



LFE CORPORATION BERHAD
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the third quarter ended 30 April 2017

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 30 April 2017 RM'000	Preceding year corresponding Quarter Ended 30 April 2016 RM'000	Current Year To Date 30 April 2017 RM'000	Preceding Year Corresponding Period 30 April 2016 RM'000
Revenue	2,901	8,401	11,719	20,682
Cost of sales	(1,586)	(6,181)	(6,097)	(14,620)
Gross Profit	1,315	2,220	5,622	6,062
Other operating income	-	133	-	282
Administrative expenses	(866)	(1,555)	(3,434)	(3,125)
Other operating expenses	-	(1)	(1)	(14)
Finance costs	(254)	(443)	(934)	(2,257)
Share of results of associate companies	11	3	16	20
Profit before taxation	206	357	1,269	968
Taxation	(70)	-	(70)	-
Net Profit for the period	136	357	1,199	968
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Exchange differences arising from translation of foreign operations	(1,031)	(959)	2,616	445
Total comprehensive (loss)/ profit for the period	(895)	(602)	3,815	1,413
Net Profit attributable to :				
Owners of the Company	136	357	1,199	968
Non- controlling interest	-	-	-	-
	136	357	1,199	968
Total comprehensive (loss)/income attributable to :				
Owners of the Company	(895)	(602)	3,815	1,413
Non- controlling interest	-	-	-	-
	(895)	(602)	3,815	1,413
Earnings per share attributable to owners of the Company (sen)				
- Basic	0.08	0.24	0.66	0.65
- 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 year ended 31 July 2016)

LFE CORPORATION BERHAD
(Company No : 579343-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 APRIL 2017

	Unaudited 30 April 2017 (RM'000)	Audited 31 July 2016 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	371	364
Investment properties	265	265
Investment in associate companies	188	172
	<u>824</u>	<u>801</u>
Current Assets		
Amount owing by customers on contracts	20,452	15,625
Trade receivables	18,594	22,328
Other receivables	2,946	3,216
Amount owing by associate companies	7,637	6,430
Tax recoverable	-	100
Cash and bank balances	153	291
	<u>49,782</u>	<u>47,990</u>
Assets held for sale	54,777	50,441
Total current assets	<u>104,559</u>	<u>98,431</u>
TOTAL ASSETS	<u>105,383</u>	<u>99,232</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	54,470	54,470
Reserves	(4,587)	(8,402)
	<u>49,883</u>	<u>46,068</u>
Non-Current liabilities		
Finance lease liabilities	48	60
	<u>48</u>	<u>60</u>
Current Liabilities		
Amount owing to customers on contracts	45	1,912
Trade payables	20,496	20,485
Other payables	33,507	28,697
Finance lease liabilities	17	16
Bank borrowings	1,293	1,965
Provision for taxation	94	29
	<u>55,452</u>	<u>53,104</u>
Total Liabilities	<u>55,500</u>	<u>53,164</u>
TOTAL EQUITY AND LIABILITIES	<u>105,383</u>	<u>99,232</u>
Net assets per share (RM)	<u>0.27</u>	<u>0.31</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2016)

LFE CORPORATION BERHAD
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the third quarter ended 30 April 2017

	Attributable to Owners of the Company		Non-distributable reserve		Accumulated lossess	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)
	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)				
(Audited)								
As at 1 August 2015	84,900	5,218	-	2,510	(77,539)	15,089	-	15,089
Reduction in Par Value of Share Capital	(59,430)	-	12,350	-	47,080	-	-	-
Share Premium Reduction	-	(5,218)	5,218	-	-	-	-	-
Private Placement	20,000	-	-	-	-	20,000	-	20,000
Rights Issue	5,641	-	-	-	-	5,641	-	5,641
Shares issued pursuant to Debt Settlement	3,359	-	-	-	-	3,359	-	3,359
Total contribution from owners	54,470	-	17,568	2,510	(30,459)	44,089	-	44,089
Total comprehensive profit for the year	-	-	-	605	1,374	1,979	-	1,979
As at 31 July 2016	54,470	-	17,568	3,115	(29,085)	46,068	-	46,068

	Attributable to Owners of the Company		Exchange translation reserve		Accumulated lossess	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)
	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)				
(Unaudited)								
As at 1 August 2016	54,470	-	17,568	3,115	(29,085)	46,068	-	46,068
Total comprehensive profit for the period	-	-	-	2,616	1,199	3,815	-	3,815
As at 30 April 2017	54,470	-	17,568	5,731	(27,886)	49,883	-	49,883

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 July 2016)

LFE CORPORATION BERHAD

(Company No : 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the third quarter ended 30 April 2017

