



since 1967

LFE Corporation Berhad

Registration No.: 200201011680 (579343-A)
(Incorporated in Malaysia)

ANNUAL REPORT 2025
Connect with Confidence



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Dear Valued Shareholders,

On behalf of the Board of Directors (“the Board”), I am pleased to present the Annual Report and Audited Financial Statements of LFE Corporation Berhad (“LFE” or “the Group”) for the financial year ended 31 December 2025 (“FY2025”).

CHAIRMAN’S STATEMENT

Performance Highlights

The Group achieved record revenue of RM192.9 million in FY2025, representing a 25% increase from RM154.1 million in FY2024. This strong performance demonstrates the continued success of our strategic positioning in the construction and property development sectors.

The Construction & Mechanical & Electrical (M&E) segment achieved remarkable growth of 72% to RM181.5 million, now representing 94% of total revenue. This reflects our expanding presence in commercial and factory development, particularly as we successfully transitioned from factory-based M&E work to the more demanding environment of complex data centre construction projects.

Profit After Tax declined to RM17 million from RM25.4 million in the prior year. This movement reflects three principal factors: first, a shift in project composition towards high-rise construction and structural work, which inherently carries lower profit margins compared to our historical M&E factory division work; second, a swing in taxation from a credit position of RM6.6 million in FY2024 to a tax expense of RM4.5 million in FY2025, reflecting improved profitability and reduced prior-year adjustments; and third, a transitional period in property development as Phase 2 reached completion and Phase 3 was being prepared for launch. Importantly, Profit Before Tax remained resilient at RM21.5 million, demonstrating the underlying strength of our operational performance.

The Group’s share of joint venture results rose to RM4.8 million in FY2025, from RM0.7 million in FY2024, driven entirely by the R&L Engineering partnership in data centre construction. The R&L Engineering contribution marks a significant new earnings stream of data centre for the Group and reflects the success of our entry into the data centre construction sector.

Strategic Growth and Diversification

FY2025 represented a transformative year for LFE as we successfully entered the data centre construction market. This strategic diversification addresses the growing demand for critical digital infrastructure and positions the Group to capture a new and expanding revenue stream. Through our R&L Engineering joint venture, we have substantially advanced our first data centre project, validating both our capability and market fit in this high-growth sector.

The R&L Engineering project was at its final execution stage as of 31 December 2025, with target completion scheduled for mid-2026. The Group is actively pursuing a pipeline of new data centre tenders, reflecting strong market opportunities and our growing reputation in this segment.

A significant milestone was achieved with the award of the SD Ara Damansara Development Sdn Bhd contract in Selangor. This high-rise and mixed-use development project carries a gross development value exceeding RM1.18 billion. Currently, our scope encompasses piling and earthwork activities. We are actively engaged in discussions to secure additional scope, reflecting our expanding capabilities in complex structural work.

To support our rapid expansion, the Group completed a private placement in Q1 FY2025, raising RM11.06 million through the issuance of 55.43 million shares at RM0.1995 per share. These funds were deployed to strengthen working capital and provide financial flexibility for our growth initiatives. Additionally, we secured new banking facilities with financial institutions, further enhancing our liquidity position to support ongoing and future projects.

Our workforce expanded dramatically during FY2025, growing from 35 to 56 employees, representing an increase of 60%. This expansion reflects the scaling of our operations and our investment in talent to support our growing project portfolio. The strengthening of our team is critical to executing our ambitious pipeline and maintaining our commitment to quality and safety.

Property Development

Our Gurun East property development project continues to deliver value to shareholders. Phase 2B and 2C were fully sold during the reporting period, with Certificate of Completion and Compliance (CCC) obtained and vacant possession delivered to all buyers. This milestone reflects strong market demand in the Gurun area and validates our property development strategy.

Phase 3A, comprising 290 units with a gross development value of RM70 million, was launched in early 2026. Market response has been encouraging, with more than 50% of units already booked. This strong uptake reflects sustained demand and investor confidence in the Gurun East location.

Beside Phase 3B, comprising of 277 units of resident house, the Group possesses a development project of approximately 175 acres designated for Phase 4 development under a joint venture arrangement. Together with all planned developments, the Group's property development pipeline carries a combined gross development value of approximately RM230 million, providing a sustainable earnings base for this segment over the coming years.

The decline in property revenue from RM48.5 million in FY2024 to RM11.4 million in FY2025 was anticipated and reflects the gap year between completion of Phase 2 and the launch of Phase 3. This revenue pattern is expected to recover strongly in FY2026 as Phase 3 progresses and Phase 3B launches, returning property development to a meaningful contributor to group earnings.

Sustainability and Governance

The operating environment in FY2025 presented several external challenges. Persistently elevated global crude oil prices continued to push up the cost of key construction material, a challenge shared across the entire construction and property development industry. In response, the Group has remained disciplined in its procurement planning, engaged proactively with suppliers and subcontractors, and reinforced cost monitoring at every project site, enabling us to contain cost pressures and safeguard our project margins and delivery timelines.

We remain committed to responsible and sustainable business practices that create long-term value for all stakeholders. The Group is strengthening its Environmental, Social, and Governance (ESG) initiatives across all operations. Further details on our sustainability performance, targets, and initiatives are set out in the Sustainability Statement contained within this Annual Report.

The Board is committed to the highest standards of corporate governance, transparency, and accountability. Our approach to governance is detailed in the Corporate Governance Overview Statement, Risk Management Statement, and Corporate Governance Report, all of which are included in this Annual Report.

CHAIRMAN'S STATEMENT

(cont'd)



Appreciation

On behalf of the Board, I extend our sincere gratitude to our valued shareholders for their continued confidence and support. We also wish to acknowledge our loyal customers, business partners, and stakeholders whose contributions have been instrumental to our growth.

The dedication and hard work of our management team and employees have been fundamental to our success during FY2025. Their commitment to excellence, safety, and operational efficiency across all functions is greatly appreciated. We look forward to building upon this momentum as we scale our operations and take on increasingly complex and larger-scale projects.

I also wish to thank my fellow Board members for their strategic guidance, oversight, and invaluable contributions to the Group's direction.

Looking ahead to FY2026, we enter with confidence bolstered by our construction and M&E segment order book, a promising property development pipeline with Phase 3 gaining strong market traction, and our successful positioning in the high-growth data centre construction sector. With a strengthened team, improved operational capabilities, and a diversified revenue base, LFE is well-positioned to deliver sustainable value to all stakeholders.

CHUAH CHONG EWE

Executive Chairman

Dear Valued Shareholders,

On behalf of the Board of Directors of LFE Corporation Berhad (“LFE” or “the Group”), I am pleased to present the Management Discussion and Analysis (“MD&A”) for the financial year ended 31 December 2025 (“FY2025”). This section provides an overview of the Group’s business operations, strategic developments, financial performance, and future outlook for investors and stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

FY2025 was a year of rapid growth and strategic expansion for LFE Corporation Berhad. The Group achieved record revenue of RM192.9 million, representing a robust 25% increase from FY2024’s RM154.1 million, continuing its strong growth trajectory.

This exceptional growth reflects LFE’s successful execution of its strategic initiatives in a highly favourable market environment. Malaysia’s construction industry benefited significantly from sustained government infrastructure spending, the ongoing data centre boom driven by artificial intelligence and cloud computing demand, and robust investment by private sector developers in commercial, residential, and industrial projects. LFE capitalized on these opportunities by expanding its client base, entering the data centre construction market as a new revenue stream, and continuously strengthening its technical capabilities across structural, mechanical, and electrical disciplines.

In parallel, the Group continued to invest in its core property development business, completing the delivery of Gurun East Phase 2B and 2C, and preparing the ground for the launch of Phase 3. This diversified approach by balancing high-volume construction contracts with strategic property development that positions LFE for sustainable long-term growth.

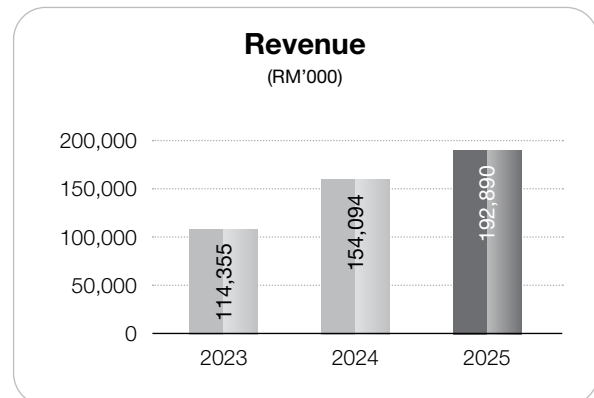


Figure 1: Three-Year Revenue Trend

Financial Review

Revenue

The Group’s total revenue increased to RM192.9 million in FY2025 from RM154.1 million in FY2024, an increase of RM38.8 million or 25%. This growth demonstrates the successful execution of our strategic expansion and reflects increased demand across our served markets.

By segment, Construction and M&E revenue reached RM181.5 million in FY2025, representing an exceptional 72% increase from RM105.6 million in FY2024 and comprising 94% of total revenue. This strong performance was driven by higher completion rates on major high-rise and commercial projects, the successful launch and execution of our first data centre construction projects, and expanded relationships with both traditional developer clients and new institutional clients in the data centre sector.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)



Financial Review (cont'd)

Revenue (cont'd)

Property Development revenue was RM11.4 million in FY2025, compared to RM48.5 million in FY2024. This 76% decline reflects a transitional period in the property segment as Phase 2B and 2C reached completion and delivery milestones in FY2025, while Phase 3A was launched only in early 2026. This represents a temporary gap between project phases and is expected to recover substantially in FY2026 as Phase 3A contributes a full year of revenue.

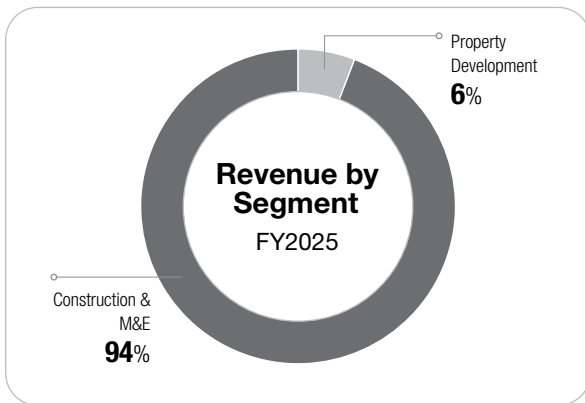


Figure 2: Revenue by Segment (FY2025)

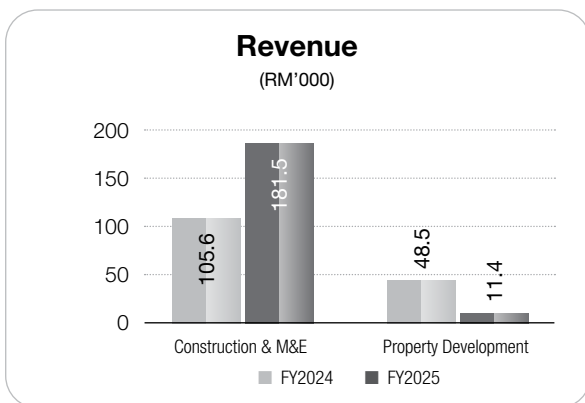


Figure 3: Revenue by Segment Year-on-Year Comparison

Construction and M&E Segment Analysis

The Construction and M&E segment exhibited exceptional growth and increasing diversity in FY2025. Our revenue diversification by project type now reflects a balanced portfolio across multiple high-growth market segments. High-rise residential and mixed development construction accounted for 48% of Construction revenue, while Commercial and Factory projects represented 23%. The emerging Data Centre segment contributed 17%, with the remaining 12% comprising other project types. This diversification strategy mitigates concentration risk and positions the Group to benefit from multiple growth drivers across the Malaysian construction industry.

From a client type perspective, the Group's Construction revenue is distributed as follows: Developer clients remain the largest segment at 56% of revenue, reflecting our strong relationships with the property developers. The Data Centre sector now represents 17% of Construction revenue, marking a successful new market entry. Factory and warehouse clients account for 17%, while Hotel and hospitality clients represent 6%. Intercompany projects, primarily Gurun East construction, comprise approximately 6% of Construction revenue. This balanced client diversification demonstrates our ability to serve a wide spectrum of construction needs and reduces dependence on any single customer or market segment.

Notably, FY2025 marked the successful entry into the data centre construction market through our strategic initiatives and joint venture partnerships. This represents a significant strategic achievement, as data centre construction is a high-growth, long-duration project category that commands premium technical requirements and attracts stable, institutional-quality clients.

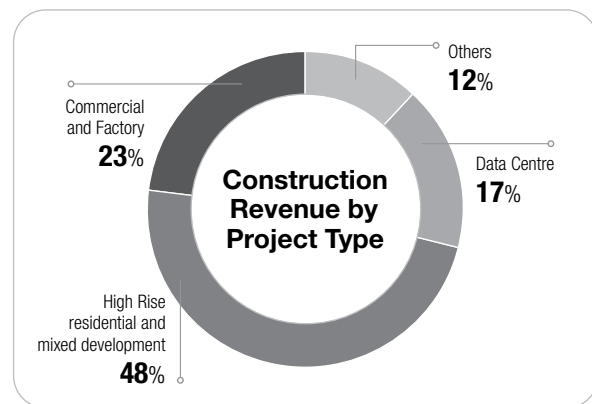


Figure 4: Construction Revenue by Project Type

Financial Review (cont'd)

Construction and M&E Segment Analysis (cont'd)

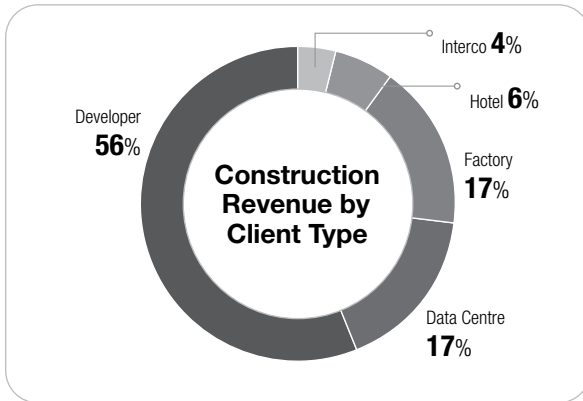


Figure 5: Construction Revenue by Client Type

Profitability

Gross profit for FY2025 amounted to RM25.5 million compared to RM28.2 million in FY2024, representing a decrease of RM2.7 million. However, this result reflects the shift in project portfolio mix towards larger-scale construction contracts rather than any operational deterioration. The gross profit margin declined from 18.3% in FY2024 to 13.2% in FY2025.

This margin compression is attributable to a higher proportion of large-scale high-rise construction contracts, particularly the major structural and concrete work projects for developer clients. These projects are characterized by larger contract values, longer execution periods, and structurally lower margins due to their competitive, value-engineered nature. In contrast, our specialized mechanical and electrical (“M&E”) and industrial facility projects typically command higher margins but represent lower absolute revenue.

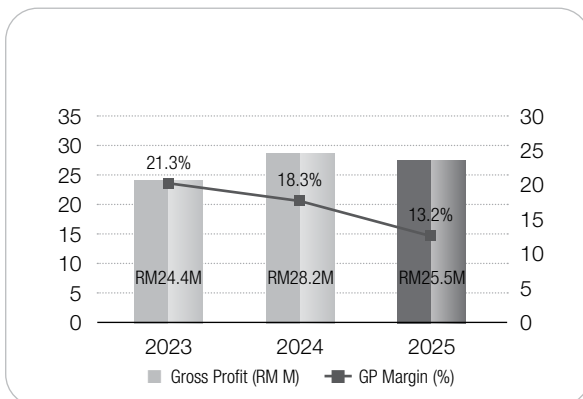


Figure 6: Gross Profit and Gross Profit Margin Trend

Profit before tax (“PBT”) for FY2025 was RM21.5 million, compared to RM18.8 million in FY2024, an increase of RM2.7 million or 14%. This improvement was driven by higher revenue volume and an exceptional contribution from our joint venture investments, which contributed RM4.8 million in share of results (FY2024: RM0.7 million). Profit after tax (“PAT”) was RM17.0 million in FY2025, compared to RM25.4 million in FY2024. This significant decline in PAT (33% decrease) was driven by a material swing in tax position: FY2024 benefited from RM6.6 million in tax credits related to prior year adjustments, whereas FY2025 incurred a normal tax expense of RM4.5 million. Excluding the impact of this one-time tax credit, the underlying operating profitability remained relatively stable.

Administrative Expenses

Administrative expenses remained well-controlled despite the substantial growth in revenue and operational scale. The Group maintained disciplined cost management practices, with administrative costs growing at a slower rate than revenue growth, demonstrating operating leverage and efficient capacity utilization as the business scales.

Share of Profit from Joint Ventures

A significant development in FY2025 was the exceptional performance of the R&L Engineering joint venture. The Group’s share of profit from joint ventures rose to RM4.8 million in FY2025, driven entirely by the R&L Engineering partnership in data centre construction. This compares to RM0.7 million in FY2024, which represented a final distribution from a legacy joint venture that has since been concluded. The FY2025 contribution from R&L Engineering marks a significant new and recurring earnings stream for the Group.

Q4 2025 alone generated RM4.93 million in share of profits as the data centre project reached advanced stages of completion. As of the balance sheet date on 31 December 2025, this project was in its final phase of execution, with target completion targeted for mid-2026. The successful execution of this inaugural data centre project has validated our technical competence and market positioning in this high-value segment.

Looking ahead, the Group is actively participating in several new data centre construction tenders and competitive bids, positioning R&L Engineering to capture additional work in this strategic growth market. The data centre sector is characterized by multi-year project durations, strong client credit quality, and positive industry fundamentals, making it a strategically important focus for LFE’s long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)



Financial Review (cont'd)

Cash Flow and Liquidity

The Group's cash flow position in FY2025 reflected the working capital demands of rapid growth and expanded operations. Operating activities generated negative cash flow of RM21.5 million in FY2025, compared to positive cash generation of RM4.9 million in FY2024. The swing to negative operating cash flow is principally attributable to the substantial increase in contract receivables and work-in-progress as the Group expanded its Construction revenue base by 72% and undertook multiple large-scale concurrent projects.

This is a typical pattern for construction companies experiencing rapid top-line growth: increased receivables and unbilled work-in-progress are necessary to support revenue expansion and reflect the timing of billings and collections on major multi-year contracts. The cash position at year-end 2025 was RM7.4 million, having recovered from a low point of RM4.6 million in Q3 2025. This recovery reflects successful completion and billing of major project milestones in Q4. The Group maintains adequate banking facilities with several financial institutions, providing ample liquidity to support ongoing operations and working capital requirements.

In FY2025, the Group also raised capital through a private placement of shares, resulting in net proceeds of RM11.06 million, which strengthened the equity base and supported increased working capital requirements.

Business Segment Review

Construction and M&E Services

The Construction and M&E business achieved record revenue of RM181.5 million in FY2025, representing 72% growth from FY2024. The segment benefited from a strong order book and expanded client relationships across both traditional developer clients and new institutional clients in the data centre sector.

As of 31 December 2025, the Group's outstanding order book is approximately RM245 million in balance revenue remaining to be executed. This comprises RM175 million in Construction contracts with developer, factory, hotel, and data centre clients, and RM70 million in intercompany work related to the Gurun East development project. This order book provides solid revenue visibility and substantial contracted revenue support for the Group's financial planning and capital management.

Key achievements in FY2025 included successful execution and near-completion of our first major data centre construction project through the R&L Engineering joint venture. Additionally, the Group secured the piling and earthwork contract from SD Ara Damansara Development Sdn Bhd for a high-rise and mixed-use development project in Selangor with a gross development value exceeding RM1.18 billion. The Group is actively committed to securing further scope of works from this project.

The tender book for prospective new contracts continues to expand, with multiple major opportunities under competitive evaluation. The Group maintains a disciplined approach to bid selection, focusing on projects that offer appropriate risk-adjusted returns, align with strategic capability development, and reduce concentration risk.

Property Development

The property development business completed a significant milestone in FY2025 with the successful delivery of Gurun East Phase 2B and 2C to property purchasers. Phase 2B and 2C were fully sold prior to completion, ensuring strong cash flow generation from plot sales. Certificate of Completion and Compliance ("CCC") were obtained, and vacant possession ("VP") was delivered to purchasers in FY2025, fulfilling all contractual obligations and generating corresponding property revenue during the year.

Phase 3A was launched in early 2026 and has achieved an encouraging market reception, with over 50% of the 290 residential units already booked by the launch date. Phase 3A has a gross development value of RM70 million. Phase 3B, comprising 277 units with a gross development value of RM67 million, is targeted for launch by end of 2026, subject to the continued positive sales momentum of Phase 3A.

The Group also holds a development project comprising approximately 175 acres at the Gurun East development site designated for Phase 4, which is potential long-term with a joint venture structure. This substantial development project provides multi-year development optionality and positions the Group for sustained property development contribution beyond the near-term phase deliveries.

The property development segment provides strategic balance to the Construction business by generating ongoing property revenue and cash flow, while utilizing the Group's construction execution capabilities on a captive basis. The substantial pipeline of RM137 million in near-term gross development value (Phase 3A and 3B combined) plus the 175-acre development land provides substantial medium to long-term growth visibility.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

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Prospects and Outlook

The Board of Directors views the medium-term prospects for LFE Corporation Berhad with considerable optimism. The Group is well-positioned to maintain its momentum through FY2026 and beyond.

The global operating environment during the year remained challenging, with elevated crude oil prices continuing to exert upward pressure on the cost of construction inputs, including steel, cement, bitumen and fuel-related logistics. This is a headwind affecting the entire construction and property development industry in Malaysia. In response, the Group has taken proactive steps to manage its resources and contain cost exposure, including careful procurement planning, bulk purchasing where feasible, closer engagement with suppliers and subcontractors to lock in pricing, and tighter project cost monitoring at site level. These measures have helped the Group minimise the impact of raw material price volatility on project margins and safeguard the delivery of our order book.

The existing order book of RM245 million provides clear revenue visibility and supports operational continuity. The successful execution and near-completion of the first data centre project provides a strong reference for additional data centre contract pursuits. The SD Ara Damansara Development Sdn Bhd relationship represents a strategic developer relationship that may lead to additional scope and future projects. Active tender pursuit across multiple project categories provides opportunities for continued order book replenishment and revenue growth.

The Group has strengthened its balance sheet through equity capital raising and secured additional banking facilities, providing the financial flexibility to support growth initiatives, working capital requirements, and strategic opportunities that may arise.

The Group remains committed to disciplined execution of projects, strategic selection of new construction contracts that offer appropriate returns and market positioning, maintaining prudent financial management with appropriate leverage and liquidity reserves, and continuous investment in technical capabilities, staff development, and operational infrastructure to support sustainable long-term growth.

