



LFE CORPORATION BERHAD  
(Company No: 579343-A)

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

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 July 2016 RM'000	31 July 2015 RM'000	31 July 2016 RM'000	31 July 2015 RM'000
Revenue	5,324	3,581	26,007	28,024
Cost of sales	(3,906)	(2,425)	(18,525)	(23,357)
<b>Gross Profit</b>	<b>1,418</b>	<b>1,156</b>	<b>7,482</b>	<b>4,667</b>
Other operating income	682	887	963	2,430
Administrative expenses	(1,293)	(1,111)	(4,418)	(3,957)
Other operating expenses	-	(111)	(14)	(181)
Finance costs	(317)	(583)	(2,574)	(2,079)
Share of results of associate companies	(1)	9	19	19
<b>Profit before taxation</b>	<b>489</b>	<b>247</b>	<b>1,458</b>	<b>899</b>
Taxation	(84)	-	(84)	(20)
<b>Net Profit for the period</b>	<b>405</b>	<b>247</b>	<b>1,374</b>	<b>879</b>
<b>Other comprehensive income :</b>				
Item that may be reclassified subsequently to profit or loss				
- Exchange differences arising from translation of foreign operations	161	707	605	3,383
<b>Total comprehensive profit for the period</b>	<b>566</b>	<b>954</b>	<b>1,979</b>	<b>4,262</b>
<b>Net Profit attributable to :</b>				
Owners of the Company	405	247	1,374	879
Non- controlling interest	-	-	-	-
	<b>405</b>	<b>247</b>	<b>1,374</b>	<b>879</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	566	954	1,979	4,262
Non- controlling interest	-	-	-	-
	<b>566</b>	<b>954</b>	<b>1,979</b>	<b>4,262</b>
Earnings per share attributable to owners of the Company (sen)				
- Basic	0.27	0.29	0.92	1.04
- Diluted (Note B12)	N/A	N/A	N/A	N/A

Note : N/A denotes as 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 July 2016

	Unaudited 31 July 2016 (RM'000)	Audited 31 July 2015 (RM'000)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	364	365
Investment properties	265	266
Investment in associate companies	172	153
	<u>801</u>	<u>784</u>
<b>Current Assets</b>		
Amount owing by customers on contracts	15,625	10,428
Trade receivables	22,328	15,215
Other receivables	3,216	3,984
Amount owing by associate companies	6,430	7,001
Tax recoverable	100	101
Fixed deposits placed with licensed banks	-	9
Cash and bank balances	291	3,427
<b>Total current assets</b>	<u>47,990</u>	<u>40,165</u>
Assets held for sale	50,441	66,498
	<u>98,431</u>	<u>106,663</u>
<b>TOTAL ASSETS</b>	<u><b>99,232</b></u>	<u><b>107,447</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	54,470	84,900
Reserves	(8,402)	(69,811)
	<u>46,068</u>	<u>15,089</u>
<b>Non-Current liabilities</b>		
Finance lease liabilities	60	-
Bank borrowings	-	4,644
Deferred tax liabilities	-	15
	<u>60</u>	<u>4,659</u>
<b>Current Liabilities</b>		
Amount owing to customers on contracts	1,912	3,480
Trade payables	20,485	26,468
Other payables	28,697	46,845
Finance lease liabilities	16	-
Bank borrowings	1,965	10,906
Provision for taxation	29	-
	<u>53,104</u>	<u>87,699</u>
<b>Total Liabilities</b>	<u>53,164</u>	<u>92,358</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>99,232</b></u>	<u><b>107,447</b></u>
<b>Net assets per share (RM)</b>	<u>0.31</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)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the Fourth quarter ended 31 July 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)	
<b>(Unaudited)</b>					
As at 1 August 2015	84,900	5,218	-	2,510	15,089
Reduction in Par Value of Share Capital	(59,430)	-	12,350	-	-
Share Premium Reduction	-	(5,218)	5,218	-	-
Private Placement	20,000	-	-	-	20,000
Rights Issue	5,641	-	-	-	5,641
Shares issued pursuant to Debt Settlement	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>44,068</b>
Total comprehensive profit for the year	-	-	-	605	1,979
As at 31 July 2016	<b>54,470</b>	<b>-</b>	<b>17,568</b>	<b>3,115</b>	<b>46,068</b>

