



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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 Dec 2021 RM'000	31 Dec 2020 RM'000	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Revenue	14,177	1,140	32,875	13,429
Cost of sales	(10,374)	(959)	(26,230)	(11,409)
Gross Profit	3,803	181	6,645	2,020
Other operating income	452	1,240	455	1,266
Administrative expenses	(1,253)	(1,433)	(4,261)	(4,428)
Other operating expenses	(12,961)	(361)	(13,118)	(823)
Finance costs	(99)	(189)	(133)	(189)
Share of results of joint ventures	(2,090)	446	(2,109)	435
Loss before taxation	(12,148)	(116)	(12,521)	(1,719)
Taxation	(1,155)	-	(1,155)	-
Loss for the period	(13,303)	(116)	(13,676)	(1,719)
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	23	(983)	1,208	(502)
Total comprehensive loss for the period	(13,280)	(1,099)	(12,468)	(2,221)
Net (Loss)/Profit attributable to :				
Owners of the Company	(13,522)	(116)	(15,740)	(1,719)
Non- controlling interest	219	-	2,064	-
	(13,303)	(116)	(13,676)	(1,719)
Total comprehensive (loss)/income attributable to :				
Owners of the Company	(13,499)	(1,099)	(14,532)	(2,221)
Non- controlling interest	219	-	2,064	-
	(13,280)	(1,099)	(12,468)	(2,221)
Loss per share attributable to owners of the Company (sen)				
- Basic	(2.21)	(0.24)	(2.58)	(0.77)
- 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 period ended 31 December 2020)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2021

	At Current Financial Year Ended 31 Dec. 2021 Unaudited (RM'000)	At Previous Financial Year Ended 31 Dec. 2020 Audited (RM'000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	655	406
Goodwill	23,208	-
Investment in Joint Ventures	1,437	21,166
	25,300	21,572
Current Assets		
Contract Assets	1,660	6,804
Property development cost	352	-
Trade receivables	17,563	16,870
Other receivables	15,986	3,120
Fixed deposits placed with licensed banks	9,686	-
Cash and bank balances	22,571	1,594
	67,818	28,388
TOTAL ASSETS	93,118	49,960
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	107,712	61,917
Reserves	(39,405)	(24,873)
Non-controlling interest	6,326	-
	74,633	37,044
Current Liabilities		
Contract liabilities	48	39
Trade payables	9,465	4,911
Other payables	5,073	7,966
Amount owing to associate company	2,400	-
Borrowing	328	-
Deferred Tax Liabilities	9	-
Provision for taxation	1,162	-
	18,485	12,916
Total Liabilities	18,485	12,916
TOTAL EQUITY AND LIABILITIES	93,118	49,960
Net assets per share (RM)	0.09	0.16

(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 FOURTH QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	4,262	4,262
(Loss)/Profit for the financial period	-	-	-	(15,740)	(15,740)	2,064	(13,676)
Other comprehensive income	-	-	1,208	-	1,208	-	1,208
Total comprehensive income/(loss) for the period	-	-	1,208	(15,740)	(14,532)	2,064	(12,468)
As at 31 December 2021	107,712	17,568	4,029	(61,002)	68,307	6,326	74,633

	← Attributable to Owners of the Company →				Total	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 loss for the period	-	-	(502)	(1,719)	(2,221)	-	(4,442)
As at 31 December 2020	61,917	17,568	2,821	(45,262)	37,044	-	33,349

(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 FOURTH QUARTER ENDED 31 DECEMBER 2021**

	Current Financial Period Ended 31 Dec. 2021 (RM'000)	Previous Financial Year Ended 31 Dec. 2020 (RM'000)
Cash Flows for Operating Activities		
Loss before taxation	(12,521)	(1,719)
Adjustments for :		
Non-cash items	10,896	(668)
Non-operating items	2,242	189
Operating loss before working capital changes	<u>617</u>	<u>(2,198)</u>
Changes in working capital		
Net change in current assets	10,973	(963)
Net change in current liabilities	(11,548)	(5,358)
Cash generated from/(used in) operations	<u>42</u>	<u>(8,519)</u>
Interest paid	(133)	(189)
Tax paid	(1,718)	-
Net cash used in operating activities	<u>(1,809)</u>	<u>(8,708)</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(11)	(9)
Acquisition of subsidiary	(30,506)	-
Disposal of subsidiaries	-	18
Distributed from Joint Venture	19,236	4,897
Net cash (used in)/generated from investing activities	<u>(11,281)</u>	<u>4,906</u>
Cash Flows From Financing Activities		
Proceeds from issuance of share capital	45,795	4,775
Proceeds from issuance of non-controlling interest	100	-
Repayment of borrowings	(2,078)	-
Repayment of finance lease liabilities	(64)	-
Net cash generated from financing activities	<u>43,753</u>	<u>4,775</u>
Net increase in cash and cash equivalents	30,663	973
Cash & cash equivalents at the beginning of year	1,594	621
Cash & cash equivalents at the end of period	<u>32,257</u>	<u>1,594</u>
Cash & cash equivalents comprise:		
Cash and bank balances	22,571	621
Fixed deposits placed with licensed banks	9,686	-
	<u>32,257</u>	<u>621</u>