Liew Kiam Woon
Managing Director
LFE Corporation Berhad

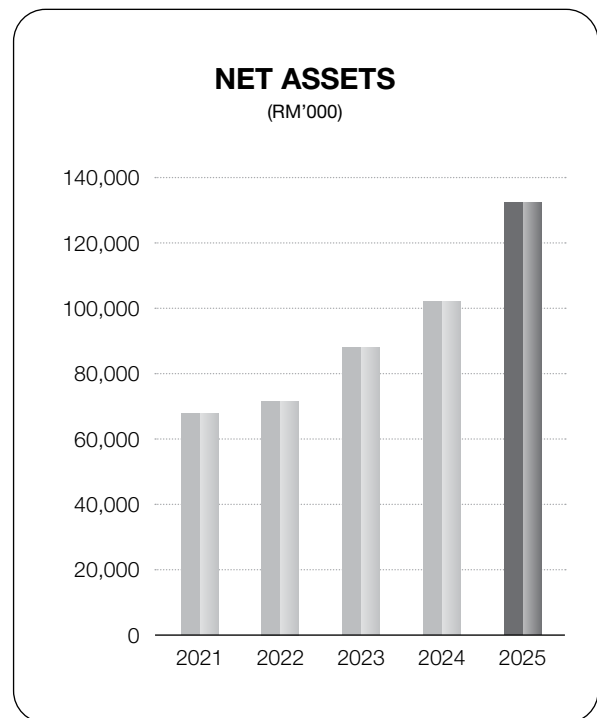
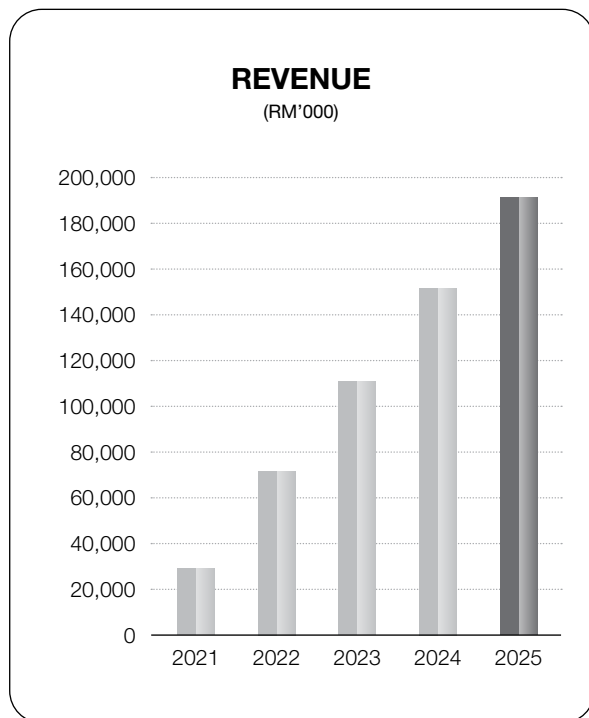
GROUP FINANCIAL HIGHLIGHTS

	2021 RM	2022 RM	2023 RM	2024 RM	2025 RM
Revenue ('000)	32,875	73,227	114,355	154,094	192,890
Profit/(Loss) after taxation ('000)	(14,120)	1,931	15,159	25,385	16,985
Basic earnings/(loss) per share (sen)	(2.64)	0.06	1.20	2.29	1.47
Net assets ('000)	73,952	75,944	85,529	107,030	135,073
Net assets per share (sen)	12.12	9.48	7.71	9.65	11.60

RM192.9M
Revenue

RM21.5M
Profit Before Tax

~ RM245M
Order Book



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chuah Chong Ewe

Executive Chairman

Liew Kiam Woon

Managing Director

Goh Chee Hoe

Executive Director

Tng Ling Ling

Independent Non-Executive Director

Lim Say Leong

Independent Non-Executive Director

Ahmad Zakie

Bin Hj Ahmad Shariff

Independent Non-Executive Director

PRINCIPAL OFFICES

KUALA LUMPUR, MALAYSIA, LFE ENGINEERING SDN BHD

D1-2-1, Block D1

Dana 1 Commercial Centre

Jalan PJU 1A/46, Ara Damansara

47301 Petaling Jaya

Selangor Darul Ehsan

Tel : 603-2694 8899

Fax : 603-2694 8833

Website : www.lfe.com.my

Email : info@lfe.com.my

COMPANY SECRETARIES

Lim Li Heong

(MAICSA 7054716)

SSM Practising Certificate No.:

202008001981

Wong Mee Kiat

(MAICSA 7058813)

SSM Practising Certificate No.:

202008001958

AUDITORS

Messrs HLB Ler Lum Chew PLT
(201906002362 & AF 0276)

A-23-1, Level 23

Hampshire Place Office

157 Hampshire,

No. 1 Jalan Mayang Sari

Off Jalan Tun Razak

50450 Kuala Lumpur

Tel : 603-7890 5588

AUDIT COMMITTEE

Lim Say Leong (Chairman)

Tng Ling Ling

Ahmad Zakie Bin Hj Ahmad Shariff

REMUNERATION COMMITTEE

Tng Ling Ling (Chairman)

Lim Say Leong

Liew Kiam Woon

NOMINATION COMMITTEE

Ahmad Zakie Bin Hj Ahmad Shariff
(Chairman)

Tng Ling Ling

Lim Say Leong

RISK MANAGEMENT COMMITTEE

Lim Say Leong (Chairman)

Tng Ling Ling

Goh Chee Hoe

Ahmad Zakie Bin Hj Ahmad Shariff

BOARDROOM SHARE REGISTRARS SDN BHD

11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo

Kay Kim, Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : 603-7890 4700

Fax : 603-7890 4670

Website : www.boardroomlimited.com

PRINCIPAL BANKERS

United Overseas Bank

(Malaysia) Berhad

Al Rajhi Banking & Investment

Corporation (M) Bhd

Hong Leong Bank Berhad

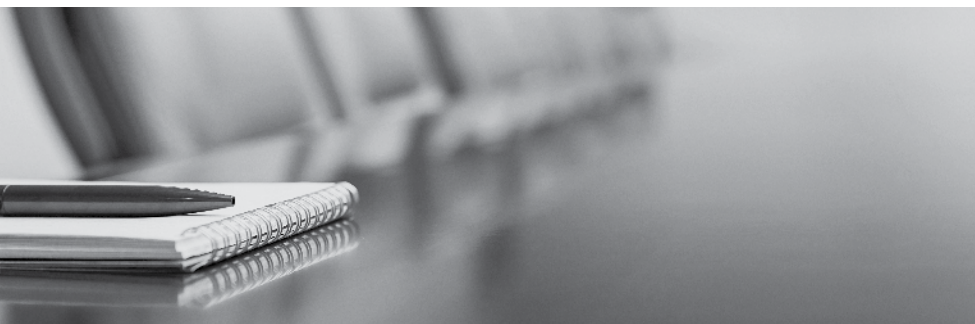
LISTING

Main Market of

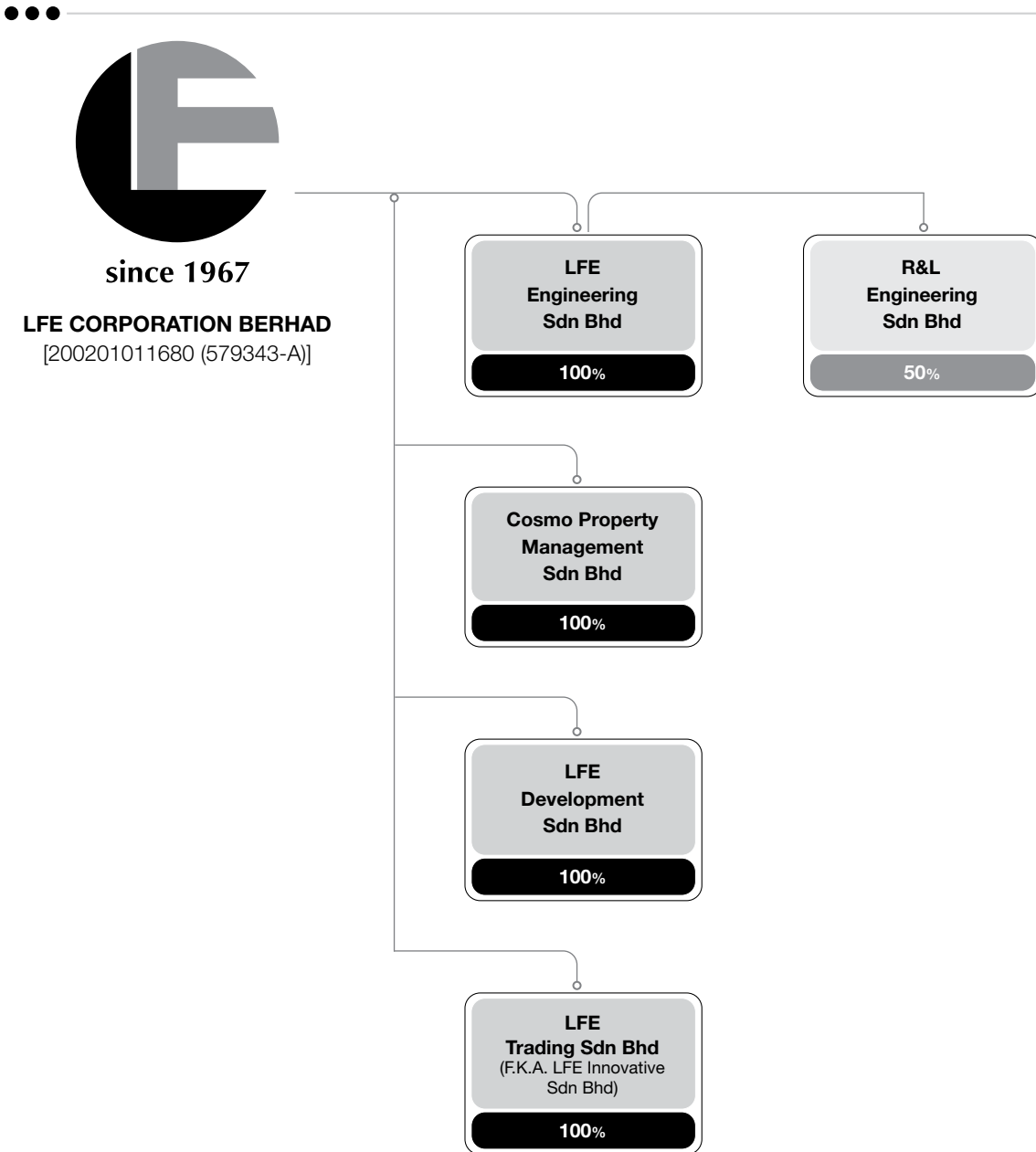
Bursa Malaysia Securities Berhad

Stock Name : LFE Corp

Stock Code : 7170



GROUP STRUCTURE



DIRECTORS' PROFILE

Mr Chuah Chong Ewe

Executive Chairman

Nationality

Malaysian

Gender

Male

Aged

59

Mr Chuah was appointed as the Executive Chairman of the Company on 30 May 2023. He holds a Bachelor's Degree in LLB (Hons) from the University of Malaya in 1992 and was admitted to the Malaysian Bar Council in 1993. He is a highly accomplished legal professional with approximately 20 years of experience in legal practice.

Being in the legal field for almost two decades, he has established a strong reputation within the industry. He later transitioned to the corporate commercial section, leveraging his extensive knowledge and expertise to excel in his new role. Mr. Chuah's commercial involvements are diverse, encompassing technology, manufacturing, property development, construction, engineering, hospitality, and investment in public listed companies.

Mr Chuah is the substantial shareholder of the Company. He currently serves as the Managing Director of Luster Industries Berhad and the Executive Chairman of Aimflex Berhad. He was former Group Executive Director and Chief Executive Director of Seal Incorporated Berhad and Pentamaster Corporation Berhad.

Mr Liew Kiam Woon

Managing Director

Nationality

Malaysian

Gender

Male

Aged

63

Mr Liew was appointed as Executive Director on 15 September 2003 and was subsequently re-designated as Managing Director on 28 September 2010. He is a member of the Remuneration Committee, the Managing Director of LFE Engineering Sdn Bhd ("LFEE") and sits on the boards of subsidiaries of LFE Group. He is also actively involved in Master Builders Association of Malaysia and currently sits in the Council as Deputy President.

Mr Liew graduated from the University of Oregon, the United States of America in 1987 with a Bachelor of Arts Degree, majoring in Business Administration and has completed a basic mechanical and electrical engineering course conducted by the Association of Consulting Engineers Malaysia. Upon graduation, he joined MBF Factors Sdn Bhd as a Business Development Executive. In 1990, he joined LFEE as a Project Coordinator and has since then progressed himself to his current position.

Mr Liew is the substantial shareholder of the Company. He does not hold any directorship in other public companies or listed issuers.

Mr Goh Chee Hoe

Executive Director

Nationality

Malaysian

Gender

Male

Aged

34

Mr Goh was appointed as the Executive Director of the Company on 30 October 2019. He also serves as a member of the Risk Management Committee. He is a member of the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants, United Kingdom.

Mr Goh started his career as an audit associate with an international accounting firm and was subsequently promoted to the management level of the accounting firm. His clientele includes both local and international companies from various diversified industries, such as property development, construction, manufacturing, trading, service line and others. He then joined a local commercial entity group as head of finance and gained a wide range of exposure in businesses such as property developer, construction, hotel management, and other corporate matters.

Mr Goh does not hold any directorship in other public companies or listed issuers.

DIRECTORS' PROFILE

(cont'd)



Mr Lim Say Leong

Independent
 Non-Executive Director

Nationality

Malaysian

Gender

Male

Aged

57

Mr Lim was appointed as Independent Non-Executive Director of the Company on 24 June 2021. He also serves as the Chairman of the Audit Committee and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

Mr Lim obtained his CIMA Professional Accountancy Qualification with the Chartered Institute of Management Accountants (CIMA) United Kingdom and was admitted as a Member of the Institute in 1995. He was also registered as a Chartered Accountant with the Malaysian Institute of Accountants (MIA). Mr Lim was admitted as an Associate Member of the Chartered Tax Institute of Malaysia and received his Masters of Business Administration from Edinburgh Business School, Heriot-Watt University, United Kingdom.

He was appointed as Group Chief Executive Officer and Group Executive Director of Denko Industrial Corporation Berhad in 1999. In 2004, he became a partner in Sunneveld Bakery Bistro Sdn Bhd, a food and beverage chain business and disposed his business in 2009. Subsequently, he joined Yen Global Berhad as Group Chief Executive Officer. Upon leaving Yen Global Berhad, he co-founded Everise Concepts PLT in 2010 and was appointed as the Executive Director.

Mr Lim had served as both a committee member of CIMA Penang Branch and the Federation of Malaysian Manufacturers (FMM) Northern Branch and he is also currently an honorary auditor of the Lim Clan Association in Penang.

Mr Lim is currently the Independent Non-Executive Director of Aurora Italia International Berhad and was a former independent director of Caely Holdings Bhd. and former Chairman and CEO of Globalink Investment Inc, a company listed on NASDAQ market.

Mr Ahmad Zakie Bin Hj Ahmad Shariff

Independent
 Non-Executive Director

Nationality

Malaysian

Gender

Male

Aged

69

Mr Ahmad Zakie was appointed as the Independent Non-Executive Director of the Company on 30 August 2023. He serves as the Chairman of the Nomination Committee and a member of the Audit Committee and Risk Management Committee.

Mr Ahmad Zakie graduated with a Degree in Economics and Management at Universiti Kebangsaan Malaysia in 1980. He then pursued further studies in Accounting Science at the University of Illinois, Urbana-Champaign, Ill., USA in 1981 and Financial Accounting at post-graduate level at Sheffield University, England in 1987.

Mr Ahmad Zakie is an accomplished professional with a diverse academic background and extensive experience in various sectors including academia, finance, and entrepreneurship. Throughout his career, Mr. Ahmad Zakie has worked as an accounting lecturer, equities analyst, and held senior management positions in both Malaysia and abroad. Additionally, he has founded and sold several companies, demonstrating his entrepreneurial spirit. Mr Ahmad Zakie continues to share his knowledge by occasionally lecturing graduate students while undergoing various leadership training programs at prestigious institutions worldwide.

Mr Ahmad Zakie is currently the Independent Non-Executive Chairman of Sorento Capital Berhad.

DIRECTORS' PROFILE

(cont'd)

**Ms Tng
Ling Ling**

Independent
Non-Executive Director

Nationality

Malaysian

Gender

Female

Aged

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Ms Tng was appointed as the Independent Non-Executive Director of the Company on 30 October 2019. She holds a Diploma, major in Accounting cum London Chamber of Commerce & Industry (LCCI). She also serves as the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Risk Management Committee.

Ms Tng has more than seventeen (17) years of considerable experience throughout her career in financing and accountancy and management consultancy work. With the wide experience and exposure, she is now the founder of H Boutique Hotel Management Group ("H Boutique") and responsible for the finance & account, human resources, sales & marketing and customer & investor relationship, financial planning, market analysis of the Group. H Boutique also appointed as consultant by other hotels to provide consultancy services in respect of pre-openings, management and training for hotel staff.

Ms Tng does not hold any directorship in other public companies or listed issuers.

OTHER INFORMATION

1. None of the Directors have any family relationships with the Directors and/or major shareholders of the Company.
2. None of the Directors have any personal interest/conflict of interest/potential conflict of interest, including interest in any competing business with the Company and the subsidiary.
3. None of the Directors of the Company has been convicted of any offence other than traffic offences, within the past 5 years, if any, or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.
4. The details of attendance of the Directors at the Board Meeting are set out on page 41 of this Annual Report.
5. The details of the Director's interest in the securities of the Company are set out in the Analysis of Shareholdings on page 132 of this Annual Report.

SUSTAINABILITY STATEMENT



1. ABOUT THIS STATEMENT

1.1 Reporting Standards

LFE Corporation Berhad (“LFE”, “the Group” or “the Company”) is pleased to present our Sustainability Statement (“Statement”) for the financial year ended 31 December 2025 (“FY2025”). This Statement outlines the Group’s commitment to embedding sustainability considerations into our strategies, operations, and stakeholder engagements.

This Statement is prepared in accordance with Paragraph 9.45(2) and Practice Note 9A of the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), including the requirements set out in Annexure PN9A-A (Part A and Part B). In preparing this Statement, we have also referred to the guidance provided in Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and relevant best practices.

This Sustainability Statement is aligned and consistent with the disclosures presented in the Company’s Annual Report and other corporate publications, including the corporate website. Matters relating to detailed corporate governance, internal business operations, and financial performance are reported separately in other sections of the Annual Report and are not duplicated here.

1.2 Scope and Boundary

This Statement covers the Group’s sustainability practices and initiatives for the financial year ended 31 December 2025, unless otherwise stated. The scope of reporting includes LFE’s headquarters in Selangor and all active project sites under its direct management. Data and disclosures exclude joint venture, which is subject to different statutory and reporting requirements.

1.3 Reporting Frameworks

This Statement has been prepared in accordance with:

- Bursa Malaysia Main Market Listing Requirements, Paragraph 9.45(2), Appendix 9C Part A (Items 28–32) and Practice Note 9A;
- Bursa Sustainability Reporting Guide, 3rd Edition (September 2022);
- Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations (first-year adoption, as required of Main Market non-Large Cap issuers from FY2025);
- Malaysian Code on Corporate Governance 2021; and
- Other applicable Malaysian legislation, including the Companies Act 2016, Occupational Safety and Health Act 1994 (as amended), Personal Data Protection Act 2010 and Malaysian Anti-Corruption Commission Act 2009.

The Group is classified as a Main Market non-Large Cap issuer (Group 2) under the National Sustainability Reporting Framework (“NSRF”). Adoption of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) is not yet mandatory for Group 2 issuers in FY2025 and the Group has not elected voluntary early adoption. The Group remains committed to progressively strengthening its sustainability disclosures in line with the phased implementation timetable.

1.4 Reporting Period and Currency

Unless otherwise stated, all data relates to the 12-month period from 1 January 2025 to 31 December 2025. FY2024 comparatives are provided where available. All monetary figures are in Malaysian Ringgit (“RM”). FY2025 represents the Group’s first year of quantitative disclosure for several environmental indicators; FY2024 comparatives for these indicators have been disclosed where data has been reliably reconstructed and are stated on a “baseline” basis where not.

1. ABOUT THIS STATEMENT (CONT'D)

1.5 Assurance and Internal Review

This Sustainability Statement has been reviewed by the Group's Internal Audit function to ensure the accuracy and reliability of the information presented herein. The review covered the completeness of disclosures against the Bursa common material sustainability matters, the accuracy of quantitative indicators against underlying source records, and the consistency of narrative with the Group's policies and records.

No external independent assurance has been obtained for FY2025. The Group will continue to evaluate the need for external assurance as its sustainability reporting capability matures.

1.6 Commitment to Sustainability

This Statement reflects our ongoing commitment to transparency by providing meaningful insights into the Group's performance and approach across key economic, environmental, and social ("EES") dimensions. Through this disclosure, we aim to strengthen trust and engagement with our stakeholders including employees, investors, customers, business partners, suppliers, and the communities in which we operate.

We identify and address key sustainability risks and opportunities through our Material Sustainability Matters, which guide how we manage our impact and create long-term value. By upholding strong corporate governance, promoting environmentally responsible practices, and fostering inclusive social policies, we strive to achieve sustainable growth and deliver lasting value to our shareholders.

1.7 Feedback and Comments

At LFE, we recognise that sustainability is a continuous journey that requires ongoing improvement across all areas, including the setting and achievement of performance targets. We deeply value the support and engagement of our stakeholders, and remain committed to embedding sustainability into the core of our operations to create shared value. We welcome feedback, suggestions, and ideas from all stakeholders on how we can further enhance our sustainability practices. Your input plays a vital role in helping us strengthen our impact across the economic, environmental, and social ("EES") dimensions.

For any comments or enquiries, please contact:

Sustainability Committee

LFE CORPORATION BERHAD

D1-2-1, Block D1

Dana 1 Commercial Centre

Jalan PJU 1A/46, Ara Damansara

47301 Petaling Jaya

Selangor Darul Ehsan

Tel: 603-2694 8899 | Fax: 603-2694 8833

Website: www.lfe.com.my | Email: info@lfe.com.my

SUSTAINABILITY STATEMENT

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2. BOARD STATEMENT ON SUSTAINABILITY

On behalf of the Board of Directors of LFE Corporation Berhad, I am pleased to present the Group's Sustainability Statement for FY2025.

FY2025 has been a year of significant expansion for LFE. Group revenue grew 25% to RM192.9 million and our workforce expanded by 60% from 35 to 56 employees across four operating entities. This growth also elevates the importance of how we manage our environmental footprint, how we treat our people and how we govern our business.

The Board takes its responsibility for sustainability governance seriously. During FY2025, the Board reviewed and re-approved the Group's Anti-Bribery Management System, reaffirmed the Whistleblowing Policy, and endorsed the formal adoption of a Supplier Code of Conduct. FY2025 is also the first year that LFE reports climate-related information in line with the TCFD framework, as required of Main Market non-Large Cap issuers.

I am pleased to report that the Group recorded zero work-related fatalities, zero Lost Time Incidents, zero confirmed incidents of corruption and zero breaches of customer data privacy during FY2025.

