



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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 June 2025</u>	<u>30 June 2024</u>	<u>30 June 2025</u>	<u>30 June 2024</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	28,934	36,462	65,954	87,425
Cost of sales	(25,171)	(28,342)	(54,348)	(69,920)
Gross profit	3,763	8,120	11,606	17,505
Other operating income	57	35	83	45
Interest income	169	141	262	270
Administrative expenses	(1,700)	(1,799)	(4,227)	(3,588)
Finance cost	(93)	(280)	(214)	(281)
Profit from operations	2,196	6,217	7,510	13,951
Share of results of joint ventures	18	-	17	-
Profit before taxation	2,214	6,217	7,527	13,951
Tax income/ expenses	162	(1,112)	(456)	(1,965)
Net profit/ Total comprehensive income	2,376	5,105	7,071	11,986
<u>Net profit attributable to:</u>				
Owners of the company	2,376	5,105	7,071	11,986
<u>Total comprehensive income attributable to:</u>				
Owners of the company	2,376	5,105	7,071	11,986
Earnings per share attributable to owners of the Company (sen)	0.20	0.46	0.61	1.08

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2024)

LFE CORPORATION BERHAD
Company No: 200201011680 (579343 - A)
**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
AS AT QUARTER ENDED 30 JUNE 2025**

	As at 30 June 2025	As at 31 Dec 2024
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	520	196
Goodwill	23,184	23,184
Investment in joint ventures	4,896	4,896
Deferred tax asset	9,322	9,315
Inventories	3,077	3,077
	40,999	40,668
Current Assets		
Contract assets	11,430	12,292
Inventories	29,121	22,947
Trade receivables	76,723	49,865
Other receivables	22,239	15,208
Tax recoverable	2,316	523
Contract cost assets	171	326
Other investments	2,743	2,687
Fixed deposits placed with licensed banks	2,356	2,325
Cash and bank balances	14,466	23,077
	161,565	129,250
TOTAL ASSETS	202,564	169,918

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**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)
AS AT QUARTER ENDED 30 JUNE 2025 (CONT'D)**

	As at 30 June 2025	As at 31 Dec 2024
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES		
Equity		
Share capital	146,042	134,983
Reserves	(20,882)	(27,953)
	125,160	107,030
	77,404	62,888
LIABILITIES		
Non-Current Liabilities		
Deferred tax liability	10	3
Bank borrowing	3,750	3,750
	3,760	3,753
Current Liabilities		
Contract liabilities	10,012	1,421
Trade payables	50,513	43,694
Other payables	10,570	8,939
Lease liabilities	6	52
Bank borrowing	2,500	5,000
Current tax liabilities	43	29
	73,644	59,135
TOTAL LIABILITIES	77,404	62,888
TOTAL EQUITY AND LIABILITIES	202,564	169,918
Net assets per share (RM)	0.11	0.10

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2024)

LFE CORPORATION BERHAD
Company No: 200201011680 (579343 - A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2025

	<----- Non-Distributable ----->		-----> Distributable		Total equity RM'000
	Share capital RM'000	Capital reserves RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	
(Unaudited)					
As at 1.1.2025	134,983	17,568		(45,521)	107,030
Issuance of shares from private placements	11,059	-			11,059
Profit/ Total comprehensive income for the financial period	-	-		7,071	7,071
As at 30.06.2025	146,042	17,568	-	(38,450)	125,160
(Audited)					
As at 1.1.2024	134,983	17,568	3,885	(70,907)	85,529
Profit for the financial year	-	-	-	25,386	25,386
Other comprehensive income	-	-	(3,885)	-	(3,885)
Total comprehensive income for the year	-	-	(3,885)	25,386	21,501
As at 31.12.2024	134,983	17,568		(45,521)	107,030

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2024)

LFE CORPORATION BERHAD
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

	<u>30 June 2025</u> RM'000 <i>(Unaudited)</i>	<u>31 Dec 2024</u> RM'000 <i>(Audited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,527	18,804
Adjustment for:-		
Non-cash items	55	5,601
Non-operating items	(78)	(616)
Operating profit before working capital changes	<u>7,504</u>	<u>23,789</u>
Changes in working capital: -		
Net changes in current assets	(30,456)	(10,460)
Net changes in current liabilities	8,451	(4,796)
Cash (used in) /generated from operations	<u>(14,501)</u>	<u>8,533</u>
Interest received	262	296
Interest paid	(215)	(555)
Tax paid	(2,235)	(4,321)
Tax refund	-	930
Net cash (used in)/from operating activities	<u>(16,689)</u>	<u>4,883</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(379)	(124)
Proceed from disposal of property, plant and equipment	-	28
Purchase of land held for development	-	(1,063)
Capital contribution in joint venture	-	(5,000)
Final distribution received from joint venture	-	361
Net changes in other investments	(57)	5,010
Net cash used in investing activities	<u>(436)</u>	<u>(788)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	11,059	-
Increase in fixed deposit pledged	-	(57)
Repayment of term loans	(2,500)	(1,250)
Repayments of lease liabilities	(45)	(99)
Net cash from/(used in) financing activities	<u>8,514</u>	<u>(1,406)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(8,611)	2,689
At beginning of financial period	23,077	20,388
At end of financial period	<u>14,466</u>	<u>23,077</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2024)

