



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 2023

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 30 June 2023 RM'000	Preceding year Corresponding Quarter Ended 30 June 2022 RM'000	Current Year To Date 30 June 2023 RM'000	Preceding Year Corresponding Period 30 June 2022 RM'000
Revenue	18,720	14,950	34,812	31,594
Cost of sales	(15,863)	(15,685)	(28,110)	(29,277)
Gross Profit	2,857	(735)	6,702	2,317
Other operating income	10	28	31	45
Interest income	82	-	156	-
Administrative expenses	(1,927)	(1,053)	(3,567)	(2,246)
Finance costs	(2)	(3)	(4)	(7)
Profit/(Loss) before taxation	1,020	(1,763)	3,318	109
Taxation	(87)	334	(642)	(278)
Profit/(Loss) for the period	933	(1,429)	2,676	(169)
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	-	56	-	66
Total comprehensive income/(loss) for the period	933	(1,373)	2,676	(103)
Net Profit/(Loss) attributable to :				
Owners of the Company	463	(880)	890	(540)
Non- controlling interest	470	(549)	1,786	371
	933	(1,429)	2,676	(169)
Total comprehensive income/(loss) attributable to :				
Owners of the Company	463	(824)	890	(474)
Non- controlling interest	470	(549)	1,786	371
	933	(1,373)	2,676	(103)
Earning/(loss) per share attributable to owners of the Company (sen)	Sen	Sen	Sen	Sen
- Basic	0.05	(0.11)	0.09	(0.07)
- 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 2022)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2023

	At Current Financial Year Ended 30 June 2023 Unaudited (RM'000)	At Previous Financial Year Ended 31 Dec 2022 Audited (RM'000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	302	315
Right-of-use asset	-	44
Goodwill	23,184	23,184
Investment in Joint Ventures	1,230	1,230
	24,716	24,773
Current Assets		
Contract assets	4,316	11,766
Property development cost	26,086	25,489
Trade receivables	29,304	20,868
Other receivables	8,840	9,384
Tax recoverable	514	256
Fixed deposits placed with licensed banks	9,879	12,767
Cash and bank balances	13,696	12,109
Contract cost assets	857	1,086
	93,492	93,725
TOTAL ASSETS	118,208	118,498
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	134,983	107,712
Reserves	(60,466)	(39,477)
Non-controlling interest	1,974	7,709
	76,491	75,944
Non- Current Liabilities		
Lease liabilities	115	150
Deferred Tax Liabilities	11	11
	126	161
Current Liabilities		
Contract liabilities	320	1,545
Trade payables	33,997	33,220
Other payables	7,064	5,478
Amount owing to a non-controlling interest	-	1,950
Lease liabilities	91	123
Provision for taxation	119	77
	41,591	42,393
Total Liabilities	41,717	42,554
TOTAL EQUITY AND LIABILITIES	118,208	118,498
Net assets per share (RM)	0.08	0.09

(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 2022)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

	← 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 2023	107,712	17,568	3,829	(60,874)	68,235	7,709	75,944
New share issue:							
- Private placement	20,771	-	-	-	20,771	-	20,771
- Share consideration for acquisition of non-controlling interest	6,500	-	-	-	6,500	-	6,500
Acquisition of non-controlling interest (Note A11)				(21,879)	(21,879)	(7,521)	(29,400)
Profit for the financial period	-	-	-	890	890	1,786	2,676
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the	-	-	-	890	890	1,786	2,676
As at 30 June 2023	134,983	17,568	3,829	(81,863)	74,517	1,974	76,491

	← 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 2022	107,712	17,568	3,769	(61,369)	67,680	6,272	73,952
Profit for the financial period	-	-	-	495	495	1,437	1,932
Other comprehensive income	-	-	60	-	60	-	60
Total comprehensive income for the period	-	-	60	495	555	1,437	1,992
As at 31 December 2022	107,712	17,568	3,829	(60,874)	68,235	7,709	75,944

(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 2022)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

	Current Financial Year Ended 30 June 2023 (RM'000)	Previous Financial Year Ended 31 Dec. 2022 (RM'000)
Cash Flows for Operating Activities		
Profit before taxation	3,318	3,175
Adjustments for :		
Non-cash items	76	30
Non-operating items	(152)	(158)
Operating profit before working capital changes	3,242	3,047
Changes in working capital		
Net change in current assets	(2,035)	(31,179)
Net change in current liabilities	413	23,504
Cash generated/(used in) from operations	1,620	(4,628)
Interest received	157	184
Interest paid	(4)	(26)
Tax paid	(859)	(2,664)
Net cash generated/(used in) operating activities	914	(7,134)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(65)	(115)
Acquisition of a subsidiary	(29,400)	-
Net cash used in investing activities	(29,465)	(115)
Cash Flows From Financing Activities		
Proceeds from issuance of share capital	27,271	-
Repayment of lease liabilities	(22)	(131)
Net cash generated/(used in) from financing activities	27,249	(131)
Net decrease in cash and cash equivalents	(1,302)	(7,380)
Cash & cash equivalents at the beginning of year	24,877	32,257
Cash & cash equivalents at the end of period	23,575	24,877

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2022)

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 2022. 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 2022.

