



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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	29,716	48,567	154,094	114,355
Cost of sales	(23,443)	(37,772)	(125,871)	(89,980)
Gross profit	6,273	10,795	28,223	24,375
Other operating income	3,908	142	4,208	242
Interest income	109	214	519	478
Administrative expenses	(1,385)	(1,359)	(6,336)	(6,344)
Other operating expenses	(7,966)	(317)	(7,966)	(317)
Finance cost	(133)	(150)	(555)	(156)
Profit from operations	806	9,325	18,093	18,278
Share of results of joint ventures	712	-	712	-
Profit before taxation	1,518	9,325	18,805	18,278
Taxation	8,757	(586)	6,581	(3,133)
Profit after taxation	10,275	8,739	25,386	15,145
Other comprehensive (loss)/income	(3,885)	56	(3,885)	56
Total comprehensive income	6,390	8,795	21,501	15,201
<u>Net profit attributable to:</u>				
Owners of the company	10,275	8,225	25,386	11,861
Non- controlling interest	-	514	-	3,284
	10,275	8,739	25,386	15,145
<u>Total comprehensive income attributable to:</u>				
Owners of the company	6,390	8,281	21,501	11,917
Non- controlling interest	-	514	-	3,284
	6,390	8,795	21,501	15,201
Earnings per share attributable to owners of the Company (sen)	0.93	0.84	2.29	1.21

(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 DECEMBER 2024**

	As at <u>31 Dec 2024</u> RM'000 <i>(Unaudited)</i>	As at <u>31 Dec 2023</u> RM'000 <i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	196	204
Right-of-use asset	-	22
Goodwill	23,184	23,184
Investment in joint ventures	4,896	1,286
Deferred tax asset	9,315	-
Inventories	23,582	10,785
	61,173	35,481
Current Assets		
Contract assets	12,292	27,291
Inventories	2,442	16,937
Trade receivables	49,865	29,269
Other receivables	15,208	13,806
Tax recoverable	523	589
Contract cost assets	326	408
Other investments	2,687	7,533
Fixed deposits placed with licensed banks	2,325	2,268
Cash and bank balances	23,077	20,388
	108,745	118,489
TOTAL ASSETS	169,918	153,970

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

	As at 31 Dec 2024 RM'000 (Unaudited)	As at 31 Dec 2023 RM'000 (Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	134,983	134,983
Reserves	(27,953)	(49,454)
	107,030	85,529
LIABILITIES		
Non-Current Liabilities		
Lease liabilities	-	52
Deferred tax liability	3	10
Bank borrowing	3,750	8,333
	3,753	8,395
Current Liabilities		
Contract liabilities	1,421	107
Trade payables	43,694	52,240
Other payables	8,939	5,188
Lease liabilities	52	98
Bank borrowing	5,000	1,667
Current tax liabilities	29	746
	59,135	60,046
TOTAL LIABILITIES	62,888	68,441
TOTAL EQUITY AND LIABILITIES	169,918	153,970
Net assets per share (RM)	0.10	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 FOURTH QUARTER ENDED 31 DECEMBER 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 for the financial period	-	-	-	25,386	25,386	-	25,386
Other comprehensive loss	-	-	(3,885)	-	(3,885)	-	(3,885)
Total comprehensive (loss)/ income for the year	-	-	(3,885)	25,386	21,501	-	21,501
As at 31.12.2024	134,983	17,568	-	(45,521)	107,030	-	107,030
(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 FOURTH QUARTER ENDED 31 DECEMBER 2024**

	<u>31 Dec 2024</u> RM'000 <i>(Unaudited)</i>	<u>31 Dec 2023</u> RM'000 <i>(Audited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	18,804	18,293
Adjustment for: -		
Non-cash items	4,213	1,864
Non-operating items	1,426	(43)
Operating profit before working capital changes	24,443	20,114
Changes in working capital: -		
Net changes in current assets	(11,870)	(23,850)
Net changes in current liabilities	(4,796)	16,781
Cash generated from operations	7,777	13,045
Interest received	518	199
Interest paid	(555)	(156)
Income tax paid	(4,321)	(2,800)
Income tax refund	930	-
Net cash generated from operating activities	4,349	10,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(124)	(30)
Purchase of land held for development	-	(9,472)
Net changes in other investments	4,847	4,512
Investment in joint venture	(5,000)	-
Net cash used in investing activities	(277)	(4,990)
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
Repayment of term loans	(1,250)	-
Repayments of lease liabilities	(75)	(123)
Net cash (used in) /generated from financing activities	(1,382)	2,980
CASH AND CASH EQUIVALENTS		
Net changes	2,690	8,278
At beginning of financial period	20,388	12,110
At end of financial period	23,078	20,388

