



LEFORM BERHAD

Registration No. 199501001582 (330776-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2025**

	Individual Quarter		Cumulative Quarter	
	Current	Corresponding	Cumulative	Cumulative
	Quarter	Quarter	Year to	Year to
	Ended	Ended	Date	Date
<i>in thousands of RM</i>	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	82,028	97,352	164,596	204,254
Results from operating activities	1,559	1,822	3,553	4,488
Finance costs	(2,459)	(3,122)	(4,942)	(5,885)
Interest income	49	44	98	91
Other income	1,476	1,602	2,145	3,277
Profit before tax	625	346	854	1,971
Income tax credit/(expense)	50	(158)	(74)	(36)
Profit for the period	675	188	780	1,935
Profit/(Loss) after tax/Total comprehensive income/(loss) attributable to:-				
Owners of the Company	618	331	950	2,028
Non-controlling interests	57	(143)	(170)	(93)
	675	188	780	1,935
Earnings per ordinary share				
Basic (Sen)	0.04	0.02	0.06	0.14

The above unaudited condensed consolidated statement of profit or 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 30 JUNE 2025**

<i>in thousands of RM</i>	As at 30-Jun-25 (Unaudited)	As at 31-Dec-24 (Audited)
Assets		
Non-Current Assets		
Property, plant and equipment	167,966	164,438
Investment properties	9,196	9,309
Right-of-use assets	3,571	3,596
Goodwill	2,702	2,702
Investment in joint venture	-	¹
Total Non-Current Assets	183,435	180,045
Current Assets		
Inventories	151,795	147,103
Trade and other receivables	91,336	101,885
Contract assets	1,995	4,737
Current tax assets	11,014	11,372
Fixed deposits with licensed banks	8,473	7,584
Cash and bank balances	3,219	4,142
Total Current Assets	267,832	276,823
Total Assets	451,267	456,868
Equity and Liabilities		
Equity		
Share capital	146,909	146,909
Reserves	73,877	72,927
Equity attributable to owners of the Company	220,786	219,836
Non-controlling interests	878	1,048
Total Equity	221,664	220,884
Non-current liabilities		
Loans and borrowings	9,831	9,274
Deferred tax liabilities	9,766	9,748
Total Non-Current Liabilities	19,597	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 30 JUNE 2025 (CONT'D)**

<i>in thousands of RM</i>	As at 30-Jun-25 (Unaudited)	As at 31-Dec-24 (Audited)
Current Liabilities		
Trade and other payables	48,066	56,249
Loans and borrowings	161,800	160,701
Current tax liabilities	140	12
Total Current Liabilities	210,006	216,962
Total Liabilities	229,603	235,984
Total Equity and Liabilities	451,267	456,868
 Net assets per share attributable to owners of the Company (sen)*	 14.91	 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 30 JUNE 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/(loss) for the period	-	-	2,028	2,028	(93)	1,935
Distributions to owners of the Company: - Dividend by a subsidiary to non-controlling interest	-	-	-	-	(100)	(100)
Balance at 30 June 2024	146,909	45,732	23,206	215,847	1,948	217,795
Balance at 1 January 2025	146,909	49,328	23,599	219,836	1,048	220,884
Profit/(Loss) for the period	-	-	950	950	(170)	780
Balance at 30 June 2025	146,909	49,328	24,549	220,786	878	221,664

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 30 JUNE 2025**

<i>in thousands of RM</i>	For the 6 months ended	
	30-Jun-25 (Unaudited)	30-Jun-24 (Unaudited)
Cash flows from operating activities		
Profit before taxation	854	1,971
Adjustments for non-cash items	7,408	9,301
Operating profit before working capital changes	<u>8,262</u>	<u>11,272</u>
Changes in working capital		
Inventories	(4,091)	(10,101)
Trade and other receivables	13,764	15,135
Trade and other payables	(8,181)	(7,594)
Cash from operations	<u>9,754</u>	<u>8,712</u>
Income tax refunded/(paid)	430	(113)
Net cash from operating activities	<u>10,184</u>	<u>8,599</u>
Cash flows (used in)/from investing activities		
Additions of deposits pledged with licensed financial banks	(889)	(788)
Interest income received	98	91
Addition of right-of-use assets	-	(3,624)
Purchase of property, plant and equipment	(7,521)	(14,270)
Proceeds from disposal of plant and equipment	492	149
Net cash used in investing activities	<u>(7,820)</u>	<u>(18,442)</u>
Cash flows (used in)/from financing activities		
Dividends paid to non-controlling interests	-	(100)
Interest paid	(4,942)	(5,885)
Net repayments of loans and borrowings	(8,282)	(5,725)
Net cash used in financing activities	<u>(13,224)</u>	<u>(11,710)</u>
Net decrease in cash and cash equivalents	(10,860)	(21,553)
Cash and cash equivalents at beginning of the period	(5,174)	12,142
Cash and cash equivalents at end of the period	<u>(16,034)</u>	<u>(9,411)</u>

The above unaudited condensed consolidated statement of cash flows 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.

