



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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 31 Mar 2023 RM'000	Preceding year Corresponding Quarter Ended 31 Mar 2022 RM'000	Current Year To Date 31 Mar 2023 RM'000	Preceding Year Corresponding Period 31 Mar 2022 RM'000
Revenue	16,092	16,644	16,092	16,644
Cost of sales	(12,247)	(13,592)	(12,247)	(13,592)
<b>Gross Profit</b>	<b>3,845</b>	<b>3,052</b>	<b>3,845</b>	<b>3,052</b>
Other operating income	21	-	21	-
Interest income	74	17	74	17
Administrative expenses	(1,640)	(1,193)	(1,640)	(1,193)
Other operating expenses	-	-	-	-
Finance costs	(2)	(4)	(2)	(4)
Share of results of joint ventures	-	-	-	-
<b>Profit before taxation</b>	<b>2,298</b>	<b>1,872</b>	<b>2,298</b>	<b>1,872</b>
Taxation	(555)	(612)	(555)	(612)
<b>Profit for the period</b>	<b>1,743</b>	<b>1,260</b>	<b>1,743</b>	<b>1,260</b>
<b>Other comprehensive income :</b>				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	-	10	-	10
<b>Total comprehensive income/(loss)for the period</b>	<b>1,743</b>	<b>1,270</b>	<b>1,743</b>	<b>1,270</b>
<b>Net Profit attributable to :</b>				
Owners of the Company	427	340	427	340
Non- controlling interest	1,316	920	1,316	920
	<b>1,743</b>	<b>1,260</b>	<b>1,743</b>	<b>1,260</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	427	350	427	350
Non- controlling interest	1,316	920	1,316	920
	<b>1,743</b>	<b>1,270</b>	<b>1,743</b>	<b>1,270</b>
Earning per share attributable to owners of the Company (sen)	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic	<b>0.05</b>	<b>0.04</b>	<b>0.05</b>	<b>0.04</b>
- Diluted (Note B12)	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**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 2022)**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 MARCH 2023**

	<b>At Current Financial Year Ended 31 Mar 2023 Unaudited (RM'000)</b>	<b>At Previous Financial Year Ended 31 Dec 2022 Audited (RM'000)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	332	315
Right-of-use asset	-	44
Goodwill	23,184	23,184
Investment in Joint Ventures	1,230	1,230
	<b>24,746</b>	<b>24,773</b>
<b>Current Assets</b>		
Contract assets	3,684	11,766
Property development cost	25,546	25,489
Trade receivables	27,389	20,868
Other receivables	8,897	9,384
Tax recoverable	151	256
Fixed deposits placed with licensed banks	12,826	12,767
Cash and bank balances	9,101	12,109
Contract cost assets	1,084	1,086
	<b>88,678</b>	<b>93,725</b>
<b>TOTAL ASSETS</b>	<b>113,424</b>	<b>118,498</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	107,712	107,712
Reserves	(39,050)	(39,477)
Non-controlling interest	9,025	7,709
	<b>77,687</b>	<b>75,944</b>
<b>Non- Current Liabilities</b>		
Lease liabilities	143	150
Deferred Tax Liabilities	12	11
	<b>155</b>	<b>161</b>
<b>Current Liabilities</b>		
Contract liabilities	104	1,545
Trade payables	28,279	33,220
Other payables	5,081	5,478
Amount owing to a non-controlling interest	1,950	1,950
Lease liabilities	91	123
Provision for taxation	77	77
	<b>35,582</b>	<b>42,393</b>
<b>Total Liabilities</b>	<b>35,737</b>	<b>42,554</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>113,424</b>	<b>118,498</b>
<b>Net assets per share (RM)</b>	<b>0.10</b>	<b>0.09</b>

(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 2022)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	← 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 2023	107,712	17,568	3,829	(60,874)	68,235	7,709	75,944
Profit for the financial period	-	-	-	427	427	1,316	1,743
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	427	427	1,316	1,743
As at 31 March 2023	<b>107,712</b>	<b>17,568</b>	<b>3,829</b>	<b>(60,447)</b>	<b>68,662</b>	<b>9,025</b>	<b>77,687</b>

	← 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 2022	107,712	17,568	3,769	(61,369)	67,680	6,272	73,952
Profit for the financial period	-	-	-	495	495	1,437	1,932
Other comprehensive income	-	-	60	-	60	-	60
Total comprehensive income for the period	-	-	60	495	555	1,437	1,992
As at 31 December 2022	<b>107,712</b>	<b>17,568</b>	<b>3,829</b>	<b>(60,874)</b>	<b>68,235</b>	<b>7,709</b>	<b>75,944</b>

