



LFE CORPORATION BERHAD  
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
For the second quarter ended 31 January 2016

|   | Individual Quarter    |  | Cumulative Quarters   |                                     |
|---|-----------------------|--|-----------------------|-------------------------------------|
|   | Current Quarter Ended | Preceding year corresponding Quarter Ended | Current Year To Date  | Preceding Year Corresponding Period |
|   | 31 Jan 2016<br>RM'000 | 31 Jan 2015<br>RM'000                      | 31 Jan 2016<br>RM'000 | 31 Jan 2015<br>RM'000               |
| Revenue   | 8,349                 | 8,849                                      | 12,281                | 16,588                              |
| Cost of sales   | (5,838)               | (7,459)                                    | (8,861)               | (13,579)                            |
| <b>Gross Profit</b>   | <b>2,511</b>          | <b>1,390</b>                               | <b>3,420</b>          | <b>3,009</b>                        |
| Other operating income  | 41                    | 46   | 1,413                 | 543                                 |
| Administrative expenses   | (1,300)               | (855)                                      | (2,413)               | (1,804)                             |
| Other operating expenses  | (3)                   | (13)                                       | (13)                  | (29)                                |
| Finance costs   | (943)                 | (438)                                      | (1,814)               | (1,197)                             |
| Share of results of associate companies   | 16                    | -  | 17                    | 1                                   |
| <b>Profit before taxation</b>   | <b>322</b>            | <b>130</b>                                 | <b>610</b>            | <b>523</b>                          |
| Taxation  | -                     | -  | -                     | -                                   |
| <b>Net Profit for the period</b>  | <b>322</b>            | <b>130</b>                                 | <b>610</b>            | <b>523</b>                          |
| Other comprehensive Income / (loss):<br>Item that may be reclassified subsequently to<br>profit or loss |                       |  |                       |                                     |
| - Exchange differences arising from translation<br>of foreign operations                                | (1,340)               | 2,782                                      | 1,404                 | 3,025                               |
| <b>Total comprehensive profit for the period</b>  | <b>(1,018)</b>        | <b>2,912</b>                               | <b>2,014</b>          | <b>3,548</b>                        |
| <b>Net Profit attributable to:</b>  |                       |  |                       |                                     |
| Owners of the company   | 322                   | 130  | 610                   | 523                                 |
| Non- controlling interest   | -                     | -  | -                     | -                                   |
|   | <b>322</b>            | <b>130</b>                                 | <b>610</b>            | <b>523</b>                          |
| <b>Total comprehensive Income/(loss) attributable to:</b>   |                       |  |                       |                                     |
| Owners of the company   | (1,018)               | 2,912                                      | 2,014                 | 3,548                               |
| Non- controlling interest   | -                     | -  | -                     | -                                   |
|   | <b>(1,018)</b>        | <b>2,912</b>                               | <b>2,014</b>          | <b>3,548</b>                        |
| Earnings per share attributable to owners of the<br>Company (sen)                                       |                       |  |                       |                                     |
| - Basic   | 0.22                  | 0.15                                       | 0.41                  | 0.62                                |
| - 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 2015)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
As at 31 January 2016

