



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 2023

| | Individual Quarter | | Cumulative Quarters | |
|---------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------|
| | Current Quarter Ended 31 Dec 2023 RM'000 | Preceding year Corresponding Quarter Ended 31 Dec 2022 RM'000 | Current Year To Date 31 Dec 2023 RM'000 | Preceding Year Corresponding Period 31 Dec 2022 RM'000 |
| Revenue | 48,567 | 26,969 | 114,355 | 73,227 |
| Cost of sales | (37,772) | (23,460) | (89,980) | (65,651) |
| Gross Profit | 10,795 | 3,509 | 24,375 | 7,576 |
| Other operating income | 142 | 1,080 | 242 | 1,332 |
| Interest income | 214 | 195 | 478 | 195 |
| Administrative expenses | (1,359) | (1,967) | (6,344) | (5,796) |
| Other operating expenses | (317) | (156) | (317) | (156) |
| Finance costs | (150) | (13) | (156) | (23) |
| Profit before taxation | 9,325 | 2,648 | 18,278 | 3,128 |
| Taxation | (586) | (1,308) | (3,133) | (1,244) |
| Profit for the period | 8,739 | 1,340 | 15,145 | 1,884 |
| Other comprehensive income : | | | | |
| Item that may be reclassified subsequently to profit or loss | | | | |
| - Currency translation differences of foreign operations | 56 | (71) | 56 | 60 |
| Total comprehensive income for the period | 8,795 | 1,269 | 15,201 | 1,944 |
| Net Profit attributable to : | | | | |
| Owners of the Company | 8,225 | 475 | 11,861 | 462 |
| Non- controlling interest | 514 | 865 | 3,284 | 1,422 |
| | 8,739 | 1,340 | 15,145 | 1,884 |
| Total comprehensive income attributable to : | | | | |
| Owners of the Company | 8,281 | 404 | 11,917 | 522 |
| Non- controlling interest | 514 | 865 | 3,284 | 1,422 |
| | 8,795 | 1,269 | 15,201 | 1,944 |
| Earning per share attributable to owners of the Company (sen) | Sen | Sen | Sen | Sen |
| - Basic | 0.84 | 0.06 | 1.21 | 0.06 |
| - 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 31 DECEMBER 2023

| | At Current Financial Year Ended 31 Dec 2023 Unaudited (RM'000) | At Previous Financial Year Ended 31 Dec 2022 Audited (RM'000) |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 190 | 315 |
| Right-of-use asset | 22 | 44 |
| Goodwill | 23,184 | 23,184 |
| Investment in Joint Ventures | 1,286 | 1,230 |
| | 24,682 | 24,773 |
| Current Assets | | |
| Contract assets | 27,291 | 11,766 |
| Property development cost | 28,021 | 25,489 |
| Trade receivables | 29,269 | 20,868 |
| Other receivables | 13,507 | 9,384 |
| Tax recoverable | 588 | 256 |
| Fixed deposits placed with licensed banks | 9,801 | 12,767 |
| Cash and bank balances | 20,388 | 12,109 |
| Contract cost assets | 408 | 1,086 |
| | 129,273 | 93,725 |
| TOTAL ASSETS | 153,955 | 118,498 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share Capital | 134,983 | 107,712 |
| Reserves | (49,466) | (39,477) |
| Non-controlling interest | - | 7,709 |
| | 85,517 | 75,944 |
| Non- Current Liabilities | | |
| Lease liabilities | 52 | 150 |
| Deferred Tax Liabilities | 8 | 11 |
| Term loan | 8,333 | - |
| | 8,393 | 161 |
| Current Liabilities | | |
| Contract liabilities | 106 | 1,545 |
| Trade payables | 52,240 | 33,220 |
| Other payables | 5,187 | 5,478 |
| Amount owing to a non-controlling interest | - | 1,950 |
| Lease liabilities | 99 | 123 |
| Provision for taxation | 746 | 77 |
| Term loan | 1,667 | - |
| | 60,045 | 42,393 |
| Total Liabilities | 68,438 | 42,554 |
| TOTAL EQUITY AND LIABILITIES | 153,955 | 118,498 |
| Net assets per share (RM) | 0.11 | 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 FOURTH QUARTER ENDED 31 DECEMBER 2023

| | ← Attributable to Owners of the Company → | | | | 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) |
| As at 1 January 2023 | 107,712 | 17,568 | 3,829 | (60,874) | 68,235 | 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 | - | - | - | (21,906) | (10,993) | (32,899) |
| Profit for the financial period | - | - | - | 11,861 | 3,284 | 15,145 |
| Other comprehensive income | - | - | 56 | - | 56 | 56 |
| Total comprehensive income for the period | - | - | 56 | 11,861 | 3,284 | 15,201 |
| As at 31 December 2023 | 134,983 | 17,568 | 3,885 | (70,919) | 85,517 | 85,517 |

| | ← Attributable to Owners of the Company → | | | | 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) |
| As at 1 January 2022 | 107,712 | 17,568 | 3,769 | (61,369) | 67,680 | 73,952 |
| Profit for the financial period | - | - | - | 495 | 1,437 | 1,932 |
| Other comprehensive income | - | - | 60 | - | 60 | 60 |
| Total comprehensive income for the period | - | - | 60 | 495 | 1,437 | 1,992 |
| As at 31 December 2022 | 107,712 | 17,568 | 3,829 | (60,874) | 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 FOURTH QUARTER ENDED 31 DECEMBER 2023

