



LFE CORPORATION BERHAD  
(Company No: 579343-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIXTH QUARTER ENDED 31 DECEMBER 2018

	Individual Quarter		Cumulative Quarters	
	Current Quarter - 2 months Ended	Preceding year corresponding Quarter	Current Year To Date - 17 months	Preceding Year Corresponding Period
	31 Dec 2018 RM'000	RM'000	31 Dec 2018 RM'000	- RM'000
Revenue	848	N/A	13,752	N/A
Cost of sales	(866)	N/A	(12,630)	N/A
<b>Gross (Loss)/ Profit</b>	<b>(18)</b>	<b>N/A</b>	<b>1,122</b>	<b>N/A</b>
Other operating income	-	N/A	323	N/A
Administrative expenses	(654)	N/A	(5,411)	N/A
Other operating expenses	(243)	N/A	(1,263)	N/A
Finance costs	(46)	N/A	(481)	N/A
Share of results of associate companies	-	N/A	2	N/A
Share of results of joint ventures	(63)	N/A	(4,856)	N/A
<b>(Loss) before taxation</b>	<b>(1,024)</b>	<b>N/A</b>	<b>(10,564)</b>	<b>N/A</b>
Taxation	-	N/A	(8)	N/A
<b>Net (Loss) for the year</b>	<b>(1,024)</b>	<b>N/A</b>	<b>(10,572)</b>	<b>N/A</b>
<b>Other comprehensive income :</b>				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	(287)	N/A	(1,424)	N/A
<b>Total comprehensive (loss) for the year</b>	<b>(1,311)</b>	<b>-</b>	<b>(11,996)</b>	<b>N/A</b>
<b>Net (Loss) attributable to :</b>				
Owners of the Company	(1,024)	N/A	(10,572)	N/A
Non- controlling interest	-	-	-	-
	<b>(1,024)</b>	<b>N/A</b>	<b>(10,572)</b>	<b>N/A</b>
<b>Total comprehensive (loss) attributable to :</b>				
Owners of the Company	(1,311)	-	(11,996)	N/A
Non- controlling interest	-	-	-	-
	<b>(1,311)</b>	<b>-</b>	<b>(11,996)</b>	<b>N/A</b>
Earnings per share attributable to owners of the Company (sen)	Sen	Sen	Sen	Sen
- Basic	(0.55)	N/A	(5.70)	N/A
- 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 2017)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 DECEMBER 2018**

	At Current Financial Period Ended 31 Dec. 2018 Unaudited (RM'000)	At Previous Financial Year Ended 31 July 2017 Audited (RM'000)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	552	761
Investment properties	-	265
Investment in associate companies	-	182
Investment in Joint Ventures	32,525	38,888
	<u>33,077</u>	<u>40,096</u>
<b>Current Assets</b>		
Amount owing by customers on contracts	10,419	8,081
Trade receivables	6,593	11,901
Other receivables	822	2,194
Amount owing by associate companies	-	2,441
Cash and bank balances	62	174
	<u>17,896</u>	<u>24,791</u>
Assets directly associated with non-current assets classified as held - for - sale	-	7,173
	<u>17,896</u>	<u>31,964</u>
<b>TOTAL ASSETS</b>	<u><b>50,973</b></u>	<u><b>72,060</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	55,470	54,470
Reserves	(22,143)	(10,147)
	<u>33,327</u>	<u>44,323</u>
<b>Non-Current liabilities</b>		
Finance lease liabilities	-	43
	<u>-</u>	<u>43</u>
<b>Current Liabilities</b>		
Amount owing to customers on contracts	-	8
Trade payables	2,131	3,182
Other payables	15,248	16,076
Finance lease liabilities	-	17
Bank borrowings	242	1,136
Provision for taxation	25	64
	<u>17,646</u>	<u>20,483</u>
Liabilities directly associated with non-current assets classified as held - for - sale	-	7,211
	<u>17,646</u>	<u>27,694</u>
<b>Total Liabilities</b>	<u>17,646</u>	<u>27,737</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>50,973</b></u>	<u><b>72,060</b></u>
<b>Net assets per share (RM)</b>	<u>0.18</u>	<u>0.24</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 2017)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIXTH QUARTER ENDED 31 DECEMBER 2018**

