



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 2017

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 31 July 2017 RM'000	Preceding year corresponding Quarter Ended 31 July 2016 RM'000	Current Year To Date 31 July 2017 RM'000	Preceding Year Corresponding Period 31 July 2016 RM'000
Revenue	1,902	5,324	13,621	26,007
Cost of sales	(1,308)	(3,906)	(7,404)	(18,525)
Gross Profit	594	1,418	6,217	7,482
Other operating income	1,840	682	1,840	963
Administrative expenses	(1,125)	(1,293)	(4,559)	(4,418)
Other operating expenses	(3,890)	-	(3,892)	(14)
Finance costs	(308)	(317)	(1,242)	(2,574)
Share of results of associate companies	(6)	(1)	10	19
(Loss) before taxation	(2,895)	489	(1,626)	1,458
Taxation	(2)	(84)	(72)	(84)
Net (Loss) for the year	(2,897)	405	(1,698)	1,374
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	(2,049)	161	568	605
Total comprehensive (loss) for the year	(4,946)	566	(1,130)	1,979
Net (Loss) attributable to :				
Owners of the Company	(2,897)	405	(1,698)	1,374
Non- controlling interest	-	-	-	-
	(2,897)	405	(1,698)	1,374
Total comprehensive (loss) attributable to :				
Owners of the Company	(4,946)	566	(1,130)	1,979
Non- controlling interest	-	-	-	-
	(4,946)	566	(1,130)	1,979
Earnings per share attributable to owners of the Company (sen)				
- Basic	(1.60)	0.27	(0.94)	0.92
- 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 2016)

LFE CORPORATION BERHAD
(Company No : 579343-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 31 JULY 2017

	Unaudited 31 July 2017 (RM'000)	Audited 31 July 2016 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	761	364
Investment properties	265	265
Investment in associate companies	182	172
	<u>1,208</u>	<u>801</u>
Current Assets		
Amount owing by customers on contracts	15,951	15,625
Trade receivables	19,094	22,328
Other receivables	1,882	3,216
Amount owing by associate companies	2,441	6,430
Tax recoverable	-	100
Cash and bank balances	199	291
	<u>39,567</u>	<u>47,990</u>
Assets held for sale	54,024	50,441
Total current assets	<u>93,591</u>	<u>98,431</u>
TOTAL ASSETS	<u>94,799</u>	<u>99,232</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	54,470	54,470
Reserves	(9,986)	(8,402)
	<u>44,484</u>	<u>46,068</u>
Non-Current liabilities		
Finance lease liabilities	43	60
	<u>43</u>	<u>60</u>
Current Liabilities		
Amount owing to customers on contracts	225	1,912
Trade payables	16,495	20,485
Other payables	31,523	28,697
Deferred Revenue	812	-
Finance lease liabilities	17	16
Bank borrowings	1,136	1,965
Provision for taxation	64	29
	<u>50,272</u>	<u>53,104</u>
Total Liabilities	<u>50,315</u>	<u>53,164</u>
TOTAL EQUITY AND LIABILITIES	<u>94,799</u>	<u>99,232</u>
Net assets per share (RM)	<u>0.25</u>	<u>0.31</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 2016)

LIFE CORPORATION BERHAD
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the fourth quarter ended 31 July 2017

	Attributable to Owners of the Company		Non-distributable reserve		Exchange		Attributable to Owners of the Company		Non-distributable reserve		Exchange		Attributable to Owners of the Company		Non-distributable reserve		Exchange		
	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)			
(Audited)																			
As at 1 August 2015	84,900	5,218	-	2,510	(77,539)	15,089	-	15,089	(59,430)	-	12,350	-	47,080	-	-	-	-	-	-
Reduction in Par Value of Share Capital	-	(5,218)	-	-	-	-	-	-	-	5,218	-	-	-	-	-	-	-	-	-
Share Premium Reduction	20,000	-	-	-	-	20,000	-	20,000	-	-	-	-	-	-	-	-	-	-	-
Private Placement	5,641	-	-	-	-	5,641	-	5,641	-	-	-	-	-	-	-	-	-	-	-
Rights issue	3,359	-	-	-	-	3,359	-	3,359	-	-	-	-	-	-	-	-	-	-	-
Shares issued pursuant to Debt Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contribution from owners	54,470	-	17,568	2,510	(30,459)	44,089	-	44,089	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	605	1,374	1,979	-	1,979	-	-	-	-	-	-	-	-	-	-	-
As at 31 July 2016	54,470	-	17,568	3,115	(29,085)	46,068	-	46,068	-	-	-	-	-	-	-	-	-	-	-