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 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 QUARTER			
	30-Jun-25		30-Jun-24	
	Segmental Revenue (Unaudited)	Profit Before Tax (Unaudited)	Segmental Revenue (Unaudited)	Profit Before Tax (Unaudited)
Manufacturing	70,787	262	87,794	1,943
Trading	26,979	322	29,446	18
Transportation	620	41	658	7
	<u>98,386</u>	<u>625</u>	<u>117,898</u>	<u>1,968</u>
Elimination	(16,358)	-	(20,546)	(1,622)
	<u>82,028</u>	<u>625</u>	<u>97,352</u>	<u>346</u>

<i>in thousands of RM</i>	CUMULATIVE QUARTER			
	30-Jun-25		30-Jun-24	
	Segmental Revenue (Unaudited)	Profit/(Loss) Before Tax (Unaudited)	Segmental Revenue (Unaudited)	Profit/(Loss) Before Tax (Unaudited)
Manufacturing	143,521	786	186,075	3,623
Trading	48,650	(62)	66,111	408
Transportation	1,315	100	1,267	(19)
	<u>193,486</u>	<u>824</u>	<u>253,453</u>	<u>4,012</u>
Elimination	(28,890)	30	(49,199)	(2,041)
	<u>164,596</u>	<u>854</u>	<u>204,254</u>	<u>1,971</u>

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

There were no material event subsequent to the end of the current quarter.

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

A13. CHANGES IN COMPOSITION OF THE GROUP

On 25 January 2025, LF Engineering Sdn Bhd acquired a 20% equity interest, comprising 20 ordinary shares, from Nursofiah 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 LF Engineering Sdn Bhd.

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 30-Jun-25	As at 31-Dec-24
Authorised and not contracted for:-		
- Purchase of equipment	3,570	2,742
- Construction of property	757	1,758
	<u>4,327</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 RM15.3 million or 15.7% and a decrease in the cumulative quarter by RM39.7 million or 19.4%. The Group's profit before tax recorded an increase in the current quarter by RM0.3 million or 80.6% and a decrease in the cumulative quarter by RM1.1 million or 56.7%.

The performance of the respective operating segments is outlined below:-

Manufacturing Segment

Revenue for the segment recorded a decrease in the current quarter by RM17.0 million or 19.4%, and a decrease in the cumulative quarter by RM42.6 million or 22.9%. The decrease in the current quarter was mainly due to lower average selling prices, while the cumulative quarter decline was driven by reduced construction project revenue and lower average selling prices.

The segment's profit before tax recorded a decrease in the current quarter by RM1.7 million or 86.5% and a decrease in the cumulative quarter by RM2.8 million or 78.3%. The reduction in profit was mainly attributable to lower average selling prices, which lowered the overall revenue base. Although margins remained relatively resilient, the impact of the reduced revenue was not offset as overheads remained at the same level, resulting in a decline in overall profitability. It is also noteworthy that the Group recorded a higher gain on the disposal of motor vehicles and recognised lower provisioning requirements for slow-moving inventories and trade receivables in the current quarter.

Trading Segment

Revenue for the segment recorded a decrease in the current quarter by RM2.5 million or 8.4% and a decrease in the cumulative quarter by RM17.5 million or 26.4%. The decrease was mainly due to lower average selling prices.

The segment's profit before tax increased by RM0.3 million in the current quarter, while a loss before tax of RM0.1 million was recorded for the cumulative quarter, compared to a profit before tax of RM0.4 million in the corresponding period last year. The improvement in the current quarter was mainly driven by higher trading margins, whereas the cumulative decline reflected lower average selling prices, which reduced the overall revenue base.

Transportation Segment

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

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**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		
	30-Jun-25	31-Mar-25	Changes	30-Jun-25	31-Mar-25	Changes
Manufacturing	70,787	72,734	(1,947)	262	524	(262)
Trading	26,979	21,671	5,308	322	(384)	706
Transportation	620	695	(75)	41	59	(18)
	98,386	95,100	3,286	625	199	426
Elimination	(16,358)	(12,532)	(3,826)	-	30	(30)
	82,028	82,568	(540)	625	229	396

The Group's revenue recorded a decrease in the current quarter by RM0.5 million or 0.7%, and recorded an increase in profit before tax in the current quarter by RM0.4 million or 172.9%. The improvement in the Group's profit albeit a marginal decline in the Group's revenue was due to the gain on disposal in motor vehicles and lower provisioning requirements for slow-moving inventories and trade receivables.