(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 FOURTH QUARTER ENDED 31 DECEMBER 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

12 months period ended 31 December 2024	Construction/ Electrical & Mechanical RM'000	Property Development RM'000	Others RM'000	Consolidated RM'000
<u>REVENUE</u>				
Local sales	133,957	50,210	-	184,167
Inter-segment	(30,073)	-	-	(30,073)
Total external sales	103,884	50,210	-	154,094
<u>RESULTS</u>				
Operating profit	11,143	7,803	(298)	18,648
Interest expenses	(3)	(552)	-	(555)
Share of results of joint ventures	-	-	712	712
Profit before tax	11,140	7,251	414	18,805
Income tax expenses	8,546	(1,965)	-	6,581
Net profit for the period	19,686	5,286	414	25,386

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 Dec 2024</u>
	RM'000
Myara Park project - Civil and Structural (C&S) and Mechanical and Electrical (M&E) works	31,592
PuncakCity Project – Earthwork	7,377
PuncakCity Project – Piling	3,243

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS**B1. Review of performance**

For the quarter ended 31 December 2024, the Group recorded a revenue of RM29.72 million, representing a 39% decrease from RM48.57 million in the corresponding period last year. The decline was primarily due to the completion of Gurun East Phase 2a project in Q3 2024, which had been a major revenue contributor in prior periods. Additionally, the Penang factory project also progressed into its final stage this quarter, whereas it was at its peak development phase during the same period last year, further impacting revenue.

The Group's profit after tax ("PAT") increased to RM10.28 million, compared to RM8.74 million in the corresponding period last year. This was despite a decline in gross profit, which fell from RM10.8 million in the same quarter last year to RM6.27 million in the current quarter, primarily due to reduced revenue contributions from completed projects. The increase in PAT was largely driven by a realization of the foreign exchange reserve gain of RM3.9 million and the recognition of a deferred tax asset totaling RM9.3 million, both of which were one-off accounting adjustments. These gains helped offset the decline in gross profit but were partially reduced by an increase in the expected credit loss (ECL) impairment provision of RM8 million.

B2. Comparison between the current quarter and immediate preceding quarter

The Group recorded a total revenue of RM29.72 million for the quarter ended 31 December 2024, compared to RM36.95 million in the preceding quarter. The decline in revenue was mainly due to the completion of Gurun East Phase 2a in Q3 2024, which had been a key contributor in prior periods. Additionally, newly awarded projects from the second half of 2024 have yet to generate significant revenue, as they remain in the planning, approval, and coordination stages. These projects are expected to make substantial contributions in the first half of FY2025.

Despite the lower revenue, the Group's Profit After Tax (PAT) rose significantly to RM10.28 million, compared to RM3.1 million in the previous quarter. After adjusting for one-off gains and the ECL impairment, the underlying PAT remains above RM5.08 million, mainly driven by a higher gross profit margin from ongoing projects compare to previous quarter, highlighting improved cost efficiency and effective project execution.

B3. Future prospects

The Group remains focused on expanding within its core sectors of construction, M&E, and property development, while adopting a cautious approach in response to the challenging economic and construction industry outlook. With its current order book providing sustained activity for the coming years, the Group remains selective in tendering for new projects, prioritizing profitability and cash flow sustainability. Additionally, the recently secured M&E contract for a Data Centre, in collaboration with overseas expert partners, represents a strategic entry into a high-potential segment, further strengthening the Group's position in the industry.

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. The group decides to recognize the deferred tax assets amounting to RM 9.3 million as the subsidiary has sufficient foreseeable future profit to utilize the accumulated tax losses.

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 Dec 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000
Long Term		
Lease Liabilities	-	52
Bank borrowing	3,750	8,333
	<u>3,750</u>	<u>8,385</u>
Short Term		
Lease Liabilities	52	98
Bank borrowing	5,000	1,667
	<u>5,052</u>	<u>1,765</u>
Total	<u>8,802</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 Defendants' Striking Out Application and Plaintiffs' Application for Summary Judgment and Disposal of Case on Point of Law as well as the Plaintiffs' 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. The Hearing and the Case Management further adjourned to 6 March 2025.

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 31 Dec 2024	CUMULATIVE QUARTERS 31 Dec 2024
Net Profit attributable to Owners of the Company ('000)	10,275	25,386
Number of shares ('000)	1,108,629	1,108,629
Basic Earnings per share (sen)	0.93	2.29

B13. Total Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	34	24	133	140
Interest expenses	133	150	555	156
Interest income	(109)	(214)	(519)	(478)
	<hr/>	<hr/>	<hr/>	<hr/>

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 28 February 2025.