



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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>31 Mar 2024</u> RM'000	<u>31 Mar 2023</u> RM'000	<u>31 Mar 2024</u> RM'000	<u>31 Mar 2023</u> RM'000
Revenue	50,963	16,092	50,963	16,092
Cost of sales	(41,578)	(12,247)	(41,578)	(12,247)
Gross profit	9,385	3,845	9,385	3,845
Other operating income	10	21	22	21
Interest income	129	74	117	74
Administrative expenses	(1,789)	(1,640)	(1,789)	(1,640)
Finance cost	(1)	(2)	(1)	(2)
Profit before taxation	7,734	2,298	7,734	2,298
Tax expense	(853)	(555)	(853)	(555)
Profit after taxation	6,881	1,743	6,881	1,743
Other comprehensive income	-	-	-	-
Total comprehensive income	6,881	1,743	6,881	1,743
<u>Net profit attributable to:</u>				
Owners of the company	6,881	427	6,881	427
Non- controlling interest	-	1,316	-	1,316
	<u>6,881</u>	<u>1,743</u>	<u>6,881</u>	<u>1,743</u>
<u>Total comprehensive income attributable to:</u>				
Owners of the company	6,881	427	6,881	427
Non- controlling interest	-	1,316	-	1,316
	<u>6,881</u>	<u>1,743</u>	<u>6,881</u>	<u>1,743</u>
Earnings per share attributable to owners of the Company (sen)	0.62	0.04	0.62	0.04

(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 2023)

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

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
AS AT QUARTER ENDED 31 MARCH 2024**

	As at 31 Mar 2024	As at 31 Dec 2023
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	283	204
Right-of-use asset	-	22
Goodwill	23,184	23,184
Investment in joint ventures	1,286	1,286
Inventories	10,803	10,785
	35,556	35,481
Current Assets		
Contract assets	18,447	27,291
Inventories	16,077	16,937
Trade receivables	57,169	29,269
Other receivables	11,316	13,806
Tax recoverable	796	589
Contract cost assets	767	408
Other investments	5,567	7,533
Fixed deposits placed with licensed banks	5,268	2,268
Cash and bank balances	17,894	20,388
	133,301	118,489
TOTAL ASSETS	168,857	153,970

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

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)
AS AT QUARTER ENDED 31 MARCH 2024 (CONT'D)**

	As at 31 Mar 2024	As at 31 Dec 2023
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES		
Equity		
Share capital	134,983	134,983
Reserves	(42,573)	(49,454)
	92,410	85,529
LIABILITIES		
Non-Current Liabilities		
Lease liabilities	27	52
Deferred tax liability	10	10
Bank borrowing	8,333	8,333
	8,370	8,395
Current Liabilities		
Contract liabilities	73	107
Trade payables	58,514	52,240
Other payables	6,494	5,188
Lease liabilities	98	98
Bank borrowing	1,667	1,667
Current tax liabilities	1,231	746
	68,077	60,046
TOTAL LIABILITIES	76,447	68,441
TOTAL EQUITY AND LIABILITIES	168,857	153,970
Net assets per share (RM)	0.08	0.08

(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 2023)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	<----- Non-Distributable ----->	----->	Distributable				
	Share capital	Capital reserves	Exchange translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(Unaudited)							
As at 1.1.2024	134,983	17,568	3,885	(70,907)	85,529	-	85,529
Profit/ Total comprehensive income for the financial period	-	-	-	6,881	6,881	-	6,881
As at 31.03.2024	134,983	17,568	3,885	(64,026)	92,410	-	92,410
(Audited)							
As at 1.1.2023	107,712	17,568	3,830	(60,875)	68,235	7,709	75,944
Issuance of shares from private placements	27,271	-	-	-	27,271	-	27,271
Acquisition of additional interest in subsidiary companies	-	-	-	(21,907)	(21,907)	(10,993)	(32,900)
Profit for the financial year	-	-	-	11,875	11,875	3,284	15,159
Other comprehensive income	-	-	55	-	55	-	55
Total comprehensive income for the year	-	-	55	11,875	11,930	-	15,214
As at 31.12.2023	134,983	17,568	3,885	(70,907)	85,529	-	85,529

(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 2023)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,734	18,293
Adjustment for: -		
Non-cash items	32	1,864
Non-operating items	(116)	(43)
	<hr/>	<hr/>
Operating profit before working capital changes	7,650	20,114
Changes in working capital: -		
Net changes in current assets	(16,117)	(23,850)
Net changes in current liabilities	7,578	16,781
	<hr/>	<hr/>
Cash (used in) /generated from operations	(889)	13,045
Interest received	117	199
Interest paid	(1)	(156)
Income tax paid	(575)	(2,800)
	<hr/>	<hr/>
Net cash (used in)/ generated from operating activities	(1,348)	10,288
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(111)	(30)
Purchase of land held for development	-	(9,472)
Net changes in other investments	1,966	4,512
	<hr/>	<hr/>
Net cash used in investing activities	1,855	(4,990)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	20,771
Acquisition of additional interest in subsidiary companies	-	(26,400)
Increase in fixed deposit pledged	(3,000)	(1,268)
Drawdowns of term loans	-	10,000
Repayments of lease liabilities	(1)	(123)
	<hr/>	<hr/>
Net cash (used in) /generated from financing activities	(3,001)	2,980
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS		
Net changes	(2,494)	8,278
At beginning of financial period	20,388	12,110
	<hr/>	<hr/>
At end of financial period	17,894	20,388
	<hr/>	<hr/>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023)

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

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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 2023. 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 2023.

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 2023 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 2024, as disclosed below:

Amendment to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendment to MFRS 101	Non-current Liabilities with Covenants
Amendment to MFRS 107	Disclosures: Supplier Finance Arrangements

The adoption of the above Amendments to MFRSs did not have any material impact on the financial statements 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 on 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.