We recognise that our sustainability journey is still at an early stage. Looking ahead, the Board will continue to explore opportunities to progressively strengthen the Group's sustainability practices, including enhancing the measurement of our environmental footprint, broadening employee training programmes, and embedding ESG considerations more deeply into our supply chain management. We look forward to reporting on our continued progress in the FY2026 Sustainability Statement.

The Board has reviewed this Sustainability Statement and is satisfied that it fairly presents the Group's sustainability performance for FY2025 in accordance with the Bursa Malaysia Main Market Listing Requirements and the Bursa Sustainability Reporting Guide (3rd Edition).

On behalf of the Board

CHUAH CHONG EWE
Executive Chairman

3. OUR SUSTAINABILITY APPROACH

3.1 Our Business in Context

LFE is an engineering and property group listed on the Main Market of Bursa Malaysia. Our core activities are:

- **Mechanical & Electrical (“M&E”) and Civil & Structural (“C&S”) engineering** — serving high-rise residential, commercial, industrial and data centre end-markets.
- **Property development** — focused on landed residential and mixed-use developments.

Given the nature of our businesses, our most significant sustainability exposures are in workforce health and safety, employment and talent practices, energy and emissions management, responsible supply chain, and the climate resilience of our project portfolio. This Statement is structured around these exposures.

3.2 Sustainability Pillars

LFE’s sustainability approach is organised under three pillars, consistent with our disclosure since previous year:

Economic & Governance	Environmental	Social
Long-term economic value creation, underpinned by sound governance, ethical business conduct and a responsible supply chain.	Responsible management of energy, water, waste and greenhouse gas emissions, and building resilience to climate-related risks.	A safe, inclusive and skilled workforce; fair treatment of employees and contractors; and meaningful contribution to the communities in which we operate.

These pillars connect directly to Group strategy. Economic & Governance supports our ability to win work and build trust with clients, bankers and regulators. Environmental performance is increasingly relevant to the main contractors and end-customers we serve, particularly in the data centre and green-building segments. Social performance, principally workforce safety, training and retention, is foundational to delivery execution as we scale.

4. SUSTAINABILITY GOVERNANCE

4.1 Governance Structure

LFE has established a structured sustainability governance framework to support the integration of environmental, social, and governance (ESG) considerations into our business strategy and day-to-day operations. This structure is designed to promote accountability, enhance oversight, and ensure alignment with the Group’s long-term value creation goals.

The Group’s sustainability agenda is led by the Managing Director, who is now supported by an Executive Director in overseeing the development and execution of sustainability-related strategies. The Sustainability Committee, comprising members from key functions across the organisation, is responsible for implementing initiatives and monitoring progress on material sustainability matters.

The Committee convenes as needed and at least twice annually to review and discuss updates, challenges, and progress on sustainability issues. Key matters and developments are reported to the Managing Director and Executive Director and subsequently escalated to the Board of Directors for strategic guidance and oversight.

SUSTAINABILITY STATEMENT

(cont'd)



4. SUSTAINABILITY GOVERNANCE (CONT'D)

4.1 Governance Structure (cont'd)

The Board of Directors has ultimate oversight responsibility for the Group's sustainability strategy, material sustainability matters and associated risks and opportunities, including those arising from climate change. The Board discharges this responsibility through the following structure:

Body	Responsibilities
Board of Directors	Sets sustainability strategy and material priorities; approves the Sustainability Statement; reviews performance against sustainability objectives; oversees climate-related risks.
Audit Committee	Reviews the effectiveness of internal controls (including those relevant to sustainability data) and receives the internal audit review of the Sustainability Statement before Board approval.
Sustainability Committee	Chaired by the Managing Director. Meets at least twice yearly. Develops sustainability policies, drives the annual materiality assessment, monitors performance data collection and reports to the Board.
Management Working Group	Cross-functional working group comprising representatives from Human Resources, Finance, Procurement, Health & Safety, Legal & Compliance and Admin. Responsible for day-to-day implementation and data collection.

5. STAKEHOLDER ENGAGEMENT

At LFE, we define stakeholders as any group that is significantly affected by, or has a vested interest in, our operations. These stakeholders play a vital role in shaping our business decisions and sustainability strategies. By actively engaging with them, we aim to align our efforts with their expectations and drive long-term value creation.

Stakeholder engagement is a fundamental pillar of our sustainability approach. It allows us to identify key concerns, gather valuable insights, and refine our strategic priorities. Our engagement efforts encompass a wide range of stakeholders, including employees, customers, shareholders, non-governmental organisations (NGOs), suppliers, industry bodies, and local communities.

Through regular and open communication, we foster trust, build collaborative relationships, and ensure transparency. Feedback from these interactions directly informs the Group's sustainability agenda, helping us to implement focused and responsive initiatives. The key issues raised and addressed through stakeholder engagement are outlined in the following table:

Stakeholder Group	Key Areas of Concern	Engagement Platforms
Shareholders and Investors	Business outlook and prospects; corporate developments; corporate governance; economic performance.	Announcements via Bursa Malaysia; Annual & Extraordinary General Meetings; Annual Reports and Quarterly Reports; corporate website.
Government and regulatory authorities	Regulatory compliance; corporate ethics; statutory and sustainability reporting.	Dialogues and seminars hosted by Bursa Malaysia; transparent and timely disclosures; formal reporting channels.
Customers	Service quality and delivery; product quality management; competitive pricing.	Prompt response to customer enquiries; customer satisfaction surveys; feedback and support channels.

5. STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Key Areas of Concern	Engagement Platforms
Employees	Career advancement and development; competitive compensation and benefits; work-life balance; health and safety at workplace; effective internal communication.	Employee handbook; open-door communication policy; team engagement activities; training and development programs; occupational safety practices.
Suppliers	Fair and transparent procurement; business continuity and financial stability; timely payments.	Group procurement policies and SOPs; tender briefings and supplier evaluations; reinforcement of ethical business conduct.
Local Communities and Public	Community development and enrichment; local employment opportunities; environmental and social impact of operations.	Community engagement programs; site-level safety and health initiatives.
Bankers and Insurers	Credit and operational risk; governance; ESG profile.	Periodic reviews; facility negotiations; site visits.

6. MATERIALITY ASSESSMENT

6.1 Approach

LFE Corporation Berhad conducts a materiality assessment on an annual basis to ensure the Group's sustainability priorities remain relevant and aligned with stakeholder expectations and business objectives. This process enables us to identify, prioritise, and manage the economic, environmental, and social (EES) risks and opportunities most significant to our operations.

The assessment is carried out by the Sustainability Committee in collaboration with senior management, ensuring representation across business functions and alignment with corporate strategy.

The FY2025 materiality assessment followed a structured process involving the following key steps:

- Review of previous material matters to determine their ongoing relevance;
- Engagement with internal stakeholders through discussions to validate material concerns;
- Benchmarking against industry peers and regulatory expectations, including the Sustainability Reporting Guide (3rd Edition) by Bursa Malaysia;
- Assessment of emerging trends and global ESG developments, such as climate-related risks, responsible supply chain practices, and regulatory shifts;
- Prioritization and mapping of identified matters based on their impact on the Group and importance to stakeholders;
- Validation by the Sustainability Committee and Executive Management, with reporting to the Board for oversight.

In FY2024, the Group identified 13 material sustainability matters. The core matters remained largely consistent with the prior year. The Group also identified "Human Rights & Labour Practices" and "climate-related financial risk preparedness" as emerging areas of stakeholder concern. In FY2025, the Group has adopted the 11 Bursa common material sustainability matters as its reporting framework, incorporating the previously identified emerging areas within the relevant common matter categories. These topics are under continued review as the Group works toward improved data capture and risk management in these areas.

SUSTAINABILITY STATEMENT

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6. MATERIALITY ASSESSMENT (CONT'D)

6.2 Material Sustainability Matters for FY2025

The Group has identified the following 11 material sustainability matters, presented in order of relative materiality. All 11 Bursa common material matters are addressed within this Statement.

#	Material Matter	Materiality	Why this is material to LFE
1	Health & Safety	High	Construction sites present inherent safety risks. Our social licence to operate depends on zero-harm performance for employees and sub-contractor workers.
2	Anti-Corruption	High	Section 17A of the MACC Act imposes corporate liability. Public-sector and main-contractor clients increasingly require ABMS compliance.
3	Labour Practices & Standards	High	Rapid 143% headcount growth places higher demands on fair treatment, talent development and retention.
4	Emissions Management (Climate)	High	TCFD disclosure is mandatory from FY2025. Main contractors in the data centre segment require supplier-level climate data.
5	Energy Management	High	Direct driver of Scope 2 emissions and operating cost.
6	Supply Chain Management	Medium	Risk of ESG incidents in upstream supply, particularly for imported materials. Supplier Code of Conduct adopted in FY2025.
7	Diversity	Medium	Improving gender balance (30.4% female in FY2025) supports talent attraction and investor expectations.
8	Water	Medium	Moderate water use at construction sites; not a water-scarce operating region.
9	Waste Management	Medium	Construction and demolition waste is the principal category; scheduled waste is minimal.
10	Data Privacy & Security	Low-Medium	Limited exposure: LFE does not handle large volumes of consumer personal data.
11	Community / Society	Low-Medium	Community investment is modest in scale but meaningful to local stakeholders around project sites.

7. ECONOMIC & GOVERNANCE PILLAR

7.1 Economic Performance

LFE remains focused on building sustainable economic value for its stakeholders through disciplined project execution, margin control, and diversified revenue streams. The Group's core segments, Construction & M&E and Property Development, serve as the primary drivers of revenue. In FY2025, LFE continued to strengthen its financial position by maintaining a healthy order book, improving cost control measures, and delivering quality outcomes to clients and end-users.

LFE creates and distributes economic value across its stakeholders. FY2025 generated economic value of RM192.9 million, of which the principal distributions were as follows:

Economic Value	FY2025 (RM'000)	FY2024 (RM'000)
Direct economic value generated (Revenue)	192,890	154,094
Profit Before Tax	21,461	18,804
Payments to employees (salaries and benefits)	3,163	1,378
Payments to government (corporate tax)	662	2,740
Payments to providers of capital (dividends, interest)	366	555
Community investment (RM'000)	20	38

7.2 Product Quality and Innovations

At LFE, quality and innovation are central to our long-term competitiveness and stakeholder confidence. The Group is committed to delivering high-quality outcomes across both its construction and property development activities, underpinned by strict adherence to industry standards and project specifications. Quality is governed through the Group's ISO 9001:2015-certified Quality Management System, which ensures proper procedures, inspections, and continuous improvements are embedded at every stage of the project lifecycle.

In FY2025, the Group continued its involvement in data centre-related M&E works, which require exceptionally high standards of quality assurance, system reliability, precision engineering, and strict compliance with environmental and operational specifications. No major quality assurance or control issues were reported across projects during the year.

The Group continued to engage strategic technology partners to facilitate skill and knowledge transfer, particularly in data centre M&E engineering. These partnerships support the introduction of advanced construction methodologies and higher performance standards across project teams. The Group remains committed to investing in technical upskilling, quality system enhancements, and innovation-driven partnerships to deliver exceptional standards and build long-term project resilience.

7.3 Customer Satisfaction

Customer satisfaction remains a key priority for LFE, as it directly influences the Group's reputation, recurring business opportunities, and overall sustainability. The Group is committed to understanding and addressing client needs through open communication, reliable delivery, and high-quality outcomes, particularly in its Construction, M&E, and Property Development segments.

In FY2025, the Group continued to receive positive client feedback across multiple projects, particularly in relation to on-site responsiveness and issue resolution. No major disputes or contractual escalations were reported during the year.

SUSTAINABILITY STATEMENT

(cont'd)



7. ECONOMIC & GOVERNANCE PILLAR (CONT'D)

7.3 Customer Satisfaction (cont'd)

Looking ahead, the Group intends to enhance its customer feedback mechanisms, including more structured tracking for property developments and client service digitalisation as the Group expands into specialised markets.

7.4 Anti-Bribery and Anti-Corruption

The Group maintains zero tolerance for bribery and corruption in all its operations and dealings with third parties. Our Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") aligns with the adequate procedures requirements under Section 17A of the MACC Act 2009.

All of LFE's operating entities are covered by the ABAC Policy, representing 100% of Group operations assessed for corruption-related risk. The ABAC Policy was last reviewed and re-approved by management on 31 December 2025.

During FY2025, the ABAC Policy was distributed to all 56 employees Group-wide, with each employee acknowledging receipt and understanding. As this was the inaugural year of formal policy implementation under the current framework, the Group focused on building the compliance infrastructure, including policy dissemination and staff acknowledgement. All employees had previously received anti-corruption training. No dedicated refresher training was conducted in FY2025 and formal training will be reinstated in FY2026.

The Group's Whistleblowing Policy provides a confidential channel for employees, suppliers and other stakeholders to raise concerns about suspected wrongdoing. Reports are directed to the Chairman of the Audit Committee and investigated independently. Details of the reporting channel are provided in the Group's policies and on request from the Company Secretary.

During FY2025, there were no confirmed incidents of corruption, no whistleblowing cases received, and no disciplinary actions taken for corruption-related matters. The Group continues to uphold its zero-tolerance stance toward unethical conduct across all operations.

7.5 Data Privacy and Cybersecurity

LFE complies with the Personal Data Protection Act 2010 ("PDPA") in respect of the personal data it collects and processes — principally employee, supplier and tenant data. Access controls, password policies and restricted data-sharing protocols are in place.

During FY2025, there were no substantiated complaints concerning breaches of customer privacy, no reported losses of customer data, and no cybersecurity incidents. The Group continues to maintain data handling procedures in accordance with the PDPA to safeguard stakeholder information.

7.6 Supply Chain Management

LFE is committed to ensuring that its procurement and tender processes are conducted in a fair, transparent, and accountable manner. The Group recognises that strong governance in procurement not only reduces operational and financial risks but also reinforces stakeholder confidence, supports ethical practices, and contributes to long-term sustainability.

Procurement activities are guided by the Group's established Procurement Policy and ISO 9001:2015 Quality Management System, which provide clear procedures for vendor selection, evaluation, and approval. All tenders and contract awards undergo structured internal assessments based on technical merit, financial viability, and compliance with legal and ethical standards.

7. ECONOMIC & GOVERNANCE PILLAR (CONT'D)

7.6 Supply Chain Management (cont'd)

In FY2025, the Group engaged 78 active suppliers. Substantially all of our supplier spending was with Malaysian-incorporated suppliers. During FY2025 the Group adopted a formal Supplier Code of Conduct,

which sets out expectations on:

- Legal and regulatory compliance;
- Anti-bribery and fair dealing;
- Respect for human rights and fair labour practices;
- Workplace health and safety; and
- Responsible environmental practice.

All new and existing suppliers are expected to observe the Code. Formal ESG screening of suppliers against the Code will be progressively introduced from FY2026. Zero suppliers were formally screened on ESG criteria in FY2025. No incidents of non-compliance or procurement-related grievances were reported.

7.7 Regulatory Compliance

The Group is subject to a range of regulatory requirements covering corporate governance, environmental quality, workplace safety, labour practices, taxation and data privacy. The Group's compliance framework is supported by internal policies and procedures, periodic management reviews, and oversight by the management. Compliance responsibilities are embedded across relevant functions including Finance, Human Resources, Legal, Health & Safety, and Procurement. The Group monitors regulatory developments and engages external advisors where necessary to ensure ongoing compliance.

The Group is not aware of any material non-compliance with applicable laws and regulations during the financial year. No legal proceedings or regulatory investigations involving the Group in relation to environmental, labour, safety or governance matters were pending as at the date of this Statement.

8. ENVIRONMENTAL & CLIMATE PILLAR

8.1 Energy Consumption

LFE acknowledges that responsible energy consumption is a key component of its environmental sustainability efforts. Although the Group's operations are not considered energy-intensive compared to heavy industries, energy use still plays a significant role in the Group's day-to-day activities, particularly at project sites and office premises. As such, the Group continues to implement measures aimed at improving energy efficiency and reducing its environmental footprint.

Currently, the Group is able to monitor only the energy consumption directly under its control, which includes electricity usage at its head office and company-managed facilities. At this stage, energy usage by subcontractors operating independently at project sites is not included in the Group's reporting scope due to the decentralised nature of these operations.

Total electricity consumption in FY2025 was 15,718 kWh, as follows:

Location	FY2025 (kWh)	Share of Group
Office and workshop	7,152	45.5%
Site office	6,669	42.4%
Project sites (aggregated)	1,897	12.1%
Total Group electricity	15,718	100%

SUSTAINABILITY STATEMENT

(cont'd)



8. ENVIRONMENTAL & CLIMATE PILLAR (CONT'D)

8.2 Greenhouse Gas Emissions

In line with the TCFD recommendations adopted from FY2025, the Group discloses its greenhouse gas (“GHG”) emissions using the Greenhouse Gas Protocol Corporate Standard framework. Emissions are classified by scope as set out below:

Scope	Boundary	FY2025 (tCO ₂ e)	FY2024 (tCO ₂ e)
Scope 1	Direct emissions from company-owned vehicles and site fuel consumption	~6.60	~8.29
Scope 2	Indirect emissions from purchased electricity (location-based)	~9.18	~10.51
Scope 3	Other indirect emissions along the value chain	~7.2	~27.65
Total		~22.98	~46.45

Methodology

Scope 1: The Group operates two company-owned vehicles (Toyota Hilux) used for site operations, consuming approximately 2,160 litres of petrol per annum. In addition, approximately 600 litres of diesel was consumed at project sites for generators and equipment during FY2025. Total Scope 1 emissions are calculated as follows: Petrol — 2,160 litres × 2.31 kgCO₂e/litre = 4.99 tCO₂e; Diesel — 600 litres × 2.68 kgCO₂e/litre = 1.61 tCO₂e; Total Scope 1 = 6.60 tCO₂e.

Scope 2: Calculated using the location-based method, applying the Malaysian Green Technology Corporation (MGTC) published grid emission factor of 0.584 kgCO₂e per kWh to 15,718 kWh of purchased electricity.

Scope 3: Approximately 3,120 litres of petrol was reimbursed to directors and staff for business travel on personal vehicles during FY2025, representing an estimated 7.2 tCO₂e (applying an emission factor of approximately 2.31 kgCO₂e per litre of petrol). This is reported under Scope 3 Category 7 (Employee Commuting) on an indicative basis. Other Scope 3 categories, including purchased goods and services (notably embodied carbon in cement, steel and aggregates), have not been quantified for FY2025 and will be scoped for future reporting cycles. FY2024 Scope 3 included estimated embodied carbon in purchased materials; FY2025 reports only employee commuting (Category 7) pending improved data capture for other categories.

8.3 Climate-Related Disclosures (TCFD)

FY2025 is the first year that Bursa Malaysia requires all Main Market non-Large Cap issuers to provide climate-related disclosures aligned with the TCFD framework. LFE’s disclosures below are structured around the four TCFD pillars.

8.3.1 Governance

The governance of climate-related matters is integrated within the Group’s overall sustainability governance framework, as described in Section 4 of this Statement. The Board of Directors has ultimate oversight of climate-related risks and opportunities as part of its broader sustainability responsibilities. The Board is briefed on climate matters at least once a year as part of its sustainability review. Day-to-day responsibility for monitoring climate-related issues is delegated to the Managing Director, who chairs the Sustainability Committee. Climate matters of material significance are escalated to the Audit Committee through its oversight of risk management and to the full Board.

8. ENVIRONMENTAL & CLIMATE PILLAR (CONT'D)

8.3 Climate-Related Disclosures (TCFD) (cont'd)

8.3.2 Strategy

The Group's sustainability strategy, as outlined in Section 3, extends to the consideration of climate-related risks and opportunities that may affect the Group's business model, operations and financial performance. The Group has identified the following climate-related risks and opportunities as most relevant:

Type	Time Horizon	Climate Risk / Opportunity	Business Impact
Physical — Acute	Short (0–3 yrs)	Extreme rainfall and flood events at Klang Valley project sites.	Potential project delays, damage to works-in-progress and uninsured loss; productivity impact on site workforce.
Physical — Chronic	Medium (3–7 yrs)	Rising ambient temperature and heat-stress risk for site workers.	Reduced productivity, higher safety incident risk, greater need for shade, hydration and modified work patterns.
Transition — Policy	Medium (3–7 yrs)	Strengthened Malaysian carbon pricing and building-energy regulations.	Potential increase in input material costs (cement, steel) passed through the supply chain; compliance cost for building standards.
Transition — Market	Short–Medium	Main contractors in the data centre and green-building segments increasingly require supplier climate disclosures.	Our disclosure readiness supports continued access to higher-value contracts, including the Group's data centre JV work.
Opportunity	Medium	Growing demand for energy-efficient M&E systems and Green Building Index (“GBI”)-rated developments.	Enables LFE Engineering and LFE Development to position for premium project mandates.

Potential financial impact of these risks has not been quantitatively modelled in FY2025. Qualitative scenario analysis will be developed as part of the Group's progression toward IFRS S2 reporting.

8.3.3 Risk Management

Climate-related risks are considered alongside other enterprise risks within the Group's risk management process, which is overseen by the Audit Committee and described in detail in the Statement on Risk Management and Internal Control in this Annual Report. Project-level risks (including weather disruption and heat stress) are identified and managed at the site level by project management teams using standard risk registers and mitigation plans. Supply-chain exposures are reviewed periodically by the procurement function.

SUSTAINABILITY STATEMENT

(cont'd)



8. ENVIRONMENTAL & CLIMATE PILLAR (CONT'D)

8.3 Climate-Related Disclosures (TCFD) (cont'd)

8.3.4 Metrics and Targets

The Group's FY2025 climate metrics are set out in Sections 8.1 and 8.2 above. Targets are qualitative for FY2025 given this is the first year of structured climate disclosure. The Group aspires to progressively establish quantitative emissions targets once the measurement baseline has been verified.

8.4 Water Consumption

Location	FY2025 (m ³)	FY2024 (m ³)
Office water consumption (all offices)	173	~5 (limited coverage)
Site water consumption (project sites)	22	Not tracked
Total Group water consumption	195	—

FY2024 comparatives reflect limited metering coverage and are presented on a baseline basis. The Group operates in non-water-stressed regions of Malaysia.

8.5 Waste Management

LFE recognises that effective waste management is an essential component of environmental sustainability, particularly in the construction and property development sectors, where daily operations generate significant volumes of materials, packaging, and debris. The Group is committed to minimising its environmental impact by promoting waste reduction, proper disposal practices, and regulatory compliance across all work sites.

Waste Category	FY2025	FY2024
Scheduled waste (DOE-regulated, tonnes)	0	Not tracked
Construction & demolition waste (tonnes)	137	Not tracked
Waste diverted from landfill (tonnes)	0	—
General office waste (tonnes)	2	1
Waste-related regulatory non-compliance	Nil	Nil

Construction and demolition waste is managed by licensed third-party waste contractors engaged at site level. No scheduled waste (as defined under the Environmental Quality (Scheduled Wastes) Regulations 2005) was generated by Group operations in FY2025.