|   | Unaudited<br>31 Jan 2016<br>(RM'000) | Audited<br>31 July 2015<br>(RM'000) |
|---|--------------------------------------|-------------------------------------|
| <b>ASSETS</b>                                       |                                      |                                     |
| <b>Non-current Assets</b>                           |                                      |                                     |
| Property, plant and equipment                       | 396                                  | 365                                 |
| Investment properties                               | 265                                  | 266                                 |
| Investment in associate companies                   | 170                                  | 153                                 |
|   | <u>831</u>                           | <u>784</u>                          |
| <b>Current Assets</b>                               |                                      |                                     |
| Amount owing by customers on contracts              | 13,443                               | 10,428                              |
| Trade receivables                                   | 19,738                               | 15,215                              |
| Other receivables                                   | 6,377                                | 3,984                               |
| Amount owing by associate companies                 | 7,271                                | 7,001                               |
| Tax recoverable                                     | 101                                  | 101                                 |
| Fixed deposits placed with licensed banks           | 2,000                                | 9                                   |
| Cash and bank balances                              | 3,098                                | 3,427                               |
| Total current assets                                | <u>52,028</u>                        | <u>40,165</u>                       |
| Assets held for sale                                | 52,349                               | 66,498                              |
|   | <u>104,377</u>                       | <u>106,663</u>                      |
| <b>TOTAL ASSETS</b>                                 | <u>105,208</u>                       | <u>107,447</u>                      |
| <b>EQUITY AND LIABILITIES</b>                       |                                      |                                     |
| <b>Equity attributable to owners of the Company</b> |                                      |                                     |
| Share Capital                                       | 54,470                               | 84,900                              |
| Reserves  | (8,368)                              | (69,811)                            |
|   | <u>46,102</u>                        | <u>15,089</u>                       |
| <b>Non-Current liabilities</b>                      |                                      |                                     |
| Finance lease liabilities                           | 77                                   | -                                   |
| Bank borrowings                                     | 812                                  | 4,644                               |
| Deferred tax liabilities                            | 15                                   | 15                                  |
|   | <u>904</u>                           | <u>4,659</u>                        |
| <b>Current Liabilities</b>                          |                                      |                                     |
| Amount owing to customers on contracts              | 1,790                                | 3,480                               |
| Trade payables                                      | 27,597                               | 26,468                              |
| Other payables                                      | 26,338                               | 46,845                              |
| Finance lease liabilities                           | 7                                    | -                                   |
| Bank borrowings                                     | 2,470                                | 10,906                              |
|   | <u>58,202</u>                        | <u>87,699</u>                       |
| <b>Total Liabilities</b>                            | <u>59,106</u>                        | <u>92,358</u>                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>105,208</u>                       | <u>107,447</u>                      |
| <b>Net assets per share (RM)</b>                    | <u>0.25</u>                          | <u>0.18</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 2015)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
For the second quarter ended 31 January 2016

|   | Attributable to Owners of the Company |                        |                           |                                       |                             |                                   | Total equity (RM'000) |
|---|---------------------------------------|------------------------|---------------------------|---------------------------------------|-----------------------------|-----------------------------------|-----------------------|
|   | Share capital (RM'000)                | Share premium (RM'000) | Capital Reserves (RM'000) | Exchange translation reserve (RM'000) | Accumulated losses (RM'000) | Non-controlling interest (RM'000) |                       |
| <b>(Unaudited)</b>                        |                                       |                        |                           |                                       |                             |                                   |                       |
| As at 1 Aug 2015                          | 84,900                                | 5,218                  | -                         | 2,510                                 | (77,539)                    | 15,089                            | 15,089                |
| Reduction in Par Value of Share Capital   | (59,430)                              | -                      | 12,350                    | -                                     | 47,080                      | -                                 | -                     |
| Share Premium Reduction                   | -                                     | (5,218)                | 5,218                     | -                                     | -                           | -                                 | -                     |
| Private Placement                         | 20,000                                | -                      | -                         | -                                     | -                           | 20,000                            | 20,000                |
| Rights issue                              | 5,641                                 | -                      | -                         | -                                     | -                           | 5,641                             | 5,641                 |
| Shares issued pursuant to Debt Settlement | 3,359                                 | -                      | -                         | -                                     | -                           | 3,359                             | 3,359                 |
| <b>Total contribution from owners</b>     | <b>54,470</b>                         | <b>-</b>               | <b>17,568</b>             | <b>2,510</b>                          | <b>(30,459)</b>             | <b>44,088</b>                     | <b>44,088</b>         |
| Total comprehensive profit for the period | -                                     | -                      | -                         | 1,404                                 | 610                         | 2,014                             | 2,014                 |
| As at 31 Jan 2016                         | 54,470                                | -                      | 17,568                    | 3,914                                 | (29,849)                    | 46,102                            | 46,102                |

