



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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Individual Quarter Current Quarter Ended 30 Sept 2022 RM'000	Preceding year Corresponding Quarter Ended 30 Sept 2021 RM'000	Cumulative Quarters Current Year To Date 30 Sept 2022 RM'000	Preceding Year Corresponding Period 30 Sept 2021 RM'000
Revenue	14,664	5,243	46,258	18,698
Cost of sales	(12,914)	(4,564)	(42,191)	(15,856)
Gross Profit	1,750	679	4,067	2,842
Other operating income	207	3	252	3
Administrative expenses	(1,583)	(1,142)	(3,829)	(3,008)
Other operating expenses	-	(105)	-	(157)
Finance costs	(3)	(19)	(10)	(34)
Share of results of joint ventures	-	(5)	-	(19)
Profit/(Loss) before taxation	371	(589)	480	(373)
Taxation	342	-	64	-
Profit/(Loss) for the period	713	(589)	544	(373)
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	65	125	131	1,185
Total comprehensive income/(loss) for the period	778	(464)	675	812
Net Profit/(Loss) attributable to :				
Owners of the Company	527	(808)	(13)	(1,366)
Non- controlling interest	186	219	557	993
	713	(589)	544	(373)
Total comprehensive income/(loss) attributable to :				
Owners of the Company	592	(683)	118	(181)
Non- controlling interest	186	219	557	993
	778	(464)	675	812
Earning/(loss) per share attributable to owners of the Company (sen)	Sen	Sen	Sen	Sen
- Basic	0.07	(0.13)	(0.00)	(0.22)
- 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 period ended 31 December 2021)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2022

	At Current Financial Year Ended 30 Sept 2022 Unaudited (RM'000)	At Previous Financial Year Ended 31 Dec 2021 Audited (RM'000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	327	447
Goodwill	23,184	23,184
Investment in Joint Ventures	1,299	1,168
	24,810	24,799
Current Assets		
Contract Assets	2,001	1,660
Property development cost	10,938	352
Trade receivables	22,946	17,587
Other receivables	11,673	16,080
Tax recoverable	1,033	-
Fixed deposits placed with licensed banks	13,198	9,686
Cash and bank balances	10,424	22,571
	72,213	67,936
TOTAL ASSETS	97,023	92,735
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	107,712	107,712
Reserves	(39,914)	(40,032)
Non-controlling interest	6,829	6,272
	74,627	73,952
Non- Current Liabilities		
Lease liabilities	126	228
Deferred Tax Liabilities	8	8
	134	236
Current Liabilities		
Contract liabilities	2,486	48
Trade payables	13,325	9,465
Other payables	4,382	5,279
Amount owing to a non-controlling interest	1,950	2,400
Lease liabilities	119	110
Provision for taxation	-	1,245
	22,262	18,547
Total Liabilities	22,396	18,783
TOTAL EQUITY AND LIABILITIES	97,023	92,735
Net assets per share (RM)	0.09	0.09

(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 2021)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	← Attributable to Owners of the Company →						Total equity (RM'000)
	Share capital (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	
(Unaudited)							
As at 1 January 2022	107,712	17,568	3,769	(61,369)	67,680	6,272	73,952
(Loss)/ Profit for the financial period	-	-	-	(13)	(13)	557	544
Other comprehensive income	-	-	131	-	131	-	131
Total comprehensive income/(loss) for the period	-	-	131	(13)	118	557	675
As at 30 September 2022	107,712	17,568	3,900	(61,382)	67,798	6,829	74,627

	← Attributable to Owners of the Company →						Total equity (RM'000)
	Share capital (RM'000)	Capital Reserves (RM'000)	Exchange translation reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non-controlling interest (RM'000)	
(Audited)							
As at 1 January 2021	61,917	17,568	2,821	(45,262)	37,044	-	37,044
New share issue:							
- Rights issue	39,245	-	-	-	39,245	-	39,245
- Private placement to acquire a subsidiary company	6,550	-	-	-	6,550	-	6,550
Incorporation of a subsidiary company	-	-	-	-	-	100	100
Acquisition of a subsidiary company	-	-	-	-	-	4,185	4,185
(Loss)/Profit for the financial period	-	-	-	(16,107)	(16,107)	1,987	(14,120)
Other comprehensive income	-	-	948	-	948	-	948
Total comprehensive income/(loss) for the period	-	-	948	(16,107)	(15,159)	1,987	(13,172)
As at 31 December 2021	107,712	17,568	3,769	(61,369)	67,680	6,272	73,952

