



LFE CORPORATION BERHAD
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the First quarter ended 31 October 2014

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 Oct 2014 RM'000	31 Oct 2013 RM'000	31 Oct 2014 RM'000	31 Oct 2013 RM'000
Revenue	7,739	11,377	7,739	11,377
Cost of sales	(6,120)	(9,592)	(6,120)	(9,592)
Gross Profit	1,619	1,785	1,619	1,785
Other operating income	496	119	496	119
Administrative expenses	(949)	(1,061)	(949)	(1,061)
Other operating expenses	(15)	(108)	(15)	(108)
Finance costs	(759)	(728)	(759)	(728)
Share of results of associate companies	1	3	1	3
Profit before taxation	393	10	393	10
Taxation	-	-	-	-
Net Profit for the period	393	10	393	10
Other comprehensive income / (loss) :				
Item that may be reclassified subsequently to profit or loss				
- Exchange differences arising from translation of foreign operations	243	(719)	243	(719)
Total comprehensive profit / (loss) for the period	636	(709)	636	(709)
Net Profit attributable to :				
Equity holders of the company	393	10	393	10
Minority interests	-	-	-	-
	393	10	393	10
Total comprehensive income/(loss) attributable to :				
Equity holders of the company	636	(709)	636	(709)
Minority interests	-	-	-	-
	636	(709)	636	(709)
Earnings per share attributable to owners of the Company (sen)				
- Basic	0.46	0.01	0.46	0.01
- Diluted (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 2014)

LFE CORPORATION BERHAD
(Company No : 579343-A)

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

	Unaudited 31 Oct 2014	Audited 31 July 2014
ASSETS		
Non-current Assets	(RM'000)	(RM'000)
Property, plant and equipment	401	416
Investment properties	403	403
Investment in associate companies	135	133
	<u>939</u>	<u>952</u>
Current Assets		
Amount owing by customers on contracts	8,418	7,226
Trade receivables	96,036	93,034
Other receivables	4,019	4,169
Amount owing by associate companies	6,510	6,452
Tax recoverable	50	33
Fixed deposits placed with licensed banks	341	341
Cash and bank balances	830	3,180
	<u>116,204</u>	<u>114,435</u>
TOTAL ASSETS	<u>117,143</u>	<u>115,387</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	84,900	84,900
Reserves	(73,437)	(74,073)
	<u>11,463</u>	<u>10,827</u>
Non-Current liabilities		
Bank borrowings	5,413	5,836
Deferred tax liabilities	15	15
	<u>5,428</u>	<u>5,851</u>
Current Liabilities		
Amount owing to customers on contracts	3,892	4,624
Trade payables	43,834	43,330
Other payables	41,537	39,538
Amount owing to associate companies	-	38
Amount owing to Directors	-	56
Finance lease liabilities	36	53
Bank borrowings	10,953	11,070
	<u>100,252</u>	<u>98,709</u>
Total Liabilities	<u>105,680</u>	<u>104,560</u>
TOTAL EQUITY AND LIABILITIES	<u>117,143</u>	<u>115,387</u>
Net assets per share (RM)	<u><u>0.14</u></u>	<u><u>0.13</u></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 2014)

LFE CORPORATION BERHAD
579343-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the First quarter ended 31 October 2014

	← Atributable to Equity Holders of the Company →						
	Share capital	Share premium	Exchange translation reserve	Accumulated lossess	Total	Minority interests	Total equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(Unaudited)							
As at 1 Aug 2014	84,900	5,218	(873)	(78,418)	10,827	-	10,827
Total comprehensive profit for the period	-	-	243	393	636	-	636
As at 31 October 2014	84,900	5,218	(630)	(78,025)	11,463	-	11,463

	← Atributable to Equity Holders of the Company →						
	Share capital	Share premium	Exchange translation reserve	Accumulated lossess	Total	Minority interests	Total equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(Audited)							
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 First quarter ended 31 October 2014

