



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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended	Preceding year Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Revenue	1,140	8,801	13,429	19,121
Cost of sales	(959)	(6,225)	(11,381)	(14,561)
Gross Profit	181	2,576	2,048	4,560
Other operating income	1,240	6	1,271	344
Administrative expenses	(1,433)	(669)	(4,457)	(3,251)
Other operating expenses	(361)	(233)	(823)	(1,013)
Finance costs	(189)	-	(189)	(214)
Share of results of joint ventures	446	24	435	(50)
(Loss)/Profit before taxation	(116)	1,704	(1,715)	376
Taxation	-	-	-	-
Net (Loss)/Profit for the period	(116)	1,704	(1,715)	376
Other comprehensive income :				
Item that may be reclassified subsequently to profit or loss				
- Currency translation differences of foreign operations	(983)	(655)	(506)	(250)
Total comprehensive (loss)/income for the period	(1,099)	1,049	(2,221)	126
Net (Loss)/Profit attributable to :				
Owners of the Company	(116)	1,704	(1,715)	376
Non- controlling interest	-	-	-	-
	(116)	1,704	(1,715)	376
Total comprehensive (loss)/income attributable to :				
Owners of the Company	(1,099)	1,049	(2,221)	126
Non- controlling interest	-	-	-	-
	(1,099)	1,049	(2,221)	126
(Loss)/Earning per share attributable to owners of the Company (sen)				
- Basic	(0.05)	0.24	(0.76)	0.19
- 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 2019)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2020

	At Current Financial Year Ended 31 Dec. 2020 Unaudited (RM'000)	At Previous Financial Year Ended 31 Dec. 2019 Audited (RM'000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	406	483
Investment in Joint Ventures	21,166	26,228
	21,572	26,711
Current Assets		
Contract Assets	6,804	12,666
Trade receivables	12,015	12,684
Other receivables	7,960	1,304
Cash and bank balances	1,594	621
	28,373	27,275
TOTAL ASSETS	49,945	53,986
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	61,917	57,142
Reserves	(24,873)	(22,652)
	37,044	34,490
Current Liabilities		
Contract liabilities	39	-
Trade payables	4,911	6,337
Other payables	7,951	13,134
Provision for taxation	-	25
	12,901	19,496
Total Liabilities	12,901	19,496
TOTAL EQUITY AND LIABILITIES	49,945	53,986
Net assets per share (RM)	0.16	0.17

(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 2019)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	← Attributable to Owners of the Company →				Total
	Share capital	Capital Reserves	Exchange translation reserve	Accumulated losses	
(Unaudited)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
As at 1 January 2020	57,142	17,568	1,849	(42,069)	34,490
Private Placement	4,775	-	-	-	4,775
Loss for the financial period	-	-	-	(1,715)	(1,715)
Other comprehensive income	-	-	(506)	-	(506)
Total comprehensive loss for the period	-	-	(506)	(1,715)	(2,221)
As at 31 December 2020	61,917	17,568	1,343	(43,784)	37,044

	← Attributable to Owners of the Company →				Total equity
	Share capital	Capital Reserves	Exchange translation reserve	Accumulated losses	
(Audited)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
As at 1 January 2019	55,470	17,568	2,099	(41,810)	33,327
Openina balance adjustment from adoption of MFR	-	-	-	(376)	(376)
As at 1 January 2019 (restated)	55,470	17,568	2,099	(42,186)	32,951
Private Placement	1,672	-	-	-	1,672
Profit for the financial year	-	-	-	117	117
Other comprehensive loss	-	-	(250)	-	(250)
Total comprehensive income/(loss) for the period	-	-	(250)	117	(133)
As at 31 December 2019	57,142	17,568	1,849	(42,069)	34,490

(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 2019)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	Current Financial Year Ended 31 Dec. 2020 (RM'000)	Previous Financial Year Ended 31 Dec. 2019 (RM'000)
Cash Flows for Operating Activities		
(Loss)/ Profit before taxation	(1,715)	117
Adjustments for :		
Non-cash items	(872)	69
Non-operating items	(98)	264
Operating (loss)/profit before working capital changes	(2,685)	450
Changes in working capital		
Net change in current assets	(69)	(9,195)
Net change in current liabilities	(5,765)	2,162
Cash used in operations	(8,519)	(6,583)
Interest paid	(189)	(214)
Net cash used in operating activities	(8,708)	(6,797)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(9)	-
Disposal of subsidiaries	18	
Distributed from Joint Venture	4,897	5,926
Net cash generated from investing activities	4,906	5,926
Cash Flows From Financing Activity		
Proceeds from issuance of share capital	4,775	1,672
Net cash generated from financing activity	4,775	1,672
Net increase in cash and cash equivalents	973	801
Cash & cash equivalents at the beginning of year	621	(180)
Cash & cash equivalents at the end of period	1,594	621

