



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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 Sept 2024</u> RM'000	<u>30 Sept 2023</u> RM'000	<u>30 Sept 2024</u> RM'000	<u>30 Sept 2023</u> RM'000
Revenue	36,953	30,976	124,378	65,788
Cost of sales	(32,508)	(24,098)	(102,428)	(52,208)
Gross profit	4,445	6,878	21,950	13,580
Other operating income	255	69	300	100
Interest income	140	108	410	264
Administrative expenses	(1,363)	(1,417)	(4,951)	(4,985)
Finance cost	(141)	(2)	(422)	(6)
Profit before taxation	3,336	5,636	17,287	8,953
Tax expenses	(211)	(1,905)	(2,176)	(2,547)
Profit after taxation	3,125	3,731	15,111	6,406
Other comprehensive income	-	-	-	-
Total comprehensive income	3,125	3,731	15,111	6,406
<u>Net profit attributable to:</u>				
Owners of the company	3,125	2,747	15,111	3,636
Non- controlling interest	-	984	-	2,770
	3,125	3,731	15,111	6,406
<u>Total comprehensive income attributable to:</u>				
Owners of the company	3,125	2,747	15,111	3,636
Non- controlling interest	-	984	-	2,770
	3,125	3,731	15,111	6,406
Earnings per share attributable to owners of the Company (sen)	0.28	0.28	1.36	0.37

(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 30 SEPTEMBER 2024**

	As at 30 Sept 2024 RM'000 <i>(Unaudited)</i>	As at 31 Dec 2023 RM'000 <i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	210	204
Right-of-use asset	22	22
Goodwill	23,184	23,184
Investment in joint ventures	925	1,286
Inventories	18,345	10,785
	42,686	35,481
Current Assets		
Contract assets	22,687	27,291
Inventories	8,163	16,937
Trade receivables	52,139	29,269
Other receivables	11,996	13,806
Tax recoverable	1,017	589
Contract cost assets	513	408
Other investments	5,669	7,533
Fixed deposits placed with licensed banks	2,325	2,268
Cash and bank balances	17,839	20,388
	122,348	118,489
TOTAL ASSETS	165,034	153,970

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**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)
AS AT QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)**

	As at 30 Sept 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	(34,343)	(49,454)
	100,640	85,529
LIABILITIES		
Non-Current Liabilities		
Lease liabilities	-	52
Deferred tax liability	10	10
Bank borrowing	8,333	8,333
	8,343	8,395
Current Liabilities		
Contract liabilities	1,829	107
Trade payables	43,757	52,240
Other payables	7,939	5,188
Lease liabilities	94	98
Bank borrowing	1,667	1,667
Current tax liabilities	765	746
	56,051	60,046
TOTAL LIABILITIES	64,394	68,441
TOTAL EQUITY AND LIABILITIES	165,034	153,970
Net assets per share (RM)	0.09	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	15,111	15,111	-	15,111
As at 30.09.2024	134,983	17,568	3,885	(55,796)	100,640	-	100,640
(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	3,284	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
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	<u>30 Sept 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	17,287	18,293
Adjustment for: -		
Non-cash items	99	1,864
Non-operating items	373	(43)
	<hr/>	<hr/>
Operating profit before working capital changes	17,759	20,114
Changes in working capital: -		
Net changes in current assets	(13,626)	(23,850)
Net changes in current liabilities	(5,732)	16,781
	<hr/>	<hr/>
Cash (used in) /generated from operations	(1,599)	13,045
Interest received	410	199
Interest paid	(422)	(156)
Income tax paid	(2,585)	(2,800)
	<hr/>	<hr/>
Net cash (used in)/ generated from operating activities	(4,196)	10,288
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(105)	(30)
Purchase of land held for development	-	(9,472)
Net changes in other investments	1,865	4,512
	<hr/>	<hr/>
Net cash used in investing activities	1,760	(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	(57)	(1,268)
Drawdowns of term loans	-	10,000
Repayments of lease liabilities	(56)	(123)
	<hr/>	<hr/>
Net cash (used in) /generated from financing activities	(113)	2,980
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS		
Net changes	(2,549)	8,278
At beginning of financial period	20,388	12,110
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At end of financial period	17,839	20,388
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(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
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**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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

