



**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 2021**

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Revenue	1,051	5,158	1,051	5,158
Cost of sales	(967)	(4,090)	(967)	(4,090)
<b>Gross Profit</b>	<b>84</b>	<b>1,068</b>	<b>84</b>	<b>1,068</b>
Other operating income	-	-	-	-
Administrative expenses	(590)	(1,224)	(590)	(1,224)
Other operating expenses	(32)	(41)	(32)	(41)
Finance costs	-	-	-	-
Share of results of joint ventures	(5)	(8)	(5)	(8)
<b>Loss before taxation</b>	<b>(543)</b>	<b>(205)</b>	<b>(543)</b>	<b>(205)</b>
Taxation	-	-	-	-
<b>Loss for the period</b>	<b>(543)</b>	<b>(205)</b>	<b>(543)</b>	<b>(205)</b>
<b>Other comprehensive income :</b>				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	1,116	1,401	1,116	1,401
<b>Total comprehensive income for the period</b>	<b>573</b>	<b>1,196</b>	<b>573</b>	<b>1,196</b>
<b>Net Loss attributable to :</b>				
Owners of the Company	(543)	(205)	(543)	(205)
Non- controlling interest	-	-	-	-
	<b>(543)</b>	<b>(205)</b>	<b>(543)</b>	<b>(205)</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	573	1,196	573	1,196
Non- controlling interest	-	-	-	-
	<b>573</b>	<b>1,196</b>	<b>573</b>	<b>1,196</b>
Loss per share attributable to owners of the Company (sen)	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic	<b>(0.22)</b>	<b>(0.10)</b>	<b>(0.22)</b>	<b>(0.10)</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 2020)**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 MARCH 2021**

	<b>At Current Financial Year Ended 31 Mar. 2021 Unaudited (RM'000)</b>	<b>At Previous Financial Year Ended 31 Dec. 2020 Audited (RM'000)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	395	406
Investment in Joint Ventures	22,290	21,166
	<b>22,685</b>	<b>21,572</b>
<b>Current Assets</b>		
Contract Assets	5,247	6,804
Trade receivables	18,748	16,870
Other receivables	3,054	3,120
Cash and bank balances	504	1,594
	<b>27,553</b>	<b>28,388</b>
<b>TOTAL ASSETS</b>	<b>50,238</b>	<b>49,960</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	61,917	61,917
Reserves	(24,300)	(24,873)
	<b>37,617</b>	<b>37,044</b>
<b>Current Liabilities</b>		
Contract liabilities	182	39
Trade payables	4,830	4,911
Other payables	7,609	7,966
Provision for taxation	-	-
	<b>12,621</b>	<b>12,916</b>
<b>Total Liabilities</b>	<b>12,621</b>	<b>12,916</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,238</b>	<b>49,960</b>
<b>Net assets per share (RM)</b>	<b>0.15</b>	<b>0.16</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 2020)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	← Attributable to Owners of the Company →				Total
	Share capital	Capital Reserves	Exchange translation reserve	Accumulated losses	
<b>(Unaudited)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
As at 1 January 2021	61,917	17,568	2,821	(45,262)	37,044
Loss for the financial period	-	-	-	(543)	(543)
Other comprehensive income	-	-	1,116	-	1,116
Total comprehensive loss for the period	-	-	1,116	(543)	573
As at 31 March 2021	<b>61,917</b>	<b>17,568</b>	<b>3,937</b>	<b>(45,805)</b>	<b>37,617</b>

	← Attributable to Owners of the Company →				Total equity
	Share capital	Capital Reserves	Exchange translation reserve	Accumulated losses	
<b>(Audited)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
As at 1 January 2020	57,142	17,568	1,849	(42,069)	34,490
Restatement	-	-	1,474	(1,474)	-
As at 1 January 2020 (restated)	57,142	17,568	3,323	(43,543)	34,490
Private Placement	4,775	-	-	-	4,775
Profit for the financial year	-	-	-	(1,719)	(1,719)
Other comprehensive loss	-	-	(502)	-	(502)
Total comprehensive income/(loss) for the period	-	-	(502)	(1,719)	(2,221)
As at 31 December 2020	<b>61,917</b>	<b>17,568</b>	<b>2,821</b>	<b>(45,262)</b>	<b>37,044</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 2020)**

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	Current Financial Year Ended 31 Dec. 2021 (RM'000)	Previous Financial Year Ended 31 Dec. 2020 (RM'000)
<b>Cash Flows for Operating Activities</b>		
Loss before taxation	(543)	(1,719)
Adjustments for :		
Non-cash items	12	(668)
Non-operating items	6	189
Operating loss before working capital changes	(525)	(2,198)
Changes in working capital		
Net change in current assets	(113)	(963)
Net change in current liabilities	(452)	(5,358)
Cash used in operations	(1,090)	(8,519)
Interest paid	-	(189)
<b>Net cash used in operating activities</b>	<b>(1,090)</b>	<b>(8,708)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	-	(9)
Disposal of subsidiaries	-	18
Distributed from Joint Venture	-	4,897
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>4,906</b>
<b>Cash Flows From Financing Activity</b>		
Proceeds from issuance of share capital	-	4,775
<b>Net cash generated from financing activity</b>	<b>-</b>	<b>4,775</b>
Net (decrease)/ increase in cash and cash equivalents	(1,090)	973
Cash & cash equivalents at the beginning of year	1,594	621
<b>Cash &amp; cash equivalents at the end of period</b>	<b>504</b>	<b>1,594</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 2020)**

**LFE CORPORATION BERHAD**  
**(Company No: 200201011680(579343-A))**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**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 2020. 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 2020.

