



LEFORM BERHAD

Registration No. 199501001582 (330776-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025

CONTENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2 - 3
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE QUARTERLY FINANCIAL REPORT	6 - 14

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2025**

	INDIVIDUAL/CUMULATIVE QUARTER	
	Current Year Quarter 31-Mar-25 (Unaudited)	Preceding Year Corresponding Quarter 31-Mar-24 (Unaudited)
<i>in thousands of RM</i>		
Revenue	82,568	106,902
Results from operating activities	1,994	2,666
Finance costs	(2,483)	(2,763)
Interest income	49	47
Other income	669	1,675
Profit before tax	229	1,625
Income tax (expense)/credit	(124)	122
Profit for the period	105	1,747
Profit after tax/Total comprehensive income attributable to:-		
Owners of the Company	332	1,697
Non-controlling interests	(227)	50
	105	1,747
Earnings per ordinary share		
Basic (Sen)	0.02	0.11

The above unaudited condensed consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 31 MARCH 2025**

<i>in thousands of RM</i>	As at 31-Mar-25 (Unaudited)	As at 31-Dec-24 (Audited)
Assets		
Non-Current Assets		
Property, plant and equipment	164,141	164,438
Investment properties	9,252	9,309
Right-of-use assets	3,583	3,596
Goodwill	2,702	2,702
Investment in joint venture	-	- ¹
Total Non-Current Assets	179,678	180,045
Current Assets		
Inventories	156,764	147,103
Trade and other receivables	90,430	101,885
Contract assets	1,994	4,737
Current tax assets	11,478	11,372
Fixed deposits with licensed banks	7,927	7,584
Cash and bank balances	7,255	4,142
Total Current Assets	275,848	276,823
Total Assets	455,526	456,868
Equity and Liabilities		
Equity		
Share capital	146,909	146,909
Reserves	73,259	72,927
Equity attributable to owners of the Company	220,168	219,836
Non-controlling interests	821	1,048
Total Equity	220,989	220,884
Non-current liabilities		
Loans and borrowings	11,280	9,274
Deferred tax liabilities	9,748	9,748
Total Non-Current Liabilities	21,028	19,022

¹ Amount is less than RM1,000

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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

<i>in thousands of RM</i>	As at 31-Mar-25 (Unaudited)	As at 31-Dec-24 (Audited)
Current Liabilities		
Trade and other payables	57,095	56,249
Loans and borrowings	156,194	160,701
Current tax liabilities	220	12
Total Current Liabilities	<u>213,509</u>	<u>216,962</u>
Total Liabilities	<u>234,537</u>	<u>235,984</u>
Total Equity and Liabilities	<u>455,526</u>	<u>456,868</u>
 Net assets per share attributable to owners of the Company (sen)*	 14.87	 14.84

* Calculated based on net assets attributable to owners of the Company divided by the Company's weighted average number of ordinary shares in issue

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2025

<i>in thousands of RM</i>	Share Capital	Non- Distributable Revaluation Reserves	Distributable Retained Profits	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
Balance at 1 January 2024	146,909	45,732	21,178	213,819	2,141	215,960
Profit for the period	-	-	1,697	1,697	50	1,747
Distributions to owners of the Company: - Dividend by a subsidiary to non-controlling interest	-	-	-	-	(100)	(100)
Balance at 31 March 2024	146,909	45,732	22,875	215,516	2,091	217,607
Balance at 1 January 2025	146,909	49,328	23,599	219,836	1,048	220,884
Profit/(Loss) for the period	-	-	332	332	(227)	105
Balance at 31 March 2025	146,909	49,328	23,931	220,168	821	220,989

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
QUARTER ENDED 31 MARCH 2025**

