



**LFE CORPORATION BERHAD**  
(Company No: 200201011680(579343-A))

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Revenue	12,404	4,851	13,455	10,009
Cost of sales	(10,325)	(4,269)	(11,292)	(8,359)
<b>Gross Profit</b>	<b>2,079</b>	<b>582</b>	<b>2,163</b>	<b>1,650</b>
Other operating income	-	22	-	22
Administrative expenses	(1,276)	(732)	(1,866)	(1,956)
Other operating expenses	(20)	(414)	(52)	(455)
Finance costs	(15)	-	(15)	-
Share of results of joint ventures	(9)	17	(14)	9
<b>Profit/(Loss) before taxation</b>	<b>759</b>	<b>(525)</b>	<b>216</b>	<b>(730)</b>
Taxation	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>759</b>	<b>(525)</b>	<b>216</b>	<b>(730)</b>
<b>Other comprehensive income :</b>				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	<b>(56)</b>	<b>(158)</b>	<b>1,060</b>	<b>1,243</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>703</b>	<b>(683)</b>	<b>1,276</b>	<b>513</b>
<b>Net Profit/(Loss) attributable to :</b>				
Owners of the Company	(15)	(525)	(558)	(730)
Non- controlling interest	774	-	774	-
	<b>759</b>	<b>(525)</b>	<b>216</b>	<b>(730)</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	(71)	(683)	502	513
Non- controlling interest	774	-	774	-
	<b>703</b>	<b>(683)</b>	<b>1,276</b>	<b>513</b>
Loss per share attributable to owners of the Company (sen)				
- Basic	<b>(0.002)</b>	<b>(0.239)</b>	<b>(0.091)</b>	<b>(0.333)</b>
- Diluted (Note B12)	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**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 period ended 31 December 2020)**

**LFE CORPORATION BERHAD**  
(Company No: 200201011680(579343-A))

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 JUNE 2021**

	<b>At Current Financial Year Ended 30 June 2021 Unaudited (RM'000)</b>	<b>At Previous Financial Year Ended 31 Dec. 2020 Audited (RM'000)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	770	406
Goodwill	21,530	-
Investment in Joint Ventures	22,225	21,166
	<b>44,525</b>	<b>21,572</b>
<b>Current Assets</b>		
Contract Assets	9,152	6,804
Trade receivables	39,193	16,870
Other receivables	4,835	3,120
Cash and bank balances	20,215	1,594
	<b>73,395</b>	<b>28,388</b>
<b>TOTAL ASSETS</b>	<b>117,920</b>	<b>49,960</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	107,712	61,917
Reserves	(24,369)	(24,873)
Non-controlling interest	6,548	-
	<b>89,891</b>	<b>37,044</b>
<b>Current Liabilities</b>		
Contract liabilities	151	39
Trade payables	12,291	4,911
Other payables	9,785	7,966
Amount owing to associate company	2,400	-
Borrowing	3,132	-
Deferred Tax Liabilities	10	-
Provision for taxation	260	-
	<b>28,029</b>	<b>12,916</b>
<b>Total Liabilities</b>	<b>28,029</b>	<b>12,916</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117,920</b>	<b>49,960</b>
<b>Net assets per share (RM)</b>	<b>0.19</b>	<b>0.16</b>

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2020)

**LFE CORPORATION BERHAD**  
(Company No: 200201011680(579343-A))

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	← Attributable to Owners of the Company →				Total	Non-controlling interest	Total equity
	Share capital	Capital Reserves	Exchange translation reserve	Accumulated losses			
(Unaudited)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
As at 1 January 2021	61,917	17,568	2,821	(45,262)	37,044	-	37,044
New share issue:							
Rights issue	39,245	-	-	-	39,245	-	39,245
Shares issue pursuant to acquisition	6,550	-	-	-	6,550	-	6,550
Acquisition of non-controlling interest						5,774	5,774
(Loss)/Profit for the financial period	-	-	-	(558)	(558)	774	216
Other comprehensive income	-	-	1,060	-	1,060	-	1,060
Total comprehensive loss for the period	-	-	1,060	(558)	502	774	1,276
As at 30 June 2021	<b>107,712</b>	<b>17,568</b>	<b>3,881</b>	<b>(45,820)</b>	<b>83,341</b>	<b>6,548</b>	<b>89,889</b>