**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 2020 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 2021, as disclosed below:

**Annual periods beginning on / after 1 January 2021**

Amendment to MFRS 9, Interest Rate Benchmark Reform-Phase 2  
MFRS 139, MFRS 7, MFRS 4  
and MFES 16

Amendment to MFRS 16 Lease: Covid-19 Related Rent Concessions beyond 30 June 2021

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**

3 months period ended 31 March 2021	Construction / Electrical & mechanical RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
<b>REVENUE</b>				
External Sales				
Malaysia	1,051	-	-	1,051
Overseas	-	-	-	-
Total revenue	<u>1,051</u>	<u>-</u>	<u>-</u>	<u>1,051</u>
<b>RESULTS</b>				
Operating loss	(365)	(178)	-	(543)
Interest expense	-	-	-	-
Loss before tax	<u>(365)</u>	<u>(178)</u>	<u>-</u>	<u>(543)</u>
Income tax expense	-	-	-	-
Net Loss for the period	<u>(365)</u>	<u>(178)</u>	<u>-</u>	<u>(543)</u>

**A9 Carrying amount of revalued assets**

This is not applicable.

**A10 Material events subsequent to balance sheet date of previous audit report****Rights issue**

The Company increased its share capital by way of issuance of a renounceable rights issue of up to 490,567,490 new ordinary shares in the Company ("Rights Shares") at an issue price of RM0.08 per Rights Share, on the basis of 2 Rights Shares for every 1 existing Company's Share. The Rights Shares have been fully subscribed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 April 2021.

**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 RM1.05 million for the current quarter as compared to RM5.16 million for the corresponding period of the preceding year.

The Group recorded loss after tax ("LAT") of RM0.543 million for the current quarter as compared to LAT of RM0.205 million for the corresponding period of the preceding year.

Lower revenue recognized during the current quarter compared to the corresponding period of the preceding year due to low progress claim during the quarter from the construction project of the Carpark and podium of a residential building which close to the final completion stage. Ultimately, the lower revenue recognized cause the Group's suffer higher loss after tax on current quarter.

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

The Group recorded revenue and LAT of RM1.05 million and RM0.543 million respectively for the current quarter as compared to revenue of RM1.14 million and LAT of RM0.116 million for the immediate preceding quarter ended 31 December 2021.

Same as above, the lower revenue caused by the lower progress claim from the construction project during the current quarter. Ultimately, the lower revenue recognized cause the Group's suffer higher loss after tax on current quarter.

### B3 Future prospects

The Group will continue to monitor and implement appropriate measures to address the adverse risk of Covid-19 on the operations and financial aspects. The Group actively pursue and bid for more new projects in the construction sector, including mechanical, electrical engineering, plumbing and C&S works locally and regionally, either on its own or through strategic alliances with established local partners.

The strategic partnerships with local 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

There is no tax liability for the current quarter/ year due to sufficient accumulated tax losses brought forward from previous years to cover current period's 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, other than the following :

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

On 1 April 2020, the Group completed one tranche of the Private Placement and listing of 20,000,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad. The Group raised RM 1.58 million at an issue price of RM 0.079 per share.

On 13 October 2020, the Group completed the second tranche of the Private Placement and listing for 20,880,624 Placement Shares on the Market of Bursa Malaysia Securities Berhad. The Group raised RM 3.195 million at an issue price of RM 0.153 per share.

The status of the utilisation of proceed as at the reporting date is as follows:

Private Placement	Proposed Utilisation	Amount Utilised	Expected Timeframe for Utilisation
	RM'000	RM'000	
Working capital for new projects	2,580	2,580	Completed
General working capital	2,128	2,128	Completed
Estimated expenses in relation to the Proposed Private Placement	67	67	Completed
Total Gross Proceed	4,775	4,775	Completed

#### Proposed acquisition of Cosmo Property Management Sdn. Bhd.

The Company proposed to acquire 51% equity interest in Cosmo Property Management Sdn. Bhd. for a purchase consideration of RM27,540,000 from Resolute Accomplishment Sdn. Bhd., to be satisfied by way of a combination of RM20,990,000 in cash and RM6,550,000 by way of the issuance of 65,500,000 new ordinary shares of the Company at an issue price of RM0.10 each. The completion of acquisition is expected to be completed by second quarter of year 2021.

**B8 Borrowings and debt securities**

There were no borrowings and debt as at the financial period under review.

**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**

Except for the following claims, there was no pending material litigation.

**Litigation between the Company, LFE Corporation Berhad and its wholly owned subsidiary, LFE Engineering Sdn Bhd ("LFE") and Juliana Quah Kooi Hong ("Juliana")**

On 5 June 2020, LFE received a Writ and Statement of Claim from Messrs Ghandi, the solicitors for Juliana. The Writ and Statement of Claim against the LFE was due LFE had failed to pay the outstanding salary, allowances and claims constitutes a material breach of Juliana's contract of employment.

LFE not agreed on above and filed the 'Statement of Defence' on 26 June 2020. LFE received the 'Reply to Defence' file by Messrs Ghandi on 10 July 2020. Subsequently, Julina filed summary judgment application to the court.

On 22 September 2020, the court dismissed Juliana's summary judgment application and ordered parties to go for trial. However, Juliana was appeal against the same to the High Court and the High Court allowed the notice of appeal on 27 April 2021. Subsequently, LFE submitted the appeal against the order to Court of Appeal on 19 May 2021.

**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 31.03.2021</b>	<b>Cumulative period for 3 months ended 31.03.2021</b>
Net Loss attributable to Owners of the Company ('000)	(543)	(543)
Weighted average number of shares ('000)	245,284	245,284
Basic Loss per share (sen)	(0.22)	(0.22)

**(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 25/05/2021.