<i>in thousands of RM</i>	For the 3 months ended	
	31-Mar-25 (Unaudited)	31-Mar-24 (Unaudited)
Cash flows from operating activities		
Profit before taxation	229	1,625
Adjustments for non-cash items	4,265	4,489
Operating profit before working capital changes	<u>4,494</u>	<u>6,114</u>
Changes in working capital		
Inventories	(9,661)	(14,654)
Trade and other receivables	14,216	9,566
Trade and other payables	846	(31,719)
Cash from/(used in) operations	<u>9,895</u>	<u>(30,693)</u>
Income tax paid	(22)	(57)
Net cash from/(used in) operating activities	<u>9,873</u>	<u>(30,750)</u>
Cash flows (used in)/from investing activities		
(Additions)/Withdrawal of deposits pledged with licensed financial banks	(343)	184
Interest income received	49	47
Purchase of property, plant and equipment	(1,544)	(5,343)
Proceeds from disposal of plant and equipment	62	-
Net cash used in investing activities	<u>(1,776)</u>	<u>(5,112)</u>
Cash flows (used in)/from financing activities		
Dividends paid to non-controlling interests	-	(100)
Interest paid	(2,483)	(2,763)
Net (repayments)/drawdowns of loans and borrowings	(11,305)	38,713
Net cash (used in)/from financing activities	<u>(13,788)</u>	<u>35,850</u>
Net decrease in cash and cash equivalents	(5,691)	(12)
Cash and cash equivalents at beginning of the period	(5,174)	12,142
Cash and cash equivalents at end of the period	<u>(10,865)</u>	<u>12,130</u>

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

LEFORM BERHAD (Registration No. 199501001582 (330776-K))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The interim financial report (“Interim Financial Report”) has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

This Interim Financial Report should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to this Interim Financial Report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Leform Berhad and its subsidiaries (“Group”) have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in preparation of the audited financial statements for the for the financial year ended 31 December 2024.

During the financial period, the Group has adopted the following amendments to the accounting standard issued by the Malaysian Accounting Standards Board (“MASB”), which became effective for annual periods beginning on or after 1 January 2025:

- Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above amendments to the accounting standard did not have any material impact on the Group’s financial statements.

The Group has not applied in advance the following accounting standards that have been issued by the MASB but are not yet effective for the current financial period:-

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9, Financial Instruments and MFRS 7 - Contracts Referencing Nature-dependent Electricity	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 adoption of the above accounting standards is expected to have no material impact on the financial statements of the Group upon their initial application.

LEFORM BERHAD (Registration No. 199501001582 (330776-K))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A3. AUDIT QUALIFICATIONS

There was no audit qualification in the annual financial statements of the Group for the financial year ended 31 December 2024.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not affected by any seasonal or cyclical factors.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items that had a material effect on the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported which have a material effect on the results of the Group for the current quarter under review.

A7. DEBTS AND EQUITY SECURITIES

There was no issuance, repurchase, resale or repayment of debts and equity securities in the current quarter under review.

A8. DIVIDENDS PAID

No dividends were paid during the current quarter under review.

A9. SEGMENTAL INFORMATION

The Group is organised into 3 main reportable segments as follows: -

- *Manufacturing segment:* involved in manufacturing of steel products comprising steel pipes, guardrails and flat steel products.
- *Trading segment:* involved in trading of steel products which are deemed complementary to its manufacturing segment.
- *Other segment:* involved in provision of transport and carrier services of the Group's finished steel products.

LEFORM BERHAD (Registration No. 199501001582 (330776-K))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. SEGMENTAL INFORMATION (CONT'D)

<i>in thousands of RM</i>	INDIVIDUAL/CUMULATIVE QUARTER			
	31-Mar-25		31-Mar-24	
	Segmental Revenue (Unaudited)	Profit Before Tax (Unaudited)	Segmental Revenue (Unaudited)	Profit Before Tax (Unaudited)
Manufacturing	72,734	524	98,281	1,680
Trading	21,671	(384)	36,665	390
Transportation	695	59	609	(26)
	95,100	199	135,555	2,044
Elimination	(12,532)	30	(28,653)	(419)
	82,568	229	106,902	1,625

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Pursuant to the revaluation model applied for land and buildings, the Group's land and buildings are subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses.

The valuation of land and buildings were brought forward without amendment from the annual audited financial statements for the year ended 31 December 2024.