	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)
<b>(Audited)</b>								
As at 1 August 2016	54,470	-	17,568	1,208	(29,540)	43,706	-	43,706
Loss for the financial year	-	-	-	-	(1,698)	-	-	(1,698)
Other comprehensive income	-	-	-	2,315	-	2,315	-	2,315
Total comprehensive profit/ (loss) for the year	-	-	-	2,315	(1,698)	617	-	617
As at 31 July 2017	<b>54,470</b>	<b>-</b>	<b>17,568</b>	<b>3,523</b>	<b>(31,238)</b>	<b>44,323</b>	<b>-</b>	<b>44,323</b>

	Share capital (RM'000)	Share premium (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	Total equity (RM'000)
<b>(Unaudited)</b>								
As at 1 August 2017	54,470	-	17,568	3,523	(31,238)	44,323	-	44,323
Private Placement	1,000	-	-	-	-	1,000	-	1,000
Loss for the financial period	-	-	-	-	(10,572)	-	-	(10,572)
Other comprehensive income	-	-	-	(1,424)	-	(1,424)	-	(1,424)
Total comprehensive (Loss) for the period	-	-	-	(1,424)	(10,572)	(11,996)	-	(11,996)
As at 31 December 2018	<b>55,470</b>	<b>-</b>	<b>17,568</b>	<b>2,099</b>	<b>(41,810)</b>	<b>33,327</b>	<b>-</b>	<b>33,327</b>

(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 2017)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIXTH QUARTER ENDED 31 DECEMBER 2018**

	Current Financial Period Ended 31 Dec. 2018 (RM'000)	Previous Financial Year Ended 31 July 2017 (RM'000)
<b>Cash Flows From Operating Activities</b>		
(Loss) before taxation	(10,564)	(1,626)
Adjustments for :		
Non-cash items	128	113
Non-operating items	6,753	3,618
Operating (loss) /profit before working capital changes	(3,683)	2,105
Changes in working capital		
Net change in current assets	4,335	652
Net change in current liabilities	(1,879)	(940)
Amount owing by associate companies	2,441	(80)
Cash generated from operations	1,214	1,737
Interest paid	(481)	(79)
Income taxes (paid)/ refund	(47)	63
<b>Net cash generated from operating activities</b>	<b>686</b>	<b>1,721</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	-	(509)
Proceeds from disposal of investment properties	300	-
Proceeds from disposal of property, plant and equipments	30	-
Proceeds from disposal of associate company	250	-
<b>Net cash generated from / (used in) investing activities</b>	<b>580</b>	<b>(509)</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of bank borrowings	(896)	(1,070)
Repayment of finance lease liabilities	(60)	(16)
Proceeds from issuance of share capital	1,000	-
<b>Net cash generated from / (used in) financing activities</b>	<b>44</b>	<b>(1,086)</b>
Net increase in cash and cash equivalents	1,310	126
Exchange differences on translation	(1,424)	(343)
Cash & cash balances from asset held-for-sale	-	(14)
Cash & cash equivalents at the beginning of year	(66)	165
<b>Cash &amp; cash equivalents at the end of period</b>	<b>(180)</b>	<b>(66)</b>
<b>Cash &amp; cash equivalents comprise:</b>		
Cash and bank balances	62	188
Cash & cash balances from asset held-for-sale	-	(14)
Bank overdrafts	(242)	(240)
	<b>(180)</b>	<b>(66)</b>

(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 2017)

**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 2017. 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 July 2017.

**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 2017.

Accounting standards and amendments to accounting standards that are effective for the Company's financial year beginning on or after 1 August 2017 are as follows:

MFRS 14	Regulatory Deferral Accounts.
Amendment to MFRS 10	Consolidated Financial Statements
Amendment to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendment to MFRS 12	Disclosure of Interests in Other Entities
Amendment to MFRS 101	Disclosure Initiative
Amendment to MFRS 116	Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to MFRS 127	Separate Financial Statements - Equity Method in Separate Financial Statements
Amendment to MFRS 128	Investment in Associates and Joint Ventures - Investment Entities : Applying the Consolidation Exception
Amendment to MFRS 138	Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to MFRS 141	Agriculture : Bearer Plants

Annual Improvements to MFRSs 2012 - 2014 Cycle for the following Accounting Standards:

Amendment to MFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
Amendment to MFRS 7	Financial Instruments: Disclosures
Amendment to MFRS 134	Interim Financial Reporting
Amendment to MFRS 119	Employee Benefits

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

Amendment to MFRS 12	Disclosure of Interest in Other Entities (annual improvement to 2014 - 2016 cycle)
Amendment to MFRS 107	Statement of Cash Flow
Amendment to MFRS 112	Income Tax : Recognition of Deferred Tax Assets for Unrealised Losses

The above accounting standards and amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

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
---------	--------

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 2017 was not subject to any qualification.