(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 FOURTH QUARTER ENDED 31 DECEMBER 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:

Issuance of New Shares :	Date of Issuance	Numbers	RM'000
-Right Issue at RM0.08 each	21/4/2021	490,567,490	39,245
-Shares issue pursuant to acquisition at RM 0.10 each	27/5/2021	65,500,000	6,550
TOTAL		556,067,490	45,795

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

12 months period ended 31 December 2021	Construction / Electrical & mechanical RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales				
Malaysia	32,875	-	-	32,875
Overseas	-	-	-	-
Total revenue	32,875	-	-	32,875
RESULTS				
Operating loss	(11,649)	(739)	-	(12,388)
Interest expense	(133)	-	-	(133)
Loss before tax	(11,782)	(739)	-	(12,521)
Income tax expense	(1,155)	-	-	(1,155)
Net Loss for the period	(12,937)	(739)	-	(13,676)

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.

Incorporation of subsidiary

On 2 August 2021, LFE Corporation Berhad ("LFE") incorporated a 60% owned subsidiary known as LFE Development Sdn Bhd ("LFEDSB"). LFEDSB is a company incorporated in Malaysia under the Malaysia Companies Act, 2016 and two hundred fifty thousands (250,000) ordinary shares have been issued and fully paid-up. The principal activity of LFEDSB is property developer and construction.

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 RM14.18 million for the current quarter as compared to RM1.14 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 RM6.9 million to the Group's revenue. CPMSB is expected to continue to make a significant contribution to the Group's revenue.

The Group recorded loss after tax ("LAT") of RM13.3 million for the current quarter as compared to LAT of RM1.1 million for the corresponding period of the preceding year.

The losses of current quarter was mainly due to one-off impairment expenses on overdue accounts receivable and contract assets of approximately RM8 million and RM5.4 million respectively. Excluding the one-off impairment expenses, the Group would have made an operating profit after tax.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and LAT of RM14.18 million and RM13.3 million respectively for the current quarter as compared to revenue and profit after tax of RM5.24 million and RM0.589 million for the immediate preceding quarter ended 30 September 2021.

Due to the government's Mobile Control Order ("MCO") implemented on 1 June 2021, the group recorded lower revenues on the immediate preceding quarter. The Group resumed development progress on these projects in mid-July as the government allowed certain business units to resume operations, hence there is no significant impact on the revenue of current quarter under review. The loss of current quarter was mainly due to one-off impairment expenses on overdue accounts receivable and contract assets of approximately RM8 million and RM5.4 million respectively.

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.

The Group diversified the existing principal activities to include property development. The Group may leverage on the similarity of technical knowledge and resources between construction and property development activities. The property development segment is expected to contribute positively to the revenue and earnings of the Group for financial year ending 31 December 2022.

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

B8 Borrowings and debt securities

Details of the Group's borrowings as at 31 December 2021 are as follows:

	31.12.2021 RM'000	31.12.2020 RM'000
Short Term Borrowings		
Finance Lease Liabilities	328	-
Total	328	-

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 a Notice of Appeal at Court of Appeal to appeal against the decision of the High Court and the matter is fixed for final case management on 14.3.2022 and Hearing of the Court of Appeal on 28.3.2022.

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 31.12.2021	Cumulative period for 12 months ended 31.12.2021
Net Loss attributable to Owners of the Company ('000)	(13,522)	(15,740)
Weighted average number of shares ('000)	610,537	610,537
Basic Loss per share (sen)	(2.21)	(2.58)

(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 25/02/2022.