|   | Attributable to Owners of the Company |                        |                           |                                       |                             |                                   | Total equity (RM'000) |
|---|---------------------------------------|------------------------|---------------------------|---------------------------------------|-----------------------------|-----------------------------------|-----------------------|
|   | Share capital (RM'000)                | Share premium (RM'000) | Capital Reserves (RM'000) | Exchange translation reserve (RM'000) | Accumulated losses (RM'000) | Non-controlling interest (RM'000) |                       |
| <b>(Audited)</b>                        |                                       |                        |                           |                                       |                             |                                   |                       |
| As at 1 Aug 2014                        | 84,900                                | 5,218                  | -                         | (873)                                 | (78,418)                    | 10,827                            | 10,827                |
| Total comprehensive profit for the year | -                                     | -                      | -                         | 3,383                                 | 879                         | 4,262                             | 4,262                 |
| As at 31 July 2015                      | 84,900                                | 5,218                  | -                         | 2,510                                 | (77,539)                    | 15,089                            | 15,090                |

(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 2015)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
For the second quarter ended 31 January 2016

|  | Current Period<br>Ended<br>31 Jan 2016<br>(RM'000) | Preceding Financial<br>Period Ended<br>31 July 2015<br>(RM'000) |
|--|--|---|
| <b>Cash Flows From Operating Activities</b>                    |  |   |
| Profit before taxation   | 610  | 899   |
| Adjustments for :  |  |   |
| Non-cash items   | 33   | 74  |
| Non-operating items  | 1,765  | 1,964   |
| Operating profit before working capital changes                | <u>2,408</u>                                       | <u>2,937</u>  |
| Changes in working capital                                     |  |   |
| Net change in current assets                                   | 2,528  | 7,222   |
| Net change in current liabilities                              | (19,378)   | (9,059)   |
| Amount owing by associate companies                            | (270)  | (587)   |
| Amount owing to Directors                                      | =  | (56)  |
| Cash (used in) /generated from operations                      | <u>(14,712)</u>                                    | <u>457</u>  |
| Interest received  | 11   | 7   |
| Interest paid  | (1,814)  | (2,079)   |
| Income taxes (paid)/refund                                     | =  | (88)  |
| <b>Net cash used in operating activities</b>                   | <b>(16,515)</b>                                    | <b>(1,703)</b>  |
| <b>Cash Flows From Investing Activities</b>                    |  |   |
| Purchase of property, plant and equipment                      | (107)  | (38)  |
| Proceeds from disposal of property, plant and equipments       | 90   | 15  |
| Proceeds from disposal of investment properties                | -  | 182   |
| <b>Net cash( used in)/ generated from investing activities</b> | <u>(17)</u>  | <u>159</u>  |
| <b>Cash Flows From Financing Activities</b>                    |  |   |
| (Increase)/ decrease in fixed deposit pledged                  | (1,991)  | 332   |
| Repayment of bank borrowings                                   | (11,224)   | (1,559)   |
| Finance from /(repayment)of hire purchase payables             | 84   | (53)  |
| Proceeds from issuance of share capital                        | 29,000   | =   |
| <b>Net cash generated from/ (used in) financing activities</b> | <u>15,869</u>                                      | <u>(1,280)</u>  |
| Exchange differences on translation                            | 1,379  | 3,383   |
| Net increase in cash and cash equivalents                      | <u>716</u>   | <u>559</u>  |
| Cash & cash equivalents at beginning of year                   | <u>1,514</u>                                       | <u>955</u>  |
| <b>Cash &amp; cash equivalents at the end of period</b>        | <b><u>2,230</u></b>                                | <b><u>1,514</u></b>   |
| <b>Cash &amp; cash equivalents comprise:</b>                   |  |   |
| Cash and bank balances   | 3,098  | 3,427   |
| Fixed deposits placed with licensed banks                      | 2,000  | 9   |
| Bank overdrafts  | (868)  | (1,913)   |
|  | <u>4,230</u>                                       | <u>1,523</u>  |
| Less : Fixed deposit pledged                                   | (2,000)  | (9)   |
|  | <b><u>2,230</u></b>                                | <b><u>1,514</u></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 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 Reporting Standard (MFRS) 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply 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 2015. 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 2015.

