



LFE CORPORATION BERHAD

Company No: 200201011680 (579343 - A)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 Sept 2025</u> RM'000	<u>30 Sept 2024</u> RM'000	<u>30 Sept 2025</u> RM'000	<u>30 Sept 2024</u> RM'000
Revenue	74,215	36,953	140,170	124,378
Cost of sales	(67,468)	(32,508)	(121,816)	(102,428)
Gross profit	6,747	4,445	18,354	21,950
Other operating income	50	255	132	300
Interest income	86	140	348	410
Administrative expenses	(2,661)	(1,363)	(6,888)	(4,951)
Finance cost	(81)	(141)	(295)	(422)
Profit from operations	4,141	3,336	11,651	17,287
Share of results of joint ventures	-	-	18	-
Profit before taxation	4,141	3,336	11,669	17,287
Tax income/ (expenses)	296	(211)	(161)	(2,176)
Net profit/ Total comprehensive income	4,437	3,125	11,508	15,111
<u>Net profit attributable to:</u>				
Owners of the company	4,437	3,125	11,508	15,111
<u>Total comprehensive income attributable to:</u>				
Owners of the company	4,437	3,125	11,508	15,111
Earnings per share attributable to owners of the Company (sen)	0.38	0.28	0.99	1.36

(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 SEPTEMBER 2025**

	<u>As at</u> 30 Sept 2025 RM'000 <i>(Unaudited)</i>	<u>As at</u> 31 Dec 2024 RM'000 <i>(Audited)</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	561	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
	41,040	40,668
Current Assets		
Contract assets	27,618	12,292
Inventories	29,840	22,947
Trade receivables	97,963	49,865
Other receivables	20,725	15,208
Tax recoverable	3,345	523
Contract cost assets	105	326
Other investments	2,767	2,687
Fixed deposits placed with licensed banks	2,393	2,325
Cash and bank balances	4,624	23,077
	189,380	129,250
TOTAL ASSETS	230,420	169,918

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

	As at 30 Sept 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	(16,445)	(27,953)
	129,597	107,030
LIABILITIES		
Non-Current Liabilities		
Deferred tax liability	10	3
Bank borrowing	3,750	3,750
	3,760	3,753
Current Liabilities		
Contract liabilities	5,702	1,421
Trade payables	79,986	43,694
Other payables	10,083	8,939
Lease liabilities	-	52
Bank borrowing	1,250	5,000
Current tax liabilities	42	29
	97,063	59,135
TOTAL LIABILITIES	100,823	62,888
TOTAL EQUITY AND LIABILITIES	230,420	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
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	<----- Non-Distributable	----->	Distributable		
	Share capital	Capital reserves	Exchange translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	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	-	-	-	11,508	11,508
As at 30.09.2025	146,042	17,568	-	(34,013)	129,597
(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 THIRD QUARTER ENDED 30 SEPTEMBER 2025

	30 Sept 2025 RM'000 <i>(Unaudited)</i>	31 Dec 2024 RM'000 <i>(Audited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,669	18,804
Adjustment for: -		
Non-cash items	92	5,601
Non-operating items	(122)	(616)
Operating profit before working capital changes	11,639	23,789
Changes in working capital: -		
Net changes in current assets	(71,333)	(10,460)
Net changes in current liabilities	37,437	(4,796)
Cash (used in)/from operations	(22,257)	8,533
Interest received	348	296
Interest paid	(296)	(555)
Tax paid	(2,969)	(4,321)
Tax refund	-	930
Net cash (used in)/from operating activities	(25,174)	4,883
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(457)	(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	(80)	5,010
Net cash used in investing activities	(537)	(788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	11,059	-
Repayment of term loans	(3,750)	(1,250)
Repayments of lease liabilities	(52)	(99)
Increase in fixed deposit pledged	-	(57)
Net cash generated from/(used in) financing activities	7,257	(1,406)
CASH AND CASH EQUIVALENTS		
Net changes	(18,454)	2,689
At beginning of financial period	23,078	20,388
At end of financial period	4,624	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)