	Attributable to Owners of the Company		Non-distributable reserve		Exchange		Attributable to Owners of the Company		Non-distributable reserve		Exchange		Attributable to Owners of the Company		Non-distributable reserve		Exchange		
	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)			
(Unaudited)																			
As at 1 August 2016	54,470	-	17,568	3,115	(29,085)	46,068	-	46,068	-	-	-	-	-	-	-	-	-	-	-
Effects of Prior Year Adjustments	-	-	-	(454)	(454)	(454)	-	(454)	-	-	-	-	-	-	-	-	-	-	-
As restated	54,470	-	17,568	3,115	(29,539)	45,614	-	45,614	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive profit/(Loss) for the period	-	-	-	568	(1,698)	(1,130)	-	(1,130)	-	-	-	-	-	-	-	-	-	-	-
As at 31 July 2017	54,470	-	17,568	3,683	(31,237)	44,484	-	44,484	-	-	-	-	-	-	-	-	-	-	-

(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 2016)

LFE CORPORATION BERHAD
(Company No : 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For the fourth quarter ended 31 July 2017

	Current Period Ended 31 July 2017 (RM'000)	Preceding Financial Period Ended 31 July 2016 (RM'000)
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(1,626)	1,458
Adjustments for :		
Non-cash items	113	72
Non-operating items	778	2,430
Operating (Loss)/ profit before working capital changes	(735)	3,960
Changes in working capital		
Net change in current assets	(1,028)	(13,090)
Net change in current liabilities	(351)	(24,069)
Amount owing by associate companies	3,989	572
Cash generated from / (used in) operations	1,875	(32,627)
Interest received	-	11
Interest paid	(1,242)	(2,574)
Income taxes refund / (paid)	63	(69)
Net cash generated from /(used in) operating activities	696	(35,259)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(509)	(27)
Proceeds from disposal of property, plant and equipments	-	75
Proceeds from disposal of assets held for sale	-	16,057
Net cash (used in) / generated from investing activities	(509)	16,105
Cash Flows From Financing Activities		
Decrease in fixed deposit pledged	-	9
Repayment of bank borrowings	(830)	(11,673)
Repayment of finance lease liabilities	(17)	(10)
Proceeds from issuance of share capital	-	29,000
Net cash (used in) / generated from financing activities	(847)	17,326
Net decrease in cash and cash equivalents	(660)	(1,828)
Exchange differences on translation	568	605
Cash & cash equivalents at the beginning of year	291	1,514
Cash & cash equivalents at the end of period	199	291
Cash & cash equivalents comprise:		
Cash and bank balances	199	291
	199	291

(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 2016)

LFE CORPORATION BERHAD
(Company No: 579343-A)
NOTES TO THE INTERIM FINANCIAL REPORT
For the fourth quarter ended 31 July 2017

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 2016. 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 2016.

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 2016.

During the period, the Group adopted all new, revised and amendments to MFRSs that are relevant to the Group's operations and effective for accounting years beginning on or after 1 January 2016. The adoption of these new, revised and amendments to MFRSs have not resulted in material change to the Group's accounting policies.

MFRSs effective for annual periods beginning on or after 1 January 2016:

MFRS 14	Regulatory Deferral Accounts.
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	Disclosure Initiative
Amendment to MFRS 116	Property, Plant and Equipment
Amendment to MFRS 127	Separate Financial Statements
Amendment to MFRS 128	Investment in Associates and joint Ventures
Amendment to MFRS 138	Intangible Assets
Amendment to MFRS 141	Agriculture : Bearer Plants
Annual Improvements to MFRSs 2012 - 2014 Cycle	

MFRSs 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

MFRSs effective for annual periods beginning on or after 1 January 2018:

MFRS 15	Revenue from Contracts with Customers
MFRS 9	Financial Instruments
Amendment to MFRS 2	Classification and measurement of Share-based Payment Transactions

MFRS effective for annual periods beginning on or after 1 January 2019:

MFRS 16	Leases
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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 ended 31 July 2016 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.