	← 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)	
<b>(Audited)</b>					
As at 1 August 2014	84,900	5,218	-	(873)	10,827
Total comprehensive profit for the year	-	-	-	3,383	4,262
As at 31 July 2015	<b>84,900</b>	<b>5,218</b>	<b>-</b>	<b>2,510</b>	<b>15,089</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 2015)**

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

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

	Current Period Ended 31 July 2016 (RM'000)	Preceding Financial Period Ended 31 July 2015 (RM'000)
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	1,458	899
Adjustments for :		
Non-cash items	72	74
Non-operating items	2,511	1,964
Operating profit before working capital changes	4,041	2,937
Changes in working capital		
Net change in current assets	2,947	7,222
Net change in current liabilities	(24,131)	(9,059)
Amount owing by associate companies	572	(587)
Amount owing to Directors	-	(56)
Cash (used in)/generated from operations	(16,571)	457
Interest received	11	7
Interest paid	(2,574)	(2,079)
Income taxes (paid)/refund	(69)	(88)
<b>Net cash used in operating activities</b>	<b>(19,203)</b>	<b>(1,703)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(115)	(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>	<b>(25)</b>	<b>159</b>
<b>Cash Flows From Financing Activities</b>		
Decrease in fixed deposit pledged	9	332
Repayment of bank borrowings	(11,673)	(1,559)
Finance from /(repayment) of hire purchase payables	77	(53)
Proceeds from issuance of share capital	29,000	-
<b>Net cash generated from/ (used in) financing activities</b>	<b>17,413</b>	<b>(1,280)</b>
Exchange differences on translation	592	3,383
Net (decrease) / increase in cash and cash equivalents	(1,223)	559
Cash & cash equivalents at the beginning of year	1,514	955
<b>Cash &amp; cash equivalents at the end of period</b>	<b>291</b>	<b>1,514</b>
<b>Cash &amp; cash equivalents comprise:</b>		
Cash and bank balances	291	3,427
Fixed deposits placed with licensed banks	-	9
Bank overdrafts	-	(1,913)
	291	1,523
Less : Fixed deposit pledged	-	(9)
	<b>291</b>	<b>1,514</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 2017:

Amendment to MFRS 107	Statement of Cash Flow
Amendment to MFRS 112	Income Tax

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

MFRS 15	Revenue from Contracts with Customers
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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 year-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 year-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 year-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 year-to-date under review.

**A9 Segmental reporting**

12 months period ended 31 July 2016	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	26,007	-	-	-	26,007
Overseas	-	-	-	-	-
Total revenue	26,007	-	-	-	26,007
<b>RESULTS</b>					
Operating profit/(loss)	4,769	(892)	184	(48)	4,013
Interest expense	(2,574)	-	-	-	(2,574)
Share of results in associate	-	-	19	-	19
Profit/(Loss) before tax	2,195	(892)	203	(48)	1,458
Income tax expense	(84)	-	-	-	(84)
Net Profit/(Loss) for the period	2,111	(892)	203	(48)	1,374

**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 year 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 for the fourth quarter ended 31 July 2016 are as follows:

	31.07.2016
	RM'000
<b>a) Transactions with the related companies of shareholders :</b>	
i) Construction services rendered to Shapadu Properties Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerih, Daerah Kemaman, Terengganu	4,634
ii) Supply of manpower by Daisy Bliss Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerih, Daerah Kemaman, Terengganu	586
iii) Services rendered in upgrading and refurbishment of existing podium block of Campbell Complex in Jalan Dang Wangi, Kuala Lumpur	4,962
iv) Design and Other Preliminary Works rendered to Shapadu Boulevard Sdn Bhd for the construction of a mixed development project in Plot 2M9, Precint 2,Putrajaya	2,083
<b>b) Transactions with joint ventures :</b>	
Interest Expense with a jointly controlled operation - ISZL	<u>1,566</u>

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS****B1 Review of performance**

The Group recorded total revenue of RM5.324 million for the current quarter as compared to RM3.581 million for the corresponding period of the preceding year.