(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 2022)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	Current Financial Year Ended 31 Mar 2023 (RM'000)	Previous Financial Year Ended 31 Dec. 2022 (RM'000)
<b>Cash Flows for Operating Activities</b>		
Profit before taxation	2,298	3,175
Adjustments for :		
Non-cash items	82	30
Non-operating items	(72)	(158)
Operating profit before working capital changes	2,308	3,047
Changes in working capital		
Net change in current assets	552	(31,179)
Net change in current liabilities	(5,338)	23,504
Cash used in from operations	(2,478)	(4,628)
Interest received	74	184
Interest paid	(2)	(26)
Tax paid	(450)	(2,664)
<b>Net cash used in operating activities</b>	<b>(2,856)</b>	<b>(7,134)</b>
<b>Cash Flows From Investing Activity</b>		
Purchase of property, plant and equipment	(55)	(115)
<b>Net cash used in investing activity</b>	<b>(55)</b>	<b>(115)</b>
<b>Cash Flows From Financing Activity</b>		
Repayment of lease liabilities	(39)	(131)
<b>Net cash (used in)/generated from financing activity</b>	<b>(39)</b>	<b>(131)</b>
Net decrease in cash and cash equivalents	(2,950)	(7,380)
Cash & cash equivalents at the beginning of year	24,877	32,257
<b>Cash &amp; cash equivalents at the end of period</b>	<b>21,927</b>	<b>24,877</b>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2022)**

**LFE CORPORATION BERHAD**  
**(Company No: 200201011680(579343-A))**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

**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 2022. 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 2022.

**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 2022 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 2023, as disclosed below:

**Annual periods beginning on / after 1 January 2023**

MFRS 17 and related amendments	Insurance Contracts
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparati
Amendment to MFRS 101	Disclosure of Accounting Policies
Amendment to MFRS 108	Definition of Accounting Estimates
Amendment to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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**

<b>3 months period ended 31 Mar 2023</b>	<b>Construction / Electrical / &amp; mechanical RM'000</b>	<b>Property Development RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>REVENUE</b>				
External Sales				
Malaysia	12,279	3,813	-	16,092
Overseas	-	-	-	-
Total revenue	<u>12,279</u>	<u>3,813</u>	<u>-</u>	<u>16,092</u>
<b>RESULTS</b>				
Operating profit/(loss)	1,638	985	(323)	2,300
Interest expense	(2)	-	-	(2)
Profit/(Loss) before tax	<u>1,636</u>	<u>985</u>	<u>(323)</u>	<u>2,298</u>
Income tax expense	(339)	(216)	-	(555)
Net Profit/(Loss) for the period	<u>1,297</u>	<u>769</u>	<u>(323)</u>	<u>1,743</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 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 RM16.1 million for the current quarter as compared to RM16.6 million for the corresponding period of the preceding year.

The Group recorded profit after tax ("PAT") of RM1.74 million for the current quarter as compared to PAT of RM1.26 million for the corresponding period of the preceding year.

While the revenue for the current quarter has remained at a similar level compared to the same period in the previous year, we have observed an increase in gross profit for this quarter. This can be attributed to the smooth progress of our property development segment, which boasts a higher profit margin compared to our existing construction projects. As a result of this higher gross profit, our Profit after Tax has also increased in comparison to the corresponding period of the preceding year.

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

The Group recorded revenue and PAT of RM16.1 million and RM1.74 million respectively for the current quarter as compared to revenue of RM27 million and PAT of RM1.38 million for the immediate preceding quarter ended 31 December 2022.

The Group has experienced a significant decrease in revenue compared to the immediate preceding quarter, primarily driven by lower revenue generated from the MyAra Project and Aman Laut Project. However, despite this decline in revenue, the profit after tax ("PAT") has increased resulting from higher impairment expenses recognized in the immediate preceding quarter.

### **B3 Future prospects**

The construction projects are advancing smoothly, and we are delighted with the positive performance of our property development business. This sector will continue to be a significant contributor to the Group's revenue and profit in the years to come. We remain proactive in seeking out new development opportunities to expand our portfolio and further enhance our growth potential.

Furthermore, we anticipate completing the acquisition of the remaining 49% equity stake of Cosmo Property Management Sdn Bhd (CPMSB) in the second quarter of 2023. This strategic decision to fully acquire CPMSB is expected to create substantial value for the Group and align with our growth objectives. We are confident that this acquisition will further strengthen our position in the market and contribute significantly to our overall growth.

### **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 two subsidiaries. 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 31 Mar 2023 are as follows:

	<b>31.03.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Finance Lease Liabilities</b>		
Long Term	143	150
Short Term	91	123
<b>Total</b>	<u>234</u>	<u>273</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.

	<b>Current quarter ended 31.03.2023</b>	<b>Cumulative period for 3 months ended 31.03.2023</b>
Net Profit attributable to Owners of the Company ('000)	427	427
Weighted average number of shares ('000)	801,351	801,351
Basic Earning per share (sen)	0.05	0.05

**(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 30/05/2023.