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**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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

9 months period ended 30 September 2025	Construction/ Mechanical & Electrical RM'000	Property Development RM'000	Others RM'000	Consolidated RM'000
<u>REVENUE</u>				
Local sales	143,597	8,206	-	151,803
Inter-segment	(11,633)	-	-	(11,633)
Total external sales	<u>131,964</u>	<u>8,206</u>		<u>140,170</u>
<u>RESULTS</u>				
Operating profit	11,781	363	(198)	11,946
Interest expenses	-	(295)	-	(295)
Share of results of joint ventures	18	-	-	18
Profit before tax	<u>11,799</u>	<u>68</u>	<u>(198)</u>	<u>11,669</u>
Income tax expenses	(284)	123	-	(161)
Net profit for the period	<u>11,515</u>	<u>191</u>	<u>(198)</u>	<u>11,508</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 Sept 2025</u> RM'000
PD Ara project	44,902
PuncakCity project	31,272

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

For the quarter ended 30 September 2025, the Group recorded a total revenue of RM74.21 million, more than double the revenue of RM36.95 million in the corresponding quarter of the previous year. The significant increase was mainly attributed to the contribution from the main building works for the PD Ara Project and PuncakCity Project, which together contributed approximately RM45 million in revenue during the quarter.

The Group's profit after tax (PAT) rose to RM4.44 million, compared to RM3.12 million in the same quarter last year. The increase was driven by the higher revenue base, although gross profit margin saw a slight reduction from 12% to 9%, mainly due to the higher proportion of Civil & Structural (C&S) works, which typically yield lower margins than Mechanical & Electrical (M&E) works or property development. Despite the margin dip, the overall profitability remained reasonable and aligned with the Group's diversified business nature.

During the quarter, 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.

B2. Comparison between the Current Quarter and Immediate Preceding Quarter

Compared to the immediate preceding quarter ended 30 June 2025, where the Group reported revenue of RM28.93 million and PAT of RM2.38 million, the current quarter saw a sharp increase in revenue of RM45.28 million, bringing total revenue to RM74.21 million. This growth was largely driven by the progressive billing and peak construction activity of the PD Ara and PuncakCity projects.

Despite the strong topline growth, the Group's gross profit margin decreased from 13% to 9%, as a larger portion of revenue came from lower-margin C&S works. Consequently, while PAT improved to RM4.44 million, the growth was less proportionate to revenue due to the margin compression.

B3. Future Prospects

Looking ahead, the Group remains focused on completing its existing order book efficiently, with continued emphasis on resource optimisation, cost control, and project quality. While the Group actively participates in tenders for new projects, it maintains a selective approach, prioritising contracts with healthy profit margins over high-volume, low-margin opportunities. This strategic approach is supported by a secured pipeline of ongoing projects that is expected to sustain the Group's operations over the next few years.

In the M&E and property development segments, the Group maintains a positive outlook, particularly with the increasing momentum in Malaysia's data centre sector. The Group's involvement in new data centre-related developments is expected to open up additional growth avenues and enhance its presence in this high-potential segment.

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 Sept 2025</u> RM'000	<u>31 Dec 2024</u> RM'000
Long Term		
Bank borrowing	3,750	3,750
Short Term		
Lease Liabilities	-	52
Bank borrowing	1,250	5,000
	<u>1,250</u>	<u>5,052</u>
Total	<u>5,000</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.

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 Sept 2025</u>	CUMULATIVE QUARTERS <u>30 Sept 2025</u>
Net Profit attributable to Owners of the Company ('000)	4,437	11,508
Number of shares ('000)	1,164,060	1,164,060
Basic Earnings per share (sen)	0.38	0.99

B13. Total Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	<u>30 Sept 2025</u>	<u>30 Sept 2024</u>	<u>30 Sept 2025</u>	<u>30 Sept 2024</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	37	34	92	99
Interest expenses	81	141	295	422
Interest income	(86)	(140)	(348)	(410)
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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 November 2025.