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 2017	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	13,621	-	-	-	13,621
Overseas	-	-	-	-	-
Total revenue	13,621	-	-	-	13,621
RESULTS					
Operating profit/(loss)	4,689	(1,233)	-	(32)	3,424
Interest expense	(1,242)	-	-	-	(1,242)
Written off advances given to an associate	(770)				(770)
Impairment loss on advances given to another associate	(1,375)				(1,375)
Written off trade receivable	(1,673)				(1,673)
Share of results in associate	-	-	10	-	10
Profit/(Loss) before tax	(371)	(1,233)	10	(32)	(1,626)
Income tax expense	(72)	-	-	-	(72)
Net Profit/(Loss) for the period	(443)	(1,233)	10	(32)	(1,698)

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 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 financial year ended 31 July 2017 are as follows:

a)	Transactions with the related companies of shareholders :	31.07.2017 RM'000
i)	Construction services rendered to Shapadu Properties Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerlih, Daerah Kemaman, Terengganu	3,060
ii)	Supply of manpower by Daisy Bliss Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerlih, Daerah Kemaman, Terengganu	384
iii)	Services rendered in upgrading and refurbishment of existing podium block of Campbell Complex in Jalan Dang Wangi, Kuala Lumpur	37
iv)	Design and Other Preliminary Works rendered to Shapadu Boulevard Sdn Bhd for the construction of a mixed development project in Plot 2M9, Precinct 2, Putrajaya	4,221
b)	Transactions with joint ventures :	
	Interest Expense with a jointly controlled operation - ISZL	1,163

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1 Review of performance

The Group recorded total revenue of RM1.902 million for the current quarter as compared to RM5.324 million for the corresponding period of the preceding year.

The Group recorded loss after tax (LAT) of RM2.897 million for the current quarter as compared to PAT of RM0.405 million for the corresponding period of the preceding year.

The LAT for current quarter was the result of incurring three items of expenses which were "one-off" amounted to RM3.818 million; these were written-off of advances given to an associate amounted to RM0.770 million, impairment of advances given to another associated company amounted to RM1.375 million whilst pending for negotiation of its final account and the written-off of a trade receivable amounted to RM1.673 million.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and LAT of RM1.902 million and RM2.897 million respectively for the current quarter as compared to revenue of RM2.901 million and PAT of RM0.136 million in the immediate preceding quarter ended 30 April 2017.

Thus, the group recorded aggregate revenue of RM 13.621 million and LAT of RM 1.698 million for the financial year to date ended 31 July 2017.

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.

The Group's outstanding bank borrowing has been reduced to RM1.196 million and shareholders' equity was RM44.484 million, achieving debt/ equity ratio of 0.03 for the financial period ended 31 July 2017. 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 these strategic partnerships will enhance the sustainability of the Group's business operation.

B4 Variance of actual profit from forecasted profit and shortfall in profit guarantee.

As per the Circular to Shareholders dated 19 August 2015 ("Circular"), the Group forecasted a PAT of RM13.644 million for the financial year ended 31 July 2017 ("FYE 2017"). However, the Group incurred actual unaudited LAT of RM1.698 million for the FYE 2017. 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 2017		Variance	
	Forecast (RM'000)	Actual (unaudited) (RM'000)	Favourable / (Adverse)	
			(RM'000)	%
i) Revenue	285,562	13,621	(271,941)	-95%
ii) Cost of Sales	(262,375)	(7,404)	254,971	97%
iii) Gross Profit	23,187	6,217	(16,970)	-73%
Gross Profit Margin	8.12%	45.64%	37.52%	462%
iv) Other Operating Income	403	1,840	1,437	357%
v) Administrative expenses	(5,102)	(4,446)	656	13%
vi) Other Operating Expenses	(392)	(3,892)	(3,500)	-893%
Depreciation	(129)	(113)	16	12%
vii) Finance costs	(15)	(1,242)	(1,227)	-8182%
Share of Result of Associate	-	10	10	100%
Profit BeforeTax	17,952	(1,626)	(19,579)	-109%
Taxation	(4,308)	(72)	4,236	98%
viii) Profit after Tax	13,644	(1,698)	(15,342)	-112%

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 construction of the mixed development project at Precinct 2, Putrajaya has not taken off as scheduled as the estimated construction cost of the Hotel development component has turned out to be very high in relation to its anticipated Gross Development Value. Hence the developer is currently reviewing the hotel design as well as exploring alternative commercial use of the building to enhance its viability.