8.6 Recycling

LFE recognises recycling as a practical and impactful step toward reducing environmental harm and promoting a circular economy within the construction and development sector. Although the industry is inherently resource-intensive, the Group is committed to minimising waste sent to landfills by encouraging recycling practices wherever feasible.

Recycling efforts are embedded into LFE's site-level environmental management routines, particularly during the construction and demolition phases. Teams are guided to segregate recyclable materials such as scrap metals, concrete debris, cardboard, wood pallets, and plastic packaging, ensuring they are properly collected and disposed of through licensed recyclers. While recycling volumes are not yet formally tracked across all sites, initial groundwork was undertaken to develop a basic reporting template for internal use in future reporting cycles.

9. SOCIAL PILLAR

9.1 Talent Retention and Development

LFE recognises that its people are fundamental to the Group's long-term growth and resilience. As the business evolves into higher-value segments such as data centres and large-scale development, retaining and nurturing skilled talent has become increasingly critical. The Group is committed to building a motivated, capable, and future-ready workforce through fair employment practices, continuous learning, and career development opportunities.

LFE's workforce expanded by 60% in FY2025, from 35 employees at 31 December 2024 to 56 employees at 31 December 2025. This growth was driven by the build-out of delivery capability across the engineering and property businesses, including the ramp-up of the new development project and the data centre project joint venture.

Workforce by Segment

Entity	Head count	Male	Female	% Female
Head office	6	5	1	16.7%
Construction and M&E	43	32	11	25.6%
Property Development	7	2	5	71.4%
Group Total	56	39	17	30.4%

Workforce by Employee Category and Gender

Category	FY2025 Total	Male	Female	% Female
Management	6	5	1	16.7%
Executive	7	6	1	14.3%
Non-Executive / Technical	43	28	15	34.9%
Total	56	39	17	30.4%

Workforce by Age Group

Age Group	FY2025 Count	FY2025 %	FY2024 %
Below 30	19	33.9%	26.1%
30 – 50	29	51.8%	56.5%
Above 50	8	14.3%	17.4%
Total	56	100.0%	100.0%

SUSTAINABILITY STATEMENT

(cont'd)



9. SOCIAL PILLAR (CONT'D)

9.1 Talent Retention and Development (cont'd)

New Hires and Resignations

Indicator	FY2025	FY2024
Number of new hires	30	3
Number of resignations	9	1
Turnover rate	19.8%	4.3%
Parental leave cases	0	—
Disciplinary cases	0	—

The FY2025 turnover rate of 19.8% reflects the significant workforce expansion and re-shaping during the year. The Group continues to invest in employee engagement and retention initiatives.

9.2 Providing Equal Opportunities for Our Employees

At LFE, we are committed to fostering a diverse, inclusive, and merit-based workplace where all employees are given equal opportunities to grow and succeed. We believe that diversity in gender, age, and background strengthens our workforce and contributes to more balanced decision-making, collaboration, and innovation across the Group.

Our recruitment, appraisal, and promotion practices are grounded in transparency and fairness. Employees are evaluated based solely on their qualifications, experience, performance, and Key Performance Indicators (KPIs). Both the Management and Human Resources departments uphold a strict non-discrimination policy, ensuring all employment decisions are made objectively and equitably.

As of FY2025, 30.4% of the Group's workforce are female employees (FY2024: 26.1%), reflecting steady progress toward a more balanced workforce. The gender imbalance is primarily attributable to the operational nature of LFE's project sites, the Group notes that the overall gender ratio is significantly influenced by the composition of site-based technical roles, which are traditionally male-dominated in the construction industry. Excluding these site-based positions, the gender balance among the Group's office-based, management and professional staff is considerably more balanced, reflecting the Group's commitment to inclusive hiring and promotion practices in non-technical functions.

During FY2025, the Group focused on building its young-talent pipeline in parallel with headcount expansion. Of the 30 new hires in FY2025, 14 (52%) were below 30 years old, supporting a balanced age distribution. No grievances or complaints relating to discrimination or equal-opportunity matters were received during FY2025.

9. SOCIAL PILLAR (CONT'D)

9.3 Training and Development

The Group invested in employee training and development across all employee categories during FY2025.

Category	Total Hours	Employees Trained	Avg Hrs / Trainee	FY2024 Hours
Management	42	4	10.5	38
Executive	78	4	19.5	68
Non-Executive / Technical	114	6	19.0	36
Total	234	14	16.7	142

Total training hours increased by 65% to 234 hours in FY2025. Management will aim to widen training coverage across the Non-Executive population in FY2026, particularly in technical, site safety and digital-skills areas.

9.4 Health and Safety

The safety, health, and well-being of employees, subcontractors, and all individuals involved in LFE's operations are of the highest priority. The Group maintains a zero-compromise approach to workplace safety, underpinned by a structured Occupational Safety and Health (OSH) Management System. LFE is committed to complying with all relevant laws and regulations, including the Occupational Safety and Health Act 1994, and integrates proactive safety practices into daily site operations.

A comprehensive safety framework is embedded within project execution, covering hazard identification, risk mitigation, safety briefings, toolbox meetings, and emergency preparedness. In addition, safety audits and inspections are conducted regularly to ensure full compliance and identify opportunities for continuous improvement.

In FY2025, LFE maintained its zero-fatality record across all active project sites. The Group recorded zero work-related fatalities, zero Lost Time Incidents (LTI), and zero recordable work-related injuries during the financial year, reflecting the effectiveness of its preventive safety measures and site-level discipline. No DOSH notices or compounds were received.

H&S Training and Initiatives in FY2025

The Group conducted the following H&S programmes during FY2025:

- Three H&S training sessions attended by 9 employees, delivering 140 hours of H&S training across the Group;
- Regular site inspections and pre-start safety briefings on all active project sites;
- Strengthened PPE compliance and site safety walkthroughs;
- Encouragement of near-miss reporting and hazard identification;
- Annual review of safety policies and site-level procedures.

SUSTAINABILITY STATEMENT

(cont'd)



9. SOCIAL PILLAR (CONT'D)

9.4 Health and Safety (cont'd)

Sub-contractor H&S Management

LFE's construction activity is delivered through a multi-layer sub-contractor network. The Group applies the following controls to sub-contractor H&S:

- Pre-qualification and selection criteria including safety performance and past incident history;
- Mandatory safety induction and pre-start briefings for all sub-contractor personnel before site access;
- Site inspections and monitoring of sub-contractor work practices;
- Enforcement of PPE, work-permit and method-statement requirements;
- Requirement for risk assessments prior to high-risk activities;
- Immediate corrective action for any observed non-compliance, up to and including site removal.

9.5 Human Rights and Labour Practices

LFE is committed to respecting human rights across its operations and supply chain. The Group does not engage in or condone child labour, forced labour, discrimination or any form of workplace harassment. These commitments are embedded in the Group's Code of Conduct and Supplier Code of Conduct. No human rights grievances were received during FY2025.

9.6 Community Investment

LFE remains committed to supporting the well-being of local communities and the environment through meaningful corporate social responsibility (CSR) initiatives. The Group recognises that sustainability extends beyond business operations and includes making a positive impact on society.

Total community investment in FY2025 was RM20,476 (FY2024: RM37,500). The Group's principal community engagement during FY2025 was its continued support for the Master Builders Association Malaysia (MBAM), contributing to industry capability-building, skills enhancement, and the development of the local construction community. LFE's Managing Director, Mr. Liew Kiam Woon, who serves as the Deputy President of MBAM, continues to play a key role in organising seminars, forums, and engagement sessions with various stakeholders including industry peers, regulators, and government agencies.

9.7 Industry Development

LFE recognises that sustainable business growth is closely tied to the advancement of the wider industry ecosystem. As part of its economic and professional responsibility, the Group actively contributes to the development of the construction sector by participating in thought leadership, regulatory dialogues, and knowledge-sharing platforms.

Through its active engagement with MBAM and related bodies, LFE remains committed to shaping a more resilient, innovative, and future-ready construction ecosystem in Malaysia.



10. FORWARD-LOOKING PRIORITIES

As FY2025 represents the Group's baseline year for structured sustainability disclosure, the Group has identified the following areas for continued attention and progressive improvement. These priorities are directional in nature and reflect the Group's aspiration to enhance its sustainability practices over time.

Area	FY2026 Priority
Emissions Management	Continue to refine Scope 1 measurement; expand Scope 2 metering coverage to include LFE Corporation and Cosmo premises.
Anti-Corruption	Reinstate annual anti-corruption awareness and refresher training for all employees.
Supply Chain	Progressively introduce ESG considerations into the vendor on-boarding process under the Supplier Code of Conduct.
Workforce – Training	Widen training coverage across the Non-Executive / Technical population; encourage broader participation in formal training programmes.
Workforce – Safety	Maintain zero work-related fatality and zero Lost Time Incident outcomes; increase H&S training participation.
Climate Disclosure	Continue to prepare for IFRS S1 and S2 implementation required for Group 2 issuers from FY2026.
Community	Explore opportunities to broaden community engagement and expand beneficiary reach.

SUSTAINABILITY STATEMENT

(cont'd)

11. CSI PRESCRIBED FORMAT -BMLR TRANSITION PERIOD

LFE Corporation Berhad
 BMLR Transition Period

Date & Time: 2026-04-17 13:09:55
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100	Reinstate training in FY2026	Internal
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	Reinstate training in FY2026	Internal
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non -Executive- /Technical	Percentage	100	Reinstate training in FY2026	Internal
Anti-Corruption	C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	Maintain 100%	Internal
Anti-Corruption	C1(c) Confirmed incidents of corruption and action taken	Number	0	Zero incidents	Internal
Community / Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	20,476	No formal target set	Internal
Community / Society	C2(b) Total number of beneficiaries of the investment in communities	Number	2	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category-- Management Under 30	Percentage	0	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Management Between 30-50	Percentage	33.33	No formal target set	Internal

11. CSI PRESCRIBED FORMAT -BMLR TRANSITION PERIOD (CONT'D)

LFE Corporation Berhad
BMLR Transition Period

Date & Time: 2026-04-17 13:09:55
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Management Above 50	Percentage	66.67	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Executive Under 30	Percentage	14.29	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Executive Between 30-50	Percentage	85.71	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Executive Above 50	Percentage	0	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Non-Executive/Technical Staff Under 30	Percentage	41.86	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Non-Executive/Technical Staff Between 30-50	Percentage	48.84	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Non-Executive/Technical Staff Above 50	Percentage	9.3	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Management Male	Percentage	83.33	No formal target set	Internal

SUSTAINABILITY STATEMENT

(cont'd)

11. CSI PRESCRIBED FORMAT -BMLR TRANSITION PERIOD (CONT'D)

LFE Corporation Berhad BMLR Transition Period		Date & Time: 2026-04-17 13:09:55 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Management Female	Percentage	16.67	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Executive Male	Percentage	85.71	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Executive Female	Percentage	14.29	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Non-Executive/Technical Staff Male	Percentage	65.12	No formal target set	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category- Non-Executive/Technical Staff Female	Percentage	34.88	No formal target set	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Male	Percentage	83.33	No formal target set	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Female	Percentage	16.67	No formal target set	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0.00	No formal target set	Internal
Diversity	C3(b) Percentage of directors by gender and age group - 30 to 50	Percentage	33.33	No formal target set	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Above 50	Percentage	66.67	No formal target set	Internal
Energy Management	C4(a) Total energy consumption	MWh	15,718	No formal target set	Internal

11. CSI PRESCRIBED FORMAT -BMLR TRANSITION PERIOD (CONT'D)

LFE Corporation Berhad
BMLR Transition Period

Date & Time: 2026-04-17 13:09:55
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	C5(a) Number of work-related fatalities	Number	0	Remain	Internal
Health and Safety	C5(b) Lost time incident rate ("LTIR")	Rate	0	Remain	Internal
Health and Safety	C5(c) Number of employees trained on health and safety standards	Number	9	Increase to > 15	Internal
Labour Practices	C6(a) Total hours of training by employee category - Management	Hours	42	Widen to >70% participation	Internal
Labour Practices	C6(a) Total hours of training by employee category - Executive	Hours	78	Widen to >70% participation	Internal
Labour Practices	C6(a) Total hours of training by employee category - Non-Executive/Technical Staff	Hours	114	Widen to >50% participation	Internal
Labour Practices	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	N/A	Internal
Labour Practices	C6(c) Total number of employee turnover by employee category -- Management	Number	0	No formal target set	Internal
Labour Practices	C6(c) Total number of employee turnover by employee category -- Executive	Number	2	No formal target set	Internal
Labour Practices	C6(c) Total number of employee turnover by employee category -- Non-Executive/Technical Staff	Number	7	No formal target set	Internal
Labour Practices	C6(d) Number of substantiated complaints concerning human rights violations	Number	0	No formal target set	Internal
Supply Chain	C7(a) Proportion of spending on local suppliers	Percentage	100	Remain	Internal

SUSTAINABILITY STATEMENT

(cont'd)

11. CSI PRESCRIBED FORMAT -BMLR TRANSITION PERIOD (CONT'D)

LFE Corporation Berhad
 BMLR Transition Period

Date & Time: 2026-04-17 13:09:55
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Data Privacy	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	Remain	Internal
Water	C9(a) Total volume of water used	Megalitres	0195	No formal target set	Internal
Waste Management	C10(a) Total waste generated	Metric tonnes	139	No formal target set	Internal
Waste Management	(i) Total waste diverted from disposal	Metric tonnes	0	No formal target set	Internal
Waste Management	(ii) Total waste directed to disposal	Metric tonnes	139	No formal target set	Internal
Emissions	CT1(a) Scope 1 emissions (direct)	tCO ₂ e	6.6	No formal target set	Internal
Emissions	CT1(b) Scope 2 emissions (indirect — purchased electricity)	tCO ₂ e	9.18	No formal target set	Internal

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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The Malaysian Code of Corporate Governance defines corporate governance as “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders.

The Board of Directors remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Company and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Company.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) during the financial year ended 31 December 2025. This statement is prepared in compliance with Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Corporate Governance Report 2025 of the Company which is available on LFE Corporation Berhad (“LFE”)’s website at www.lfe.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board retains full and effective control of the Group. Its roles are essentially providing leadership, management oversight, setting strategic direction premised on sustainability and promoting ethical conduct in business dealings. The Board has adopted certain responsibilities for effective discharge of its functions through formalizing its Board Charter (available at the Company’s website: www.lfe.com.my) which, inter alia, sets a list of specific functions that are reserved for the Board and Chairman; and the authorisation limit which defines relevant matters and applicable limits reserved for Chairman/Executive Directors that are further cascaded to senior management team within the Company.

The Board has delegated specific responsibilities to various Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoints the Chairman and members of each committee. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective committees’ terms of reference and responsibilities. The terms of reference of the Board Committees are available at the Company’s website.

The Board of Directors adopted the Code of Conduct and Ethics for Company Directors and employees within the Group. This Code of Conduct and Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and honest values that are acceptable and to uphold the spirit of responsibility including social responsibility in line with the legislation, regulations, and guidelines for administrating a company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)



PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

The Board had adopted the Whistleblowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistleblowing Policy is reviewed annually and is available on the Company's website. There were no reported incidents pertaining to whistleblowing during the financial year.

The Group aims to ensure a balance of power and authority between the Chairman and Executive Directors with a clear division of responsibility between the running of the Board and the Company's business respectively. The Group also emphasises and practices a division of responsibility between the Executive and Non-Executive Directors.

The position of Chairman is held by Mr. Chuah Chong Ewe, as the Executive Chairman of the Company. The Chairman leads the Board and is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as facilitator at the meetings and to ensure that Board proceedings are in compliance with good conduct and best practices.

The Managing Director is responsible for the daily management of the Group's operations and implementation of the Board's policies and decisions. He is responsible for communicating matters relating to the Group's business affairs and issues to the Board for its consideration and approval, where required. Whilst the Executive Directors are responsible for making and implementing operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies.

All Directors have the right to access to information within the Group and the individual Director or the Board as a whole has unrestricted access to all information pertaining to the Group's business and affairs. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the expense of the Group.

The Board also adopted the Anti-Bribery and Corruption Policy to set out the Group approach in combating bribery and corruption, the said policy also been made available on the Company's website.

The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of LFE Group and its operations. To achieve this, the LFE's Board of Directors oversees the Sustainability Committee and sets strategies that support long-term value creation and includes strategies on economic, environmental, and social ("EES") considerations underpinning sustainability. The directions and strategies are communicated to the Senior Management team, which comprises key persons from various functions and led by the Managing Director. The Company also engages its stakeholders through various means of communication to enable them to more understand the Group's business operation and seek their feedbacks and input on several matters relevant to them.

The Sustainability Statement of the Group which provides an overview of the sustainability performance for the financial year ended 31 December 2025, is set out on pages 16 to 38 of the Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Board Composition

LFE has one (1) female Independent Non-Executive Director, which complies with the new requirement of MMLR of Bursa Securities to have at least one (1) women Director on the Board.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% woman representation target at Board level as required, the Board is putting its effort in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age to join the Board.

In accordance with the Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of the first appointment as Director. In the event the Board wishes to retain the independent status of an Independent Director who has served for more than nine (9) years, Board justification and shareholders' approval are required. A two-tier voting process will be applied in the Annual General Meeting ("AGM") for retaining any Independent Director serving beyond nine (9) years.

The Company currently does not have a policy to limit the tenure of its Independent Directors. At this juncture, none of the Independent Directors served more than nine (9) years.

None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under Paragraph 15.06 of the MMLR.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the MMLR. The Board met five (5) occasions during the financial year ended 31 December 2025 and the details of attendance at Board Meetings is set out below:-

Name of Directors	Meeting attended
Liew Kiam Woon	5/5
Chuah Chong Ewe	5/5
Goh Chee Hoe	5/5
Tng Ling Ling	5/5
Lim Say Leong	5/5
Ahmad Zakie Bin Hj Ahmad Shariff	3/5

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)



PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

Training programmes and seminars attended by the Directors of the Company during the financial year ended 31 December 2025 are as follows:-

Name of Directors	Training Attended	Date
Mr. Liew Kiam Woon	Talent Corp: Discussion on the Impact Study of AI, Digital & Green Technology on the Malaysian Workforce	27 March 2025
	47th International Federation of Asia and Western Pacific Contractors' Associations (IFAWPCA) Convention	7-12 April 2025
	CIDB M&E Site Study - Sunway Square	4 July 2025
	Sustainable Construction Symposium 2025	13 August 2025
	REHDA Malaysia's Largest Green Build Conference	19 August 2025
	ASEAN - China Cooperation and Development Forum on Building	15-16 September 2025
	CIDB M&E Site Study - Hospital Kapar	19 September 2025
Mr. Chuah Chong Ewe	Strengthening Board Oversight On Human Rights And Anti-Money Laundering	18 November 2025
Mr. Goh Chee Hoe	IFRS Sustainability Disclosure Standards: IFRS S1 & S2	22 December 2025

During the financial year ended 31 December 2025, the External Auditors briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's financial statements.

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PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Company Secretaries

The Board is supported by two (2) qualified and competent secretaries. Both are the Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). The Company Secretaries are qualified to act as Company Secretary under the Companies Act, 2016. As practicing Company secretaries, they have attended continuous professional development programmes as required by MAICSA and the Companies Commission of Malaysia.

The Company Secretaries support the Board in carrying out their fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. The Company Secretaries also served as an advisory role to the Board, particularly with regards to the Company’s Constitution, Board’s policies and procedures and various compliance with regulatory requirement, codes, guidelines, legislation and the principles of corporate governance practices.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board’s reference and brief the Board quarterly on these updates, where applicable at Board meetings. Throughout their period in office, the Directors are continually updated on the Group’s business and the regulatory requirements.

Nomination Committee

The Company’s Nomination Committee (“NC”) comprised of three (3) Independent Non-Executive Directors. The members of the NC are as follows:-

1. Mr Ahmad Zakie Bin Hj Ahmad Shariff (Chairman)
2. Ms Tng Ling Ling
3. Mr Lim Say Leong

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Director, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

Based on the assessment, the NC concluded that the current structure, size and composition of the Board, which comprises people who possess a wide range of expertise, experience and skills in various fields to enable them to discharge their duties and responsibilities effectively. The Board Chairman had performed in an excellent manner and contributed to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)



PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination Committee (cont'd)

Full details of the NC's duties and responsibilities are stated in the terms of reference which is available on the Company's website at www.lfe.com.my.

The NC meets as and when required, at least once a year. During the financial year, a meeting was held with full attendance from all its members.

The Company's Constitution provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the Code;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

The Board had on 26 May 2022 adopted a Fit and Proper Policy to serve as a guide for NC and the Board in their review and assessment of candidates that are to be appointed as well as Directors who are seeking for re-election.

Remuneration Committee

The Remuneration Committee ("RC") comprises of three (3) Members, majority of whom are Independent Directors. The members of the RC are as follows:-

1. Ms Tng Ling Ling (Chairman)
2. Mr Liew Kiam Woon
3. Mr Lim Say Leong

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group. Individual Director does not participate in the decisions regarding his individual remuneration.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Remuneration Committee (cont'd)**

The details of the Directors' remuneration comprising remuneration received from the Company in the financial year ended 31 December 2025 are as follows:-

Category

	Directors Fees and Meeting Fees (RM)	Salaries and others remuneration (RM)	Statutory Contribution (RM)	Total (RM)
Executive Directors				
Liew Kiam Woon	6,000	455,893	18,200	480,093
Chuah Chong Ewe	6,500	121,393	14,400	142,293
Goh Chee Hoe	6,000	196,393	23,400	225,793
Non-Executive Directors				
Tng Ling Ling	26,000	–	–	26,000
Lim Say Leong	28,500	–	–	28,500
Ahmad Zakie Bin Hj Ahmad Shariff	24,500	–	–	24,500

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**Audit Committee**

The Board is assisted by the Audit Committee ("AC") which comprises solely of three (3) Independent Non-Executive Directors, to oversee the Group's financial reporting process. In line with the principles of the MCCG 2021, the terms of reference of the AC was amended to include a policy that requires a former key audit partner who was part of the engagement team to observe a cooling-off period of at least 3 years before being appointed as a member of the AC.

The Chairman of the AC is not the Chairman of the Board. The AC Chairman is able to assess to the Executive Directors, Senior Management, External Auditors and Internal Auditors.

The composition of the AC is reviewed annually with the view to maintain an independent and effective AC, and in line with the principles of the MCCG 2021. The AC members are expected to continuously update their knowledge and enhance their skills. Based on the performance evaluation of the AC for the financial year ended 31 December 2025, the Board is satisfied that the Chairman and the members of AC have discharge their responsibilities effectively.

Please refer to the Audit Committee Report on pages 48 to 50 for further information on our AC.

The independence, suitability and re-appointment of the External Auditors are reviewed by the AC annually.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)



PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework

The Risk Management Committee has been formed to assist the Board on the ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.

The Executive Directors and Senior Management are responsible for the identification and evaluation of key risks applicable to their areas of business activities on a continuous basis. Risks identified are reported in a timely manner during the periodic management meetings to enable corrective actions to be taken.

