



LFE CORPORATION BERHAD  
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
For the Second quarter ended 31 January 2014

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 Jan 2014 RM'000	31 Jan 2013 RM'000	31 Jan 2014 RM'000	31 Jan 2013 RM'000
Revenue	7,374	15,925	18,752	30,389
Cost of sales	(5,512)	(14,101)	(15,104)	(26,588)
<b>Gross Profit</b>	<b>1,862</b>	<b>1,824</b>	<b>3,648</b>	<b>3,801</b>
Other income	142	710	262	1,002
Operating expenses	(42)	(117)	(150)	(205)
Administrative expenses	(920)	(749)	(1,981)	(1,481)
Finance costs	(715)	(1,422)	(1,444)	(1,912)
Share of profit/(loss) of associate	(1)	(5)	2	(9)
<b>Profit before taxation</b>	<b>326</b>	<b>241</b>	<b>337</b>	<b>1,196</b>
income tax expense	-	67	-	-
<b>Profit for the period</b>	<b>326</b>	<b>308</b>	<b>337</b>	<b>1,196</b>
<b><u>Other comprehensive income net of tax :</u></b>				
Foreign exchange translation differences	1,479	305	760	(70)
Total comprehensive Income for the period	<b>1,805</b>	<b>613</b>	<b>1,097</b>	<b>1,126</b>
<b><u>Net Profit attributable to :</u></b>				
Equity holders of the company	326	308	337	1,196
Minority interests	-	-	-	-
	<b>326</b>	<b>308</b>	<b>337</b>	<b>1,196</b>
<b><u>Total comprehensive profit attributable to :</u></b>				
Equity holders of the company	1,805	613	1,097	1,126
Minority interests	-	-	-	-
	<b>1,805</b>	<b>613</b>	<b>1,097</b>	<b>1,126</b>
Profit per ordinary share:				
- Basic (sen)	0.38	0.36	0.40	1.41
- Diluted (sen) (Note B12)	N/A	N/A	N/A	N/A

Note : N/A denotes Not Applicable

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
As at 31 January 2014

	Unaudited 31 Jan 2014	Audited 31 July 2013
	(RM'000)	(RM'000)
<b>Non current Assets</b>		
Property, plant and equipment	514	573
Investment properties	403	403
Associates	143	141
	<u>1,060</u>	<u>1,117</u>
<b>Current Assets</b>		
Inventories	31	31
Trade receivables	89,269	94,677
Amount due from contract customers	6,843	7,509
Amount due from associate company	6,326	6,123
Other receivables, deposits and prepayments	4,358	3,765
Tax recoverable	199	140
Fixed deposits with licensed banks	679	1,222
Cash and bank balances	2,637	1,218
	<u>110,342</u>	<u>114,685</u>
<b>Current liabilities</b>		
Trade payables	41,857	46,390
Amount due to contract customers	1,772	4,685
Amount due to an associate	38	38
Amount owing to directors	56	56
Other payables and accruals	37,487	32,395
Hire purchase liabilities	77	77
Short term borrowings	10,874	13,482
Tax payable	481	481
	<u>92,642</u>	<u>97,604</u>
<b>Net current assets</b>	17,700	17,081
<b>Non current liabilities</b>		
Hire purchase liabilities	15	53
Long term loans	6,523	7,020
Deferred tax liabilities	10	10
	<u>(6,548)</u>	<u>(7,083)</u>
	<u><b>12,212</b></u>	<u><b>11,115</b></u>
<b>Represented by:</b>		
Share capital	84,900	84,900
Share premium	5,218	5,218
Reserves	(77,906)	(79,003)
<b>Total equity attributable to shareholders of the Company</b>	12,212	11,115
Minority Interests	(0)	(0)
<b>Total equity</b>	<u><b>12,212</b></u>	<u><b>11,115</b></u>
<b>Net assets per share (RM)</b>	<u>0.14</u>	<u>0.13</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013)

**LFE CORPORATION BERHAD**  
579343-A)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the second quarter ended 31 January 2014

	← Attributable to Equity Holders of the Company →						
	Share capital (RM'000)	Share premium (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Minority interests (RM'000)	Total equity (RM'000)
<b>(Unaudited)</b>							
As at 1 Aug 2013	84,900	5,218	(387)	(78,616)	11,115	(0)	11,115
Total comprehensive profit for the period	-	-	760	337	1,097	-	1,097
As at 31 January 2014	<b>84,900</b>	<b>5,218</b>	<b>373</b>	<b>(78,279)</b>	<b>12,212</b>	<b>(0)</b>	<b>12,212</b>