A11. RELATED PARTY DISCLOSURES

There are no related party transactions for the current quarter under review.

A12. MATERIAL EVENT SUBSEQUENT TO THE END OF THE CURRENT QUARTER

On 21 April 2025, the Company announced that LF Engineering Sdn Bhd ("LFE") had on even date accepted a Letter of Acceptance from IJM Construction Sdn Bhd for the appointment of LFE as a subcontractor for the provision of plant, labour & material for guardrail works at Section 3 of West Coast Expressway ("Subcontract"). The sum awarded to LFE for the Subcontract is RM3,007,427 for a project duration of approximately 21 months commencing from April 2025 to December 2026.

A13. CHANGES IN COMPOSITION OF THE GROUP

On 25 January 2025, LFE acquired a 20% equity interest, comprising 20 ordinary shares, from Nursafiah binti Md Yusof in LF Highway Products Sdn Bhd for a total consideration of RM20. Consequently, LF Highway Products Sdn Bhd became a 70% owned subsidiary of LFE.

LEFORM BERHAD (Registration No. 199501001582 (330776-K))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities as at the date of this Interim Financial Report.

A15. CAPITAL COMMITMENTS

<i>in thousands of RM</i>	As at 31-Mar-25	As at 31-Dec-24
Authorised and not contracted for:-		
- Purchase of equipment	3,630	2,742
- Construction of property	1,252	1,758
	<u>4,882</u>	<u>4,500</u>

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. OPERATING SEGMENTS REVIEW**

The Group's revenue recorded a decrease in the current quarter by RM24.3 million or 22.8% and its profit before tax also recorded a decrease in the current quarter by RM1.4 million or 85.9% compared to the quarter ended 31 March 2024.

The performance of the respective operating segments is outlined below:

Manufacturing Segment

Revenue for the segment recorded a decrease in the current quarter by RM25.5 million or 26.0% driven by lower average selling prices and sales volume.

The segment's profit before tax recorded a decrease in the current quarter by RM1.2 million or 68.8%. The decline was mainly attributed to lower gross profit in value, resulting from a drop in both average selling prices and sales volume. Although there was a slight improvement in overheads, it was not sufficient to offset the impact of reduced gross profit.

Trading Segment

Revenue for the segment recorded a decrease in the current quarter by RM15.0 million or 40.9% and recorded a loss before tax of RM0.4 million as compared to a profit before tax of RM0.4 million in the preceding quarter.

The decline in the segment's performance aligns with the factors previously mentioned for the manufacturing segment.

Transportation Segment

The fluctuations in the segment have no significant impact to the Group.

B2. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT - QUARTER COMPARED WITH PRECEDING QUARTER

<i>in thousands of RM</i>	Segmental Revenue			Segmental Profit/(Loss) Before Tax		
	31-Mar-25	31-Dec-24	Changes	31-Mar-25	31-Dec-24	Changes
Manufacturing	72,734	95,550	(22,816)	524	1,080	(556)
Trading	21,671	25,492	(3,821)	(384)	86	(470)
Transportation	695	706	(11)	59	65	(6)
	95,100	121,748	(26,648)	199	1,231	(1,032)
Elimination	(12,532)	(13,396)	864	30	88	(58)
	82,568	108,352	(25,784)	229	1,319	(1,090)

The decline in the respective segment's performance aligns with the factors previously mentioned.

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. COMMENTARY ON PROSPECTS

Malaysia's economy maintained its recovery momentum with an advance 4.4% year-on-year growth in the first quarter of 2025, underpinned by resilient domestic demand and sustained global trade activity. Notably, the construction sector stood out with its fifth consecutive quarter of double-digit growth at 14.5%, led by specialised construction works and residential developments. This continued sectoral strength is expected to support underlying demand for steel-related products, including those supplied by the Group.¹

Bank Negara Malaysia's decision to maintain the Overnight Policy Rate at 3% further reflects confidence in the country's economic fundamentals, despite persistent external headwinds such as geopolitical tensions and global trade uncertainties.