	← Attributable to Owners of the Company →				Total equity	Non-controlling interest	Total equity
	Share capital	Capital Reserves	Exchange translation reserve	Accumulated losses			
(Audited)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
As at 1 January 2020	57,142	17,568	1,849	(42,069)	34,490	-	34,490
Restatement	-	-	1,474	(1,474)	-	-	(1,474)
As at 1 January 2020 (restated)	57,142	17,568	3,323	(43,543)	34,490	-	33,016
Private Placement	4,775	-	-	-	4,775	-	4,775
Profit for the financial year	-	-	-	(1,719)	(1,719)	-	-
Other comprehensive loss	-	-	(502)	-	(502)	-	-
Total comprehensive income/(loss) for the period	-	-	(502)	(1,719)	(2,221)	-	(4,442)
As at 31 December 2020	<b>61,917</b>	<b>17,568</b>	<b>2,821</b>	<b>(45,262)</b>	<b>37,044</b>	<b>-</b>	<b>33,349</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2020)

**LFE CORPORATION BERHAD**  
(Company No: 200201011680(579343-A))

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	<b>Current Financial Year Ended 30 June 2021 (RM'000)</b>	<b>Previous Financial Year Ended 31 Dec. 2020 (RM'000)</b>
<b>Cash Flows for Operating Activities</b>		
Profit/(Loss) before taxation	216	(1,719)
Adjustments for :		
Non-cash items	44	(668)
Non-operating items	29	189
Operating profit/(loss) before working capital changes	289	(2,198)
Changes in working capital		
Net change in current assets	6,044	(963)
Net change in current liabilities	(3,614)	(5,358)
Cash generated from/(used) in operations	2,719	(8,519)
Interest paid	(15)	(189)
Tax paid	(35)	
<b>Net cash generated from/(used in) operating activities</b>	<b>2,669</b>	<b>(8,708)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	-	(9)
Acquisition of subsidiary	(30,506)	-
Disposal of subsidiaries	-	18
Distributed from Joint Venture	-	4,897
<b>Net cash (used in)/generated from investing activities</b>	<b>(30,506)</b>	<b>4,906</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of share capital	45,795	4,775
Repayment of borrowings	(650)	-
Repayment of finance lease liabilities	(20)	-
<b>Net cash generated from financing activities</b>	<b>45,125</b>	<b>4,775</b>
Net increase in cash and cash equivalents	17,288	973
Cash & cash equivalents at the beginning of year	1,594	621
<b>Cash &amp; cash equivalents at the end of period</b>	<b>18,882</b>	<b>1,594</b>
<b>Cash &amp; cash equivalents comprise:</b>		
Cash and bank balances	20,215	621
Bank overdrafts	(1,333)	-
	<b>18,882</b>	<b>621</b>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2020)**

**LFE CORPORATION BERHAD**  
**(Company No: 200201011680(579343-A))**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**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 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

**A2 Accounting Policies**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2020 except for the adoption of the following new MFRSs, amendments to MFRSs and IC interpretations that are effective for the Group's financial year beginning on or after 1 January 2021, as disclosed below:

**Annual periods beginning on / after 1 January 2021**

Amendment to MFRS 9, Interest Rate Benchmark Reform-Phase 2  
MFRS 139, MFRS 7, MFRS 4  
and MFES 16

Amendment to MFRS 16 Lease: Covid-19 Related Rent Concessions beyond 30 June 2021

The adoption of these new MFRSs, amendments to published standards and IC interpretations did not have any material impact on the interim financial report of the Group.

**A3 Seasonality or cyclical factors**

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**A4 Unusual and extraordinary items**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current period and financial period-to-date under review.

**A5 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.

**A6 Debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period-to-date, except following:

<b>Issuance of New Shares :</b>	<b>Date of Issuance</b>	<b>Numbers</b>	<b>RM'000</b>
-Right Issue at RM0.08 each	21/04/21	490,567,490	39,245
-Shares issue pursuant to acquisition at RM 0.10 each	27/05/21	65,500,000	6,550
<b>TOTAL</b>		<b>556,067,490</b>	<b>45,795</b>

Hence the total number of shares in issue was 801,351,235 units and total paid-up share capital amounted to RM 107,712,234.67 after the above share issuance.

**A7 Dividends paid**

No dividend was paid for the current period and financial period-to-date under review.

**A8 Segmental reporting**

6 months period ended 30 June 2021	Construction / Electrical & mechanical RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
<b>REVENUE</b>				
External Sales				
Malaysia	13,455	-	-	13,455
Overseas	-	-	-	-
Total revenue	13,455	-	-	13,455
<b>RESULTS</b>				
Operating profit/(loss)	723	(492)	-	231
Interest expense	(15)	-	-	(15)
Profit/(Loss) before tax	708	(492)	-	216
Income tax expense	-	-	-	-
Net Profit/(Loss) for the period	708	(492)	-	216

**A9 Carrying amount of revalued assets**

This is not applicable.

**A10 Material subsequent events**

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements.

