



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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>31 Dec 2025</u> RM'000	<u>31 Dec 2024</u> RM'000	<u>31 Dec 2025</u> RM'000	<u>31 Dec 2024</u> RM'000
Revenue	52,721	29,716	192,890	154,094
Cost of sales	(45,602)	(23,443)	(167,417)	(125,871)
Gross profit	7,119	6,273	25,473	28,223
Other operating income	170	3,908	302	4,208
Interest income	111	109	460	519
Administrative expenses	(1,879)	(1,385)	(8,768)	(6,336)
Other operating expenses	(347)	(7,966)	(347)	(7,966)
Finance cost	(71)	(133)	(367)	(555)
Profit from operations	5,103	806	16,753	18,093
Share of results of joint ventures	4,933	712	4,951	712
Profit before taxation	10,036	1,518	21,704	18,805
Tax (expenses)/income	(4,032)	8,757	(4,192)	6,581
Profit after taxation	6,004	10,275	17,512	25,386
Other comprehensive loss	-	(3,885)	-	(3,885)
Total comprehensive income	6,004	6,390	17,512	21,501
<u>Net profit attributable to:</u>				
Owners of the company	6,004	10,275	17,512	25,386
<u>Total comprehensive income attributable to:</u>				
Owners of the company	6,004	6,390	17,512	21,501
Earnings per share attributable to owners of the Company (sen)	0.52	0.93	1.50	2.29

(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 31 DECEMBER 2025**

	As at 31 Dec 2025	As at 31 Dec 2024
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	528	196
Right-of-use asset	114	-
Goodwill	23,184	23,184
Investment in joint ventures	9,741	4,896
Deferred tax asset	5,957	9,315
Inventories	3,077	3,077
	42,601	40,668
Current Assets		
Contract assets	35,864	12,292
Inventories	34,214	22,947
Trade receivables	99,426	49,865
Other receivables	18,532	15,208
Tax recoverable	3,012	523
Contract cost assets	39	326
Other investments	2,788	2,687
Fixed deposits placed with licensed banks	2,393	2,325
Cash and bank balances	7,432	23,077
	203,700	129,250
TOTAL ASSETS	246,301	169,918

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**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)
AS AT QUARTER ENDED 31 DECEMBER 2025 (CONT'D)**

	As at 31 Dec 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	(10,441)	(27,953)
	135,601	107,030
LIABILITIES		
Non-Current Liabilities		
Deferred tax liability	10	3
Bank borrowing	-	3,750
	10	3,753
Current Liabilities		
Contract liabilities	10,193	1,421
Trade payables	84,389	43,694
Other payables	11,603	8,939
Lease liabilities	117	52
Bank borrowing	4,388	5,000
Current tax liabilities	-	29
	110,690	59,135
TOTAL LIABILITIES	110,700	62,888
TOTAL EQUITY AND LIABILITIES	246,301	169,918
Net assets per share (RM)	0.12	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 FOURTH QUARTER ENDED 31 DECEMBER 2025**

	<----- Share capital RM'000	Non-Distributable Capital reserves RM'000	-----> Exchange translation reserve RM'000	Distributable Accumulated losses RM'000	Total equity 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	-	-	-	17,512	17,512
As at 31.12.2025	146,042	17,568	-	(28,009)	135,601
(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 FOURTH QUARTER ENDED 31 DECEMBER 2025**

	<u>31 Dec 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	21,704	18,804
Adjustment for: -		
Non-cash items	371	5,601
Non-operating items	(5,007)	(616)
Operating profit before working capital changes	17,068	23,789
Changes in working capital: -		
Net changes in current assets	(78,865)	(10,460)
Net changes in current liabilities	43,360	(4,796)
Cash (used in)/from operations	(18,437)	8,533
Interest received	460	296
Interest paid	(367)	(555)
Tax paid	(3,345)	(4,321)
Tax refund	-	930
Net cash (used in)/from operating activities	(21,689)	4,883
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(461)	(124)
Purchase of right-of-use assets	(156)	-
Net changes in other investments	(101)	5,010
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 cash used in investing activities	(718)	(788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	11,059	-
Repayment of term loans	(4,362)	(1,250)
Additional/(Repayments) of lease liabilities	65	(99)
Increase in fixed deposit pledged	-	(57)
Net cash generated from/(used in) financing activities	6,762	(1,406)
CASH AND CASH EQUIVALENTS		
Net changes	(15,645)	2,689
At beginning of financial period	23,077	20,388
At end of financial period	7,432	23,077

(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 FOURTH QUARTER ENDED 31 DECEMBER 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:

Amendment to MFRS 121 Lack of Exchangeability

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

As at the date of authorization of this interim financial report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective:

MFRSs / Amendments	Description	Effective Date
Amendments to MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group does not anticipate that the adoption of the above Standards and amendments to Standards will have a material impact on the financial statements of the Group in future periods.