The Group recorded profit after tax (PAT) of RM0.405 million for the current quarter as compared to PAT of RM0.247 million for the corresponding period of the preceding year.

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

The Group recorded revenue and PAT of RM5.324 million and RM0.405 million respectively for the current quarter as compared to revenue of RM8.401 million and PAT of RM0.357 million in the immediate preceding quarter ended 30 April 2016.

Thus, the group recorded aggregate revenue of RM 26.007 million and profit after tax of RM 1.374 million for the financial year ended 31 July 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 RM 2.041 million and shareholders' equity increased to RM46.068 million, achieving debt/ equity ratio of 0.04 for the 4th quarter ended 31 July 2016. 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.

The strategic partnerships with its new shareholders and other prestigious local strategic alliance and joint venture partners will 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 performance in the coming financial year is anticipated to be positive.

**B4 Profit Forecast**

As per the Circular to Shareholders dated 19 August 2015 ("Circular"), the Group forecasted a PAT of RM4.146 million for the financial year ended 31 July 2016 ("FYE 2016"). However, the Group managed to achieve actual unaudited PAT of RM1.374 million for the FYE 2016. The variance between the forecasted profit and the actual unaudited result are mainly due to the key factors as tabulated below:

Key Factors	FYE 31 July 2016		Variance	
	Forecast	Actual (unaudited)	Favourable / ( Adverse)	
	(RM'000)	(RM'000)	(RM'000)	%
i) Revenue	104,750	26,007	(78,743)	-75%
ii) Cost of Sales	(93,614)	(18,525)	75,089	80%
iii) Gross Profit	11,136	7,482	(3,654)	-33%
Gross Profit Margin	10.63%	28.77%	18.14%	171%
iv) Other Operating Income	1,281	963	(318)	-25%
v) Administrative expenses	(4,638)	(4,346)	292	6%
vi) Other Operating Expenses	(1,313)	(14)	1,299	99%
Depreciation	(146)	(72)	74	51%
vii) Finance costs	(1,851)	(2,574)	(723)	-39%
Share of Result of Associate	-	19	19	100%
<b>Profit BeforeTax</b>	4,469	1,458	(3,011)	-67%
Taxation	(323)	(84)	239	74%
viii) <b>Profit after Tax</b>	<b>4,146</b>	<b>1,374</b>	<b>(2,772)</b>	<b>-67%</b>



#### B4 Profit Forecast (cont'd)

##### Explanatory notes:

##### i) Revenue :

The actual revenue for the current financial year is lower than the forecasted revenue due to the following circumstances:

The developer of a mixed development project at Precinct 2, Putrajaya has instructed the Architect to review the design of each component of the development, in particular, the Serviced Apartment to make it more efficient and affordable. The Architect has to re-submit the building plan to the Local Authority based on the revised design of the project, this has caused the delay for the commencement of construction work at site.

The Consultants of the London Hotel Project are currently preparing for Planning Submission of the project to the Local Authority. The Planning Submission is targeted to be submitted to the Local Authority soon. The role of project management consultant (PMC) will be more active once the Planning Approval is obtained from the Local Authority, hence, revenue from PMC is minimal for the FYE 2016.

At the same time, the construction of three units of detached house has not commenced as the owners' design brief have not been finalised. The other two projects are deferred by the owners due to low crude oil prices and soften property market condition.

Another project on the mechanical, electrical engineering and plumbing works for office and retails units has not commenced due to a glut in the office space in Kuala Lumpur region.

The Group has however managed to secured a few new projects for this financial year.

##### ii) Cost of Sales :

The forecasted cost of sales is RM93.614 million or 89.37% of the revenue. The Group managed to achieve a lower cost of sales of RM18.525 million or 71.23% of the revenue for the FYE 2016, mainly due to the revision of provisional costs which were taken up in previous years upon finalisation of work done by the contractors.

##### iii) Gross Profit :

The Group managed to achieve a higher Gross Profit (GP) margin of 28.77% for the current FYE 2016 against the GP margin of 10.63% in the forecast. The higher GP margin was achieved by certain projects which has GP margin of above the 10% industrial norm as well as revision of certain cost for some other projects.