**A4 Seasonality or cyclicality 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 and 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 other than the following:-

Issuance of New Shares :	Date of Issuance : 6 October 2017	
	Numbers	RM'000
Placement Shares in relation to Private Placement at RM0.235 each	4,255,319	1,000

On 10 October 2017, the Group completed one tranche of the Private Placement and listing of 4,255,319 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad

**A8 Dividends paid**

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

**A9 Segmental reporting**

17 months period ended 31 December 2018	Construction / Electrical & mechanical RM'000	Investment holding RM'000	Distribution of consumer electronics products RM'000	Eliminations RM'000	Consolidated RM'000
<b>REVENUE</b>					
External Sales					
Malaysia	13,752	-	-	-	13,752
Overseas	-	-	-	-	-
Total revenue	13,752	-	-	-	13,752
<b>RESULTS</b>					
Operating loss	(9,682)	(403)	-	-	(10,085)
Interest expense	(481)	-	-	-	(481)
Share of results in associate	2	-	-	-	2
Loss before tax	(10,161)	(403)	-	-	(10,564)
Income tax expense	(8)	-	-	-	(8)
Net Loss for the period	(10,169)	(403)	-	-	(10,572)

**A10 Carrying amount of revalued assets**

This is not applicable.

**A11 Material events subsequent to balance sheet date****(i) Disposal of LFE Engineering ( Vietnam ) Company Limited**

On 15 November 2017, the Group entered into an agreement for the disposal of its entire equity interests in LFE Engineering (Vietnam) Company Limited for a cash consideration of RM2. Consequently, all assets and liabilities of LFE Engineering (Vietnam) Company Limited will be assumed by the buyer.

The business licence was granted to the buyer on 19 July 2018 by the Vietnamese Authority and the change of investment licence was granted to the buyer on 22 August 2018. The registration and documentation were completed by the Vietnamese Authority on 6 December 2018, marking the completion of disposal of LFE Engineering (Vietnam) Company Limited. Accordingly, it was deconsolidated from the Group accounts in December 2018. The gain on this disposal amounted to RM37,921.

**(ii) Disposal of Mediatorfe Holdings Sdn Bhd**

On 15 March 2018, the Group disposed off its 25.5% equity interest comprising 25,500 ordinary shares in the capital of Mediatorfe Holdings Sdn Bhd (Company No. 693166 M) ("MEDIATORFE") for a cash consideration of RM250,000. The gain on disposal amounted to RM65,599.

**(iii) Disposal of LFE Engineering Qatar W.L.L.**

On 30 July 2018, the Group entered into an agreement for the disposal of a dormant Associate Company : LFE Engineering Qatar W.L.L. for the 49% share comprising 98 shares of Qatari Riyals (QR) 1000 each for a cash consideration of USD 100.

**A12 Changes in the composition of the Group**

There were no changes in the compositions of the Group during the period under review, other than for the following:

**(i) Disposal of Mediatorfe Holdings Sdn Bhd**

The disposal of an associated company which consisted of 25.5% of equity interest, representing 25,500 ordinary shares in the capital of Mediatorfe Holdings Sdn Bhd (Company No. 693166 M) was completed on 15 March 2018.

**(ii) Disposal of LFE Engineering ( Vietnam ) Company Limited**

The disposal of its entire equity interests in LFE Engineering (Vietnam) Company Limited was completed on 6 December 2018.