(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 2021)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Current Financial Year Ended 30 Sept 2022 (RM'000)	Previous Financial Year Ended 31 Dec. 2021 (RM'000)
Cash Flows for Operating Activities		
Profit/(Loss) before taxation	480	(12,846)
Adjustments for :		
Non-cash items	210	1,864
Non-operating items	(102)	13,009
Operating profit before working capital changes	588	2,027
Changes in working capital		
Net change in current assets	(9,442)	7,302
Net change in current liabilities	2,514	(8,887)
Cash (used in)/generated from operations	(6,340)	442
Interest received	112	40
Interest paid	(10)	(133)
Tax paid	(2,214)	(1,756)
Net cash used in operating activities	(8,452)	(1,407)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(90)	(11)
Acquisition of a subsidiary	-	(20,918)
Distributed from Joint Venture	-	18,823
Net cash used in investing activities	(90)	(2,106)
Cash Flows From Financing Activities		
Proceeds from issuance of share capital	-	39,245
Proceeds from issuance of shares to non-controlling interest	-	100
Repayment of bank borrowings	-	(5,115)
Repayment of lease liabilities	(93)	(54)
Net cash (used in)/generated from financing activities	(93)	34,176
Net (decrease)/ increase in cash and cash equivalents	(8,635)	30,663
Cash & cash equivalents at the beginning of year	32,257	1,594
Cash & cash equivalents at the end of period	23,622	32,257

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2021)

LFE CORPORATION BERHAD
(Company No: 200201011680(579343-A))
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 2021. 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 2021.

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 2021 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 2022, as disclosed below:

Annual periods beginning on / after 1 January 2022

Amendment to MFRS 3	Business Combinations: Reference to Conceptual Framework
Amendment to MFRS 116	Property, Plant and Equipment - Proceed before intended use
Amendment to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

The adoption of these new MFRSs, amendments to published standards and IC interpretations did not have any material impact on the interim financial report 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 in 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 period and financial period-to-date under review.

A8 Segmental reporting

9 months period ended 30 Sept 2022	Construction / Electrical & mechanical RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
REVENUE				
External Sales				
Malaysia	44,899	1,359	-	46,258
Overseas	-	-	-	-
Total revenue	44,899	1,359	-	46,258
RESULTS				
Operating profit/(loss)	758	1	(269)	490
Interest expense	(10)	-	-	(10)
Profit/(Loss) before tax	748	1	(269)	480
Income tax expense	64	-	-	64
Net Profit/(Loss) for the period	812	1	(269)	544

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 period 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 period and financial period under review.

A12 Capital commitments

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

A13 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.

A14 Significant Related party transactions

There were no related party transactions conducted during the financial period under review.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1 Review of performance

The Group recorded total revenue of RM15 million for the current quarter as compared to RM5 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM0.713 million for the current quarter as compared to loss after tax ("LAT") of RM0.589 million for the corresponding period of the preceding year.

The higher revenue recognized in the current quarter compared to the corresponding period of the preceding year due to the completion of the Aratre Project which is located in Selangor. The Gurun East Phase 2 Project also contributed revenue of RM1.359 million in the current quarter.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and PAT of RM15 million and RM0.713 million respectively for the current quarter as compared to revenue of RM15 million and LAT of RM1.429 million for the immediate preceding quarter ended 30 June 2022.

The Group's revenue remain the same however the Group able to record a profit after tax ("PAT") of RM0.713 million mainly due to the higher revenue generated from the completion of the Aratre Project during the current quarter, which has a higher profit margin compared to the other existing projects.

B3 Future prospects

The Group entered into a joint venture development agreement with the landowner to develop and build terrace houses at Kedah in Year 2021 and August 2022. This joint venture project provides LFE with the opportunity to fast-track its entry into the property development sector. Starting from this quarter, the property development division made a positive contribution to the Group's revenue and profit. The Group also expects the development division to contribute more revenue in the future.

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 a subsidiary. There are no tax liabilities for other subsidiaries in the current quarter/year because there are sufficient accumulated tax losses from previous years to cover the current tax liabilities.

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.

B8 Borrowings and debt securities

Details of the Group's borrowings as at 30 Sept 2022 are as follows:

	30.09.2022	31.12.2021
	RM'000	RM'000
Finance Lease Liabilities		
Long Term	126	228
Short Term	119	110
Total	<u>245</u>	<u>338</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

The Group was not engaged in any material litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

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 30.09.2022	Cumulative period for 9 months ended 30.09.2022
Net Profit / (Loss) attributable to Owners of the Company ('000)	527	(13)
Weighted average number of shares ('000)	801,351	801,351
Basic Earning per share (sen)	0.07	(0.00)

(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.

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 25/11/2022.