LFE CORPORATION BERHAD
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**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

A. EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with International Accounting Standard (“IAS”) 34, Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The interim financial statements should be read in conjunction with the most recent audited financial statements of the Group for the financial year ended 31 December 2024. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

A2. Accounting Policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2024 except for the adoption of the following new MFRSs, amendments to MFRSs and IC interpretations that are effective for the Group's financial year beginning on or after 1 January 2025, as disclosed below:

MFRS 18	Presentation and Disclosure in Financial Statements
Amendment to MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments
Amendment to MFRS 121	Lack of Exchangeability
MFRS 19	Subsidiaries without Public Accountability Disclosure

The adoption of the above Amendments to MFRSs did not have any material impact on the financial statements of the Group.

A3. Seasonality or Cyclicity Factors

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A4. Unusual and Extraordinary Items

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current period and financial period-to-date under review.

A5. Changes in Accounting Estimates

There were no changes in estimates of amounts reported in the prior financial year that have a material effect on the current period and financial period-to-date results.

A6. Debts and Equity Securities

On 4 March 2025, the Company issued 55,431,450 ordinary shares through a Private Placement at an exercise price of RM0.1995 each with the total of RM11,058,574. Hence the total number of shares in issue was 1,164,060,482 units and total paid-up share capital amounted to RM 146,041,832 after the above share issuance.

A7. Dividends Paid

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

A8. Segmental Reporting

6 months period ended 30 June 2025	Construction/ Mechanical & Electrical RM'000	Property Development RM'000	Others RM'000	Consolidated RM'000
<u>REVENUE</u>				
Local sales	66,646	6,184	-	72,830
Inter-segment	(6,876)	-	-	(6,876)
Total external sales	<u>59,770</u>	<u>6,184</u>	<u>-</u>	<u>65,954</u>
<u>RESULTS</u>				
Operating profit	7,614	243	(133)	7,724
Interest expenses		(214)	-	(214)
Share of results of joint ventures	17	-	-	17
Profit before tax	<u>7,631</u>	<u>29</u>	<u>(133)</u>	<u>7,527</u>
Income tax expenses	(449)	(7)	-	(456)
Net profit for the period	<u>7,182</u>	<u>22</u>	<u>(133)</u>	<u>7,071</u>

A9. Carrying Amount of Revalued Assets

This is not applicable.

A10. Material Events Subsequent to Balance Sheet Date of Previous Audit Report

There are no material events subsequent to the end of the quarter under review that have not been reflected in the interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the compositions of the Group during the current quarter and financial period under review.

A12. Capital Commitments

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

A13. Changes in Contingent Liabilities and Contingent Assets

There have been no material changes in the contingent liabilities of the Company and the Group since the date of the last financial statements.

A14. Significant Related Party Transactions

Our Group's transactions with company in which our directors or substantial shareholders have an interest during the financial period under review as follows:

	<u>30 June 2025</u>
	RM'000
Myara Park project	22,975
PuncakCity project	<u>7,918</u>

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS**B1. Review of Performance**

For the quarter ended 30 June 2025, the Group recorded a total revenue of RM28.93 million, representing a 21% decrease compared to RM36.46 million in the corresponding quarter of the previous year. The decline was mainly due to a temporary reduction in revenue contribution from the property development segment, as the previous phase of the Group's development project has been fully sold, while the next phase is only scheduled for launch toward the end of the year.

The Group's profit after tax (PAT) for the current quarter was RM2.38 million, down from RM5.10 million in the same period last year. The decrease in PAT was primarily attributed to the lower gross profit from the development segment, coupled with the continued incurrence of fixed operational costs. In addition, the Group has continued to invest in manpower expansion and capacity building in preparation for upcoming projects, which has impacted short-term profitability but is expected to support long-term growth.