	Current Period Ended 31 Oct 2014 (RM'000)	Preceding Financial Period Ended 31 July 2014 (RM'000)
Cash Flows From Operating Activities		
Profit before taxation	393	352
Adjustments for :		
Non-cash items	18	99
Non-operating items	755	2,879
Operating profit before working capital changes	<u>1,166</u>	<u>3,330</u>
Changes in working capital		
Net change in current assets	(4,775)	1,461
Net change in current liabilities	2,502	4,083
Cash (used in) /generated from operations	<u>(1,107)</u>	<u>8,874</u>
Interest received	3	21
Interest paid	(273)	(2,888)
Income taxes (paid)/refund	(17)	(524)
Net cash (used in) /generated from operating activities	<u>(1,394)</u>	<u>5,483</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(4)	(6)
Investment in associated company	-	-
Disposal of subsidiary companies	-	-
Proceeds from disposal of property, plant and equipments	-	91
Proceeds from disposal of assets held for sale	-	-
Advances to associate	(96)	(328)
Net cash (used in) investing activities	<u>(100)</u>	<u>(243)</u>
Cash Flows From Financing Activities		
Increase in fixed deposit pledged	-	881
Interest expenses	(486)	-
Repayment of bank borrowings	(423)	(2,946)
Repayment of hire purchase payables	(17)	(77)
Repayment of Directors	(56)	-
Net cash (used in) financing activities	<u>(982)</u>	<u>(2,142)</u>
Exchange differences on translation	243	(486)
Net increase (used in) / generated from cash and cash equivalents	<u>(2,233)</u>	<u>2,612</u>
Cash & cash equivalents at beginning of year	955	(1,657)
Cash & cash equivalents at end of period	<u>(1,278)</u>	<u>955</u>
Cash & cash equivalents comprise:		
Cash and bank balances	830	3,180
Fixed deposits placed with licensed banks	341	341
Bank overdrafts	(2,108)	(2,225)
	<u>(937)</u>	<u>1,296</u>
Less : Fixed deposit pledged	(341)	(341)
	<u>(1,278)</u>	<u>955</u>

(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)

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 Reporting 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.

On 25 July 2014, MIDF, on behalf of the Group has submitted a Proposed Regularisation Plan to the Regulatory Authorities for approval. As at the date of authorisation of these financial statements, the PRP is being reviewed by the Regulatory Authorities and their approval is pending.

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	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
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 IIC 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 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

3 months period ended 31 October 2014	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	7,739	-	-	-	7,739
Overseas	-	-	-	-	-
Total revenue	<u>7,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,739</u>
RESULTS					
Operating profit /(loss)	1,226	(69)	-	(6)	1,151
Interest expense	(759)	-	-	-	(759)
Share of results in associate	-	1	-	-	1
Profit/(Loss) before tax	<u>467</u>	<u>(68)</u>	<u>-</u>	<u>(6)</u>	<u>393</u>
Income tax expense	-	-	-	-	-
Net Profit/(Loss) for the period	<u>467</u>	<u>(68)</u>	<u>-</u>	<u>(6)</u>	<u>393</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

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 for the engineering, procurement and construction of Shpadu City Village, 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 7.739 million for the current quarter as compared to RM 11.377 million for the corresponding period of the preceding year.

The Group recorded pre-tax profit ("PBT") of RM 0.393 million for the current quarter as compared to operating profit of RM 0.011 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 RM 7.739 million and RM 0.393 million respectively for the current quarter as compared to revenue of RM 8.139 million and loss before tax of RM 0.063 million in the immediate preceding quarter ended 31 July 2014.

B3 Future prospects

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

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 profit forecast

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

B5 Tax expense / (Credit)

	Current quarter ended		Cumulative period ended	
	31.10.2014 RM'000	31.10.2013 RM'000	31.10.2014 RM'000	31.10.2013 RM'000
Malaysian income tax	-	-	-	-
Overseas taxation	-	-	-	-
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)	-	-	-	-

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 October 2014 are as follows:

	31.10.2014 RM'000	31.07.2014 RM'000
Short Term Borrowings		
Bank Overdraft	2,108	2,225
Revolving Credit	518	518
Term loan	8,327	8,327
Hire purchase	36	53
	<u>10,989</u>	<u>11,123</u>
Long Term Borrowings		
Revolving Credit	2,097	2,281
Term loan	3,316	3,555
	<u>5,413</u>	<u>5,836</u>
Total	<u>16,402</u>	<u>16,959</u>

All the borrowings are in Malaysian currency.

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 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/ (loss) for the period by the weighted average number of shares in issue.

	Current quarter ended 31.10.2014	Cumulative period ended 31.10.2014
Net profit attributable to shareholders of the Company ('000)	393	393
Weighted average number of shares ('000)	84,900	84,900
Basic earnings per share (sen)	0.46	0.46

(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 31.10.2014 RM'000	As at 31.10.2013 RM'000
Total accumulated losses of the company and its subsidiaries:		
- Realised	(90,896)	(91,648)
- Unrealised	(15)	(10)
	(90,911)	(91,658)
Total accumulated losses of the associated companies		
- Realised	(161)	(151)
- Unrealised	-	-
	(91,072)	(91,809)
Less: Consolidation adjustments	13,047	13,203
Total group retained profit/accumulated losses as per consolidated accounts	<u>(78,025)</u>	<u>(78,606)</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 29 December 2014.