	← Attributable to Equity Holders of the Company →						
	Share capital (RM'000)	Share premium (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Minority interests (RM'000)	Total equity (RM'000)
<b>(Audited)</b>							
As at 1 Aug 2012	84,900	5,218	(712)	(92,052)	(2,646)	(0)	(2,646)
Total comprehensive profit for the year	-	-	325	13,436	13,761	-	13,761
As at 31 July 2013	<b>84,900</b>	<b>5,218</b>	<b>(387)</b>	<b>(78,616)</b>	<b>11,115</b>	<b>(0)</b>	<b>11,115</b>

**(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 2013)**

**LFE CORPORATION BERHAD**

(Company No : 579343-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

**For the second quarter ended 31 January 2014**

	Current Period Ended 31 Jan 2014 (RM'000)	Preceding Financial Period Ended 31 July 2013 (RM'000)
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	337	13,904
Adjustments for :		
Non-cash items	49	655
Non-operating items	1,417	3,094
Operating profit before working capital changes	1,803	17,653
Changes in working capital		
Net change in current assets	2,568	(19,409)
Net change in current liabilities	559	3,599
Cash generated from operations	4,930	1,843
Interest received	6	33
Interest paid	(260)	(384)
Income taxes (paid)/refund	(59)	97
<b>Net cash generated from operating activities</b>	<b>4,617</b>	<b>1,589</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(4)	(8)
Investment in associated company	0	-
Disposal of subsidiary companies	-	-
Proceeds from disposal of property, plant and equipment / Stock	31	17
Proceeds from disposal of assets held for sale	-	-
Advances from / (to) associate	(203)	(112)
<b>Net cash (used in) investing activities</b>	<b>(176)</b>	<b>(103)</b>
<b>Cash Flows From Financing Activities</b>		
Decrease / (Increase) in fixed deposit pledged	543	(318)
Interest expenses	(1,184)	(2,274)
Repayment of bank borrowings	(2,507)	(313)
(Repayment) of hire purchase payables	(39)	(80)
<b>Net cash (used in) financing activities</b>	<b>(3,187)</b>	<b>(2,985)</b>
Exchange differences on translation	762	302
Net increase in cash and cash equivalents	2,016	(1,197)
Cash & cash equivalents at beginning of year	(1,657)	(460)
<b>Cash &amp; cash equivalents at end of period</b>	<b>359</b>	<b>(1,657)</b>
<b>Cash &amp; cash equivalents comprise:</b>		
Cash and bank balances	2,637	1,218
Fixed deposits placed with licensed banks	679	1,222
Bank overdrafts	(2,278)	(2,875)
	1,038	(435)
Less : Fixed deposit pledged	(679)	(1,222)
	<b>359</b>	<b>(1,657)</b>

**(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 2013)**

**A EXPLANATORY NOTES AS PER MFRS 134**

**A1 Basis of preparation**

This interim financial report is unaudited and has been prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and complies with the requirements of Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB"). MFRS framework is a fully IFRS-compliant framework. Hence, it is in compliance with International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standard Board ("IASB")

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 2013. 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 2013.

The Company triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(a) of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on 1 October 2012 and as of that date is considered a PN17 company. On 30 September 2013, the Company's Proposed Regularisation Plan was announced.

**A2 Accounting Policies**

During the financial period, the Group adopted all new and revised MFRSs and IC Interpretation ("IC Int") and amendments to MFRSs and IC Int, issued that are relevant to the Group's operations which are effective for accounting period beginning on or after 1 August 2013.

MFRSs effective on 1 January 2014

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (International Accounting Standard ("IAS") 9 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendment to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvements to MFRSs 2009-2011 cycle	Annual Improvements to MFRSs 2009-2011 Cycle

MFRSs effective on 1 January 2014

Amendments to MFRS 10, MFRS 11 and MFRS 12	Investment Entities
Amendment to MFRS 132	Presentation of Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets
Amendment to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies

## A2 Accounting Policies (cont'd)

The adoption of the new and revised MFRSs and IFRSs, have no material impact on the financial statements of the Group and of the Company, other than those standards as disclosed below:

### **MFRS 10 - Consolidated Financial Statements**

It defines and sets out the principle of control to identify whether an investor controls an investee and establishes control as the basis for consolidation.

### **MFRS 11 - Joint Arrangements**

It classifies joint arrangements into two types - joint operations and joint ventures by focusing on the rights and obligations of the arrangement. Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

A joint venture is a joint arrangements whereby the joint venturers have rights to the net assets of the arrangement.