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.

The Company's principal advisor, MIDF Investment had, on behalf of the Group submitted a Proposed Regularisation Plan on 25 July 2014 to the Regulatory Authorities for approval.

On 7 May 2015, the Group received the conditional approval from Bursa Malaysia to implement the Proposed Regularisation Plan.

On 10 September 2015, the Proposed Regularisation Plan was approved by the shareholders in the Extraordinary General Meeting.

On 18 September 2015, MIDF Investment had, on behalf of the Board of LFE Group, announced that the Issue Price of the LFE Shares to be issued pursuant to the Rights Issue has been fixed at RM0.30 per Rights Share.

The Court had on 29 September 2015, granted an order approving the Capital Reduction and Share Premium Reduction pursuant to Section 60(2) and 64(1) of the Companies Act, 1965 and the sealed Court Order was duly lodged with the Registrar of Companies on 5 October 2015.

The allotment of shares for Rights Issue, Private Placement and Debt Settlement was completed on 23 November 2015.

On 26 November 2015, MIDF Investment had, on behalf of the Board of LFE Group, announced that the 18,801,916 Rights Shares in relation to the Rights Issue, 66,666,667 Placement Shares in relation to the Private Placement and 11,197,117 Settlement Shares pursuant to the Debt Settlement were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m on even date, marking the completion of the Regularisation Plan for LFE Group.

### 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 2015.

The following new and amendments to MFRS standards which have yet to be adopted by the Group as these standard are only effective for annual periods beginning on or after 1 January 2016

#### Effective for annual periods beginning on or after 1 January 2016:

|                       |   |
|-----------------------|---|
| MFRS 14               | Regulatory Deferral Accounts.                                 |
| Amendment to MFRS 5   | Non- current Assets Held for Sale and Discontinued Operations |
| Amendment to MFRS 7   | Financial Instruments : Disclosures                           |
| Amendment to MFRS 10  | Consolidated Financial Statements                             |
| Amendment to MFRS 11  | Joint Arrangements  |
| Amendment to MFRS 12  | Disclosure of Interests in Other Entities.                    |
| Amendment to MFRS 101 | Presentation of Financial Statements                          |
| Amendment to MFRS 116 | Property, Plant and Equipment                                 |
| Amendment to MFRS 119 | Employee Benefits   |
| Amendment to MFRS 127 | Separate Financial Statements                                 |
| Amendment to MFRS 128 | Investment in Associates and joint Ventures                   |
| Amendment to MFRS 134 | Interim Financial Reporting                                   |
| Amendment to MFRS 138 | Intangible Assets   |
| Amendment to MFRS 141 | Agriculture : Bearer Plants                                   |

## A2 Accounting Policies (Cont'd)

Effective for annual periods beginning on or after 1 January 2018:

|         |                                       |
|---------|---------------------------------------|
| MFRS 9  | Financial Instruments                 |
| MFRS 15 | Revenue from Contracts with Customers |

The adoption of these accounting standards and amendments to the accounting standards are not expected to have any significant impact to the financial statements of the Group and the Company.