The Planning Submission to the Local Authority for the London Hotel Project has been rejected in May 2017, as there were comments from the Local Authority that the proposed building would affect the neighbouring properties from receiving sufficient sunlight. Hence, the consultants are currently revising the building design to comply with the Local Authority's requirement and it is anticipated to appeal in November 2017.

As for the construction of three units of detached house, these have not commenced as the owners' design brief have not been finalised. The other project regarding feasibility studies for on-shore terminal has been deferred by the owners due to low crude oil prices.

The project on the mechanical, electrical engineering and plumbing works for office and retail units at Taman Teknologi Malaysia, Bukit Jalil, Kuala Lumpur has not commenced due to soft property market condition as well as a glut in the office space in Kuala Lumpur region.

As an alternative, the Group has secured the mechanical and electrical engineering works, valued at RM15 million for a hotel cum services apartment project known as the "RUMA" project in Kuala Lumpur. The RUMA project is currently at the peak of its construction stage.

The Group has managed to secure a higher contract value of RM20 million for the 54 units of 3 storey town house at the Bukit Serdang, Selangor known as the Bukit Serdang Town House Project. It is anticipated to commence in FYE 2018.

The Group is also currently in the midst of preparing for final negotiation for few new projects and anticipated that these projects will enhance the sustainability of the business operation.

ii) Cost of Sales :

The forecasted cost of sales is RM262.375 million or 91.88 % of the revenue. The Group managed to achieve a lower cost of sales of RM7.404 million or 54.36 % of the revenue for the FYE 2017 due to few reasons; certain projects were completed during the year and achieved lower overall cost of sales than budgeted as additional revenue was recognised without further cost incurred on finalising of account. Whereas for the other project, the project management services were carry out by existing managerial staff, with no further incremental cost incurred in the cost of sales since their salaries have already been absorbed in the business unit's operating cost.

iii) Gross Profit :

The Group managed to achieve a higher Gross Profit (GP) margin of 45.64 % for the current FYE 2017 against the GP margin of 8.12 % 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 a lower cost of sales for some other projects.

iv) Other Operating Income :

The Group managed to achieve Other Operating Income of RM1.840 million for the current FYE 2017 against the forecast of RM 0.403 million. The other operating income for the year was mainly received from discount amounted to RM0.551 million, defect liability compensation amounted to RM 0.234 million, revision of general provision for RM0.065 million and revision of provisional cost for RM 0.990 million.

v) Administrative expenses :

The actual administrative cost for the current FYE 2017 is RM4.446 million against the forecast of RM5.102 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 2017 is RM3.892 million against the forecast of RM0.392 million. The loss based on FRS 139 for the retention sum of trade receivable and payable is minimal, amounted to RM0.074 million for the current financial year due to the delay in the commencement of certain projects. The other operating expenses incurred also consist of an amount of RM0.770 million for the written-off of advances provided to an associate and the impairment of RM1.375 million for another associate company whilst pending for negotiation of its final accounts, another amount for RM1.673 million relates to the written off a trade receivable.

vii) Finance costs :

The actual finance cost for the current FYE 2017 is RM1.242 million against the forecast of RM0.015 million. The additional finance cost incurred is in respect of the interest charged by Consortium members amounted to RM 1.163 million for the outstanding amount due to them. In the forecast, the Properties in Abu Dhabi was estimated to dispose-off in FYE 2016, however, due to the low crude oil price and softer property market condition, certain properties remained unsold at FYE 2017. This has resulted the balances owing to Consortium members still outstanding and continuously incurring interest.

viii) (Loss) /Profit after Tax :