The Internal Audit Function is carried out by Axcelasia Sdn Bhd, an internal audit consulting firm. The internal audit function is headed by an Executive Director namely, Mr David Low who is assisted by a manager and supported by several account staffs. The Director in charge is a qualified accountant while the rest of the team members are with accounting background. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The AC will review the engagement between the Group and the Internal Auditors to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

The Board is of the view that the system of internal control and risk management is in place, is sound and sufficient in safeguarding the Group's assets and shareholders' investment and interests of all stakeholders.

The Statement on Risk Management and Internal Control furnished on pages 51 to 54 of this Annual Report provides and overview on the state of risk management and internal controls within the Group.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance and other relevant information by promptly disseminating such information to shareholders and investors via announcements to Bursa Securities and Company's website at www.lfe.com.my.

The annual report and the quarterly announcements are the primary mode of communications to report on the Group's business activities and financial performance to all shareholders.

The Company also maintains an effective communication channel between the Board, shareholders and the general public through timely dissemination of all material information.

Minority shareholders may communicate with the Company through the Company's website.

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PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The Annual General Meeting (“AGM”) represents the principal forum for dialogue and interaction with shareholders. At each AGM, the Board provides ample opportunity for shareholders to raise questions pertaining to the business activities of the Company. All the Directors and key management personnel are available to provide responses to questions raised by the shareholders during the AGM.

The notice of AGM is despatched to shareholders at least 28 days before the AGM. The Company believes that shareholders will have sufficient time to make the necessary arrangement to submit the proxy forms or to participate the general meetings.

The Board shall ensure that each item of special business included in the notice of Annual General Meeting (“AGM”) or Extraordinary General Meeting (“EGM”) is accompanied by a full explanation of the effects of the proposed resolution(s), in compliance with the requirements of the Main Market Listing Requirements.

Pursuant to Paragraph 8.29A of the MMLR, all resolutions set out in the notice of a general meeting shall be voted by poll. The Company shall appoint at least one (1) independent scrutineer to validate the votes cast at the general meeting.

The Company shall announce the outcome of the general meeting, including the results of the poll voting, to Bursa Malaysia Securities Berhad on the same day of the meeting. The minutes of the general meeting shall be published on the Company’s website within thirty (30) business days from the date of the meeting.

STATEMENT OF DIRECTORS’ RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 and the MMLR, to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

The Directors strives to ensure that the annual financial statements have been prepared in accordance with the applicable approved financial accounting standards and policies in Malaysia.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company. The Directors also take steps to safeguard the interest of the shareholders and to prevent fraud and other irregularities.

COMPLIANCE STATEMENT

The Board confirms that the Group has made significant effort to maintain high standards of corporate governance throughout the year under review. The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement and Corporate Governance Report are made in accordance with the resolution passed by the Directors at the Board of Directors’ Meeting held on 21 April 2026.

AUDIT COMMITTEE REPORT



COMPOSITION

The Audit Committee (“AC”) of LFE Corporation Berhad (“LFE” or “the Company”) is chaired by an Independent Director and comprises of three members, all of whom are Independent Non-Executive Directors. The current composition meets the requirement of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC currently comprises the following members:-

1. Mr. Lim Say Leong (Chairman)
2. Ms. Tng Ling Ling
3. Mr. Ahmad Zakie Bin Hj Ahmad Shariff

The AC is authorised by the Board to independently investigate any activity within its terms of reference and shall have unrestricted access to information pertaining to the Group, from the Internal and External Auditors, Management and all employees.

MEETINGS

During the financial year ended 31 December 2025, the AC conducted five (5) meetings of which all sufficient notices given to all AC members together with the agenda, reports and proposals for deliberation at the meetings. The Executive Directors were invited to all AC meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

Representatives from the External Auditors and Internal Auditors, as the case may be, were in attendance to present the relevant reports and proposals to the AC at the meetings which included inter alia, the Auditors’ audit plans and audit reports and the audited financial statements for the financial year ended 31 December 2025.

In the AC meetings, the External Auditors were given opportunities to raise any matters and gave unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the AC meetings were tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

Details of attendance of the AC members at the AC meetings during the financial year ended 31 December 2025 are as follows:

Committee Member	Meeting attended
Lim Say Leong	5/5
Tng Ling Ling	5/5
Ahmad Zakie Bin Hj Ahmad Shariff	3/5

● ● ●

SUMMARY ACTIVITIES

The AC activities during the financial year under review comprised the following:-

QUARTERLY FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

- reviewed the audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and
- reviewed the unaudited financial results before recommending them for Board's approval, focusing particularly on: -
 - Any change in accounting policies
 - Significant adjustments arising from audit
 - Compliance with accounting standards and other legal requirements

EXTERNAL AUDITORS

- reviewed the Audit Planning Memorandum, outlining the audit scope, audit process and areas of emphasis based on the External Auditors' presentation of audit plan;
- reviewed the Audit Summary Report which summaries the significant audit, accounting and internal control issues identified during the statutory audit for the financial year ended 31 December 2025;
- considered and recommend to the Board for approval of the audit fees payable to the External Auditors;
- reviewed the performance and effectiveness of the External Auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of External Auditors; and
- reviewed and evaluated the factors relating to the independence of the External Auditors.

The AC recommended to the Board for approval of the audit fee of RM183,000 in respect of the financial year ended 31 December 2025.

The Board at its meeting held on 26 November 2025, approved the audit fee based on the recommendation of the AC.

INTERNAL AUDITORS

The Group outsources its Internal Audit Function to a professional services firm. The Internal Auditors were engaged to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The appointed Internal Auditors are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

The AC had reviewed:-

- internal audit on the areas of Information Technology General Controls, Tender and Contractors Management of the Group.
- follow-up audit report of the Group.
- suggestions on improvement opportunities in the areas of internal controls, systems, adequacy and efficiency improvements.

AUDIT COMMITTEE REPORT

(cont'd)



SUMMARY ACTIVITIES (CONT'D)

INTERNAL CONTROL AND RISK MANAGEMENT

- reviewed the internal audit plan for adequacy scope and coverage and risk areas;
- reviewed risk management report and internal audit reports;
- reviewed the effectiveness and adequacy of risk management, operational and compliance processes; and
- reviewed the adequacy and effectiveness of corrective actions taken by the Management on all significant matters raised.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the AC reviewed the recurrent related party transactions ("RPT") and conflict of interest situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

The AC review the RPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The AC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the AC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of internal auditors are fully discharged, the AC review the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

The Internal Auditors also highlighted to the AC the audit findings which required follow-up action by Management as well as outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within the Group.

All Internal Audit activities in financial year ended 31 December 2025 were outsourced to an independent assurance provider and the total costs incurred were amounted to RM38,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“the Code”) sets out the principle that the Board of Directors (“Board”) of a listed company should establish a sound risk management framework and internal control system to safeguard shareholders’ investment and assets of the Group.

The Statement on Risk Management and Internal Control by the Board of Directors (“Board”) on the Group is made pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Recommendations relating to risk management and internal control provided in the Code.

BOARD RESPONSIBILITIES

The Board acknowledges and upholds its overall responsibility for establishing and maintaining a sound system of risk management and internal control to ensure good corporate governance across the Group. Throughout the financial year, the Board, supported by its various committees, has continuously assessed the adequacy and effectiveness of the Group’s internal control framework, particularly in relation to financial, operational, compliance, and sustainability-related matters.

An ongoing process is in place to identify, evaluate, and manage the key risks that may affect the achievement of the Group’s business objectives. This process remained active throughout the year and up to the date of this statement’s approval and is periodically reviewed by the Board. The Board recognises that while these systems are designed to manage risks effectively, they cannot fully eliminate the risk of failure. As such, they provide reasonable, though not absolute, assurance against material misstatements, losses, or fraud.

The Risk Management Committee (“RMC”) was established to oversee the risk management framework and activities of the Group, in line with the step-up practice as set out in the MCCG.

The composition of the RMC is as follows:

Chairman

Lim Say Leong	Independent Non-Executive Director
---------------	------------------------------------

Members

Tng Ling Ling	Independent Non-Executive Director
Ahmad Zakie Bin Hj Ahmad Shariff	Independent Non-Executive Director
Goh Chee Hoe	Executive Director

The Board is assisted by Senior Management in implementing the Board approved policies and procedures to assure that the Group’s risk management and internal control systems are operating adequately and effectively by:

- a. Identifying and analysing relevant risk information;
- b. Designing and implementing appropriate internal control to address identified risks; and
- c. Monitoring changes in the risk landscape and executing corresponding action plans.

The key features of the risk management and internal control system are described below.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)



RISK MANAGEMENT

The Group's risk management practices are anchored in its Enterprise Risk Management ("ERM") framework, which promotes a risk-aware culture and accountability across all business units. During the financial year, the Group continued to refine its risk identification and assessment processes to better address evolving business conditions, including risks associated with its expanding operations in data centre construction and property development. Key risk areas are identified, assessed, and documented in risk registers maintained by each business unit. These risks are analysed based on likelihood and potential impact, and appropriate mitigating measures are developed and monitored.

The Risk Management Committee, comprising members of the Board and key management personnel, oversees the adequacy of the risk framework and reviews the Group's risk exposure on a periodic basis. During the year, the Committee reviewed and deliberated on key emerging risks, including those relating to cybersecurity, supply chain disruptions, and regulatory changes, and ensured that updates on key risks and mitigation strategies were presented to the Board for deliberation and appropriate action.

INTERNAL CONTROL

The Board regularly receives and reviews comprehensive reports from Management that cover key financial data, operational performance indicators, and updates on regulatory compliance. These reports serve to ensure that any matters requiring attention or action from the Board and Senior Management are promptly identified, deliberated, and addressed. This proactive engagement enables timely decision-making and policy adjustments to ensure the Group remains aligned with its strategic and compliance objectives. In addition, the Group's financial performance is reported on a quarterly basis, and any material variances are promptly analysed, with appropriate actions taken as necessary.

The Group has in place a robust and structured budgeting process that requires each key business unit to prepare an annual budget. These budgets incorporate both financial targets and key operational performance indicators. Once consolidated, the annual budget is reviewed and approved by the Managing Director in collaboration with Senior Management, before being submitted to the Board for final review and endorsement. This process ensures that strategic alignment, accountability, and resource planning are maintained across the Group.

Operational matters arising from day-to-day business activities are consistently brought to the Board's attention during scheduled Board meetings, providing an additional layer of governance and insight. Independent assurance on internal control effectiveness is also delivered through the internal audit function and oversight by the Audit Committee. The Audit Committee plays a critical role by evaluating internal control reports and highlighting significant findings or control deficiencies to the Board for appropriate action.

Key features of the Group's internal control system also include the following:

- The Board convenes at least once every quarter with a structured agenda that includes the review of internal control matters, enabling the Board to maintain active oversight and effective supervision over key controls and processes.
- Executive Directors are closely involved in the Group's daily operations and frequently engage with departmental heads through operational meetings. Departmental heads are entrusted with ensuring that internal controls are implemented and adhered to within their respective functions.
- The Group's representatives in consortiums or joint ventures are tasked with overseeing the administration, operations, and overall performance of these arrangements. They are also required to provide timely financial and operational updates to the Company's Management for review and follow-up action.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

INTERNAL CONTROL (CONT'D)

Key features of the Group's internal control system also include the following: (cont'd)

- Financial results are reviewed on a quarterly basis by both the Board and the Audit Committee prior to public disclosure through Bursa Malaysia Securities Berhad, ensuring accuracy and transparency.
- The Group maintains a clear organisational structure that defines reporting lines, responsibilities, and delegated authorities, facilitating effective governance and operational efficiency.
- The Group's principal operating subsidiary, LFE Engineering Sdn Bhd, adheres to a structured Quality Procedure Manual based on ISO 9001:2015 standards. This manual serves as a guide for employees in performing their duties and ensures a consistent understanding of the Group's operational procedures. It also reinforces the Group's commitment to continuously improving its Quality Management System in order to deliver superior products and services.
- Annual ISO internal audits are conducted by independent external parties to verify compliance with ISO requirements. Findings from these audits are deliberated during Management Review Committee meetings and used to implement further improvements where necessary.

INTERNAL AUDIT

The Board recognises the critical role of the internal audit function in supporting effective governance and oversight of the Group's risk management and internal control systems. To ensure objectivity and independence, the internal audit function has been outsourced to an external professional service provider. The primary objective of this function is to provide the Board with reasonable assurance on the adequacy, efficiency, and effectiveness of the Group's internal control and risk management framework.

During the financial year under review, internal audit activities were conducted in accordance with an annual audit plan approved by the Audit Committee. The internal audit adopted a risk-based approach, with its audit plan developed based on key risk areas identified in consultation with Senior Management and the Audit Committee.

Throughout the audit cycle, the internal auditors assessed the effectiveness of existing controls, identified potential areas for improvement, and recommended appropriate corrective measures where necessary. Audit findings and recommendations were reported to the Audit Committee for review and monitoring.

Significant or high-priority issues identified during the audits were escalated to Management, along with proposed mitigation strategies and reasonable implementation timelines. The internal audit team followed up on these actions to ensure that remedial measures were effectively implemented by the respective departments.

Additionally, the Group also relies on ISO internal audits conducted under the ISO 9001:2015 framework as part of its continuous quality and compliance assurance process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)



REVIEW BY BOARD

The Board's evaluation of the effectiveness of the Group's risk management and internal control systems is based on information and reports provided by Senior Management, who are responsible for establishing, implementing, and maintaining these systems across the Group's operations.

The Board actively monitors the progress of key risk mitigation initiatives, particularly those addressing identified internal control gaps, to ensure continuous improvement in the Group's control environment. Based on the reviews conducted, the Board is satisfied that the Group's internal control systems, as outlined in this Statement, are adequate and that the associated risks are being managed at acceptable levels in line with the nature and scale of the Group's business activities. The Board, together with Senior Management, remains committed to further strengthening the Group's governance, risk, and internal control environment, and will continue to monitor its performance and responsiveness.

Furthermore, the Board has received written assurance from the Managing Director and Senior Management confirming that the Group's risk management and internal control systems are operating effectively and adequately, in all material aspects, throughout the financial year under review. This assurance is provided in accordance with the principles set out in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Additionally, the External Auditors have reviewed this Statement for inclusion in the Annual Report 2025 and have reported to the Board that nothing has come to their attention that suggests the Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and integrity of the Group's risk management and internal control systems.

CONCLUSION

For the financial year ended 31 December 2025 and up to the date of this Statement, the Board is satisfied that the Group's risk management and internal control systems have operated effectively and remained adequate to address the key risks impacting the achievement of the Group's objectives. While the Board has continued to enhance certain aspects of the Group's risk management and internal control framework in line with evolving business needs and regulatory developments, no material weaknesses or control failures resulting in significant losses, contingencies, or uncertainties were identified during the review period.

The Board remains committed to continuously enhancing the Group's risk management practices and internal control framework in line with evolving regulatory expectations, industry developments, and operational needs. In the coming financial year, the Board will continue to focus on strengthening the Group's governance infrastructure, particularly in areas related to its growing business portfolio, and will monitor the integrity of these systems to ensure they remain responsive, effective, and aligned with the Group's strategic priorities.

This Statement was approved by the Board of Directors on 21 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

The following is provided in compliance with the MMLR of Bursa Securities:-

1. Non-audit fees

The amount of non-audit fees payable to the Group's External Auditors for the financial year ended 31 December 2025 is RM15,000.

2. Material contracts

There was no material contract entered into by the Company and/or its subsidiaries that involve Directors' or substantial shareholders' interests either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds Raised from Corporate Proposal

As at the date of the Notice of Twenty-Third Annual General Meeting, there were no proceed raised from corporate exercise during the financial year ended 31 December 2025.

4. Recurrent Related Party Transactions

Save for the recurrent related party transactions of a revenue or trading nature ("RRPTs") as disclosed in Note 30 of the financial statements, there was no other transaction entered into with the related parties during the financial year ended 31 December 2025. The details of the proposed renewal of shareholders' mandate for RRPTs are disclosed in the Circular to Shareholders dated 30 April 2026.

5. Material Properties

The Group and the Company do not own any landed property for the financial year ended 31 December 2025.

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)



6. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company is required to disclose certain financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. The disclosures below comprise financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		192,890,469	154,093,510
Other income		591,085	4,430,546
Interest/Finance income		277,449	296,322
Total		193,759,003	158,820,378

Total Assets	Remarks	Group	
		2025 (RM)	2024 (RM)
Total Assets		249,666,429	169,918,151

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income	Conventional	72,145	–
Total		72,145	–

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

6. Disclosure of Financial Data for Shariah Screening (cont'd)

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		1,699,354	2,572,105
Cash held under Housing Development Accounts		496,804	6,788,143
Deposits with licensed bank		2,393,263	2,324,786
Total Cash		4,589,421	11,685,034
Conventional Account/Instruments			
Cash and bank balances (exclude cash in hand)		5,235,675	13,716,914
Total Cash		5,235,675	13,716,914

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term loans		3,749,995	5,000,004
Total Financing		3,749,995	5,000,004
Conventional Borrowing		Group	
	Remarks	2025 (RM)	2024 (RM)
Current			
Invoice financing		559,413	–
Bank overdrafts		3,196	–
Term loans		99,828	–
Non-Current			
Term loans		875,432	–
Total Debt		1,537,869	–



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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are stated in Note 22 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	16,984,901	(326,200)

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has increased its total issued and paid up share capital from RM134,983,258 to RM146,041,832 via private placement by issuing 55,431,450 ordinary shares of RM0.1995 for the purpose of finance existing operations and projects as well as any new projects to be secured in the future over the short term.

The new shares issued rank pari-passu in all respect with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT

(cont'd)



DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Liew Kiam Woon
 Goh Chee Hoe
 Lim Say Leong
 Tng Ling Ling
 Chuah Chong Ewe
 Ahmad Zakie Bin Hj Ahmad Shariff

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			
	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Interest in the Company				
Direct interest:				
Liew Kiam Woon	59,564,024	–	–	59,564,024
Chuah Chong Ewe	43,442,900	117,650,000	–	161,092,900
Indirect interest:				
Liew Kiam Woon [^]	25,589,874	–	–	25,589,874
Chuah Chong Ewe ^{^^}	115,933,077	82,604,172	–	198,537,249

[^] Deemed interested by virtue of his interest in Liew Meow Nyeon Realty Sdn. Bhd. pursuant to Section 8 of Companies Act 2016.

^{^^} 1. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Triumphant View Sdn. Bhd..
 2. Deemed interest pursuant to Section 197 of the Companies Act 2016 held through his son, Chuah Chern Yang.
 3. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Resolute Accomplishment Sdn. Bhd..
 4. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Sierra Bonus Sdn. Bhd..

By virtue of their substantial interest in shares of the Company, Liew Kiam Woon and Chuah Chong Ewe are also deemed to have interest in the shares of the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares or debentures in the Company or its subsidiaries during the financial year.

DIRECTORS' REPORT

(cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group RM	Company RM
Directors' fees	54,000	54,000
Salaries and other emoluments	698,000	–
Defined contribution plan	56,000	–
Other benefits	119,178	43,500
	927,178	97,500

SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 22 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM	Company RM
HLB Ler Lum Chew PLT:		
- Statutory	163,000	48,000
- Non-statutory	15,000	5,000
	178,000	53,000

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act 2016.

DIRECTORS' REPORT

(cont'd)



OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render:

- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) any amount stated in the financial statements of the Group and of the Company misleading.

No contingent or other liability of any company in the Group has become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

HLB Ler Lum Chew PLT have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

LIEW KIAM WOON

GOH CHEE HOE

KUALA LUMPUR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016



We, LIEW KIAM WOON and GOH CHEE HOE, being two of the Directors of LFE CORPORATION BERHAD, do hereby state that in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

LIEW KIAM WOON

GOH CHEE HOE

KUALA LUMPUR

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016



I, LIEW KIAM WOON, being the Director primarily responsible for the financial management of LFE CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed LIEW KIAM WOON)
at KUALA LUMPUR)
on this date of)

LIEW KIAM WOON

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LFE CORPORATION BERHAD



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LFE CORPORATION BERHAD, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 70 to 131.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (Including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition from construction contracts
(Refer to Note 2.2(a), 2.5(p)(i) and 24 to the financial statements)

The risk

The revenue and cost of sales recognised from construction contracts during the financial year is RM181.5 million and RM127.3 million, respectively. The Group has significant long term construction contracts. The recognition of revenue and profit on these contracts is based on input method (on the basis of the entity's efforts or inputs to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation).

Revenue and profit recognition on long term construction contract is a key audit matter because of the judgement and estimates exercised by the management based on the assessment of performance obligation, revenue recognition arising from variations to the original contracts, assessment of progress towards complete satisfaction of the performance obligation and contract costs and appropriate provision for foreseeable losses and liquidated damages.

KEY AUDIT MATTERS (CONT'D)

1. Revenue recognition from construction contracts (cont'd)
(Refer to Note 2.2(a), 2.5(p)(i) and 24 to the financial statements)

How our audit addressed the key audit matter

In addressing this area, our procedures included, among others:

- reviewed and assessed the forecast budget and appropriateness of assumptions used based on historical performance in the Group and industry knowledge, including obtained and assessed information provided by management to determine whether the forecast assumptions are consistent with the terms of the relevant contracts;
- evaluated the management's updated budgeted costs and forecast of costs to complete by assessing the basis of their calculation;
- recomputed the revenue using approved contract sum, actual costs incurred to date that reflect the progress towards completion of the agreed works to customer and latest revised budgets; and
- inspected the actual costs incurred to the corresponding supporting documents.

2. Property development revenue and cost of sales recognition
(Refer to Note 2.2(a), 2.5(p)(i) and 24 to the financial statements)

The risk

For the financial year ended 31 December 2025, property development revenue of RM11.4 million, cost of sales of RM7.6 million and gross profit of RM3.8 million accounted for approximately 5.9%, 4.5% and 14.9% of the Group's revenue, cost of sales and gross profit respectively.

The Group recognise revenue and costs arising from property development activities based on the stage of completion. The stage of completion is determined by the proportion that the actual property development costs incurred for work performed to date to the estimated total property development costs. The recognition of revenue and cost is therefore dependent on the Group's estimated gross development costs, which includes estimates and judgement by the Directors on costs to be incurred in the development.

There is a risk that the actual development costs are different to those estimates resulting in material variance in the amount of profit or loss recognised to date and in the current period.

How our audit addressed the key audit matter

In addressing this area, our procedures included, among others:

- tested the Group's controls by checking for evidence of reviews and approvals over development cost, setting budgets and authorising and recording of actual costs incurred;
- obtained an understanding of the process in deriving the stage of completion which includes verifying the certified work done such as examining the progress claims from contractors, architect certification, and performing site visits on a sampling basis;
- assessed management's estimates on budgeted costs to be incurred including corroboration of historical budgets with actual costs incurred;
- agreed a sample of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate construction site, and met the definition of development costs; and
- assessed the mathematical accuracy of the revenue and cost recognised based on the percentage of completion calculations and considered the implications of changes in estimates.

