



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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 30 Sept 2023 RM'000	Preceding year Corresponding Quarter Ended 30 Sept 2022 RM'000	Current Year To Date 30 Sept 2023 RM'000	Preceding Year Corresponding Period 30 Sept 2022 RM'000
Revenue	30,976	14,664	65,788	46,258
Cost of sales	(24,098)	(12,914)	(52,208)	(42,191)
Gross Profit	6,878	1,750	13,580	4,067
Other operating income	69	139	100	140
Interest income	108	68	264	112
Administrative expenses	(1,417)	(1,583)	(4,985)	(3,829)
Finance costs	(2)	(3)	(6)	(10)
Profit before taxation	5,636	371	8,953	480
Taxation	(1,905)	342	(2,547)	64
Profit for the period	3,731	713	6,406	544
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	-	65	-	131
Total comprehensive income for the period	3,731	778	6,406	675
Net Profit attributable to :				
Owners of the Company	2,747	527	3,636	(13)
Non- controlling interest	984	186	2,770	557
	3,731	713	6,406	544
Total comprehensive income attributable to :				
Owners of the Company	2,747	592	3,636	118
Non- controlling interest	984	186	2,770	557
	3,731	778	6,406	675
Earning per share attributable to owners of the Company (sen)	Sen	Sen	Sen	Sen
- Basic	0.28	0.07	0.37	(0.00)
- 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 SEPTEMBER 2023

	At Current Financial Year Ended 30 Sept 2023 Unaudited (RM'000)	At Previous Financial Year Ended 31 Dec 2022 Audited (RM'000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	270	315
Right-of-use asset	-	44
Goodwill	23,184	23,184
Investment in Joint Ventures	1,230	1,230
	24,684	24,773
Current Assets		
Contract assets	7,028	11,766
Property development cost	23,424	25,489
Trade receivables	32,978	20,868
Other receivables	10,945	9,384
Tax recoverable	567	256
Contract cost assets	617	1,086
Fixed deposits placed with licensed banks	9,725	12,767
Cash and bank balances	24,569	12,109
	109,853	93,725
TOTAL ASSETS	134,537	118,498
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	134,983	107,712
Reserves	(57,720)	(39,477)
Non-controlling interest	2,958	7,709
	80,221	75,944
Non- Current Liabilities		
Lease liabilities	105	150
Deferred Tax Liabilities	11	11
Term loan	10,000	-
	10,116	161
Current Liabilities		
Contract liabilities	304	1,545
Trade payables	35,954	33,220
Other payables	4,611	5,478
Amount owing to a non-controlling interest	1,950	1,950
Lease liabilities	79	123
Provision for taxation	1,302	77
	44,200	42,393
Total Liabilities	54,316	42,554
TOTAL EQUITY AND LIABILITIES	134,537	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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	← Attributable to Owners of the Company →						Total equity (RM'000)
	← Non-distributable reserve →				Total (RM'000)	Non-controlling interest (RM'000)	
	Share capital (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)			
(Unaudited)							
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				(21,879)	(21,879)	(7,521)	(29,400)
Profit for the financial period	-	-	-	3,636	3,636	2,770	6,406
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,636	3,636	2,770	6,406
As at 30 September 2023	134,983	17,568	3,829	(79,117)	77,263	2,958	80,221

	← Attributable to Owners of the Company →						Total equity (RM'000)
	← Non-distributable reserve →				Total (RM'000)	Non-controlling interest (RM'000)	
	Share capital (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)			
(Audited)							
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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Current Financial Year Ended 30 Sept 2023 (RM'000)	Previous Financial Year Ended 31 Dec. 2022 (RM'000)
Cash Flows for Operating Activities		
Profit before taxation	8,953	3,175
Adjustments for :		
Non-cash items	114	30
Non-operating items	(258)	(158)
Operating profit before working capital changes	8,809	3,047
Changes in working capital		
Net change in current assets	(7,641)	(31,179)
Net change in current liabilities	1,868	23,504
Cash generated/(used in) from operations	3,036	(4,628)
Interest received	264	184
Interest paid	(6)	(26)
Tax paid	(1,633)	(2,664)
Net cash generated/(used in) operating activities	1,661	(7,134)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(71)	(115)
Acquisition of a subsidiary	(29,400)	-
Net cash used in investing activities	(29,471)	(115)
Cash Flows From Financing Activities		
Proceeds from issuance of share capital	27,271	-
Repayment of lease liabilities	(44)	(131)
Drawdown of term loan	10,000	-
Net cash generated/(used in) from financing activities	37,227	(131)
Net Increase/(decrease) in cash and cash equivalents	9,417	(7,380)
Cash & cash equivalents at the beginning of year	24,877	32,257
Cash & cash equivalents at the end of period	34,294	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)