A7. Dividends paid

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

A8. Segmental reporting

3 months period ended 31 March 2024	Construction/ Electrical & Mechanical	Property Development	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>				
Local sales	45,849	14,583	-	60,432
Inter-segment	(9,469)		-	(9,469)
Total external sales	<u>36,380</u>	<u>14,583</u>	-	<u>50,963</u>
<u>RESULTS</u>				
Operating profit	4,942	2,856	(63)	7,735
Interest expenses	(1)	-	-	(1)
Profit before tax	<u>4,941</u>	<u>2,856</u>	<u>(63)</u>	<u>7,734</u>
Income tax expenses	(168)	(685)	-	(853)
Net profit for the period	<u>4,773</u>	<u>2,171</u>	<u>(63)</u>	<u>6,881</u>

A9. Carrying amount of revalued assets

This is not applicable.

A10. Material events subsequent to balance sheet date of previous audit report

There are no material events subsequent to the end of the quarter 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 current quarter and financial period under review.

A12. Capital commitments

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

A13. Changes in contingent liabilities and contingent assets

There have been no material changes in the 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:

	<u>31 Mar 2024</u>
	RM'000
Myara Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works	6,150
PuncakCity Project – Earthwork	<u>5,803</u>

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group reported total revenue of RM50.97 million for the current quarter, a significant increase from RM16.09 million for the corresponding period of the preceding year.

The Group's profit after tax (PAT) for the current quarter was RM6.88 million, compared to RM1.74 million for the corresponding period of the preceding year.

This exceptional performance in the current quarter, with revenue tripling compared to the corresponding period of the preceding year, is attributable to the smooth and rapid site progress of new projects, including the Gurun Project, Myara Park Project, and PuncakCity Project.

B2. Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and PAT of RM50.97 million and RM6.88 million, respectively, for the current quarter. This is compared to revenue of RM48.57 million and PAT of RM8.74 million for the immediate preceding quarter ended 31 December 2023.

The Group achieved its highest quarterly revenue again after the impressive performance of the preceding quarter, mainly due to contributions from both the construction and project development segments. Several new construction projects have begun to generate substantial revenue for the Group due to rapid site progress.

However, the Group's PAT decreased by RM1.86 million compared to the immediate preceding quarter. This decrease in PAT, despite higher revenue, is due to lower profit margins in the construction projects compared to property development. The Group anticipates that the gross profit margin will fluctuate between 15%-25%, depending on the revenue mix between the property development segment and construction segments.

B3. Future prospects

Over the quarters, the Group has demonstrated steady organic growth in both the property development segment and construction segments. The Group remains committed to exploring opportunities for expansion within the existing industry and aims to penetrate deeper into the sector, including high-rise property development and advanced technology-based M&E services. 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 the subsidiaries. There are no tax liabilities for one of the profitable subsidiaries in the current quarter because there are sufficient accumulated tax losses from previous years to cover the current tax liabilities.

B6. Sale of unquoted investments and properties

This is not applicable.

B7. Status of corporate proposals announced.

There were 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 are as follows:

	<u>31 Mar 2024</u> RM'000	<u>31 Dec 2023</u> RM'000
Long Term		
Lease Liabilities	27	52
Bank borrowing	8,333	8,333
	<hr/> 8,360	<hr/> 8,385
Short Term		
Lease Liabilities	98	98
Bank borrowing	1,667	1,667
	<hr/> 1,765	<hr/> 1,765
Total	<hr/> 10,125	<hr/> 10,150

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

On 18 March 2024, LFE had instituted legal action in High Court of Kuala Lumpur against Shapadu Boulevard Sdn Bhd [(Registration No. 201301041359 (1071183-K))("Shapadu") and Lim Thiam Leong Realty Sdn Bhd [Registration No. 197101001179 (11539-U)] ("LTLR") with a Writ and Statement of Claim issued by Messrs Chuah Qian & Partners, the solicitors of LFE.

The Writ and Statement of Claim against Shapadu and LTLR were due to Shapadu and LTLR have failed to fully satisfy their duties to pay the amount entitled by LFE under the letters of award and/or letter of appointment for numerous projects, which were recognised and/or acknowledged by Shapadu and LTLR.

Pursuant to the Writ of Summons and Statement of Claim, LFE claimed the following from Shapadu and LTLR:

- (i) The amount outstanding of RM1,049,318.77 to be jointly or severally paid;
- (ii) The amount outstanding of RM5,641,270.62 to be paid by Shapadu;
- (iii) The amount outstanding of RM78,237.00 to be paid by LTLR;
- (iv) Interest at the rate of 5% per annum from the date of filing Writ of Summons until the date of full and final settlement;
- (v) Costs on solicitors and client basis; and
- (vi) Other and/or further reliefs as the Honourable Court deems fit and just.

On 20 May 2024, the Court directed all parties to file interlocutory application (if any) within two (2) weeks. The next Case Management is fixed on 6 June 2024.

B11. Dividend payable

No interim dividend has been recommended for the current quarter under review.

B12. Earnings per share

The basic earnings per share have been calculated by dividing the Group's net profit for the period by the weighted average number of shares in issue.

	INDIVIDUAL QUARTER <u>31 Mar 2024</u>	CUMULATIVE QUARTER <u>31 Mar 2024</u>
Net Profit attributable to Owners of the Company ('000)	6,881	6,881
Number of shares ('000)	1,108,629	1,108,629
Basic Earnings per share (sen)	0.62	0.62

B13. Total Comprehensive Income

Total comprehensive income is derived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	32	38	32	38
Interest expenses	1	2	1	2
Interest income	(117)	(74)	(117)	(74)

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 May 2024.