##### iv) Other Operating Income :

The Group managed to achieve Other Operating Income of RM0.963 million for the current FYE 2016 against the forecast of RM1.281 million. The other operating income for the year was mainly from discount received amounted to RM0.677 million and others amounted to RM0.286 million.

##### v) Administrative expenses :

The actual administrative cost for the current FYE 2016 is RM4.346 million against the forecast of RM4.638 million. The administrative cost has decreased mainly due to the measures taken on overhead cost reduction.

##### vi) Other Operating Expenses :

The Other Operating Expenses for the current FYE 2016 is RM0.014 million against the forecast of RM1.313 million. As the land in Abu Dhabi has not been sold yet, the Group has yet to incur the estate agent and legal fees of RM0.956 million which was estimated in the forecast. The loss based on FRS 139 on the retention sum of trade receivable and payable is minimal for the current financial year due to the delay in the commencement of certain projects.

##### vii) Finance costs :

The actual finance cost for the current FYE 2016 is RM2.574 million against the forecast of RM1.851 million. The additional finance cost incurred is in respect of the interest charged by Consortium members for the outstanding amount due to them. In the forecast, the Properties in Abu Dhabi was estimated to dispose-off by middle of the financial year, however, due to the low crude oil price and soften property market condition, certain properties remained unsold at the end of the financial year. This has resulted the balances owing to Consortium members were still outstanding.

##### viii) Profit after Tax :

The Group registered actual Profit after Tax (PAT) of RM1.374 million against the forecast of RM4.146 million. The PAT margin for the current financial year is 5.28 % against the forecast of 3.96%. The Group has lower effective taxation rate due to the utilisation of unabsorbed business loss brought forward from previous years to set off current year profit for certain subsidiaries.

**B5 Taxation**

	Current quarter ended		Cumulative period ended	
	31.07.2016 RM'000	31.07.2015 RM'000	31.07.2016 RM'000	31.07.2015 RM'000
Malaysian income tax	109	-	109	20
Overseas taxation	-	-	-	-
Sub - total	109	-	109	20
Over provision in respect of prior years	(11)	-	(11)	-
Under provision in respect of prior years	1	-	1	-
Deferred taxation	(15)	-	(15)	-
Tax expense / (Credit)	84	-	84	20

**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 July 2016 are as follows:

	Approved Utilisation RM'000	Amount Utilised 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	973	Within 3 months
d) Working Capital for LFE Group	14,282	14,282	Completed
Total	25,641	25,613	

**B8 Borrowings and debt securities**

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

	31.07.2016 RM'000	31.07.2015 RM'000
<b>Short Term Borrowings</b>		
Bank Overdraft	-	1,913
Revolving Credit	-	583
Term loan	1,965	8,410
Finance Lease Liabilities	16	-
	1,981	10,906
<b>Long Term Borrowings</b>		
Revolving Credit	-	1,647
Term loan	-	2,998
Finance Lease Liabilities	60	-
	60	4,645
<b>Total</b>	2,041	15,551

Note: Following the completion of Debt Restructuring exercise as per the Debt Restructuring Agreement (DRA) dated 28 February 2013 and revised DRA dated 19 June 2014, the bank overdraft and Revolving Credit facilities have been converted to Term Loan facilities.

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 31.7.2016	Cumulative period ended 31.7.2016
Net profit attributable to Owners of the Company ('000)	405	1,374
Weighted average number of shares ('000)	149,344	149,344
Basic earnings per share (sen)	0.27	0.92

**(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 year to date.

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

	As at 31.7.2016 RM'000	As at 31.7.2015 RM'000
Total accumulated losses of the company and its subsidiaries:		
- Realised	(42,187)	(90,683)
- Unrealised	-	(15)
	<u>(42,187)</u>	<u>(90,698)</u>
Total accumulated gain/(losses) of the associated companies		
- Realised	(29)	(48)
- Unrealised	-	-
	<u>(42,216)</u>	<u>(90,746)</u>
Less: Consolidation adjustments	13,131	13,207
Total group accumulated losses as per consolidated accounts	<u><u>(29,085)</u></u>	<u><u>(77,539)</u></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 5 September 2016.