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

12 months period ended 31 December 2025	Construction/ Electrical & Mechanical RM'000	Property Development RM'000	Others RM'000	Consolidated RM'000
<u>REVENUE</u>				
Local sales	201,059	12,216	392	213,667
Inter-segment	(20,777)	-	-	(20,777)
Total external sales	<u>180,282</u>	<u>12,216</u>	<u>392</u>	<u>192,890</u>
<u>RESULTS</u>				
Operating profit	15,662	1,763	(305)	17,120
Interest expenses	(5)	(362)	-	(367)
Share of results of joint ventures	4,951	-	-	4,951
Profit before tax	<u>20,608</u>	<u>1,401</u>	<u>(305)</u>	<u>21,704</u>
Income tax expenses	(3,915)	(277)	-	(4,192)
Net profit for the period	<u>16,693</u>	<u>1,124</u>	<u>(305)</u>	<u>17,512</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>31 Dec 2025</u>
	RM'000
PD Ara project	51,852
PuncakCity project	40,870
SD Ara project	880
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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

For the quarter ended 31 December 2025, the Group recorded revenue of RM52.72 million, representing a significant increase from RM29.72 million in the corresponding quarter of the preceding year. The increase was mainly attributable to progressive billings from the PD Ara Project, PuncakCity Project and Data Centre projects.

Profit before tax increased substantially to RM10.04 million from RM1.52 million in the corresponding quarter, mainly driven by a significant increase in share of results of joint ventures amounting to RM4.93 million during current quarter and one-off impairment in corresponding quarter of the preceding year.

However, profit after tax declined to RM6.00 million compared to RM10.28 million in the preceding year's corresponding quarter. The decline was primarily due to the recognition of deferred tax expenses arising from the partial reversal of previously recognised deferred tax assets. Administrative expenses increased marginally by RM0.49 million mainly due to higher staff costs associated with manpower expansion for the data centre projects.

During the recent quarters, the Group experienced a temporary reduction in cash and cash equivalents, mainly due to working capital requirements for fast-moving construction projects. In particular, the data centre project required substantial upfront material purchases and mobilisation costs during its early stages. Additionally, part of the funds was utilised to repay loan facilities associated with earlier projects.

Looking ahead, the Group anticipates a recovery in cash flow as project billings increase and construction activities progress beyond the early and mid phases. New banking facilities for upcoming projects have also been secured and are being drawn down progressively over the next quarter to support project funding requirements.

B2. Comparison between the Current Quarter and Immediate Preceding Quarter

The Group recorded revenue of RM52.72 million for the quarter ended 31 December 2025, compared to RM74.21 million in the immediate preceding quarter. The decrease in revenue was mainly due to lower progressive billing from the PD Ara Project, which contributed approximately RM7 million during the current quarter compared to approximately RM22 million in the preceding quarter, as the project progressed had passed its peak construction phase.

Despite the lower revenue, the Group's gross profit margin improved from approximately 9% in the preceding quarter to approximately 14% in the current quarter. This was primarily due to a lower contribution from lower-margin Civil & Structural (C&S) works and a relatively higher contribution from better-margin Mechanical & Electrical works. As a result, gross profit remained at a relatively stable level despite the reduction in revenue.

Administrative expenses decreased from RM2.66 million in the preceding quarter to RM1.8 million in the current quarter. The reduction was mainly attributable to one-off banking facility processing fees and legal fees that were accrued in the preceding quarter. In addition, the recognition of share of profit from joint ventures amounting to approximately RM4.93 million during the current quarter contributed to the increase in profit before tax to approximately RM10 million.

B3. Future Prospects

The Group continues to pursue expansion opportunities within its core sectors of construction, Mechanical & Electrical (M&E), and property development, while adopting a cautious approach in response to the challenging economic environment and competitive conditions in the construction industry. The Group remains focused on operational efficiency, disciplined cost management, and effective project execution to safeguard profit margin. In line with its objective to maintain profitability and healthy cash flow, the Group takes a selective and disciplined approach in tendering for new projects, ensuring alignment with internal criteria for margins, risk, and payment terms.

B3. Future Prospects(Cont'd)

Additionally, the Group has successfully secured M&E contracts for a Data Centre, in collaboration with overseas expert partners, represents a strategic entry into a high-potential segment, further strengthening the Group's position in the industry. This involvement is expected to open new growth opportunities, strengthen the Group's presence in data centre-related developments, and diversify its revenue base while supporting long-term growth.

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

This is not applicable.

B5. Taxation

The tax liability incurred relates to the current tax provision made by 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>31 Dec 2025</u> RM'000	<u>31 Dec 2024</u> RM'000
Long Term		
Bank borrowing	-	3,750
Short Term		
Lease liabilities	117	52
Bank borrowing	4,388	5,000
	<u>4,505</u>	<u>5,052</u>
Total	<u>4,505</u>	<u>8,802</u>

All the borrowings are in Malaysian currency.

B9. Off Balance Sheet Financial Instruments

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

B10. Changes in Material Litigation

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.

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>31 Dec 2025</u>	CUMULATIVE QUARTERS <u>31 Dec 2025</u>
Net Profit attributable to Owners of the Company ('000)	6,004	17,512
Number of shares ('000)	1,164,060	1,164,060
Basic Earnings per share (sen)	<u>0.52</u>	<u>1.50</u>

B13. Total Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	37	34	170	133
Interest expenses	71	133	367	555
Interest income	(111)	(109)	(460)	(519)
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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 26 February 2026.