## 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 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 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 other than the following:

| i) Issuance of New Shares   | Date of Issuance : 23 November 2015 |        |
|---|-------------------------------------|--------|
|   | Numbers                             | RM'000 |
| -Placement Shares in relation to Private Placement at RM0.30 each | 66,666,667                          | 20,000 |
| -Rights Shares in relation to Rights Issues at RM0.30 each        | 18,801,916                          | 5,641  |
| -Settlement Shares pursuant to Debt Settlement at RM0.30 each     | 11,197,117                          | 3,359  |
| ii) Repayment of the collateralised loan obligation with Kerisma  | -                                   | 9,976  |

## 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<br>31 January 2016 | Construction /<br>Electrical<br>& mechanical<br>RM'000 | Investment<br>holding<br>RM'000 | Distribution of<br>consumer<br>electronics<br>products<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|--|--|---------------------------------|--|------------------------|------------------------|
| <b>REVENUE</b>                           |  |                                 |  |                        |                        |
| External Sales                           |  |                                 |  |                        |                        |
| Malaysia                                 | 12,281   | -                               | -  | -                      | 12,281                 |
| Overseas                                 | -  | -                               | -  | -                      | -                      |
| Total revenue                            | 12,281   | -                               | -  | -                      | 12,281                 |
| <b>RESULTS</b>                           |  |                                 |  |                        |                        |
| Operating profit /(loss)                 | 2,955  | (695)                           | 184  | (37)                   | 2,407                  |
| Interest expense                         | (1,814)  | -                               | -  | -                      | (1,814)                |
| Share of results in associate            | -  | -                               | 17   | -                      | 17                     |
| Profit/(Loss) before tax                 | 1,141  | (695)                           | 201  | (37)                   | 610                    |
| Income tax expense                       | -  | -                               | -  | -                      | -                      |
| Net Profit/(Loss) for the period         | 1,141  | (695)                           | 201  | (37)                   | 610                    |

#### **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**

Save and except for the announcements made by the Company in relation to the completion of Regularisation Plan, 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 Significant Related party transactions**

Related party transactions conducted during the quarter ended 31 January 2016 are as follows:

|  |            |
|--|------------|
| a) <b>Transactions with the related companies of a shareholder :</b>   | 31.01.2016 |
|  | RM         |
| i) Construction services rendered to Shapadu Properties Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kertih, Daerah Kemaman, Trengganu | 2,864,021  |
| ii) Services rendered in upgrading and refurbishment of existing podium block of Campbell Complex in Jalan Dang Wangi, Kuala Lumpur  | 1,678,176  |
|  | <hr/>      |
| b) <b>Transactions with joint ventures :</b>   |            |
| Interest Expense with a jointly controlled operation - ISZL  | 905,605    |
|  | <hr/>      |

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

### B1 Review of performance

The Group recorded total revenue of RM 8,349 million for the current quarter as compared to RM 8,849 million for the corresponding period of the preceding year.

The Group recorded operating profit of RM 0.322 million for the current quarter as compared to operating profit of RM 0.130 million for the corresponding period of the preceding year.

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

The Group recorded revenue and operating profit of RM 8,349 million and RM 0.322 million respectively for the current quarter as compared to revenue of RM 3,933 million and operating profit of RM 0.288 million in the immediate preceding quarter ended 31 October 2015.

Thus, the group recorded aggregate revenue of RM 12,281 million and operating profit of RM 0.610 million for the financial period to date ended 31 January 2016.

### B3 Future prospects

The Group is actively pursuing and bidding for new projects in the mechanical, engineering, plumbing (MEP) and Construction sectors and it 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.

With the completion of the Regularisation Plan in the second quarter of FYE 2016, the Group's outstanding bank borrowing has been reduced to RM3,366 million and shareholders' equity increased to RM46,102 million, achieving debt/equity ratio of 0.07. 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 shareholders' value.

In light of the strong growth of the construction industry and property development sector of the Malaysian economy and the strategic partnerships with its new shareholders and other prestigious local strategic alliance and joint venture partners which certainly enhance LFE Group's book orders, revenue and profitability; with sustainability, especially backed by experienced and committed team of skilful workforce, strength and competitive edge of the respective organisations, the Board of Directors expects that the overall performance of the Group for the financial year ending 31 July 2016 is anticipated to be positive.