A joint operation is a joint arrangements whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

A joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and subsequently adjusted to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

In relation to the Group's interest in the joint operation, the Group recognises its assets plus its share of any assets held jointly, liabilities plus its share of any liabilities incurred jointly, its share of revenue from certified work done on the projects arising from the joint operation plus its share of any expenses incurred jointly.

### **MFRS 12 - Disclosure of Interest in Other Entities**

This is a disclosure standard which provides disclosure requirements for all form of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

### **MFRS 13 - Fair Value Measurement**

It defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. This standard also applies to both financial instrument items and non-financial instrument items.

### **MFRS 127 - Separate Financial Statements**

This standard deals with the accounting and disclosure requirements for investments in subsidiaries, associates and joint ventures in the separate financial statements of the parent.

### **MFRS 128 - Investments in Associates and Joint Ventures**

This revised standard prescribes the accounting for investment in associates as well as joint ventures where equity method of accounting is required.

### **Amendment to MFRS 7 - Disclosures on Offsetting Financial Assets and Financial Liabilities**

This standard sets out the additional disclosure requirements on the effect or potential effects including any rights of a netting arrangement of a financial asset and a financial liability.

### **Amendment to MFRS 101 - Presentation of Financial Statements**

It clarifies the difference between the minimum required comparative information and the voluntary additional comparative information.

### **Annual Improvements to MFRSs 2009-2011 cycle**

The Annual Improvements to MFRSs 2009-2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134.

Amendments to standards that will be effective for annual periods beginning on or after 1 January 2014. These amendments are expected to have no financial impact on the financial statements of the Group upon its initial application : -

### **Amendments to MFRS 10, MFRS 11 and MFRS 12 - Investment Entities**

The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon initial application of these amendments and to fair value the investments in accordance with MFRS 139.

### **Amendment to MFRS 132 - Presentation of offsetting Financial Assets and Financial Liabilities**

It provides the application guidance for criteria to offset financial assets and financial liabilities.

### **Amendment to MFRS 136 - Recoverable Amount Disclosures for Non-financial Assets.**

It removes the requirement to disclose the recoverable amount when a cash generating unit (CGU) contain goodwill or intangible assets with indefinite useful lives but there has been no impairment.

### A3 Audit report of preceding annual financial statements

We have audited the financial statements of LFE Corporation Berhad, which comprise the statements of financial position as at 31 July 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 84.

#### "1. Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### 1.1 Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of the financial statement that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 qualified audit opinion.

#### 1.2 Basis for Qualified Opinion

As stated under Note 13 to the financial statements, included in the trade receivables are past due outstanding trade receivables of RM70,408,163 (2012: RM76,386,453) due from Tamouh, the developer for the Zone C Towers, Zone E1 Mall and Zone E2 Hotel and Apartment, Plot One, Morino Square projects in Al Reem Island, Abu Dhabi, United Arab Emirates. 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. ISZL and IJM-LFE are now in advanced stages of negotiation with Tamouh on the settlement of the aforesaid outstanding debt, with offers of properties and lands being made by Tamouh. In order to maximize the recoverability of the trade receivables, ISZL and IJM-LFE are in the process of determining the values of the properties and lands and have not accepted the offers yet. Pending the acceptance and valuation being finalised, we are unable as at the date of this report to satisfy ourselves if the outstanding trade receivables are recoverable.

#### 1.3 Qualified Opinion

In our opinion, except for the possible effects on the financial statements, if any, of the matters referred to in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 July 2013 and of their financial performances and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

#### 1.4 Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements which indicates that the financial statements of the Group and of the Company are prepared on a going concern basis. The ability of the Group and of the Company to continue as going concern is dependent upon the successful and timely formulation and implementation of a regularisation plan and finalisation with scheme creditors to restructure their bank borrowings under a debt restructuring agreement.

## 2. Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, 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 its subsidiary companies 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 independent auditors' report of the subsidiary company of which we have not acted as auditors, which are indicated in Note 5(b) to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d)

The independent auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification except as disclosed in Note 5(b) to the financial statements and did not include any comment required to be made under Section 174(3) of the Act.

## 3. Other Reporting Responsibilities

The supplementary information set out in Note 41 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the Directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the Directive of Bursa Malaysia Securities Berhad.