INDEPENDENT AUDITORS' REPORT

(cont'd)



KEY AUDIT MATTERS (CONT'D)

3. Impairment assessment of goodwill on consolidation
(Refer to Notes 2.2(c), 2.5(c) and 6 to the financial statements)

The risk

As at 31 December 2025, the carrying amount of the Group's goodwill on consolidation is RM23.2 million.

Pursuant to MFRS 136, "Impairment of Assets", the Group is required to perform annual impairment assessment on its goodwill. The Group estimated the recoverable amount of the cash-generating unit ("CGU") to which goodwill is allocated based on its value-in-use.

In view of the significant carrying amount of the CGU (including goodwill), coupled with the complexity and subjectivity of the assumptions involved in the annual impairment test, we consider this to be an audit focus.

How our audit addressed the key audit matter

In addressing this area, our procedures included, among others:

- reviewed the cash flow forecast prepared and approved by the management;
- assessed the methodology adopted and the mathematical accuracy of the cash flow forecast calculations;
- assessed and tested the reasonableness of the management's key assumptions used and judgements exercised on its cash flow forecast such as profit margins, discount rates and terminal growth rates; and
- performed sensitivity tests for a range of reasonable possible scenarios.

4. Impairment assessment of investment in subsidiaries
(Refer to Notes 2.2(d), 2.5(f), 2.5(o) and 22 to the financial statements)

The risk

As at 31 December 2025, the carrying amount of the investment in Cosmo Property Management Sdn. Bhd. ("COSMO") and LFE Engineering Sdn. Bhd. ("LFE Eng") amounting to RM56.9 million and RM117.3 million respectively.

Pursuant to MFRS 136, "Impairment of Assets", the Company is required to perform an impairment assessment on its assets when there is an indication that an asset may be impaired. The Company has estimated the recoverable amount of its investments in COSMO and LFE Eng based on their value-in-use.

In view of the significant carrying amount of the investment in COSMO and LFE Eng, coupled with the complexity and subjectivity of the assumptions involved in the annual impairment test, we consider this to be an audit focus.

How our audit addressed the key audit matter

In addressing this area, our procedures included, among others:

- reviewed the cash flow forecast prepared and approved by the management;
- assessed the methodology adopted and the mathematical accuracy of the cash flow forecast calculations;
- assessed and tested the reasonableness of the management's key assumptions used and judgements exercised on its cash flow forecast such as profit margins, discount rates and terminal growth rates; and
- performed sensitivity tests for a range of reasonable possible scenarios.

INDEPENDENT AUDITORS' REPORT

(cont'd)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT

(cont'd)



AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

(cont'd)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM CHEW PLT
201906002362 & AF0276
Chartered Accountants

WONG CHEE HONG
03160/09/2026 J
Chartered Accountant

Dated:
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 RM	Group 2024 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	527,519	195,790
Right-of-use assets	4	114,496	-
Investment in joint ventures	5	9,736,121	4,895,853
Goodwill on consolidation	6	23,183,935	23,183,935
Deferred tax assets	7	5,502,093	9,315,129
Other investments	13	833,340	-
Inventories	8	3,410,726	3,076,937
		43,308,230	40,667,644
Current Assets			
Contract assets	9	37,117,584	12,292,260
Inventories	8	33,880,543	22,947,297
Trade receivables	10	100,426,333	49,864,862
Other receivables	11	19,268,941	15,207,710
Contract cost assets	12	38,632	326,336
Tax recoverable		3,012,669	522,771
Other investments	13	2,787,782	2,686,804
Fixed deposit with a licensed bank	14	2,393,263	2,324,786
Cash and bank balances		7,432,452	23,077,681
		206,358,199	129,250,507
TOTAL ASSETS		249,666,429	169,918,151

STATEMENTS OF FINANCIAL POSITION

(cont'd)

	Note	2025 RM	Group 2024 RM
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	146,041,832	134,983,258
Reserves	16	(10,968,384)	(27,953,285)
TOTAL EQUITY		135,073,448	107,029,973
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities	7	3,007	3,007
Lease liabilities	17	65,536	–
Bank borrowings	18	875,432	3,749,995
		943,975	3,753,002
Current Liabilities			
Contract liabilities	9	11,446,656	1,421,487
Lease liabilities	17	51,341	51,746
Bank borrowings	18	4,412,432	5,000,004
Trade payables	19	85,050,442	43,693,552
Other payables	20	9,180,884	8,939,188
Amount owing to joint venture	21	3,500,000	–
Tax payable		7,251	29,199
		113,649,006	59,135,176
TOTAL LIABILITIES		114,592,981	62,888,178
TOTAL EQUITY AND LIABILITIES		249,666,429	169,918,151

STATEMENTS OF FINANCIAL POSITION

(cont'd)

	Note	Company 2025 RM	2024 RM
ASSETS			
Non-Current Asset			
Investment in subsidiary companies	22	177,917,488	167,277,909
Current Assets			
Other investments	13	2,173,897	2,089,029
Cash and bank balances		519,564	509,059
		2,693,461	2,598,088
TOTAL ASSETS		180,610,949	169,875,997
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	146,041,832	134,983,258
Reserves	16	34,463,648	34,789,848
TOTAL EQUITY		180,505,480	169,773,106
LIABILITIES			
Current Liabilities			
Other payables	20	105,369	102,791
Amounts owing to subsidiary companies	23	100	100
		105,469	102,891
TOTAL EQUITY AND LIABILITIES		180,610,949	169,875,997

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	24	192,890,469	154,093,510	–	–
Cost of sales		(167,416,980)	(125,870,975)	–	–
Gross profit		25,473,489	28,222,535	–	–
Other operating income		868,534	4,726,868	95,454	81,435,300
Administrative expenses		(9,006,120)	(6,336,262)	(421,654)	(393,424)
Other operating expenses		(348,635)	(7,965,607)	–	–
Finance costs	25	(366,865)	(555,361)	–	–
Profit/(Loss) from operations		16,620,403	18,092,173	(326,200)	81,041,876
Share of results of joint ventures	5	4,840,268	711,954	–	–
Profit/(Loss) before taxation	26	21,460,671	18,804,127	(326,200)	81,041,876
Taxation	27	(4,475,770)	6,581,350	–	–
Profit/(Loss) for the financial year		16,984,901	25,385,477	(326,200)	81,041,876
<i>Other comprehensive income:</i>					
<i>Items that may be reclassified</i>					
<i>subsequently to profit or loss:</i>					
Exchange differences arising from translation of foreign operations		–	(39,534)	–	–
Reclassification of foreign translation exchange reserve of joint ventures		–	(3,845,114)	–	–
Total comprehensive income/(loss) for the financial year		16,984,901	21,500,829	(326,200)	81,041,876
Profit/(Loss) for the financial year attributable to:					
- Owners of the Company		16,984,901	25,385,477	(326,200)	81,041,876
Earnings per share attributable to owners of the Company (sen)					
- Basic and diluted	28			1.47	2.29

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Non-distributable Share Capital RM	Capital Reserve RM	Distributable Accumulated Losses RM	Total Equity RM
At 1 January 2025		134,983,258	17,567,825	(45,521,110)	107,029,973
Profit/Total comprehensive income for the financial year		–	–	16,984,901	16,984,901
Issuance of shares from private placement	15	11,058,574	–	–	11,058,574
At 31 December 2025		146,041,832	17,567,825	(28,536,209)	135,073,448

	Share Capital RM	Non-distributable Capital Reserve RM	Foreign Exchange Translation Reserve RM	Distributable Accumulated Losses RM	Total Equity RM
At 1 January 2024	134,983,258	17,567,825	3,884,648	(70,906,587)	85,529,144
Profit for the financial year	–	–	–	25,385,477	25,385,477
Other comprehensive loss	–	–	(3,884,648)	–	(3,884,648)
Total comprehensive (loss)/ income for the financial year	–	–	(3,884,648)	25,385,477	21,500,829
At 31 December 2024	134,983,258	17,567,825	–	(45,521,110)	107,029,973

Company	Note	Share Capital RM	Capital Reserve RM	Retained Earnings/ Accumulated Losses RM	Total Equity RM
At 1 January 2025		134,983,258	17,567,825	17,222,023	169,773,106
Loss/Total comprehensive loss for the financial year		–	–	(326,200)	(326,200)
Issuance of shares from private placement	15	11,058,574	–	–	11,058,574
At 31 December 2025		146,041,832	17,567,825	16,895,823	180,505,480
At 1 January 2024		134,983,258	17,567,825	(63,819,853)	88,731,230
Profit/Total comprehensive income for the financial year		–	–	81,041,876	81,041,876
At 31 December 2024		134,983,258	17,567,825	17,222,023	169,773,106

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From					
Operating Activities					
Profit/(Loss) before taxation		21,460,671	18,804,127	(326,200)	81,041,876
Adjustments for:					
Amortisation of contract cost assets		319,823	1,354,231	–	–
Depreciation of property, plant and equipment		128,819	132,450	–	–
Depreciation of right-of-use assets		41,360	22,082	–	–
Fair value change on financial assets at fair value through profit and loss		(99,978)	(163,358)	(84,869)	(74,876)
Deemed gain on disposal of joint ventures		–	(3,845,114)	–	–
Gain on disposal of property, plant and equipment		–	(28,000)	–	–
Impairment loss/(Reversal of impairment loss) on:					
- contract assets		157,334	(24,289)	–	–
- trade receivables		12,787	7,951,571	–	–
- other receivables		29,826	38,325	–	–
- investment in subsidiaries		–	–	–	(81,339,920)
Interest expenses		366,865	555,361	–	–
Interest income		(374,935)	(296,322)	(10,585)	(20,504)
Share of results of joint ventures		(4,840,268)	(711,954)	–	–
Operating profit/(loss) before changes in working capital		17,202,304	23,789,110	(421,654)	(393,424)
Changes in working capital:					
Contract assets/contract liabilities		(14,957,489)	16,337,981	–	–
Contract cost assets		(32,119)	(1,273,025)	–	–
Inventories		(10,933,246)	2,760,705	–	–
Trade and other receivables		(54,665,315)	(28,285,885)	–	–
Trade and other payables		41,598,586	(4,795,687)	2,578	(2,700)
Amounts owing by/to subsidiary companies		–	–	418,996	(1,653,927)
Amount owing to joint ventures		3,500,000	–	–	–
		(35,489,583)	(15,255,911)	421,574	(1,656,627)
Cash (used in)/generated from operations		(18,287,279)	8,533,199	(80)	(2,050,051)
Interest received		374,935	296,322	10,585	20,504
Interest paid		(366,865)	(555,361)	–	–
Tax paid		(3,174,580)	(4,321,232)	–	–
Tax refund		–	930,254	–	–
		(3,166,510)	(3,650,017)	10,585	20,504
Net cash (used in)/from operating activities		(21,453,789)	4,883,182	10,505	(2,029,547)

STATEMENTS OF CASH FLOWS

(cont'd)

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	3	(460,548)	(123,916)	–	–
Proceed from disposal of property, plant and equipment		–	28,000	–	–
Purchase of land held for development	8	(333,789)	(1,063,137)	–	–
Capital contribution in joint venture		–	(5,000,000)	–	–
Final distribution received from joint venture	(b)	–	361,096	–	–
Net changes in other investments		(1,000)	5,009,900	–	–
Net cash used in investing activities		(795,337)	(788,057)	–	–
Cash Flows From Financing Activities					
Proceeds from issuance of shares	15	11,058,574	–	–	–
Increase in fixed deposit pledged		(68,477)	(56,786)	–	–
Drawdown of bank borrowing		701,333	–	–	–
Repayment of bank borrowing	31	(5,000,004)	(1,250,001)	–	–
Repayment of lease liabilities	31	(90,725)	(98,405)	–	–
Net cash from/(used in) financing activities		6,600,701	(1,405,192)	–	–
Net (decrease)/increase in cash and cash equivalents		(15,648,425)	2,689,933	10,505	(2,029,547)
Cash and cash equivalents at the beginning of the financial year		23,077,681	20,387,748	509,059	2,538,606
Cash and cash equivalents at the end of the financial year	(a)	7,429,256	23,077,681	519,564	509,059

STATEMENTS OF CASH FLOWS

(cont'd)

NOTES TO STATEMENT OF CASH FLOW

(a) Cash and cash equivalents at the end of financial year comprises:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	7,432,452	23,077,681	519,564	509,059
Fixed deposit with a licensed bank	2,393,263	2,324,786	–	–
Less: Fixed deposit pledged with a licensed bank	(2,393,263)	(2,324,786)	–	–
Less: Bank overdraft	(3,196)	–	–	–
	7,429,256	23,077,681	519,564	509,059

(b) Proceed from deemed disposal of joint ventures

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Final distribution received	–	361,096	–	–
Other receivables	–	1,701,380	–	–
	–	2,062,476	–	–

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS



1. CORPORATE INFORMATION

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 22 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal place of business is located at D1-2-1, Block D1, Dana 1 Commercial Centre, Jalan PJU 1A/46, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in material accounting policy information.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgemental or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.2 to the financial statements.

Accounting standard and amendments to accounting standards that are effective for the Group's and the Company's financial year beginning on or after 1 January 2025 are as follows:

- Amendments to MFRS 121, "The Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability)

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

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Basis of preparation (cont'd)

Accounting standards and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2026

- Annual Improvements to MFRS Accounting Standards – Volume 11
 - * Amendments to MFRS 1, “First-time Adoption of Malaysian Financial Reporting Standards”
 - * Amendments to MFRS 7, “Financial Instruments: Disclosures”
 - * Amendments to MFRS 9, “Financial Instruments”
 - * Amendments to MFRS 10, “Consolidated Financial Statements”
 - * Amendments to MFRS 107, “Statement of Cash Flows”
- Amendments to MFRS 9, “Financial Instruments” and MFRS 7, “Financial Instruments: Disclosures” (Classification and Measurement of Financial Instruments)
- Amendments to MFRS 9, “Financial Instruments” and MFRS 7, “Financial Instruments: Disclosures” (Contracts Referencing Nature – dependent Electricity)

Annual periods beginning on/after 1 January 2027

- MFRS 18, “Presentation and Disclosure in Financial Statements”
- MFRS 19, “Subsidiaries without Public Accountability: Disclosures”
- Amendments to MFRS 19, “Subsidiaries without Public Accountability: Disclosures”
- Amendments to MFRS 121, “The Effect of Changes in Foreign Exchange Rates” (Translation to a Hyperinflationary Presentation Currency)

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The above accounting standards and amendments to accounting standards are not expected to have significant impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(a) Revenue from construction contracts and property development

The Group recognises construction contracts and property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:

- the completeness and accuracy of the budgets; and
- the extent of the costs incurred.

Substantial changes in cost estimates can in future periods have a significant effect on the Group's revenue recognised. In making the above judgement, the Group relies on past experience and work of specialists.

(b) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

(c) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

(e) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of respective entities when the deferred tax assets are recognised.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Basis of consolidation

(a) Subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Basis of consolidation (cont'd)

(b) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. The classification either as joint operations or joint ventures depends upon on the contractual rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

A joint venture is accounted for in the financial statements using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and subsequently adjusted to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

2.4 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information

The accounting policies set out below have been applied consistently to the periods presented in the financial statements, unless otherwise stated.

(a) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

(ii) Depreciation and impairment

Property, plant and equipment are depreciated on the straight line method to allocate the cost to their residual values over their estimated useful lives as follows:

Plant and machinery	5 years
Motor vehicles	5 years
Furniture, fittings and equipment	5 years
Air conditioners and renovation	5 years

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(a) Property, plant and equipment (cont'd)

(ii) Depreciation and impairment (cont'd)

Depreciation methods, useful lives and residual values are reassessed at each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(b) Foreign currencies

(i) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign exchange translation reserve.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the foreign exchange translation reserve.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(b) Foreign currencies (cont'd)

(ii) Foreign operations (cont'd)

Goodwill and fair value adjustments arising on the acquisitions of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the foreign exchange translation reserve.

(c) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGU"), or Group of CGUs, that is expected to benefit from the synergies of the combination.

Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(d) Inventories

(i) Property development cost

Property development costs are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and anticipated costs to completion, or by management estimates based on prevailing market conditions.

Development cost comprises cost of land, construction costs, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period. On completion, sold properties are recognised in profit or loss and unsold properties are transferred to developed properties held for sale.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

(ii) Land held for development

Land held for property development where development activities are not expected to be completed within the normal operating cycle, is classified as non-current and carried at the lower of cost and net realisable value.

The cost includes cost of land and development costs common to the whole project.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(e) Contract assets and liabilities

Contract asset is the right to consideration in exchange for goods and services that the Group has transferred to a customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the expected credit losses ("ECL") model.

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D) ●●●

2.5 Material accounting policy information (cont'd)

(f) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade receivables and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(f) Financial assets (cont'd)

(iii) Subsequent measurement (cont'd)

Debt instruments (cont'd)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset:

• **Amortised cost**

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

• **FVTPL**

Debt instruments mainly comprise of other investments.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income ("FVOCI") are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**2.5 Material accounting policy information (cont'd)****(f) Financial assets (cont'd)****(iv) Impairment (cont'd)**

In measuring expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(g) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and fixed deposit with a licensed bank and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D) ●●●

2.5 Material accounting policy information (cont'd)

(j) Leases - accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(k) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(n) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(o) Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies are carried at cost less accumulated impairment losses. On disposal of investment in subsidiary companies, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

(p) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(p) Revenue and income recognition (cont'd)

(i) Revenue from contracts with customers (cont'd)

Construction contracts and property development

Revenue from construction contracts and property development are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's effort or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract).

Incremental costs of obtaining a contract, if recoverable, are capitalised as contract cost assets and are subsequently amortised consistently with the pattern of revenue for the related contract.

(ii) Other revenue and income

Revenue and income from other sources are recognised as follows:

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Material accounting policy information (cont'd)

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in profit or loss in the period to which they relate.

(r) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Directors that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and machinery RM	Motor vehicles RM	Furniture fittings and equipment RM	Air conditioners and renovation RM	Total RM
2025					
Cost					
At 1 January 2025	116,002	1,034,823	500,392	615,282	2,266,499
Additions	–	268,000	109,777	82,771	460,548
At 31 December 2025	116,002	1,302,823	610,169	698,053	2,727,047
Accumulated depreciation					
At 1 January 2025	112,226	953,640	413,140	591,703	2,070,709
Charge for the financial year	1,032	65,878	41,875	20,034	128,819
At 31 December 2025	113,258	1,019,518	455,015	611,737	2,199,528
Carrying amount					
At 31 December 2025	2,744	283,305	155,154	86,316	527,519
2024					
Cost					
At 1 January 2024	114,652	1,048,969	462,884	615,282	2,241,787
Additions	1,350	85,058	37,508	–	123,916
Disposal	–	(99,204)	–	–	(99,204)
At 31 December 2024	116,002	1,034,823	500,392	615,282	2,266,499
Accumulated depreciation					
At 1 January 2024	111,421	957,022	387,976	581,044	2,037,463
Charge for the financial year	805	95,822	25,164	10,659	132,450
Disposal	–	(99,204)	–	–	(99,204)
At 31 December 2024	112,226	953,640	413,140	591,703	2,070,709
Carrying amount					
At 31 December 2024	3,776	81,183	87,252	23,579	195,790

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase financing with carrying amount of NIL (2024: RM13,135).

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

4. RIGHT-OF-USE ASSETS

	2025 RM	Group 2024 RM
Cost		
At 1 January	66,244	66,244
Addition	155,856	–
Expired	(66,244)	–
At 31 December	155,856	66,244
Accumulated depreciation		
At 1 January	66,244	44,162
Charge for the financial year	41,360	22,082
Expired	(66,244)	–
At 31 December	41,360	66,244
Carrying amount	114,496	–

The Group has lease contracts for various buildings used in its operations. These leases generally have lease terms ranging between 2 to 3 years as at the date of initial application. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

5. INVESTMENT IN JOINT VENTURES

	2025 RM	Group 2024 RM
At 1 January	4,895,853	1,285,909
Share of results of joint ventures	4,840,268	711,954
Capital contribution	–	5,000,000
Disposal of joint venture	–	(2,062,476)
Foreign exchange differences	–	(39,534)
At 31 December	9,736,121	4,895,853

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. INVESTMENT IN JOINT VENTURES (CONT'D)

(a) The details of the incorporated joint ventures are as follows:

Name of joint entity	Country of incorporation and place of business	Effective ownership and voting interest		Principal activities
		2025 %	2024 %	
R&L Engineering Sdn. Bhd. ("R&L")	Malaysia	50	50	Providing design, project management, quality assessment and quality control, testing & commissioning, purchasing and installation of mechanical & electrical service for data centre

(b) Disposal of joint ventures in previous year

In the previous year, the Group completed its exit from the investments in IJM Construction Sdn. Bhd. – Sunway Builders Sdn. Bhd. – Zelan Holdings (M) Sdn. Bhd. – LFE Engineering Sdn. Bhd. Consortium ("ISZL") and IJM Construction Sdn. Bhd. (Abu Dhabi Branch) – LFE Engineering Sdn. Bhd. (Abu Dhabi Branch) Joint Venture ("IJM-LFE"). Both joint ventures were dissolved in accordance with their respective joint venture agreements and final settlement arrangements.

The Group previously held a 25% and 30% equity interest, respectively, in the joint ventures, which were accounted for using the equity method. As at the date of deemed disposal, the combined carrying amount of the investments was RM1,981,799, and the Group received a final distribution of RM2,062,476.

A gain on disposal amounting to RM3,845,114 was recognised in profit or loss under other operating income. Following the disposal, the Group no longer retains any interest in or obligations toward the joint ventures.

In addition, cumulative translation differences of RM3,845,114, previously recognised in other comprehensive income, were reclassified to profit or loss upon derecognition of the investments.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. INVESTMENT IN JOINT VENTURES (CONT'D)

(c) New joint ventures in previous year

In the previous year, LFE Engineering Sdn. Bhd., a wholly owned subsidiary of the Company, entered into a joint venture agreement with RYB Engineering Pte Ltd to establish R&L Engineering Sdn. Bhd., a jointly controlled entity incorporated in Malaysia.

The Group holds a 50% equity interest in the joint venture and exercises joint control through contractual arrangements that require unanimous consent for key strategic and operational decisions. The investment is accounted for using the equity method in accordance with MFRS 128 – Investments in Associates and Joint Ventures.

The Group's total capital contribution to the joint venture amounted to RM5,000,000, representing its 50% share of the paid-up capital.

(d) Set out below are summarised financial information for the joint ventures which are accounted for using equity method.