| | Current Financial Year Ended 31 Dec 2023 (RM'000) | Previous Financial Year Ended 31 Dec. 2022 (RM'000) |
|---------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
| Cash Flows for Operating Activities | | |
| Profit before taxation | 18,278 | 3,175 |
| Adjustments for : | | |
| Non-cash items | 494 | 30 |
| Non-operating items | (322) | (158) |
| Operating profit before working capital changes | 18,450 | 3,047 |
| Changes in working capital | | |
| Net change in current assets | (30,458) | (31,179) |
| Net change in current liabilities | 15,579 | 23,504 |
| Cash generated/(used in) from operations | 3,571 | (4,628) |
| Interest received | 478 | 184 |
| Interest paid | (156) | (26) |
| Tax paid | (2,800) | (2,664) |
| Net cash generated/(used in) operating activities | 1,093 | (7,134) |
| Cash Flows From Investing Activities | | |
| Purchase of property, plant and equipment | (30) | (115) |
| Acquisition of a subsidiary | (32,900) | - |
| Net cash used in investing activities | (32,930) | (115) |
| Cash Flows From Financing Activities | | |
| Proceeds from issuance of share capital | 27,271 | - |
| Repayment of lease liabilities | (122) | - |
| Drawdown of term loan | 10,000 | (131) |
| Net cash generated/(used in) from financing activities | 37,149 | (131) |
| Net increase/(decrease) in cash and cash equivalents | 5,312 | (7,380) |
| Cash & cash equivalents at the beginning of year | 24,877 | 32,257 |
| Cash & cash equivalents at the end of period | 30,189 | 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 FOURTH QUARTER ENDED 31 DECEMBER 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

| 12 months period ended 31 Dec 2023 | Construction / Electrical & mechanical RM'000 | Property Development RM'000 | Investment Holding RM'000 | Consolidated RM'000 |
|---------------------------------------|--------------------------------------------------------|-----------------------------------|---------------------------------|------------------------|
| REVENUE | | | | |
| External Sales | | | | |
| Malaysia | 64,801 | 49,554 | - | 114,355 |
| Overseas | - | - | - | - |
| Total revenue | 64,801 | 49,554 | - | 114,355 |
| RESULTS | | | | |
| Operating profit/(loss) | 11,168 | 8,033 | (767) | 18,434 |
| Interest expense | (9) | (147) | - | (156) |
| Profit/(Loss) before tax | 11,159 | 7,886 | (767) | 18,278 |
| Income tax expense | (1,165) | (1,968) | - | (3,133) |
| Net Profit/(Loss) for the period | 9,994 | 5,918 | (767) | 15,145 |

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.

Acquisition of remaining 40% equity interest in LFE Development Sdn Bhd

Acquisition by LFE Corporation Berhad ("LFE") of 100,000 ordinary shares in LFE Development Sdn Bhd ("LDSB"), representing 40% equity interest in LDSB owned by Mr Patrick Heng Jin Wei for a purchase consideration of RM3,500,000 to be satisfied entirely via cash. The transaction completed on October 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:

| | |
|-------------------------------------------------------------------------------------------|-------------------|
| | 31.12.2023 |
| | RM'000 |
| MYARA Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works | <u>19,931</u> |

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1 Review of performance

The Group recorded total revenue of RM48.57 million for the current quarter as compared to RM26.97 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM8.74 million for the current quarter as compared to profit after tax ("PAT") of RM1.34 million for the corresponding period of the preceding year.

The Group has demonstrated exceptional performance in the current quarter, with revenue doubling compared to the corresponding period. This remarkable growth can be credited to the smooth and rapid progress of projects, significantly contributing to the highest quarterly revenue seen in recent years.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and PAT of RM48.57 million and RM8.74 million respectively for the current quarter as compared to revenue of RM30.98 million and PAT of RM3.73 million for the immediate preceding quarter ended 30 Sept 2023.

The Group has shown impressive performance compared to the immediate preceding quarter, with revenue growing by 57% and Profit After Tax increasing by 134%. The higher profit can be attributed to increased gross profit from projects, while administrative and operational expenses remained similar. This reflects the company's dedication to cost control and operational efficiency, resulting in improved overall financial performance.

B3 Future prospects

In this quarter, the Group has shown strong performance. However, it's important to recognize that the group's performance is heavily reliant on the progress of individual projects. As a result, our performance may fluctuate in the short term, but overall the Group able to steadily growing in the long term with existing project on hand. Moving forward, the Group remains committed to seeking opportunities for growth in both the property development and construction segments. Nevertheless, we are mindful of balancing growth with risk, particularly given the challenging economic climate.

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 31 December 2023 are as follows:

| | 31.12.2023 RM'000 | 31.12.2022 RM'000 |
|---------------------------|----------------------|----------------------|
| Long Term | | |
| Finance Lease Liabilities | 52 | 150 |
| Term Loan | 8,333 | - |
| | <hr/> 8,385 | <hr/> 150 |
| Short Term | | |
| Finance Lease Liabilities | 99 | 123 |
| Term Loan | 1,667 | - |
| | <hr/> 1,766 | <hr/> 123 |
| Total | <hr/> <hr/> 10,151 | <hr/> <hr/> 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 31.12.2023 | Cumulative period for 12 months ended 31.12.2023 |
|---------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
| Net Profit attributable to Owners of the Company ('000) | 8,225 | 11,861 |
| Weighted average number of shares ('000) | 980,596 | 980,596 |
| Basic Earning per share (sen) | 0.84 | 1.21 |

(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 29/02/2024.