## 4. Other Matters

As stated in Note 2(b) to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 August 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 July 2012 and 1 August 2011, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 July 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 July 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 August 2012 do not contain misstatements that materially affect the financial position as of 31 July 2013 and financial performance and cash flows for the year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### A4 Seasonality or cyclical 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**

6 months period ended 31 January 2014	Construction / Electrical & mechanical RM'000	Investment holding RM'000	Distribution of consumer electronics products RM'000	Eliminations RM'000	Consolidated RM'000
<b>REVENUE</b>					
External Sales					
Malaysia	18,752	-	-	-	18,752
Overseas	-	-	-	-	-
Total revenue	18,752	-	-	-	18,752
<b>RESULTS</b>					
Operating profit /(loss)	2,114	(329)	(2)	(4)	1,779
Interest expense	(1,444)	-	-	-	(1,444)
Share of results in associate	-	-	2	-	2
Profit/(Loss) before tax	670	(329)	-	(4)	337
Income tax expense	-	-	-	-	-
Net Profit/(Loss) for the period	670	(329)	-	(4)	337

**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 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 7.374 million for the current quarter as compared to RM 15.925 million for the corresponding period of the preceding year.

The Group recorded pre-tax profit ("PBT") of RM 0.326 million for the current quarter as compared to operating profit of RM 0.241 million for the corresponding period of the preceding year.

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

The Group recorded revenue and profit before tax of RM7.374 million and RM 0.326 million respectively for the current quarter as compared to revenue of RM 11.377 million and profit before tax of RM 0.011 million in the immediate preceding quarter ended 31 October 2013. Thus, the group recorded aggregate revenue of RM 18.751 million and profit before tax (PBT) of RM 0.337 million for the financial period to date ended 31 January 2014.

**B3 Future prospects**

In view of the competitiveness of the industry, the Group is expecting challenging times ahead for the forth-coming financial year ending 31 July 2014.

**B4 Variance of profit forecast**

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

**B5 Tax expense / (Credit)**

	Current quarter ended		31.01.2014 RM'000	Cumulative period ended	
	31.01.2014 RM'000	31.01.2013 RM'000		31.01.2014 RM'000	31.01.2013 RM'000
Malaysian income tax	-	(67)	-	-	
Overseas taxation	-	-	-	-	
Sub Total	-	(67)	-	-	
Over provision in respect of prior periods	-	-	-	-	
Over provision in respect of prior years	-	-	-	-	
Real property gain tax	-	-	-	-	
Deferred taxation	-	-	-	-	
Write back of deferred tax of prior years	-	-	-	-	
Tax benefit arising from dividends	-	-	-	-	
Tax expense / (Credit)	-	(67)	-	-	

**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 corporate proposals announced that was not completed at the end of the reporting period.

**B8 Borrowings and debt securities**

Details of the Group's borrowings as at 31 January 2014 are as follows:

	31.01.2014 RM'000	31.07.2013 RM'000
<b>Short Term Borrowings</b>		
Bank Overdraft	2,278	2,875
Revolving Credit	410	324
Term loan	8,186	10,283
Hire purchase	77	77
	<u>10,951</u>	<u>13,559</u>
<b>Long Term Borrowings</b>		
Revolving Credit	2,786	3,003
Term loan	3,737	4,017
Hire purchase	15	53
	<u>6,538</u>	<u>7,073</u>
<b>Total</b>	<u>17,489</u>	<u>20,632</u>

All the borrowings for the financial period- to-date are in Malaysian currency.

The borrowings at 31 July 13 was inclusive of foreign currency amounted to AED 2.5 million. The exchange rates used was 1 AED = RM0.8835

**B9 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 2013.

**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 31.01.2014	Cumulative period ended 31.01.2014
Net profit attributable to shareholders of the Company ('000)	326	337
Weighted average number of shares	84,900	84,900
Basic earnings per share (sen)	0.38	0.40

**(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 31.01.2014 RM'000	As at 31.01.2013 RM'000
Total retained profit/accumulated losses of LFE and its subsidiaries:		
- Realised	(120,796)	(123,371)
- Unrealised	(10)	(7)
	(120,806)	(123,378)
Total retained profit/accumulated losses from associated companies		
- Realised	(152)	(152)
- Unrealised	-	-
Total retained profit/accumulated losses from jointly controlled entities		
- Realised	29,477	19,487
- Unrealised	-	-
	(91,481)	(104,043)
Less: Consolidation adjustments	13,202	13,187
Total group retained profit/accumulated losses as per consolidated accounts	<u>(78,279)</u>	<u>(90,856)</u>

**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 27 March 2014.