9 months period ended 30 September 2024	Construction/ Electrical & Mechanical	Property Development	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>				
Local sales	105,512	40,849	-	146,361
Inter-segment	(21,983)	-	-	(21,983)
Total external sales	<u>83,529</u>	<u>40,849</u>		<u>124,378</u>
<u>RESULTS</u>				
Operating profit	11,011	6,916	(218)	17,709
Interest expenses	(3)	(419)	-	(422)
Profit before tax	11,008	6,497	(218)	17,287
Income tax expenses	(617)	(1,559)	-	(2,176)
Net profit for the period	<u>10,391</u>	<u>4,938</u>	<u>(218)</u>	<u>15,111</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>30 Sept 2024</u>
	RM'000
Myara Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works	20,557
PuncakCity Project – Earthwork	6,683
PuncakCity Project – Piling	1,118

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group recorded a total revenue of RM36.95 million for the current quarter ended 30 September 2024, reflecting a 19% increase from RM30.98 million in the corresponding period of the previous year. This growth is primarily attributed to the completion of Gurun East Phase 2a and the smooth progress of Phase 2b and Phase 2c, all of which have been fully sold as of this quarter.

However, the Group's Profit After Tax (PAT) declined to RM3.1 million, compared to RM3.7 million in the same period last year. This drop was due to additional costs incurred on the development project, including final infrastructure completion costs and professional fees, which impacted the overall profitability.

B2. Comparison between the current quarter and immediate preceding quarter

The Group's revenue for the current quarter of RM36.95 million remained consistent with the RM36.46 million reported in the preceding quarter ended 30 June 2024. The primary contributors to the revenue remain the Gurun East Phase 2 development project and the Factory M&E work in Penang.

Despite steady revenue, the Group's PAT decreased from RM5.1 million in the preceding quarter to RM3.1 million. This decline is attributed to additional costs incurred during the final completion stages of the development projects, leading to a lower gross profit margin and ultimately affecting the PAT.

B3. Future prospects

The Group remains committed to pursuing expansion opportunities within its core services of construction, M&E, and property development. As recently announced, the Group has secured an M&E work contract for a Data Centre by collaborating with overseas expert partners, leveraging their specialized expertise. Additionally, the Group has been awarded an M&E work contract for a Wellness Center, further diversifying its portfolio within high-growth sectors.

These strategic moves mark significant steps in the Group's efforts to expand into high-potential segments while aligning with its long-term growth aspirations. Nevertheless, the Group continues to exercise caution, balancing growth with risk, especially in the face of the current challenging economic environment.

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>30 Sept 2024</u> RM'000	<u>31 Dec 2023</u> RM'000
Long Term		
Lease Liabilities	-	52
Bank borrowing	8,333	8,333
	<u>8,333</u>	<u>8,385</u>
Short Term		
Lease Liabilities	94	98
Bank borrowing	1,667	1,667
	<u>1,761</u>	<u>1,765</u>
Total	<u>10,094</u>	<u>10,150</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

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.

The Court has adjourned the Hearing for the Shapadu and LTLR's Striking Out Application and LFE's Application for Summary Judgment and Disposal of Case on Point of Law as well as the LFE's Application for Joinder and Amendment to 5th December 2024 to allow parties to negotiate towards a potential settlement.

The Court has further fixed the Case Management for the Writ of Summons on 5th December 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>30 Sept 2024</u>	CUMULATIVE QUARTERS <u>30 Sept 2024</u>
Net Profit attributable to Owners of the Company ('000)	3,125	15,111
Number of shares ('000)	1,108,629	1,108,629
Basic Earnings per share (sen)	0.28	1.36

B13. Total Comprehensive Income

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

	INDIVIDUAL QUARTER <u>30 Sept 2024</u> RM'000	INDIVIDUAL QUARTER <u>30 Sept 2023</u> RM'000	CUMULATIVE QUARTERS <u>30 Sept 2024</u> RM'000	CUMULATIVE QUARTERS <u>30 Sept 2023</u> RM'000
Depreciation	34	40	99	116
Interest expenses	141	2	422	6
Interest income	(140)	(108)	(410)	(264)
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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 22 November 2024.