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2019)

LFE CORPORATION BERHAD
(Company No: 200201011680(579343-A))
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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 2019. 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 2019.

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 2019 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 2020, as disclosed below:

Annual periods beginning on / after 1 January 2020

Amendment to MFRS 3	Definition of a Business
Amendment to MFRS 7	Financial Instruments: Disclosures
Amendment to MFRS 9	Financial Instruments
Amendment to MFRS 101	Presentation of Financial Statements
Amendment to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to MFRS 139	Financial Instruments: Recognition and Measurement

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 other than the following:-

Issuance of New Shares :	Date of Issuance	Numbers	RM'000
-Private Placement at RM0.079 each	01/04/20	20,000,000	1,580
-Private Placement at RM0.153 each	13/10/20	20,880,624	3,195

Hence the total number of shares in issue was 245,283,745 units and total paid-up share capital amounted to RM 61,916,835 after the above share issuance.

A7 Dividends paid

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

A8 Segmental reporting

12 months period ended 31 December 2020	Construction / Electrical & mechanical RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales				
Malaysia	13,429	-	-	13,429
Overseas	-	-	-	-
Total revenue	<u>13,429</u>	<u>-</u>	<u>-</u>	<u>13,429</u>
RESULTS				
Operating profit/ (loss)	102	(1,628)	-	(1,526)
Interest expense	(189)	-	-	(189)
Loss before tax	<u>(87)</u>	<u>(1,628)</u>	<u>-</u>	<u>(1,715)</u>
Income tax expense	-	-	-	-
Net Loss for the period	<u>(87)</u>	<u>(1,628)</u>	<u>-</u>	<u>(1,715)</u>

A9 Carrying amount of revalued assets

This is not applicable.

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

Private Placement

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.

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, except for the following:

Disposal of Teratai Megah Sdn. Bhd ("TMSB") and LFE Engineering (JB) Sdn. Bhd. ("LEJB")

On 25 November 2020, the Group entered into the share sales agreement ("SSA") with Pembinaan Keamanan Sdn Bhd ("PKSB") to dispose-off its 100% equity interest of TMSB and LEJB for a total cash consideration of RM 20,000.

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 RM1.14 million for the current quarter as compared to RM8.8 million for the corresponding period of the preceding year.

The Group recorded loss after tax (LAT) of RM0.116 million for the current quarter as compared to PAT of RM1.704 million for the corresponding period of the preceding year.

Lower revenue recognized during the current quarter compared to previous 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 loss after tax on current quarter.

B2 Comparison between the current quarter and immediate preceding quarter

The Group recorded revenue and LAT of RM1.14 million and RM0.116 million respectively for the current quarter as compared to revenue of RM2.28 million and loss after tax of RM0.869 million for the immediate preceding quarter ended 30 September 2020.

Same as above, the lower revenue caused by the lower progress claim from the construction project during the current quarter. However, the Group recognised one-off gain from disposal of subsidiaries amounting to RM 0.90 million cause the Group record lower loss after tax during the current quarter compare to the immediate preceding 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	1,176	within 6 months
General working capital	2,128	1,989	within 6 months
Estimated expenses in relation to the Proposed Private Placement	67	67	
Total Gross Proceed	4,775	3,232	

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.

The case hearing held on 22 September 2020 whereby the court dismissed Juliana's summary judgment application and ordered parties to go for trial. However, Juliana is appealing against the same to the High Court. At the date of this report, the case still at the case management stage.

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 31.12.2020	Cumulative period for 12 months ended 31.12.2020
Net Loss attributable to Owners of the Company ('000)	(116)	(1,715)
Weighted average number of shares ('000)	224,623	224,623
Basic Loss per share (sen)	(0.05)	(0.76)

(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 25/02/2021.