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 2022 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 2023, as disclosed below:

Annual periods beginning on / after 1 January 2023

MFRS 17 and related	Insurance Contracts
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparati
Amendment to MFRS 101	Disclosure of Accounting Policies
Amendment to MFRS 108	Definition of Accounting Estimates
Amendment to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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
-Private Placement at RM0.0864 each	12/5/2023	240,405,370	20,771
-Shares issue pursuant to acquisition at RM 0.0972 each	26/5/2023	66,872,427	6,500

Hence the total number of shares in issue was 1,108,629,032 units and total paid-up share capital amounted to RM 134,983,258.64 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 2023	Construction / Electrical & mechanical RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
REVENUE				
External Sales				
Malaysia	10,371	24,441	-	34,812
Overseas	-	-	-	-
Total revenue	10,371	24,441	-	34,812
RESULTS				
Operating profit/(loss)	341	3,707	(726)	3,322
Interest expense	(4)	-	-	(4)
Profit/(Loss) before tax	337	3,707	(726)	3,318
Income tax expense	(642)	-	-	(642)
Net (Loss)/Profit for the period	(305)	3,707	(726)	2,676

A9 Carrying amount of revalued assets

This is not applicable.

A10 Material events subsequent

There are no material events subsequent to the end of the period under review that have not been reflected in the interim financial report.

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 remaining 49% equity interest in Cosmo Property Management Sdn Bhd

Acquisition by LFE Corporation Berhad ("LFE") of 367,500 ordinary shares in Cosmo Property Management Sdn Bhd ("CPMSB"), representing 49% equity interest in CPMSB from Resolute Accomplishment Sdn Bhd for a purchase consideration of RM29,400,000 to be satisfied via a combination of RM22,900,000 in cash and RM6,500,000 via the issuance of 65,500,000 new ordinary shares in LFE ("LFE Share(s)") at an issue price of RM0.0972 per LFE Share. The transaction deemed completed on 26 May 2023.

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

The Group's transactions with company in which our directors or substantial shareholders have an interest during the financial period as follows:

	30.06.2023
	RM'000
Revenue - MYARA Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works	<u>7,861</u>

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1 Review of performance

The Group recorded total revenue of RM18.72 million for the current quarter as compared to RM14.95 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM0.93 million for the current quarter as compared to loss after tax ("LAT") of RM1.43 million for the corresponding period of the preceding year.

The Group's revenue for the current quarter exceeded that of the corresponding period in the previous year, primarily attributed to the additional revenue generated from the property development segment. Notably, the Gurun East Phase 2 Project played a significant role by contributing over RM13 million to the current quarter's revenue. On the contrary, the revenue from the construction segment experienced a decline of more than 80% compared to the corresponding period in the preceding year. This decrease is a result of the completion of several construction projects in the previous year and the slow construction progress of the MYARA Park project.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and PAT of RM18.72 million and RM0.93 million respectively for the current quarter as compared to revenue of RM16.1 million and PAT of RM1.74 million for the immediate preceding quarter ended 31 March 2023.

The modest rise in the Group's revenue is a result of the increased revenue from the property development project when compared to the immediate preceding quarter. However, the decrease of RM0.8 million in the PAT can be attributed to several factors. These include a lower gross margin observed in the MYARA park project and higher administrative expenses incurred during the current quarter, primarily due to corporate exercises. These combined influences have contributed to the observed decline in PAT.

B3 Future prospects

Following the Joint Venture Development Agreement (JVDA) with the landowner on past 2 years, the Group has achieved another milestone by successfully finalizing a JVDA for a portion of freehold land situated in Daerah Kuala Muda, Kedah. The land covers an area of approximately 175 acres. In addition to our existing joint venture development, the Group has acquired a land parcel in Gurun, Kedah, strategically increasing our land bank for future property development projects. The Group remains committed to growth and is actively exploring opportunities to expand its portfolio and enhance its order book.

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

This is not applicable.

B5 Taxation

The tax liability incurred relates to the current tax provision made by two subsidiaries. There are no tax liabilities for other subsidiaries in the current

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.

B8 Borrowings and debt securities

Details of the Group's borrowings as at 30 June 2023 are as follows:

	30.06.2023 RM'000	31.12.2022 RM'000
Finance Lease Liabilities		
Long Term	115	150
Short Term	91	123
Total	<u>206</u>	<u>273</u>

All the borrowings are in Malaysian currency.

B9 Off balance sheet financial instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

B10 Changes in material litigation

The Group was not engaged in any material litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

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 30.06.2023	Cumulative period for 6 months ended 30.06.2023
Net Profit attributable to Owners of the Company ('000)	463	890
Weighted average number of shares ('000)	980,596	980,596
Basic Earning per share (sen)	0.05	0.09

(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 30/08/2023.