(i) Summarised statement of financial position

	2025 RM	R&L	2024 RM
Non-current assets	9,979		–
Current assets	65,193,376		9,883,125
Current liabilities	(45,731,113)		(91,420)
Net assets	19,472,242		9,791,705
Other information:			
Cash and cash equivalents	21,353,052		6,003,125
Current financial liabilities (excluding trade payables)	(6,633,983)		(91,420)
Income tax expenses	3,060,465		–

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. INVESTMENT IN JOINT VENTURES (CONT'D)

(d) Set out below are summarised financial information for the joint ventures which are accounted for using equity method. (cont'd)

(ii) Summarised statement of profit or loss and comprehensive income

	R&L		ISZL		IJM-LFE		TOTAL	
	2025 RM	2024 RM	2025 RM	2024* RM	2025 RM	2024* RM	2025 RM	2024 RM
Revenue	73,358,664	-	-	-	-	-	73,358,664	-
Profit/(Loss) for the financial year	9,680,537	(208,295)	-	1,820,024	-	1,203,653	9,680,537	2,815,382
Other comprehensive loss	-	-	-	(158,136)	-	-	-	(158,136)
Total comprehensive income/ (loss) for the financial year	9,680,537	(208,295)	-	1,661,888	-	1,203,653	9,680,537	2,657,246

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

5. INVESTMENT IN JOINT VENTURES (CONT'D)

(d) Set out below are summarised financial information for the joint ventures which are accounted for using equity method. (cont'd)

(iii) Reconciliation of summarised financial information

	R&L		ISZL		IJM-LFE		TOTAL	
	2025 RM	2024 RM	2025 RM	2024* RM	2025 RM	2024* RM	2025 RM	2024 RM
Net assets/(liabilities)								
At 1 January	9,791,705	-	-	5,143,633	-	(268,922)	9,791,705	4,874,711
Profit/(Loss)/ Total comprehensive income/ (loss) for the financial year	9,680,537	(208,295)	-	1,820,024	-	1,203,653	9,680,537	2,815,382
Capital contribution	-	10,000,000	-	-	-	-	-	10,000,000
Final distribution	-	-	-	(6,805,521)	-	(934,731)	-	(7,740,252)
Foreign exchange differences	-	-	-	(158,136)	-	-	-	(158,136)
At 31 December	19,472,242	9,791,705	-	-	-	-	19,472,242	9,791,705
Interest in joint ventures (50%, Nil%, Nil%)	9,736,121	4,895,853	-	-	-	-	9,736,121	4,895,853

* The joint ventures have been dissolved in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

6. GOODWILL ON CONSOLIDATION

	2025 RM	Group 2024 RM
At 1 January/31 December	23,183,935	23,183,935

The goodwill arises from the acquisition of a subsidiary company, Cosmo Property Management Sdn. Bhd. ("COSMO"). The Group considers COSMO as a single cash generating unit ("CGU") and the carrying amount of goodwill is allocated to COSMO.

The management carries out an annual review of recoverable amounts of its goodwill allocated and determines financial budgets based on past performance and its expectations of market developments.

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management, covering a three-year period (2024: three-year period). Cash flows beyond the three-year period (2024: three-year period) is extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

(a) Key assumptions used in the value-in-use calculations

	2025	2024
Gross profit margin	7.7%-15.3%	10.0%-12.0%
Terminal growth rate	0.0%	0.0%
Discount rate	11.5%	13.2%

(b) Sensitivity to change in key assumptions

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:-

	2025	2024
Terminal growth rate	(14.3%)	(17.0%)
Discount rate	19.8%	19.3%

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

7. DEFERRED TAX (ASSET)/LIABILITY

The analysis of deferred tax asset and liability is as follow:

	Note	2025 RM	Group 2024 RM
Deferred tax assets		(5,502,093)	(9,315,129)
Deferred tax liabilities		3,007	3,007
		(5,499,086)	(9,312,122)
At 1 January		(9,312,122)	9,843
Credited to profit or loss			
- Provisions		(1,108,858)	(3,873,388)
- Unutilised tax losses		4,903,553	(5,449,875)
- Property, plant and equipment		18,341	1,298
	27	3,813,036	(9,321,965)
At 31 December		(5,499,086)	(9,312,122)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority.

The components of deferred tax asset and liability of the Group during the financial year prior to offsetting are as follows:

	2025 RM	Group 2024 RM
Deferred tax asset:		
- Provisions	(4,982,539)	(3,873,681)
- Unutilised tax losses	(546,322)	(5,449,875)
Offsetting	29,775	11,434
Net deferred tax asset	(5,499,086)	(9,312,122)
Deferred tax liability:		
- Property, plant and equipment	29,775	11,434
Offsetting	(29,775)	(11,434)
Net deferred tax liability	-	-

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)



8. INVENTORIES

(a) Land held for development

	Note	2025 RM	Group 2024 RM
Non-current			
At 1 January			
Freehold land costs		2,943,164	8,965,861
Development costs		133,773	1,819,343
		3,076,937	10,785,204
Transfer to property development			
Freehold land costs		–	(6,965,861)
Development costs		–	(1,805,543)
	(b)	–	(8,771,404)
Costs incurred during the financial year			
Freehold land costs		–	943,164
Development costs		333,789	119,973
		333,789	1,063,137
At 31 December		3,410,726	3,076,937
Represented by:			
Freehold land costs		2,943,164	2,943,164
Development costs		467,562	133,773
		3,410,726	3,076,937

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

8. INVENTORIES (CONT'D)

(b) **Property development costs**

	Note	2025 RM	Group 2024 RM
Current			
At 1 January			
Freehold land costs		25,345,702	24,980,003
Development costs		30,756,549	38,823,831
		56,102,251	63,803,834
Transfer from land held for development			
Freehold land costs		–	6,965,861
Development costs		–	1,805,543
	(a)	–	8,771,404
Costs incurred during the financial year			
Freehold land costs		–	7,514,501
Development costs		23,367,851	30,876,476
		23,367,851	38,390,977
Accumulated costs recognised in profit or loss			
At beginning of the financial year		(33,154,954)	(46,867,236)
Recognised during the financial year		(12,434,605)	(41,151,682)
At end of the financial year		(45,589,559)	(88,018,918)
Less: Completed development project			
Freehold land cost		–	(14,114,663)
Development cost		–	(40,749,301)
Accumulated costs recognised in profit or loss		–	54,863,964
		–	–
At 31 December		33,880,543	22,947,297
Represented by:			
Freehold land costs		25,345,702	25,345,702
Development costs		54,124,400	30,756,549
Accumulated costs recognised in profit or loss		(45,589,559)	(33,154,954)
At 31 December		33,880,543	22,947,297

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. CONTRACT ASSETS/(CONTRACT LIABILITIES)

The analysis of contract assets and contract liabilities are as follows:

	Note	2025 RM	Group 2024 RM
Contract assets			
Construction activities:			
Amount due from contract customers		41,894,369	13,031,922
Less: Accumulated impairment losses	33	(4,776,785)	(4,619,451)
	(a)	37,117,584	8,412,471
Property development contracts	(b)	–	3,879,789
		37,117,584	12,292,260
Contract liabilities			
Construction activities:			
Amount due to contract customers	(a)	(10,193,012)	(1,421,487)
Property development contracts	(b)	(1,253,644)	–
		(11,446,656)	(1,421,487)
		25,670,928	10,870,773

(a) Amount due from/(to) contract customers

	2025 RM	Group 2024 RM
At beginning of the financial year	6,990,984	18,167,989
Revenue recognised during the financial year	181,470,252	105,612,191
Progress billing during the financial year	(161,379,330)	(116,813,485)
(Allowance)/Reversal for impairment of contract assets	(157,334)	24,289
At end of the financial year	26,924,572	6,990,984
Represented by:		
Amount due from contract customers	37,117,584	8,412,471
Amount due to contract customers	(10,193,012)	(1,421,487)
	26,924,572	6,990,984

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

9. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)**(b) Property development contracts**

	2025 RM	Group 2024 RM
At 1 January	3,879,789	9,016,476
Revenue recognised during the financial year	11,420,217	48,481,319
Less: Progress billing during the financial year	(16,553,650)	(53,618,006)
At 31 December	(1,253,644)	3,879,789

Property development contracts represent the timing differences in revenue recognition and the billing milestone. The Group issues progress billings to purchases when the billing milestones are attained and recognises revenue when the performance obligations are satisfied.

(c) Unsatisfied long-term contracts

As at the end of the financial year, the aggregate amount of the transaction price allocated to the remaining unfulfilled performance obligations of the Group is RM245,232,241 (2024: RM316,173,398) which will be recognised as revenue when the relevant projects are completed, which are expected to occur over the next 24 months (2024: 30 months).

10. TRADE RECEIVABLES

	Note	2025 RM	Group 2024 RM
Trade receivables		85,282,024	43,969,713
Stakeholder sum receivables		6,362,672	3,742,077
Retention sum receivables		25,314,525	18,673,173
		116,959,221	66,384,963
Less: Accumulated impairment losses	33	(16,532,888)	(16,520,101)
		100,426,333	49,864,862

The Group's normal trade credit terms range from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Included in trade receivables of the Group is an amount owing from related parties in which a Director of the Company has interest amounting to RM82,594,557 (2024: RM33,397,889).

Included in trade receivables of the Group is an amount owing from joint venture amounting to RM259,582 (2024: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

11. OTHER RECEIVABLES

	Note	2025 RM	Group 2024 RM
Other receivables	(a)	4,888,535	6,380,342
Deposits	(b)	4,187,036	2,029,293
Performance bond	(c)	11,424,948	7,987,500
Prepayments		–	12,327
		20,500,519	16,409,462
Less: Accumulated impairment losses	33	(1,231,578)	(1,201,752)
		19,268,941	15,207,710

(a) Included in other receivables of the Group is an amount of RM3,613,017 (2024: RM2,664,016) being the infrastructure construction cost recoverable from the land owner based on a joint venture agreement.

(b) Included in the Group's deposit is an RM1,500,000 (2024: RM1,500,000) being deposit paid for the project management agreement for the project located at Junjong, Kedah.

(c) Included in the performance bond is an amount of RM9,335,748 (2024: RM 5,250,000) provided to a related party, in which the Director of the Company has a financial interest.

12. CONTRACT COST ASSETS

	2025 RM	Group 2024 RM
At 1 January	326,336	407,542
Additions during the financial year	32,119	1,273,025
Amortisation during the financial year	(319,823)	(1,354,231)
At 31 December	38,632	326,336

The contract cost assets represent incidental costs of obtaining a contract with a customer. In the course of the Group's property development activities, the Group incurred sales commission, agent fees and professional fee in conducting the sales.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

13. OTHER INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Current</u>				
Income funds	2,787,782	2,686,804	2,173,897	2,089,029
<u>Non-current</u>				
Investment in Takaful fund	833,340	–	–	–
	3,621,122	2,686,804	2,173,897	2,089,029
Fair value gain on financial assets at fair value through profit and loss	99,978	163,358	84,869	74,876

The Group's investment in Takaful fund amounting to RM833,340 (2024: RM Nil) which is pledged to a licensed bank for financing facility as disclosed in Note 18 to the financial statements.

14. FIXED DEPOSIT WITH A LICENSED BANK

The Group's fixed deposit amounting to RM2,393,263 (2024: RM2,324,786) which is pledged to a licensed bank for financing facility as disclosed in Note 18 to the financial statements.

The Group's fixed deposit interest rates and maturity of deposit at the reporting date range at 2.95% (2024: range at 2.95%) per annum and 12 months (2024: 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

15. SHARE CAPITAL

	Note	Group/Company		Amount	
		Number of ordinary shares		2025	2024
		2025	2024	RM	RM
		Units	Units		
Issued and fully paid					
At 1 January		1,108,629,032	1,108,629,032	134,983,258	134,983,258
Issuance of shares:					
- Private placement	(a)	55,431,450	–	11,058,574	–
At 31 December		1,164,060,482	1,108,629,032	146,041,832	134,983,258

During the financial year, the Company increased its total issued and paid up share capital from RM134,983,258 to RM146,041,832 via:

(a) Private placement

On 4 March 2025, the Company issued 55,431,450 ordinary shares of RM0.1995 per share via private placement. The purpose of issuance of shares are to:

- (i) finance existing operations and projects as well as any new projects to be secured in the future over the short term; and
- (ii) pay for the estimated expenses in relation to the corporate exercise.

The new shares issued rank pari-passu in all respect with the existing ordinary shares of the Company.

16. RESERVES

	Note	Group		Company	
		2025	2024	2025	2024
		RM	RM	RM	RM
Capital reserve	(a)	17,567,825	17,567,825	17,567,825	17,567,825
(Accumulated losses)/					
Retained earning		(28,536,209)	(45,521,110)	16,895,823	17,222,023
		(10,968,384)	(27,953,285)	34,463,648	34,789,848

(a) The capital reserve arose from the capital reduction exercise in previous financial years, after offsetting the Company's accumulated losses on the date of the reduction of share capital became effective.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

17. LEASE LIABILITIES

	2025 RM	Group 2024 RM
Repayable within twelve months	51,341	51,746
Repayable after twelve months	65,536	–
	116,877	51,746

The effective interest rate ranges at 5.55% (2024: 3.78% to 5.49%) per annum.

18. BANK BORROWINGS

	2025 RM	Group 2024 RM
<u>Current</u>		
- Invoice financing	559,413	–
- Bank overdraft	3,196	–
- Term loan	3,849,823	5,000,004
	4,412,432	5,000,004
<u>Non-current</u>		
- Term loan	875,432	3,749,995
Total	5,287,864	8,749,999
Repayable within twelve months	4,412,432	5,000,004
Repayable after twelve months	875,432	3,749,995
	5,287,864	8,749,999

The effective interest rate is 5.57% - 6.89% (2024: 5.55% to 5.57%) per annum.

The Group's bank borrowing is secured by way of:

- (a) Pledged fixed deposit amounting to RM2,393,263 (2024: RM2,324,786) as disclosed in Note 14 to the financial statements;
- (b) Legal charge over certain properties belonging to Director and substantial shareholder of the Company;
- (c) Corporate guarantee by the holding Company;
- (d) Personal guarantee by a Director of the Company; and
- (e) Assignment of a life insurance policy (investment in Takaful fund) by a director.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

19. TRADE PAYABLES

	2025 RM	Group 2024 RM
Trade payables	66,473,435	28,024,824
Retention sum payables	18,577,007	15,668,728
	85,050,442	43,693,552

The normal trade credit term granted to the Group range from 45 to 60 days (2024: 45 to 60 days).

Included in trade payables of the Group is an amount of RM4,136,224 (2024: RM4,401,114) being accrued land cost for the Taman Residensi Mesra Phase 2 housing development project.

20. OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	4,699,169	4,076,714	23,069	29,006
Accruals	4,481,715	4,862,474	82,300	73,785
	9,180,884	8,939,188	105,369	102,791

21. AMOUNT OWING TO JOINT VENTURE

This amount is unsecured, interest-free and repayable on demand.

22. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	127,468,723	127,468,723
Advance to a subsidiary company treated as quasi-investment	50,448,765	39,809,186
	177,917,488	167,277,909

The advances to a subsidiary company is unsecured, interest-free with no fixed term of repayment. The Company does not anticipate repayment of the advances and they are determined to form part of the Company's net investment in subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

22. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Investment in subsidiary companies (cont'd)

The movement of the impairment losses are as follows:

	Company	
	2025 RM	2024 RM
At 1 January	–	81,339,920
Reversal during the financial year	–	(81,339,920)
At 31 December	–	–

(b) Impairment assessment of investment in subsidiaries

The recoverable amount of the investment in subsidiaries has been determined based on value-in-use calculations. This calculation uses pre-tax cash flow projections based on financial budgets approved by management, covering a one to three year period (2024: two to three year period). Cash flows beyond the one to three year period (2024: two to three year period) is extrapolated using the estimate growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the COSMO and LFE Eng operates.

(i) The key assumptions used in the value-in-use calculations

	2025		2024	
	LFE Eng	Cosmo	LFE Eng	Cosmo
Gross profit margin	3.0%-15.0%	7.7%-15.3%	3.0%-23.0%	10.0%-12.0%
Terminal growth rate	0.0%	0.0%	0.0%	0.0%
Discount rate	11.5%	11.5%	13.2%	13.2%

(ii) Sensitivity to change in key assumptions

The circumstances where a change in key assumptions will result in the recoverable amounts of investment on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:-

	2025		2024	
	LFE Eng	Cosmo	LFE Eng	Cosmo
Terminal growth rate	(3.6%)	(0.9%)	(1.5%)	(3.6%)
Discount rate	15.2%	12.1%	14.5%	16.1%

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

22. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Details of the subsidiary companies are as follows:

Name of companies	Country of incorporation and place of business	Effective ownership and voting interest		Principal activities
		2025 %	2024 %	
Direct holding: LFE Engineering Sdn. Bhd. ("LFE Eng")	Malaysia	100	100	Provision of design and implementation of general and specialised electrical and mechanical engineering services and maintenance works as well as project management consultancy services
LFE Trading Sdn. Bhd. (f.k.a LFE Innovative Sdn. Bhd.)	Malaysia	100	100	Trading of all kinds of construction material, hardware, and other items used for construction
LFE Development Sdn. Bhd. ("LFED")	Malaysia	100	100	Property development and construction
Cosmo Property Management Sdn. Bhd. ("COSMO")	Malaysia	100	100	Provision of construction works and project management

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

23. AMOUNTS OWING TO SUBSIDIARY COMPANIES

	Company	
	2025 RM	2024 RM
Current liability		
Amounts owing to subsidiary companies	100	100

These amounts are unsecured, interest-free and repayable on demand.

24. REVENUE

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	2025 RM	2024 RM
Major goods and services		
Construction contracts	181,470,252	105,612,191
Property development	11,420,217	48,481,319
	192,890,469	154,093,510
Timing of revenue recognition		
Over time	192,890,469	154,093,510

25. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- Lease liabilities	6,689	4,411
- Bank borrowings	360,176	550,950
	366,865	555,361

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

26. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is derived after charging/(crediting):

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
Statutory	163,000	172,000	48,000	48,000
Non-statutory	15,000	5,000	5,000	5,000
Amortisation of contract cost assets	319,823	1,354,231	–	–
Depreciation of property, plant and equipment	128,819	132,450	–	–
Depreciation of right-of-use assets	41,360	22,082	–	–
Fair value change on financial assets at fair value through profit and loss	(99,978)	(163,358)	(84,869)	(74,876)
Gain on disposal of property, plant and equipment	–	(28,000)	–	–
Deemed gain on disposal of joint ventures	–	(3,845,114)	–	–
Share of results of joint ventures	(4,840,268)	(711,954)	–	–
Interest income	(374,935)	(296,322)	(10,585)	(20,504)
Impairment loss/(Reversal of impairment loss) on:				
- contract assets	157,334	(24,289)	–	–
- trade receivables	12,787	7,951,571	–	–
- other receivables	29,826	38,325	–	–
- investment in subsidiaries	–	–	–	(81,339,920)
Rental of assets:				
- Short-term leases	3,304	3,720	–	–

27. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current taxation:				
- Current year	801,474	2,684,149	–	–
- (Over)/Under provision in prior years	(138,740)	56,466	–	–
	662,734	2,740,615	–	–
Deferred taxation: (Note 7)				
- Origination and reversal of temporary differences	3,813,036	(9,321,965)	–	–
Taxation for the financial year	4,475,770	(6,581,350)	–	–

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

27. TAXATION (CONT'D)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before taxation	21,460,671	18,804,127	(326,200)	81,041,876
Taxation at statutory tax rate of 24% (2024: 24%)	5,150,561	4,512,990	(78,288)	19,450,050
Expenses not deductible for tax purposes	840,806	619,010	78,288	71,531
Income not subject to tax	–	(929,547)	–	(19,521,581)
(Over)/Under provision of current taxation in prior years	(138,740)	56,466	–	–
Tax impact on share of results of joint ventures	(1,161,664)	(170,869)	–	–
Utilisation of deferred taxes not recognised in prior years	–	(3,254,868)	–	–
Tax impact of unrecognised deferred tax assets in prior year	(215,193)	(7,414,532)	–	–
Taxation for financial year	4,475,770	(6,581,350)	–	–

28. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares issued during the financial year.

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company	16,984,901	25,385,477
Weighted average number of ordinary shares in issue	1,154,664,729	1,108,629,032
Basic earnings per share (sen)	1.47	2.29

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

28. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share

The diluted earnings per share is equal to basic earnings per share as the Company does not have any dilutive potential ordinary shares as at financial year end.

29. STAFF COSTS

	2025 RM	Group 2024 RM
Staff costs (excluding Directors)	3,163,368	1,378,830

Included in the staff costs above are contributions made to Employees Provident Fund under a defined contribution plan for the Group amounting to RM330,148 (2024: RM148,513).

30. RELATED PARTIES DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transaction carried out by the Group is as follows:

	2025 RM	Group 2024 RM
Related party		
Revenue from construction activity by a company in which a Director of the Company has interest by way of shares held and shares common Director	93,530,041	43,117,345
Joint venture		
Revenue from construction activity	31,489,417	–

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

30. RELATED PARTIES DISCLOSURES (CONT'D)

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' remuneration:				
Directors' fees	54,000	44,500	54,000	44,500
Salaries and other emoluments	698,000	697,000	–	–
Defined contribution plan	56,000	56,360	–	–
Other benefits	119,178	106,215	43,500	31,000
	927,178	904,075	97,500	75,500

31. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities:

	Lease liabilities RM	Bank borrowings RM	Total RM
At 1 January 2025	51,746	8,749,999	8,801,745
<u>Cash (outflow)/inflow</u>			
Interest paid	(6,689)	(360,176)	(366,865)
Drawdown	–	701,333	701,333
Repayment	(90,725)	(5,000,004)	(5,090,729)
<u>Non-cash changes</u>			
Interest expenses	6,689	360,176	366,865
Addition	155,856	–	155,856
Bank overdraft	–	3,196	3,196
Loan related to investment in Takaful fund	–	833,340	833,340
At 31 December 2025	116,877	5,287,864	5,404,741
At 1 January 2024	150,151	10,000,000	10,150,151
<u>Cash outflow</u>			
Interest paid	(4,411)	(550,950)	(555,361)
Repayment	(98,405)	(1,250,001)	(1,348,406)
<u>Non-cash changes</u>			
Interest expenses	4,411	550,950	555,361
At 31 December 2024	51,746	8,749,999	8,801,745

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

(a) Business segment

The reportable business segments of the Group comprise the following:

Construction, mechanical and electrical	:	Building construction works, mechanical and electrical works and other related services
Property development	:	Property development
Others	:	Investment holding and dormant subsidiaries

Segment revenue, results and assets include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets are measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets are used to measure the return of assets of each segment.