	Current Period Ended 30 April 2017 (RM'000)	Preceding Financial Period Ended 31 July 2016 (RM'000)
Cash Flows From Operating Activities		
Profit before taxation	1,269	1,458
Adjustments for :		
Non-cash items	51	72
Non-operating items	918	2,430
Operating profit before working capital changes	2,238	3,960
Changes in working capital		
Net change in current assets	(7,025)	(13,090)
Net change in current liabilities	4,821	(24,069)
Amount owing by associate companies	(1,207)	572
Cash used in operations	(1,173)	(32,627)
Interest received	-	11
Interest paid	(935)	(2,574)
Income taxes refund / (paid)	95	(69)
Net cash used in operating activities	(2,013)	(35,259)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(57)	(27)
Proceeds from disposal of property, plant and equipments	-	75
Proceeds from disposal of assets held for sale	-	16,057
Net cash (used in) / generated from investing activities	(57)	16,105
Cash Flows From Financing Activities		
Decrease in fixed deposit pledged	-	9
Repayment of bank borrowings	(672)	(11,673)
Repayment of finance lease liabilities	(12)	(10)
Proceeds from issuance of share capital	-	29,000
Net cash (used in) / generated from financing activities	(684)	17,326
Net decrease in cash and cash equivalents	(2,754)	(1,828)
Exchange differences on translation	2,616	605
Cash & cash equivalents at the beginning of year	291	1,514
Cash & cash equivalents at the end of period	153	291
Cash & cash equivalents comprise:		
Cash and bank balances	153	291
	153	291

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the financial year ended 31 July 2016)

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 July 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2016.

A2 Accounting Policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 31 July 2016.

During the period, the Group adopted all new, revised and amendments to MFRSs that are relevant to the Group's operations and effective for accounting years beginning on or after 1 January 2016. The adoption of these new, revised and amendments to MFRSs have not resulted in material change to the Group's accounting policies.

MFRSs effective for annual periods beginning on or after 1 January 2016:

MFRS 14	Regulatory Deferral Accounts.
Amendment to MFRS 10	Consolidated Financial Statements
Amendment to MFRS 11	Joint Arrangements
Amendment to MFRS 12	Disclosure of Interests in Other Entities.
Amendment to MFRS 101	Disclosure Initiative
Amendment to MFRS 116	Property, Plant and Equipment
Amendment to MFRS 127	Separate Financial Statements
Amendment to MFRS 128	Investment in Associates and joint Ventures
Amendment to MFRS 138	Intangible Assets
Amendment to MFRS 141	Agriculture : Bearer Plants
Annual Improvements to MFRSs 2012 - 2014 Cycle	

MFRSs effective for annual periods beginning on or after 1 January 2017:

Amendment to MFRS 107	Statement of Cash Flow
Amendment to MFRS 112	Income Tax

MFRSs effective for annual periods beginning on or after 1 January 2018:

MFRS 15	Revenue from Contracts with Customers
MFRS 9	Financial Instruments
Amendment to MFRS 2	Classification and measurement of Share-based Payment Transactions

MFRS effective for annual periods beginning on or after 1 January 2019:

MFRS 16	Leases
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The adoption of these accounting standards and amendments to the accounting standards are not expected to have any significant impact to the financial statements of the Group and the Company.

A3 Audit report of preceding annual financial statements

The audit report of the preceding annual financial statements ended 31 July 2016 was not subject to any qualification.

A4 Seasonality or cyclicity factors

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A5 Unusual and extraordinary items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period and financial period-to-date under review.

A6 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.

A7 Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period-to-date.

A8 Dividends paid

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

A9 Segmental reporting

9 months period ended 30 April 2017	Construction / Electrical & mechanical RM'000	Investment holding RM'000	Distribution of consumer electronics products RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE					
External Sales					
Malaysia	11,719	-	-	-	11,719
Overseas	-	-	-	-	-
Total revenue	11,719	-	-	-	11,719
RESULTS					
Operating profit/(loss)	2,694	(425)	-	(82)	2,187
Interest expense	(934)	-	-	-	(934)
Share of results in associate	-	-	16	-	16
Profit/(Loss) before tax	1,760	(425)	16	(82)	1,269
Income tax expense	(70)	-	-	-	(70)
Net Profit/(Loss) for the period	1,690	(425)	16	(82)	1,199

A10 Carrying amount of revalued assets

The valuations of land and buildings have been brought forward without amendment from the previous audited financial statements.

A11 Material events subsequent to balance sheet date

There was no material event subsequent to the end of the reporting period and up to the date of issuance of this report .

A12 Changes in the composition of the Group

There were no changes in the compositions of the Group during the period under review.

A13 Capital commitments

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

A14 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.

A15 Significant Related party transactions

Related party transactions conducted for the financial period ended 30 April 2017 are as follows:

a)	Transactions with the related companies of shareholders :	30.04.2017
		RM'000
i)	Construction services rendered to Shapadu Properties Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerlih, Daerah Kemaman, Terengganu	1,483
ii)	Supply of manpower by Daisy Bliss Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerlih, Daerah Kemaman, Terengganu	339
iii)	Services rendered in upgrading and refurbishment of existing podium block of Campbell Complex in Jalan Dang Wangi, Kuala Lumpur	37
b)	Transactions with joint ventures :	
	Interest Expense with a jointly controlled operation - ISZL	872

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

The Group recorded total revenue of RM2.901 million for the current quarter as compared to RM8.401 million for the corresponding period of the preceding year.