**A11 Changes in the composition of the Group**

There were no changes in the compositions of the Group during the period and financial period under review, except for the following:

**Acquisition of 51.0% equity interest in Cosmo Property Management Sdn Bhd**

Acquisition by LFE Corporation Berhad ("LFE") of 382,500 ordinary shares in Cosmo Property Management Sdn Bhd ("CPMSB"), representing 51.0% equity interest in CPMSB from Resolute Accomplishment Sdn Bhd for a purchase consideration of RM27,540,000 to be satisfied via a combination of RM20,990,000 in cash and RM6,550,000 via the issuance of 65,500,000 new ordinary shares in LFE ("LFE Share(s)") at an issue price of RM0.10 per LFE Share. The transaction deemed completed on 11 May 2021.

**A12 Capital commitments**

There were no capital commitments for the period and financial period under review.

**A13 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.

**A14 Significant Related party transactions**

There were no related party transactions conducted during the financial period under review.

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

### B1 Review of performance

The Group recorded total revenue of RM12.4 million for the current quarter as compared to RM4.85 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM0.76 million for the current quarter as compared to loss after tax ("LAT") of RM0.525 million for the corresponding period of the preceding year.

Revenue recognised during the current quarter was higher than the corresponding period of the preceding year due to revenue contribution from the newly acquired subsidiary, Cosmo Property Management Sdn Bhd ("CPMSB"). During the quarter, CPMSB contributed RM6.17 million to the Group's revenue. The higher revenue contribution from CPMSB resulted in a turnaround for the Group during the quarter.

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

The Group recorded revenue and PAT of RM12.4 million and RM0.76 million respectively for the current quarter as compared to revenue of RM1.05 million and LAT of RM0.543 million for the immediate preceding quarter ended 31 March 2021.

As mentioned above, the additional revenue contributed by CPMSB during the quarter resulted in higher revenue. Ultimately, the higher revenue resulted in an improvement on the Group's performance for the quarter compare to immediate preceding quarter.

### B3 Future prospects

The Group will continue to monitor and implement appropriate measures to address the adverse risk of Covid-19 on the operations and financial aspects. The Group actively pursue and bid for more new projects in the construction sector, including mechanical, electrical engineering, plumbing and C&S works locally and regionally, either on its own or through strategic alliances with established local partners.

The strategic partnerships with local 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.

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 cover current period's 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 :

#### Right Issue

On 21 April 2021, the Group completed and listing of 490,567,490 Rights Shares issued pursuant to the Rights Issue on the Main Market of Bursa Malaysia Securities Berhad. The Group raised RM 39,245,399 at an issue price of RM 0.08 per share.

The status of the utilisation of proceed as at the reporting date is as follows:

Right Issue	Proposed Utilisation	Amount Utilised	Expected Timeframe for Utilisation
	RM'000	RM'000	
Settlement of the Cash Consideration for the Acquisition	18,236	18,236	Completed
General working capital	20,309	2,929	12 months
Estimated expenses in relation to the Proposal	700	700	Completed
Total Gross Proceed	39,245	21,865	

**B8 Borrowings and debt securities**

Details of the Group's borrowings as at 30 June 2021 are as follows:

	30.06.2021 RM'000	31.12.2020 RM'000
<b>Short Term Borrowings</b>		
Overdraft	1,332	-
Banker acceptance	1,428	-
Finance Lease Liabilities	372	-
<b>Total</b>	3,132	-

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**

Except for the following claims, there was no pending material litigation.

**Litigation between the Company, LFE Corporation Berhad and its wholly owned subsidiary, LFE Engineering Sdn Bhd ("LFE") and Juliana Quah Kooi Hong ("Juliana")**

On 5 June 2020, LFE received a Writ and Statement of Claim from Messrs Ghandi, the solicitors for Juliana. The Writ and Statement of Claim against the LFE was due LFE had failed to pay the outstanding salary, allowances and claims constitutes a material breach of Juliana's contract of employment.

LFE not agreed on above and filed the 'Statement of Defence' on 26 June 2020. LFE received the 'Reply to Defence' file by Messrs Ghandi on 10 July 2020. Subsequently, Juliana filed summary judgment application to the court.

On 22 September 2020, the court dismissed Juliana's summary judgment application and ordered parties to go for trial. However, Juliana was appeal against the same to the High Court and the High Court allowed the notice of appeal on 27 April 2021. Subsequently, LFE filed the Record of Appeal at Court of Appeal on 23 July 2021.

**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 30.06.21	Cumulative period for 6 months ended 30.06.21
Net Loss attributable to Owners of the Company ('000)	(15)	(558)
Weighted average number of shares ('000)	610,537	610,537
Basic Loss per share (sen)	(0.002)	(0.091)

**(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.

**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 30/08/2021.