Despite a stable economic outlook, the domestic steel industry faces challenges including stiff competition and high operational costs that have compressed the Group's profit margins.

While U.S. tariffs may affect global steel trade patterns, the Group are not directly impacted as it does not export to the U.S. However, the Group is actively monitoring market shifts closely.

To strengthen the Group's core operations, we are finalising the construction of the new integrated warehouse facility, which will significantly increase storage capacity and unlock production potential. Ongoing efforts to improve cost efficiency through better inventory control, reduced waste, and optimised manpower, will further position the Group for future growth. Backed by a resilient Malaysian economy, the Group remains cautiously optimistic about its long-term prospects.

¹ https://www.dosm.gov.my/portal-main/release-document-log?release_document_id=13902

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee for the current quarter under review.

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B5. INCOME TAX EXPENSE/(CREDIT)**

<i>in thousands of RM</i>	INDIVIDUAL/CUMULATIVE QUARTER	
	31-Mar-25	31-Mar-24
Current Tax		
- Current year	124	378
Deferred Tax		
- Current year	-	(500)
	<u>124</u>	<u>(122)</u>
Effective tax rate	54%	(8%)

The Group's effective tax rate for the period ended 31 March 2025 is higher than the statutory tax rate. This was mainly due to the Group consolidating losses incurred by certain subsidiaries, while tax expense was computed based on taxable profits at Company level.

B6. BORROWINGS AND DEBT SECURITIES

<i>in thousands of RM</i>	As at 31-Mar-25	As at 31-Dec-24
Secured		
- Term loans	5,638	5,719
- Hire purchase payables	7,140	5,048
- Bankers' acceptance and trust receipts	126,577	139,892
- Revolving credit	10,000	10,000
- Bank overdrafts	18,119	9,316
	<u>167,474</u>	<u>169,975</u>
Non-current liabilities	11,280	9,274
Current liabilities	<u>156,194</u>	<u>160,701</u>

B7. CHANGES IN MATERIAL LITIGATION

As of the date of this Interim Financial Report, there are no material litigation against the Group.

B8. DIVIDEND

No dividend has been proposed for the current quarter under review.

LEFORM BERHAD (Registration No. 199501001582 (330776-K))
PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9. DERIVATIVES

There were no derivatives outstanding in the current quarter under review.

B10. EARNINGS/DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the period is based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the period as follows:-

	INDIVIDUAL/CUMULATIVE QUARTER	
	31-Mar-25	31-Mar-24
Profit attributable to owners of the Company (RM'000)	332	1,697
Weighted average number of ordinary shares in issue ('000)	1,481,013	1,481,013
Basic earnings per share (Sen)	0.02	0.11

The Company has not issued any dilutive instruments and hence, the diluted earnings per share is equal to the basic earnings per share.

B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Profit before taxation is arrived after crediting/(charging):-

	INDIVIDUAL/CUMULATIVE QUARTER	
<i>in thousands of RM</i>	31-Mar-25	31-Mar-24
a. Interest income on financial assets measured at amortised costs	49	47
b. Interest expense on financial liabilities that are not at fair value through profit or loss	(2,483)	(2,763)
c. Depreciation	(1,911)	(1,774)
d. Reversal of impairment loss on trade receivables	18	-
e. Net gain on disposal of property, plant and equipment	62	-

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. STATUS OF CORPORATE PROPOSALS

On 28 February 2025, the Company announced that the Board had proposed to undertake a private placement of up to 10% of the total number of issued shares of Leform (excluding treasury shares, if any) to third party investor(s) to be identified later at an issue price to be determined and announced later, in accordance with Sections 75 and 76 of the Companies Act 2016 (“Private Placement”).

On 25 March 2025, Bursa Malaysia Securities Berhad had resolved to approve the listing and quotation of up to 148,101,300 ordinary shares in Leform to be issued pursuant to the Private Placement. The Company has yet to place out any shares pursuant to the Private Placement as at the reporting date.

B13. AUTHORISATION FOR ISSUE

The Interim Financial Report was authorised for issuance by the Board of Directors on 29 May 2025.