The total segment liabilities are measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

	Construction, mechanical and electrical RM	Property development RM	Others RM	Total RM
2025				
Revenue:				
Total operating revenue	201,451,734	11,420,217	–	212,871,951
Inter segment	(19,981,482)	–	–	(19,981,482)
External operating revenue	181,470,252	11,420,217	–	192,890,469

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION (CONT'D)

(a) Business segment (cont'd)

	Construction, mechanical and electrical RM	Property development RM	Others RM	Total RM
2025				
Results:				
Adjusted EBITDA*	16,748,738	854,116	(400,550)	17,202,304
Amortisation of contract cost assets	–	(319,823)	–	(319,823)
Depreciation of property, plant and equipment	(112,540)	(16,279)	–	(128,819)
Depreciation of right-of-use assets	–	(41,360)	–	(41,360)
Fair value change on financial assets at fair value through profit and loss	15,109	–	84,869	99,978
Impairment loss on contract assets	(157,334)	–	–	(157,334)
Impairment loss on trade receivables	(12,787)	–	–	(12,787)
Impairment loss on other receivables	(29,826)	–	–	(29,826)
Share of results of joint ventures	4,840,268	–	–	4,840,268
Interest income	97,486	266,864	10,585	374,935
Interest expenses	(4,496)	(362,369)	–	(366,865)
Profit/(Loss) before taxation	21,384,618	381,149	(305,096)	21,460,671
Taxation	(4,198,620)	(277,150)	–	(4,475,770)
Profit/(Loss) after taxation	17,185,998	103,999	(305,096)	16,984,901
Assets				
Segment assets	191,257,610	55,320,025	3,088,794	249,666,429
Include:				
Goodwill on a consolidation	23,183,935	–	–	23,183,935
Investment in joint ventures	9,736,121	–	–	9,736,121
Liabilities				
Segment liabilities	101,927,024	12,150,346	515,611	114,592,981

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION (CONT'D)

(a) Business segment (cont'd)

	Construction, mechanical and electrical RM	Property development RM	Others RM	Total RM
2024				
Revenue:				
Total operating revenue	133,956,965	48,481,319	–	182,438,284
Inter segment	(28,344,774)	–	–	(28,344,774)
External operating revenue	105,612,191	48,481,319	–	154,093,510
Results:				
Adjusted EBITDA*	17,034,922	7,189,943	(407,755)	23,817,110
Amortisation of contract cost assets	–	(1,354,231)	–	(1,354,231)
Depreciation of property, plant and equipment	(117,143)	(15,307)	–	(132,450)
Depreciation of right-of-use assets	–	(22,082)	–	(22,082)
Fair value change on financial assets at fair value through profit and loss	88,482	–	74,876	163,358
Reversal of impairment loss on contract assets	24,289	–	–	24,289
Impairment loss on trade receivables	(7,951,571)	–	–	(7,951,571)
Impairment loss on other receivables	(38,325)	–	–	(38,325)
Share of results of joint ventures	711,954	–	–	711,954
Deemed gain on disposal of joint ventures	3,845,114	–	–	3,845,114
Interest income	–	275,818	20,504	296,322
Interest expenses	(3,713)	(551,648)	–	(555,361)
Profit/(Loss) before taxation	13,594,009	5,522,493	(312,375)	18,804,127
Taxation	8,546,717	(1,965,367)	–	6,581,350
Profit/(Loss) after taxation	22,140,726	3,557,126	(312,375)	25,385,477
Assets				
Segment assets	108,278,487	59,038,519	2,601,145	169,918,151
Include:				
Goodwill on a consolidation	23,183,935	–	–	23,183,935
Investment in joint ventures	4,895,853	–	–	4,895,853
Liabilities				
Segment liabilities	44,688,884	18,092,182	107,112	62,888,178

* Adjusted earnings before interest, taxes, depreciation, and amortisation (excluded other significant non-cash items).

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

32. SEGMENT INFORMATION (CONT'D)**(b) Geographical segments**

The Group's operations are primarily conducted in Malaysia. Accordingly, segment information based on geographical segments is not presented as the Group's revenue, and non-current assets are predominantly derived from and located in Malaysia.

(c) Major customers

The following are the major customers individually accounting for 10% or more of Group revenue for current year and prior year:

Segment		Group	
		2025 RM	2024 RM
Customer A	Construction, mechanical and electrical	9,393,386	55,465,306
Customer B	Construction, mechanical and electrical	51,851,810	31,591,819
Customer C	Construction, mechanical and electrical	40,869,891	11,525,526
Customer D	Construction, mechanical and electrical	31,489,417	–

33. FINANCIAL INSTRUMENTS

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	2025 RM	2024 RM
Group		
Financial assets at amortised cost		
Trade receivables	100,426,333	49,864,862
Other receivables	19,268,941	15,195,383
Fixed deposit with a licensed bank	2,393,263	2,324,786
Cash and bank balances	7,432,452	23,077,681
	129,520,989	90,462,712
Financial assets at fair value through profit or loss		
Other investments	3,621,122	2,686,804
Financial liabilities at amortised cost		
Trade payables	85,050,442	43,693,552
Other payables	9,180,884	8,939,188
Lease liabilities	116,877	51,746
Bank borrowings	5,287,864	8,749,999
Amount owing to joint venture	3,500,000	–
	103,136,067	61,434,485

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

	2025 RM	2024 RM
Company		
Financial assets at amortised cost		
Cash and bank balances	519,564	509,059
Financial assets at fair value through profit or loss		
Other investment	2,173,897	2,089,029
Financial liabilities at amortised cost		
Other payables	105,369	102,791
Amounts owing to subsidiary companies	100	100
	105,469	102,891

Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade receivables and contract assets.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables and contract assets ageing.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

Construction, mechanical and electrical

- (i) Trade receivables and contract assets
 - a) Non-related trade receivables and contract assets

The Group provides for lifetime expected credit losses for non-related trade receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment. The loss allowance provision is determined as follows, the expected credit losses below also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

Construction, mechanical and electrical (cont'd)

- (i) Trade receivables and contract assets (cont'd)
- a) Non-related trade receivables and contract assets (cont'd)

Summarised below is the information about the credit risk exposure on the Group's non-related trade receivables and contract assets using provision matrix:

	Contract assets RM	Current RM	1 – 90 days past due RM	More than 90 days past due RM	Total RM
Group 2025					
Gross carrying amount	14,961,931	7,812,095	2,919,473	9,457,321	35,150,820
Loss allowance provision					
- Expected credit losses	(53,928)	(75,929)	(511,929)	(527,532)	(1,169,318)
- Individually assessed	(4,604,870)	–	–	(7,116,673)	(11,721,543)
	10,303,133	7,736,166	2,407,544	1,813,116	22,259,959

Summarised below is the information about the credit risk exposure on the Group's non-related trade receivables and contract assets using provision matrix:

	Contract assets RM	Current RM	1 – 90 days past due RM	More than 90 days past due RM	Total RM
Group 2024					
Gross carrying amount	10,211,878	6,916,361	539,823	8,943,478	26,611,540
Loss allowance provision					
- Expected credit losses	(4,520)	(540,826)	(23,258)	(231,383)	(799,987)
- Individually assessed	(4,604,870)	–	–	(7,116,673)	(11,721,543)
	5,602,488	6,375,535	516,565	1,595,422	14,090,010

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

Construction, mechanical and electrical (cont'd)

- (i) Trade receivables and contract assets (cont'd)
- b) Related trade receivables and contract assets (included trade receivables from delayed projects & related to previous landowner)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Summarised below is the information about the credit risk exposure on the Group's related trade receivables and contract assets :-

	Contract assets		Trade receivables	
	2025 RM	2024 RM	2025 RM	2024 RM
Gross carrying amount	26,932,438	2,820,044	90,407,660	46,243,224
Loss allowance				
Provision				
- Expected credit losses	(117,987)	(10,061)	(747,514)	(1,054,650)
- Individually assessed	-	-	(7,553,311)	(7,553,311)
	26,814,451	2,809,983	82,106,835	37,635,263

Property Development

Receivable balances are monitored continually with the results that the Group's exposure to credit risk is minimised.

The Group does not have any significant credit risk as its products are predominantly sold to a large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end-financing facilities are limited as the ownership and rights to the properties revert to the Group in the event of default. The Group does not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

At the reporting date, the Group's concentration of the top 3 (2024: 2) trade customers of the Group represents 64% (2024: 57%) of the total trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)**Financial risk management (cont'd)****Credit risk (cont'd)**

Movements on the Group's loss allowance for impairment of trade receivables, contract assets and other receivables are as follows:

	Trade receivables RM	Contract assets RM	Other receivables RM	Total RM
Group				
2025				
At 1 January	16,520,101	4,619,451	1,201,752	22,341,304
Charge during the financial year	12,787	157,334	29,826	199,947
At 31 December	16,532,888	4,776,785	1,231,578	22,541,251
Represented by:				
Individually impaired	14,669,984	4,604,870	1,163,427	20,438,281
Lifetime expected credit loss impairment	1,862,904	171,915	68,151	2,102,970
Total	16,532,888	4,776,785	1,231,578	22,541,251
2024				
At 1 January	8,568,530	4,643,740	1,163,427	14,375,697
Charge/(reversal) during the financial year	7,951,571	(24,289)	38,325	7,965,607
At 31 December	16,520,101	4,619,451	1,201,752	22,341,304
Represented by:				
Individually impaired	14,669,984	4,604,870	1,163,427	20,438,281
Lifetime expected credit loss impairment	1,850,117	14,581	38,325	1,903,023
Total	16,520,101	4,619,451	1,201,752	22,341,304

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables, amount owing to joint venture, lease liabilities and bank borrowing.

Cash flow forecasting is performed by monitoring the Group's and the Company's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Below 1 year RM	Between 1 to 2 years RM	Between 2 to 5 years RM	Above 5 years RM
Group 2025							
Trade payables	85,050,442	-	85,050,442	85,050,442	-	-	-
Other payables	9,180,884	-	9,180,884	9,180,884	-	-	-
Amount owing to joint venture	3,500,000	-	3,500,000	3,500,000	-	-	-
Lease liabilities	116,877	5.55	124,300	56,400	67,900	-	-
Bank borrowings	5,287,864	5.57 - 6.89	5,633,999	4,553,334	154,548	448,668	477,449
	103,136,067		103,489,625	102,341,060	222,448	448,668	477,449

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Liquidity risk (cont'd)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Below 1 year RM	Between 1 to 2 years RM
Group					
2024					
Trade payables	43,693,552	–	43,693,552	43,693,552	–
Other payables	8,939,188	–	8,939,188	8,939,188	–
Lease liabilities	51,746	3.78 - 5.49	52,514	52,514	–
Bank borrowing	8,749,999	5.55 - 5.57	9,195,599	5,359,129	3,836,470
	61,434,485		61,880,853	58,044,383	3,836,470

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Below 1 year RM
Company				
2025				
Other payables	105,369	–	105,369	105,369
Amounts owing to subsidiary companies	100	–	100	100
	105,469		105,469	105,469
2024				
Other payables	102,791	–	102,791	102,791
Amounts owing to subsidiary companies	100	–	100	100
	102,891		102,891	102,891

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Cash flow and fair value interest rate risk

The Group's fixed rate borrowings are not exposed to a risk of change in interest rates.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025 RM	Group 2024 RM
Fixed rate instruments		
Financial asset	2,393,263	2,324,786
Financial liability	(116,877)	(51,746)
Floating rate instrument		
Financial liability	(5,287,864)	(8,749,999)

Since the Group's fixed rate financial liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's profit or loss.

As at the end of the financial year, if interest rates of floating rate instruments had been lower by 50 basis point with all other variables held constant, this will result in post-tax increase of RM20,094 (2024: RM33,250) in profit or loss and other comprehensive income respectively.

NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using return on equity, which is net income as percentage of average equity.

At the reporting date, the ratios were the following:

	2025 RM	Group 2024 RM
Return on equity	14%	26%

The Group is not subject to externally imposed capital requirements for the financial years ended 31 December 2025 and 31 December 2024.

35. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 21 April 2026.

ANALYSIS OF SHAREHOLDINGS

AS AT 6 APRIL 2026



Issued Paid-up Capital	:	RM146,041,832.915
Number of Issued Shares	:	1,164,060,482
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	Shareholdings	%
Less than 100	15	1.12	438	0.00
100 – 1,000	337	25.24	152,450	0.01
1,001 – 10,000	349	26.14	2,006,100	0.17
10,001 – 100,000	417	31.24	18,092,286	1.55
100,001 to less than 5% of issued share capital	212	15.88	658,157,885	56.54
5% and above of issued share capital	5	0.38	485,651,323	41.72
Total	1,335	100.00	1,164,060,482	100.00

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

Name	Direct	%	Indirect	%
LIEW KIAM WOON	59,564,024	5.12	25,589,874 ^(a)	2.20
NG KOK KHENG	87,600,000	7.53	–	–
SIERRA BONUS SDN BHD	82,604,172	7.10	–	–
RESOLUTE ACCOMPLISHMENT SDN BHD	98,372,427	8.45	–	–
CHUAH CHONG EWE	161,092,900	13.84	198,537,249 ^(b)	17.06
GOSAVE SDN BHD	–	–	98,372,427 ^(c)	8.45

Notes:-

- (a) Deemed interested by virtue of his shareholding in Liew Meow Realty Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act").
- (b) 1. Deemed interested by virtue of his shareholding in Triumphant View Sdn Bhd pursuant to Section 8 of the Act.
 2. Deemed interest pursuant to Section 197 of the Companies Act 2016 held through his son, Chuah Chern Yang.
 3. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Resolute Accomplishment Sdn Bhd.
 4. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Sierra Bonus Sdn Bhd
- (c) Deemed interested by virtue of its shareholding in Resolute Accomplishment Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS

(cont'd)

DIRECTORS' INTERESTS IN SHARES

As per the Register of Directors' Shareholdings

Name	Shareholdings			
	Direct	%	Indirect	%
LIEW KIAM WOON	59,564,024	5.12	25,589,874 ^(a)	2.20
GOH CHEE HOE	—	—	—	—
TNG LING LING	—	—	—	—
LIM SAY LEONG	—	—	—	—
CHUAH CHONG EWE	161,092,900	13.84	198,537,249 ^(b)	17.06
AHMAD ZAKIE BIN HJ AHMAD SHARIFF	—	—	—	—

Notes:-

- (a) Deemed interested by virtue of his shareholding in Liew Meow Realty Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act").
- (b) 1. Deemed interested by virtue of his shareholding in Triumphant View Sdn Bhd pursuant to Section 8 of the Act.
2. Deemed interest pursuant to Section 197 of the Companies Act 2016 held through his son, Chuah Chern Yang.
3. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Resolute Accomplishment Sdn Bhd.
4. Deemed interest pursuant to Section 8 of the Companies Act 2016 held through Sierra Bonus Sdn Bhd.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	RESOLUTE ACCOMPLISHMENT SDN BHD	98,372,427	8.45
2.	NG KOK KHENG	87,600,000	7.53
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIERRA BONUS SDN BHD	82,604,172	7.10
4.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUAH CHONG EWE	82,260,700	7.07
5.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHUAH CHONG EWE	75,250,000	6.46
6.	LIEW KIAM WOON	59,564,024	5.12
7.	LAKEVIEW HOLDING SDN BHD	51,500,000	4.42
8.	QUAH SIANG HUAT	51,500,000	4.42
9.	TONG HOCK SEN	48,794,400	4.19
10.	LIEW TEOW WOON	33,893,535	2.91

ANALYSIS OF SHAREHOLDINGS

(cont'd)



THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
11.	SHAPADU CAPITAL SDN BHD	29,677,250	2.55
12.	QUAH JO LEEN	27,666,667	2.38
13.	LIEW CHEE WOON	26,115,201	2.24
14.	LIEW MEOW NYEAN REALTY SDN BERHAD	25,589,874	2.20
15.	CHONG FU SEONG	19,650,000	1.69
16.	NG NGOON WENG	19,180,480	1.65
17.	QUAH JO WEI	19,133,800	1.64
18.	HENG CHING YEE	17,055,000	1.47
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TRIUMPHANT VIEW SDN BHD	16,632,150	1.43
20.	EUGENE LEE CHIN JIN	14,705,900	1.26
21.	LSA HARMONY SDN. BHD.	13,905,370	1.20
22.	ONG KHYE SIANG	13,850,000	1.19
23.	TNEOH KIAN CHAI	12,082,900	1.04
24.	DAISY BLISS SDN BHD	11,666,667	1.00
25.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG NGOON WENG	11,115,300	0.96
26.	CHAN HUAN TAI	11,086,290	0.95
27.	MOHAMAD AFIQ BIN MOHD ARIFF	11,086,290	0.95
28.	NEO CHING HOE	11,086,290	0.95
29.	KHO SIEW BOEY	10,320,800	0.89
30.	KHO SIEW BOEY	7,853,000	0.68
TOTAL		1,000,798,487	85.98

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting (“the Meeting”) of LFE Corporation Berhad (“the Company”) will be held at Pinnacle 10, Level M1, Connexion Conference & Event Center, The Vertical, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 18 June 2026 at 10:00 a.m. to transact the following businesses:-

As Ordinary Business

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. | Please refer to Note B on this agenda |
| 2. To approve the Directors’ fees and benefits payable up to an amount of RM150,000 for the period from 19 June 2026 until the next Annual General Meeting of the Company to be held in 2027. | Ordinary Resolution 1 |
| 3. To re-elect the following Directors who retire pursuant to Clause 97.1 of the Company’s Constitution: | |
| 3.1 Mr. Goh Chee Hoe | Ordinary Resolution 2 |
| 3.2 Mr. Lim Say Leong | Ordinary Resolution 3 |
| 4. To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

As Special Business

To consider and, if thought fit, to pass with or without modifications, the following Resolutions:-

- | | |
|---|------------------------------|
| 5. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 | Ordinary Resolution 5 |
|---|------------------------------|

“**THAT** subject always to the Companies Act, 2016 (“Act”), Company’s Constitution, Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such act and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)



6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED MANDATE FOR RRPT")**

Ordinary Resolution 6

"**THAT** approval be and is hereby given to the Company and its subsidiary(ies) ("Group") to enter into the recurrent related party transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2026, provided that:

- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM"), unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

- 7. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

By Order Of The Board

LFE CORPORATION BERHAD

LIM LI HEONG (MAICSA 7054716) (SSM Practising Certificate No. 202008001981)

WONG MEE KIAT (MAICSA 7058813) (SSM Practising Certificate No. 202008001958)

Company Secretaries

Kuala Lumpur

30 April 2026

Notes:-

A. Appointment of Proxy

1. A member entitled to participate and vote at the Meeting is entitled to appoint a proxy or proxies to participate and vote in his stead.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of shareholdings to be represented by each proxy.
3. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. This Form of Proxy must be deposited at the Company's Registered Office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Only depositors whose names appear in the Record of Depositors as at 11 June 2026 shall be entitled to attend the Annual General Meeting.

B. Audited Financial Statements for the Financial Year ended 31 December 2025

The Audited Financial Statements under Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only as the approval of shareholders is not required, Hence, this Agenda is not put forward for voting by the shareholders of the Company.

Explanatory Notes on Ordinary Business:-

- (a) Ordinary Resolution 1 - Pursuant to Section 230(1) of the Act, the Directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Twenty-Third Annual General Meeting ("AGM") on the payment of Directors' fees and benefits for the period commencing from 19 June 2026 until the next Annual General Meeting in year 2027.

The Directors' fees and benefits consist of :-

- Monthly fixed fee for duties as Director; and
- Meeting allowance for each Board/ Board Committee meeting attended.

The Directors' fees and benefits are estimated not to exceed RM150,000. The calculation is based on the estimated number of scheduled Board / Board Committee meetings and on assumption that the number of Directors will remain the same until the next AGM in year 2027.

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)



Explanatory Notes on Ordinary Business:- (cont'd)

(b) Ordinary Resolutions 2 and 3 – Re-election of Directors

Mr. Goh Chee Hoe and Mr. Lim Say Leong are retiring by rotation pursuant to Clause 97.1 of the Constitution of the Company and are standing for re-election at this AGM. Their profiles are provided in the Directors' Profile of this Annual Report 2025.

In recommending their re-election, the Nomination Committee ("NC") of the Company had assessed the contribution and the fit and proper criteria of the respective Directors. The Board had endorsed the NC's recommendation that Mr. Goh Chee Hoe and Mr. Lim Say Leong be re-elected as Directors of the Company.

(c) Ordinary Resolution 5 – Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016

The Proposed Ordinary Resolution 5, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last AGM held on 24 June 2025 which will lapse at the conclusion of this AGM.

As at the date of this Notice, the Company did not issue and allot any shares pursuant to the mandate granted to the Directors at the last AGM held on 24 June 2025.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

(d) Ordinary Resolution 6 – Proposed Mandate for RRPT

The proposed Ordinary Resolution 6, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The shareholders' mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 30 April 2026 for further details.

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

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STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. Twenty-Third Annual General Meeting of the Company which will be conducted at Pinnacle 10, Level M1, Connexion Conference & Event Center, The Vertical, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 18 June 2026 at 10:00 a.m.

2. The Directors who are standing for re-election at the Twenty-Third Annual General Meeting of the Company pursuant to Clause 97.1 of the Constitution of the Company are:-

- (i) Mr. Goh Chee Hoe
- (ii) Mr. Lim Say Leong

Mr. Goh Chee Hoe and Mr. Lim Say Leong have no conflict of interest or potential conflict of interest including any interest in any competitor's business with LFE or its subsidiaries.

The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on pages from 13 to 15 of this Annual Report.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2025 are disclosed in the Corporate Governance Overview Statement set out on page 41 of this Annual Report.

PERSONAL DATA PRIVACY :

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the Company's AGM and/or any adjournment thereof, a member of the Company: -

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**").
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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FORM OF PROXY

LFE CORPORATION BERHAD [200201011680 (579343-A)]

CDS Account No.	
No of Shares Held	

I/We NRIC/Passport/Company No.
(FULL NAME)

of being a member/members
(FULL ADDRESS)

of **LFE CORPORATION BERHAD ("the company")** hereby appoint
(FULL NAME)

NRIC/Passport No. Tel No. Email address
of or failing whom,
(FULL ADDRESS)

.....
(FULL NAME)

NRIC/Passport No. Tel No. Email address
of
(FULL ADDRESS)

or failing whom, the Chairman of the Meeting as my/our proxy to attend, speak and vote on my/our behalf at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company ("the Meeting") will be held at Pinnacle 10, Level M1, Connexion Conference & Event Center, The Vertical, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 18 June 2026 at 10:00 a.m. and at any adjournment thereof.

I / We direct my / our proxy to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder:

No.	Resolutions	For	Against
1.	Payment of Directors' Fees and Benefit from 19 June 2026 up to the next Annual General Meeting of the Company to be held in 2027.		
2.	Re-election of Mr. Goh Chee Hoe		
3.	Re-election of Mr. Lim Say Leong		
4.	Re-appointment of Auditors		
5.	Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this day of 2026.

.....
Signature/ common seal of shareholder

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of shareholdings to be represented by each proxy.
3. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. This Form of Proxy must be deposited at the Company's Registered Office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Only depositors whose names appear in the Record of Depositors as at 11 June 2026 shall be entitled to attend the Annual General Meeting.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
LFE CORPORATION BERHAD
Registration No.: 200201011680 (579343-A)
C/O Acclime Corporate Services Sdn. Bhd.
Level 7, Mercu 3, No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur

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since 1967

LFE Corporation Berhad

Registration No.: 200201011680 (579343-A)
(Incorporated in Malaysia)

D1-2-1, Block D1, Dana 1 Commercial Centre
Jalan PJU 1A/46, Ara Damansara, 47301 Petaling Jaya
Selangor Darul Ehsanan

Tel : 603 2694 8899 Fax : 603 2694 8833

www.lfe.com.my