**A13 Capital commitments**

There were no capital commitments for the period and financial period 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 up to 31 December 2018 was as follows:

<b>Transactions with the related companies of shareholders :</b>		31.12. 2018 RM'000
i)	Construction services rendered to Shapadu Properties Sdn Bhd for the construction of 92 units double - storey terrace houses in Mukim Kerliih, Daerah Kemaman, Terengganu	<u>314</u>
ii)	Arkema Plant Expansion and Building Construction in Kerleh, Daerah Kemaman, Terengganu for Shapadu Energy Services Sdn Bhd	<u>370</u>
iii)	Services rendered in upgrading and refurbishment of existing podium block of Campbell Complex in Jalan Dang Wangi, Kuala Lumpur	<u>167</u>

**A16 Change of Financial Year End**

As announced on 18 October 2018, the Companies Commission of Malaysia has approved the change of financial year end of the Company from 31 July to 31 December. Accordingly, the financial period of the Companies and its subsidiaries (the "Group") presented for this Quarterly Report is for the seventeen (17) months period ended 31 December 2018.

Following the change of financial year end, these financial statements are made up from 1 August 2017 to 31 December 2018 covering a period of 17 months. Thereafter, the financial year end of the Company shall end on 31 December for each subsequent year.

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

The Group recorded total revenue of RM 0.848 million and Loss after tax (LAT) of RM 1.024 million for the current quarter ended 31 December 2018.

There is no comparative figures for this quarter's result which consists of two (2) months business operations following the change of financial year end from 31 July to 31 December. The comparative figures will only be available from the first quarter of the financial year ending 31 December 2019.

**B2 Comparison between the current quarter and immediate preceding quarter**

The Group recorded revenue and LAT of RM0.848 million and RM1.024 million respectively for the current quarter as compared to revenue of RM0.804 million and LAT of RM0.925 million for the immediate preceding quarter ended 31 October 2018.

Thus, the Group recorded aggregate revenue of RM13.752 million and LAT of RM10.572 million for the financial period to date ended 31 December 2018.

**B3 Future prospects**

The Group is actively pursuing and bidding for new projects in the mechanical, electrical 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 RM0.242 million and shareholders' equity was RM33.327 million, achieving debt/equity ratio of 0.01 for the financial period ended 31 December 2018. 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 these strategic partnerships will enhance the sustainability of the Group's business operation.

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

This is not applicable.

**B5 Taxation**

	Current quarter ended		Current Year To Date for 17 Months	
	31.12.2018		31.12.2018	
	RM'000		RM'000	
Malaysian income tax	-	-	-	-
Overseas taxation	-	-	-	-
Sub - total	-	-	-	-
Over provision in respect of prior years	-	-	-	-
Under provision in respect of prior years	-	-	-	8
Deferred taxation	-	-	-	-
Tax expense	-	-	-	8

The tax liabilities incurred was in respect of an underprovision made by a subsidiary company due to tax revision 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.

**B6 Sale of unquoted investments and properties**

There were no sales of any unquoted investments and / or properties during the current quarter under review, other than the following:

**Disposal of investment property :**

On 5 October 2017, the Group entered into an agreement for the disposal of investment property of double storey terrace house for a cash consideration of RM300,000. The gain on disposal amounted to RM34,529.



**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 :

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

UOB Kay Hian Securities (M) Sdn Bhd (UOBKH) on behalf of the Board of Directors of LFE had on 20 December and 24 December 2018 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 7 February 2019, LFE submitted the fund raising application in relation to the Proposed Private Placement to Bursa Malaysia Securities Berhad ("Bursa Securities"). It is currently pending the approval from Bursa Malaysia Securities Berhad.

**B8 Borrowings and debt securities**

Details of the Group's borrowings as at 31 December 2018 are as follows:

	31.12.2018 RM'000	31.07.2017 RM'000
<b>Short Term Borrowings</b>		
Term loan	-	896
Overdraft	242	240
Finance Lease Liabilities	-	17
	242	1,153
<b>Long Term Borrowings</b>		
Finance Lease Liabilities	-	43
	-	43
<b>Total</b>	242	1,196

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 2017.

**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 31.12.2018	Cumulative period for 17 months ended 31.12.2018
Net (Loss) attributable to Owners of the Company ('000)	(1,024)	(10,572)
Weighted average number of shares ('000)	185,320	185,320
Basic (Loss) per share (sen)	(0.55)	(5.70)

**(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 period to date.

**B13 Comparative Figures**

There is no comparative figures for the current quarter which consists of only two (2) months and the cumulative 17 months period ended 31 December 2018, following the change of financial year end from 31 July to 31 December. The comparative figures will only be available from the first quarter of the financial year ending 31 December 2019.

**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 February 2019.