registered profit after taxation of RM0.1 million for the financial period ended 30 June 2010 compared to profit of RM0.8 million in the previous year's corresponding period.

### B2 Comparison between the current quarter and immediate preceding quarter

For the quarter under review, the Group recorded revenue and profit after taxation of RM37.6 million and RM0.1 million respectively compared to revenue and loss after taxation of RM49.1 million and RM7.9 million respectively in the immediate preceding quarter. This was mainly due to the higher provision of doubtful debts in the immediate preceding quarter.

### B3 Current year prospects

In view of the competitiveness of the industry, the Group is expecting challenging times ahead for the forthcoming financial year ending 31 March 2011.

### B4 Variance of profit forecast

Not applicable as the Group did not publish any profit forecast.

### B5 Tax expense / (Credit)

	Current quarter ended		Cumulative period ended	
	30.06.2010 RM'000	30.06.2009 RM'000	30.06.2010 RM'000	30.06.2009 RM'000
Malaysian income tax	26	9	26	9
Overseas taxation	52	22	52	22
Tax expense / (Credit)	<u>78</u>	<u>31</u>	<u>78</u>	<u>31</u>

### B6 Sale of unquoted investments and properties

The disposal of properties for the current quarter and financial period-to-date are as follows:

	Current quarter ended 31.03.2010 RM RM'000	Cumulative quarter ended 31.03.2010 RM RM'000
<u>Disposal of investment properties</u>		
Sales proceeds	4,900	4,900
Carrying value	(4,900)	(4,900)
Profit on disposal	<u>-</u>	<u>-</u>

### B7 Purchase or disposal of quoted securities

There were no purchases of quoted securities for the current quarter under review.

## B8 Status of corporate proposals announced

There was no corporate proposals announced as at the reporting date except as disclosed below.

On 18 May 2010, the Company made an announcement to Bursa Securities that its wholly-owned subsidiary, LFE Engineering Sdn Bhd ("LFEE") has on 18 May 2010 entered into a Sale of Shares Agreement ("SSA") with Green Resource Engineering Company Limited for the disposal of its entire equity interests of 1,900,000 ordinary share of USD1.00 each in LFE Engineering (Shanghai) Limited ("LFES") and 1 ordinary share of USD1.00 in Loong Fuat Engineering Limited ("LFEL") ("the Sale Shares") for a total cash consideration of RM 6.0 Million ("The Proposed Disposals")

Upon completion of the Proposed Disposals, LFES and LFEL ("the Companies") will cease to be wholly-owned subsidiaries of LFEE and the Group.

LFEE agrees to sell and Green Resource agrees to buy the Sale Shares free from all encumbrances, subject to the terms and conditions of the SSA.

The salient terms of the SSA are as follows : -

- (a) The Sale Shares are disposed off by LFEE to the Purchaser free from all liens, charges, mortgages, options, claims and other encumbrances whatsoever;
- (b) There is an ultimate inter-company balance as at 31 March 2010 amounting to RM524,985 which is owed by LFEE to the Companies and the consideration of RM 6.0 Million shall less the said sum of RM524,985;
- (c) The schedule of payment of the consideration (less the inter-company balance of RM524,985) is as follows :
  - (i) RM1,200,000 upon the execution of the SSA;
  - (ii) RM3,275,015 within 14 days from the date of the SSA or such extended time as mutually agreed by the parties; and
  - (iii) RM1,000,000 1 year from the date of the proposed SSA secured by a bank guarantee.

The disposal was completed in July 2010

## B9 Borrowings and debt securities

Details of the Group's borrowings as at 30 June 2010 are as follows:

	30.06.2010 RM'000	30.06.2009 RM'000
<b>Short Term Borrowings</b>		
Bank Overdraft	3,685	9,254
Revolving Credit	3,048	3,027
Term loan	25,168	26,482
Hire purchase	50	138
	<u>31,951</u>	<u>38,901</u>
<b>Long Term Borrowings</b>		
Term loan	25,798	25,627
Hire purchase	90	190
	<u>25,888</u>	<u>25,817</u>
<b>Total</b>	<u>57,839</u>	<u>64,718</u>

The above inclusive of borrowings in foreign currency of AED15 million. The exchange rates used was  
1 AED = RM0.8814

## B10 Off balance sheet financial instruments

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

## B11 Changes in material litigation

On 24 May 2010, the Company has made an application for the appointment of a sole arbitrator and commencement of arbitration proceedings pursuant to the Kuala Lumpur Regional Centre for Arbitration Rules, against its major shareholder and former director for the recovery of debt amounting to RM26,356,698.

On 9 July 2010, the Company has been informed by the Director of the Kuala Lumpur Regional Centre for Arbitration ("KLRC") vide his letter dated 9 July 2010 (Ref: KLRC/D/ADM-18-2010) that a sole arbitrator has been appointed under the Rules for Arbitration of the KLRC in respect of the Arbitration Proceedings.

Save as the above, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date.

## B12 Dividend payable

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

## B13 Earnings per share

### (a) Basic earnings per share

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

	3 months ended		Comparative	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Net profit attributable to shareholders of the Company ('000)	35	738	35	738
Weighted average number of shares	84,900	84,900	84,900	84,900
Basic earnings per share (sen)	0.04	0.87	0.04	0.87

### (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.

## 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 23 August 2010.