B2. Comparison between the Current Quarter and Immediate Preceding Quarter

The Group reported revenue of RM28.93 million and PAT of RM2.38 million for the quarter ended 30 June 2025, compared to RM37.02 million in revenue and RM4.69 million in PAT in the immediate preceding quarter. The quarter-on-quarter revenue decline of RM8.09 million was mainly due to the early-stage progress of several newly secured construction projects, which have yet to contribute significantly to revenue. Furthermore, the gap in phase launches for the Group's property development projects has led to lower development income in the current quarter.

Despite the drop in revenue, the Group's PAT declined by RM2.31 million compared to the previous quarter. This was largely due to a lower gross profit margin from ongoing projects. However, it is worth noting that administrative expenses for the quarter decreased by RM0.83 million, primarily due to lower commission expenses as most development units had already been sold in earlier periods.

B3. Future Prospects

With a stable pipeline of ongoing projects, the Group continues to prioritize sustainable profitability and cash flow by adopting a selective approach in tendering for new projects, ensuring each engagement meets internal thresholds for margin, risk, and payment discipline. In the property development segment, the upcoming launch of a new phase in the second half of the year is expected to drive revenue and earnings growth from early 2026.

At the same time, the Group is enhancing internal systems and strengthening its talent base to support future projects, including ventures in high-potential areas such as data center infrastructure and industrial construction.

B4. Variance of Actual Profit from Forecasted Profit and Shortfall in Profit Guarantee

This is not applicable.

B5. Taxation

The tax liability incurred relates to the current tax provision made by the subsidiaries. There are no tax liabilities for one of the profitable subsidiaries in the current quarter because there are sufficient accumulated tax losses from previous years to cover the current tax liabilities.

B6. Sale of Unquoted Investments and Properties

This is not applicable.

B7. Status of Corporate Proposals Announced

There were no other corporate proposals announced but not completed as at the date of the announcement of this quarterly report.

B8. Borrowings and Debt Securities

Details of the Group's borrowings are as follows:

	<u>30 June 2025</u> RM'000	<u>31 Dec 2024</u> RM'000
Long Term		
Bank borrowing	3,750	3,750
Short Term		
Lease liabilities	6	52
Bank borrowing	2,500	5,000
	2,506	5,052
Total	6,256	8,802

All the borrowings are in Malaysian currency.

B9. Off balance Sheet Financial Instruments

As at the reporting date, the Group does not have any off-balance sheet financial instruments.

B10. Changes in Material Litigation

On 18 March 2024, LFE had instituted legal action in High Court of Kuala Lumpur against Shapadu Boulevard Sdn Bhd [(Registration No. 201301041359 (1071183-K))("Shapadu") and Lim Thiam Leong Realty Sdn Bhd [Registration No. 197101001179 (11539-U)] ("LTLR") with a Writ and Statement of Claim issued by Messrs Chuah Qian & Partners, the solicitors of LFE.

The Writ and Statement of Claim against Shapadu and LTLR were due to Shapadu and LTLR have failed to fully satisfy their duties to pay the amount entitled by LFE under the letters of award and/or letter of appointment for numerous projects, which were recognised and/or acknowledged by Shapadu and LTLR.

B10. Changes in Material Litigation (cont'd)

Pursuant to the Writ of Summons and Statement of Claim, LFE claimed the following from Shapadu and LTLR:

- (i) The amount outstanding of RM1,049,318.77 to be jointly or severally paid;
- (ii) The amount outstanding of RM5,641,270.62 to be paid by Shapadu;
- (iii) The amount outstanding of RM78,237.00 to be paid by LTLR;
- (iv) Interest at the rate of 5% per annum from the date of filing Writ of Summons until the date of full and final settlement;
- (v) Costs on solicitors and client basis; and
- (vi) Other and/or further reliefs as the Honourable Court deems fit and just.

The Court has fixed the Trial for the Writ of Summons on 15 May 2028.

B11. Dividend Payable

No interim dividend has been recommended for the current quarter under review.

B12. Earnings per Share

The basic earnings per share have been calculated by dividing the Group's net profit for the period by the weighted average number of shares in issue.

	INDIVIDUAL QUARTER <u>30 June 2025</u>	CUMULATIVE QUARTERS <u>30 June 2025</u>
Net profit attributable to Owners of the Company ('000)	2,376	7,071
Number of shares ('000)	1,164,060	1,164,060
Basic earnings per share (sen)	0.20	0.61

B13. Total Comprehensive Income

Total comprehensive income is derived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 June 2025</u>	<u>30 June 2024</u>	<u>30 June 2025</u>	<u>30 June 2024</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	20	33	55	65
Interest expenses	93	280	214	281
Interest income	(169)	(141)	(262)	(270)

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2025.