LFE CORPORATION BERHAD
(Company No: 200201011680(579343-A))
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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 - Comparative
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

9 months period ended 30 Sept 2023	Construction / Electrical & mechanical RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
REVENUE				
External Sales				
Malaysia	23,142	42,646	-	65,788
Overseas	-	-	-	-
Total revenue	23,142	42,646	-	65,788
RESULTS				
Operating profit/(loss)	3,036	6,623	(700)	8,959
Interest expense	(6)	-	-	(6)
Profit/(Loss) before tax	3,030	6,623	(700)	8,953
Income tax expense	(964)	(1,583)	-	(2,547)
Net Profit/(Loss) for the period	2,066	5,040	(700)	6,406

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.

Strike-off of wholly owned subsidiaries

On September 2023, LFE Technology Sdn Bhd, LFE Builder Sdn Bhd, and Lynex Construction Sdn Bhd submitted an application of the strike-off pursuant to the Section 550 of the Companies Act 2016 to the Companies Commission of Malaysia. The strike-off process was finalized in October 2023, resulting in the subsidiaries being deconsolidated from the Group.

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

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

	30.09.2023
Revenue	RM'000
MYARA Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works	15,738

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1 Review of performance

The Group recorded total revenue of RM30.98 million for the current quarter as compared to RM14.66 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM3.73 million for the current quarter as compared to profit after tax ("PAT") of RM0.71 million for the corresponding period of the preceding year.

The Group's revenue for the current quarter double up 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 RM18 million to the current quarter's revenue. In contrast to the previous quarter, higher revenue also generated from the construction segment as several projects progressed smoothly.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and PAT of RM30.98 million and RM3.73 million respectively for the current quarter as compared to revenue of RM18.72 million and PAT of RM0.93 million for the immediate preceding quarter ended 30 June 2023.

The growth in the Group's revenue and Profit After Tax ("PAT") stems from increased revenue in both the property development and construction projects compared to the immediate preceding quarter. This is particularly due to the higher revenue generated from the Gurun East 2 Project and MyAra Park Project, with both projects showing significant progress on-site.

B3 Future prospects

In the Property Development segment, subsequent to the Joint Venture Development Agreements (JVDA) with landowners in 2021 and 2022, the Group has marked another significant achievement this year. We successfully concluded a JVDA for a section of freehold land located in Daerah Kuala Muda, Kedah, covering an area of around 175 acres. In addition to our ongoing joint venture development, the Group has strategically acquired a land parcel in Gurun, Kedah, augmenting our land bank for future property development projects.

In the construction segment, the Group is steadfast in its commitment to organic growth and is proactively seeking opportunities to broaden its portfolio, thereby strengthening its order book. The existing order book for the construction segment is sufficient to sustain the group's profitability for a duration of 18-24 months.

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 quarter/year because there are sufficient accumulated tax losses from previous years to cover the current 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.

B8 Borrowings and debt securities

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

	30.09.2023 RM'000	31.12.2022 RM'000
Long Term		
Finance Lease Liabilities	105	150
Term Loan	10,000	-
	<hr/>	<hr/>
	10,105	150
Short Term		
Finance Lease Liabilities	79	123
Total	<hr/> <hr/>	<hr/> <hr/>
	10,184	273

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 30.09.2023	Cumulative period for 9 months ended 30.09.2023
Net Profit attributable to Owners of the Company ('000)	2,747	3,636
Weighted average number of shares ('000)	980,596	980,596
Basic Earning per share (sen)	0.28	0.37

(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 30/11/2023.