The Group registered actual Loss after Tax (LAT) of RM1.698 million against the forecasted PAT of RM13.644 million for FYE 2017. The LAT margin for the current financial year is 12.47 % against the forecasted PAT of 4.78%. The LAT was the result of incurring three items which were "one-off" expenses amounted to RM 3.818 in total. These were written off advances given to an associate company amounted to RM0.770 million, impairment of RM1.375 million for advances given to another associate company whilst pending for negotiation of its final accounts with the main contractor and the written off of a trade receivable amounted to RM1.673 million. The Group, however has a 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	
	31.07.2017 RM'000	31.07.2016 RM'000	31.07.2017 RM'000	31.07.2016 RM'000
Malaysian income tax	-	109		109
Overseas taxation	-	-		-
Sub - total	-	109	-	109
Over provision in respect of prior years		(11)		(11)
Under provision in respect of prior years	2	1	72	1
Deferred taxation		(15)		(15)
Tax expense	2	84	72	84

The tax liabilities incurred was in respect of an underprovision made by a subsidiary company for the early years.

However, there is no tax liability for the current quarter/ year due to sufficient accumulated tax losses brought forward from previous years to off-set against the profit of the current period.

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 :

B7 New Issue of Securities (Chapter 6 of Listing Requirements)

MIDF Investment on behalf of the Board of Directors of LFE had on 17 January 2017 announced that the Group proposed to undertake a Private Placement of up to ten percent (10%) of the issued and paid-up share capital of LFE to third party investor(s) to be identified later.

On 6 February 2017, LFE submitted the listing application in relation to the Proposed Private Placement to Bursa Malaysia Securities Berhad ("Bursa Securities").

On 13 February 2017, Bursa Securities had approved the listing and quotation for up to 18,156,570 Ordinary Shares in LFE pursuant to the Proposed Private Placement, on the Main Market of Bursa Securities subject to the following conditions:

- LFE and MIDF Investment must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement.
- LFE and MIDF Investment to inform Bursa Securities upon completion of the Proposed Private Placement.
- LFE to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

On 27 July 2017, MIDF Investment on behalf of the Board of Directors of LFE submitted to Bursa Malaysia for an application of extension of time for six (6) months till 12 February 2018. The extension of time was subsequently approved by Bursa Malaysia on 3 August 2017.

B8 Borrowings and debt securities

Details of the Group's borrowings as at 31 July 2017 are as follows:

	31.07.2017 RM'000	31.07.2016 RM'000
Short Term Borrowings		
Term loan	1,136	1,965
Finance Lease Liabilities	17	16
	1,153	1,981
Long Term Borrowings		
Finance Lease Liabilities	43	60
	43	60
Total	1,196	2,041

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 2016.

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	Cumulative period ended
Net (Loss) attributable to Owners of the Company ('000)	(2,897)	(1,698)
Weighted average number of shares ('000)	181,566	181,566
Basic (Loss) per share (sen)	(1.60)	(0.94)

(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 31.07.2017 RM'000	As at 31.7.2016 RM'000
Total accumulated losses of the company and its subsidiaries:		
- Realised	(31,218)	(29,119)
- Unrealised	-	82
	(31,218)	(29,037)
Total accumulated gain/(losses) of the associated companies		
- Realised	(19)	(48)
	(31,237)	(29,085)
Total group accumulated losses as per consolidated accounts	(31,237)	(29,085)

B14 Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Financial Year 2016**Consolidated Profit and Loss Account at 31 July 2016**

	As previously stated RM'000	Reclassification RM'000	As Restated RM'000
Current Quarter Result:			
Cost of Sales	(3,906)	-	(3,906)
Other Operating Income	682	-	682
Administrative Expenses	(1,293)	-	(1,293)
Cumulative Quarter Result:	RM'000	RM'000	RM'000
Cost of Sales	(19,939)	1,414	(18,525)
Other Operating Income	3,219	(2,256)	963
Administrative Expenses	(5,260)	842	(4,418)

B15 Prior Year Adjustments

	RM'000 Previously stated	RM'000 Adjustments	RM'000 Restated
Amount owing by associate companies	6,430	(1,924)	4,506
Reclassified realised gain to accumulated loss	(1,908)	1,908	-
Reclassified unrealised revenue to deferred revenue	438	(438)	-
Accumulated losses	(29,085)	(454)	(29,539)

B16 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 September 2017.