



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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 June 2024</u> RM'000	<u>30 June 2023</u> RM'000	<u>30 June 2024</u> RM'000	<u>30 June 2023</u> RM'000
Revenue	36,462	18,720	87,425	34,812
Cost of sales	(28,342)	(15,863)	(69,920)	(28,110)
Gross profit	8,120	2,857	17,505	6,702
Other operating income	35	10	45	31
Interest income	141	82	270	156
Administrative expenses	(1,799)	(1,927)	(3,588)	(3,567)
Finance cost	(280)	(2)	(281)	(4)
Profit before taxation	6,217	1,020	13,951	3,318
Tax expenses	(1,112)	(87)	(1,965)	(642)
Profit after taxation	5,105	933	11,986	2,676
Other comprehensive income	-	-	-	-
Total comprehensive income	5,105	933	11,986	2,676
<u>Net profit attributable to:</u>				
Owners of the company	5,105	463	11,986	890
Non- controlling interest	-	470	-	1,786
	<u>5,105</u>	<u>933</u>	<u>11,986</u>	<u>2,676</u>
<u>Total comprehensive income attributable to:</u>				
Owners of the company	5,105	463	11,986	890
Non- controlling interest	-	470	-	1,786
	<u>5,105</u>	<u>933</u>	<u>11,986</u>	<u>2,676</u>
Earnings per share attributable to owners of the Company (sen)	0.46	0.05	1.08	0.09

(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 JUNE 2024**

	As at 30 June 2024	As at 31 Dec 2023
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	233	204
Right-of-use asset	22	22
Goodwill	23,184	23,184
Investment in joint ventures	925	1,286
Inventories	14,939	10,785
	39,303	35,481
Current Assets		
Contract assets	25,589	27,291
Inventories	12,714	16,937
Trade receivables	51,966	29,269
Other receivables	14,021	13,806
Tax recoverable	982	589
Contract cost assets	790	408
Other investments	5,629	7,533
Fixed deposits placed with licensed banks	5,295	2,268
Cash and bank balances	14,709	20,388
	131,695	118,489
TOTAL ASSETS	170,998	153,970

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

	As at 30 June 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	(37,468)	(49,454)
	97,515	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	239	107
Trade payables	53,190	52,240
Other payables	8,084	5,188
Lease liabilities	79	98
Bank borrowing	1,667	1,667
Current tax liabilities	1,854	746
	65,113	60,046
TOTAL LIABILITIES	73,483	68,441
TOTAL EQUITY AND LIABILITIES	170,998	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 SECOND QUARTER ENDED 30 JUNE 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	-	-	-	11,986	11,986	-	11,986
As at 31.06.2024	134,983	17,568	3,885	(58,921)	97,515	-	97,515
(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
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	<u>30 June 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	13,951	18,293
Adjustment for: -		
Non-cash items	65	1,864
Non-operating items	372	(43)
	<hr/>	<hr/>
Operating profit before working capital changes	14,388	20,114
Changes in working capital: -		
Net changes in current assets	(21,393)	(23,850)
Net changes in current liabilities	3,845	16,781
	<hr/>	<hr/>
Cash (used in) /generated from operations	(3,160)	13,045
Interest received	270	199
Interest paid	(281)	(156)
Income tax paid	(1,250)	(2,800)
	<hr/>	<hr/>
Net cash (used in)/ generated from operating activities	(4,421)	10,288
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(94)	(30)
Purchase of land held for development	-	(9,472)
Net changes in other investments	1,905	4,512
	<hr/>	<hr/>
Net cash used in investing activities	1,811	(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	(3,025)	(1,268)
Drawdowns of term loans	-	10,000
Repayments of lease liabilities	(44)	(123)
	<hr/>	<hr/>
Net cash (used in) /generated from financing activities	(3,069)	2,980
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS		
Net changes	(5,679)	8,278
At beginning of financial period	20,388	12,110
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At end of financial period	14,709	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
Company No: 200201011680 (579343 - A)

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 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

6 months period ended 30 June 2024	Construction/ Electrical & Mechanical RM'000	Property Development RM'000	Others RM'000	Consolidated RM'000
<u>REVENUE</u>				
Local sales	79,036	26,985	-	106,021
Inter-segment	(18,596)	-	-	(18,596)
Total external sales	<u>60,440</u>	<u>26,985</u>	<u>-</u>	<u>87,425</u>
<u>RESULTS</u>				
Operating profit	7,372	6,981	(123)	14,230
Interest expenses	(2)	(279)	-	(281)
Profit before tax	<u>7,370</u>	<u>6,702</u>	<u>(123)</u>	<u>13,949</u>
Income tax expenses	(357)	(1,608)	-	(1,965)
Net profit for the period	<u>7,013</u>	<u>5,094</u>	<u>(123)</u>	<u>11,984</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 June 2024</u> RM'000
Myara Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works	13,279
PuncakCity Project – Earthwork	<u>6,679</u>

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group reported total revenue of RM36.46 million for the current quarter, a significant increase from RM18.72 million in the corresponding period of the previous year.

The Group's profit after tax (PAT) for the current quarter was RM5.1 million, compared to RM0.93 million in the corresponding period of the previous year.

This exceptional performance in the current quarter, with revenue nearly doubling compared to the corresponding period last year, is attributed to new projects that were not present last year, including the main building work of Myara Park Project, and PuncakCity Project.

B2. Comparison between the current quarter and immediate preceding quarter

The Group reported revenue of RM36.46 million and PAT of RM5.1 million for the current quarter, compared to RM50.96 million in revenue and RM6.88 million in PAT for the immediate preceding quarter ended 31 December 2023.

Revenue decreased by RM14.5 million compared to the previous quarter, this decline is primarily due to a major M&E project nearing completion at the end of the current quarter and the completion of PuncakCity's earthwork project. Several new construction projects secured in the previous quarter are still in the planning phase and are anticipated to contribute to the Group's revenue starting next quarter.

Additionally, the Group's PAT decreased by RM1.78 million compared to the previous quarter. This decline in PAT is mainly attributed to the lower revenue from the construction segment, as noted above, and higher marketing expenses related to a property development project.

B3. Future prospects

The Group remains committed to seeking expansion opportunities within our core services of construction, M&E, and property development. However, we are cautious about balancing growth with risk, especially considering the 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:

	30 June 2024	31 Dec 2023
	RM'000	RM'000
Long Term		
Lease Liabilities	27	52
Bank borrowing	8,333	8,333
	<u>8,360</u>	<u>8,385</u>
Short Term		
Lease Liabilities	79	98
Bank borrowing	1,667	1,667
	<u>1,746</u>	<u>1,765</u>
Total	<u>10,106</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 scheduled and fixed the Hearing for the Shapadus' Striking Out Application and LFE application for Summary Judgment and Disposal of Point of Law as well as the LFE application for Joinder and Amendment on 17th October 2024.

The Court has further fixed the Case Management of the Writ of Summons on 17th October 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 June 2024</u>	CUMULATIVE QUARTERS <u>30 June 2024</u>
Net Profit attributable to Owners of the Company ('000)	5,105	11,986
Number of shares ('000)	1,108,629	1,108,629
Basic Earnings per share (sen)	0.46	1.08

B13. Total Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 June 2024</u>	<u>30 June 2023</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	33	38	65	76
Interest expenses	280	2	281	4
Interest income	(141)	(82)	(270)	(156)
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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 27 August 2024