The Group recorded profit after tax (PAT) of RM0.136 million for the current quarter as compared to PAT of RM0.357 million for the corresponding period of the preceding year.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and PAT of RM2.901 million and RM0.136 million respectively for the current quarter as compared to revenue of RM5.471 million and PAT of RM0.538 million in the immediate preceding quarter ended 31 January 2017.

Thus, the group recorded aggregate revenue of RM 11.719 million and PAT of RM 1.199 million for the financial period to date ended 30 April 2017.

B3 Future prospects

The Group is actively pursuing and bidding for new projects in the mechanical, engineering, plumbing (MEP) and Construction sectors and it will continue to explore viable and profitable business opportunities locally and regionally through strategic alliances with both established local and foreign partners to enhance shareholders' value and strengthen its financial foundations.

The Group's outstanding bank borrowing has been reduced to RM1.358 million and shareholders' equity increased to RM49.883 million, achieving debt/equity ratio of 0.03 for the financial period ended 30 April 2017. The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholders' value.

The strategic partnerships with its new shareholders and other prestigious local strategic alliance and joint venture partners will certainly enhance LFE Group's book orders, revenue and profitability with sustainability, especially backed by experienced and committed team of skilful workforce, strength and competitive edge of the respective organisations, the Board of Directors expects that the performance in the coming financial year is anticipated to be positive.

B4 Variance of actual profit from forecasted profit and shortfall in profit guarantee.

This is not applicable.

B5 Taxation

	Current quarter ended		Cumulative period ended	
	30.04.2017	31.07.2016	30.04.2017	31.07.2016
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	-	109	-	109
Overseas taxation	-	-	-	-
Sub - total	-	109	-	109
Over provision in respect of prior years		(11)		(11)
Under provision in respect of prior years	70	1	70	1
Deferred taxation		(15)		(15)
Tax expense / (Credit)	<u>70</u>	<u>84</u>	<u>70</u>	<u>84</u>

The tax liabilities incurred was in respect of an underprovision made by a subsidiary company for the early years.

However, there is no tax liability for the current quarter/ year due to sufficient accumulated tax losses brought forward from previous years to off-set against the profit of the current period.

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, other than the following :

B7 New Issue of Securities (Chapter 6 of Listing Requirements)

MIDF Investment on behalf of the Board of Directors of LFE had on 17 January 2017 announced that the Group proposed to undertake a Private Placement of up to ten percent (10%) of the issued and paid -up share capital of LFE to third party investor(s) to be identified later.

On 6 February 2017, LFE submitted the listing application in relation to the Proposed Private Placement to Bursa Malaysia Securities Berhad ("Bursa Securities").

On 13 February 2017, Bursa Securities had approved the listing and quotation for up to 18,156,570 Ordinary Shares in LFE pursuant to the Proposed Private Placement, on the Main Market of Bursa Securities subject to the following conditions:

- a) LFE and MIDF Investment must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement.
- b) LFE and MIDF Investment to inform Bursa Securities upon completion of the Proposed Private Placement.
- c) LFE to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

B8 Borrowings and debt securities

Details of the Group's borrowings as at 30 April 2017 are as follows:

	30.04.2017 RM'000	31.07.2016 RM'000
Short Term Borrowings		
Term loan	1,293	1,965
Finance Lease Liabilities	17	16
	<u>1,310</u>	<u>1,981</u>
Long Term Borrowings		
Finance Lease Liabilities	48	60
	<u>48</u>	<u>60</u>
Total	<u>1,358</u>	<u>2,041</u>

Note: Following the completion of Debt Restructuring exercise as per the Debt Restructuring Agreement (DRA) dated 28 February 2013 and revised DRA dated 19 June 2014, the bank overdraft and Revolving Credit facilities have been converted to Term Loan facilities.

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

There were no changes in material litigation, including the status of pending material litigation since 31 July 2016.

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 30.04.2017	Cumulative period ended 30.04.2017
Net profit attributable to Owners of the Company ('000)	136	1,199
Weighted average number of shares ('000)	181,566	181,566
Basic earnings per share (sen)	0.08	0.66

(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 year to date.

B13 Realised and unrealised profits/losses disclosure

	As at 30.04.2017 RM'000	As at 31.7.2016 RM'000
Total accumulated losses of the company and its subsidiaries:		
- Realised	(27,874)	(29,119)
- Unrealised	1	82
	(27,873)	(29,037)
Total accumulated gain/(losses) of the associated companies		
- Realised	(13)	(48)
- Unrealised	-	-
	(27,886)	(29,085)
Total group accumulated losses as per consolidated accounts	(27,886)	(29,085)

B14 Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Financial Year 2016

Consolidated Profit and Loss Account at 30 April 2016

	As previously stated RM	Reclassification RM	As Restated RM
Current Quarter Result:			
Cost of Sales	(7,173)	992	(6,181)
Other Operating Income	1,125	(992)	133
Administrative Expenses	(1,555)	-	(1,555)
Cumulative Quarter Result:	RM'000	RM'000	RM'000
Cost of Sales	(16,034)	1,414	(14,620)
Other Operating Income	2,538	(2,256)	282
Administrative Expenses	(3,967)	842	(3,125)

B15 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 8 June 2017.