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

This is not applicable.

### B5 Taxation

There is no tax liability for the current quarter/year due to sufficient accumulated tax losses brought forward from previous years to offset against current year tax liabilities.

### B6 Sale of unquoted investments and properties

There were no sales of any 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 26 November 2015, the Regularisation Exercise of the Group was completed with the listing of Rights Shares in relation to Rights Issues, Placement Shares in relation to Private Placement and Settlement Shares pursuant to the Debt Settlement. Under the Regularisation Exercise, the Group raised RM25,641 million based on the issue price of RM0.30 per share.

The status of the utilisation of proceeds as at 31 January 2016 are as follows:

|    | Rights Issues and Private Placement                     | Approved Utilisation<br>RM'000 | Amount Utilised<br>RM'000 | Expected Timeframe for Utilisation                          |
|----|---|--------------------------------|---------------------------|---|
| a) | Repayment for collateralised loan obligation to Kerisma | 9,976                          | 9,976                     | Completed   |
| b) | Repayment to Bi-lateral Lenders                         | 383                            | 382                       | Completed   |
| c) | Estimated expenses for Regularisation Plan              | 1,000                          | 958                       | Within 12 months  |
| d) | Working Capital for LFE Group                           | 14,282                         | 9,184                     | Within 24 months from the completion of Regularisation Plan |
|    | Total   | 25,641                         | 20,500                    |   |



**B8 Borrowings and debt securities**

Details of the Group's borrowings as at 31 January 2016 are as follows:

|                              | 31.1.2016<br>RM'000 | 31.07.2015<br>RM'000 |
|------------------------------|---------------------|----------------------|
| <b>Short Term Borrowings</b> |                     |                      |
| Bank Overdraft               | 867                 | 1,913                |
| Revolving Credit             | 677                 | 583                  |
| Term loan                    | 926                 | 8,410                |
| Hire purchase                | 7                   | -                    |
|                              | <u>2,477</u>        | <u>10,906</u>        |
| <b>Long Term Borrowings</b>  |                     |                      |
| Revolving Credit             | 135                 | 1,647                |
| Term loan                    | 677                 | 2,998                |
| Hire purchase                | 77                  | -                    |
|                              | <u>889</u>          | <u>4,645</u>         |
| <b>Total</b>                 | <u>3,366</u>        | <u>15,551</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 2015.

**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<br>31.1.2016 | Cumulative period ended<br>31.1.2016 |
|--|------------------------------------|--------------------------------------|
| Net profit attributable to owners<br>of the Company ('000) | 322                                | 610                                  |
| Weighted average number of shares ('000)                   | 149,344                            | 149,344                              |
| Basic earnings per share (sen)                             | 0.22                               | 0.41                                 |

**(b) Diluted earnings per share**

The diluted earnings per share is equal to basic earnings per shares as the Group does not have any potential dilutive ordinary shares as at the financial period to date.

**B13 Realised and unrealised profits/losses disclosure**

|   | As at<br>31.1.2016<br>RM'000 | As at<br>31.01.2015<br>RM'000 |
|---|------------------------------|-------------------------------|
| Total accumulated losses of the company and its subsidiaries: |                              |                               |
| - Realised  | (42,921)                     | (90,912)                      |
| - Unrealised  | (15)                         | (15)                          |
|   | <hr/>                        | <hr/>                         |
|   | (42,936)                     | (90,927)                      |
| Total accumulated losses of the associated companies          |                              |                               |
| - Realised  | (31)                         | (161)                         |
| - Unrealised  | -                            | -                             |
|   | <hr/>                        | <hr/>                         |
|   | (42,967)                     | (91,088)                      |
| Less: Consolidation adjustments                               | 13,118                       | 13,193                        |
|   | <hr/>                        | <hr/>                         |
| Total group accumulated losses as per consolidated accounts   | <b>(29,849)</b>              | <b>(77,895)</b>               |

**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 30 March 2016.