B3. COMMENTARY ON PROSPECTS

Following the release of Malaysia's 2025 GDP forecast in Bank Negara Malaysia's Economic and Monetary Review (March 2025), the global environment has continued to evolve, shaped by rising geopolitical tensions, changes in trade policies, and uncertainty over new tariff structures. Inevitably, these developments will influence Malaysia's growth outlook.

Closer to home, we expect greater clarity on the nation's direction through the mid-term review of the 13th Malaysia Plan (MP13) and the upcoming tabling of Budget 2026. Both are likely to reinforce the Government's focus on strengthening resilience and driving infrastructure development.

Despite external challenges, Malaysia's economy is holding steady. GDP growth for 2025 is projected at between 4.0% and 4.8%¹, with upside potential should global trade conditions improve. To support domestic activity, Bank Negara Malaysia's Monetary Policy Committee recently reduced the Overnight Policy Rate by 25 basis points to 2.75%², a move that is expected to boost the construction and property sectors, and by extension, create stronger demand for steel-related products such as those offered by our Group.

On the international front, concerns have surfaced following the United States' imposition of a 19% tariff on selected imports. While this development has minimal direct impact on us, given that we do not export to the affected market, we remain mindful of potential ripple effects, including market volatility, cost fluctuations, and adjustments in regional supply chains.

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B3. COMMENTARY ON PROSPECTS (CONT'D)**

Operationally, we are making good progress on our new integrated warehouse facility, which is scheduled for commencement of operations by the fourth quarter of 2025. Upon commencement of operations, this facility will significantly expand our storage capacity and enhance production efficiency, thereby strengthening our ability to meet customer demand and support future growth.

While the operating landscape remains fluid, we believe our commitment to operational excellence, prudent cost management, and our strong domestic presence put us in a solid position to navigate uncertainties and seize opportunities as they arise.

¹ <https://www.bnm.gov.my/-/gdp25f>

² <https://www.bnm.gov.my/-/monetary-policy-statement-09072025>

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. INCOME TAX (CREDIT)/ EXPENSE

<i>in thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Jun-25	Corresponding Quarter Ended 30-Jun-24	Current Year To Date 30-Jun-25	Corresponding Year To Date 30-Jun-24
Current Tax				
- Current year	(50)	558	74	936
- Prior year	-	-		-
Deferred Tax				
- Current year	-	(400)	-	(900)
	<u>(50)</u>	<u>158</u>	<u>74</u>	<u>36</u>
Effective tax rate	(8%)	46%	9%	2%

The Group recorded a negative effective tax rate in the current quarter, mainly arising from the reversal of tax overprovisions made in prior quarters. For the cumulative period, the effective tax rate was lower than the statutory rate, reflecting the utilisation of capital allowances during the period.

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B6. BORROWINGS AND DEBT SECURITIES**

<i>in thousands of RM</i>	As at 30-Jun-25	As at 31-Dec-24
Secured		
- Term loans	5,559	5,719
- Hire purchase payables	6,675	5,048
- Bankers' acceptance and trust receipts	130,144	139,892
- Revolving credit	10,000	10,000
- Bank overdrafts	19,253	9,316
	<u>171,631</u>	<u>169,975</u>
Non-current liabilities	9,831	9,274
Current liabilities	<u>161,800</u>	<u>160,701</u>

B7. CHANGES IN MATERIAL LITIGATION

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

B8. DIVIDEND

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

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 QUARTER		CUMULATIVE QUARTER	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
Profit attributable to owners of the Company (RM'000)	618	331	950	2,028
Weighted average number of ordinary shares in issue ('000)	<u>1,481,013</u>	<u>1,481,013</u>	<u>1,481,013</u>	<u>1,481,013</u>
Basic earnings per share (Sen)	<u>0.04</u>	<u>0.02</u>	<u>0.06</u>	<u>0.14</u>

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

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

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

<i>in thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Correspond	Current	Correspond
	Quarter Ended 30-Jun-25	-ing Quarter Ended 30-Jun-24	Year To Date 30-Jun-25	-ing Year To Date 30-Jun-24
a. Interest income on financial assets measured at amortised costs	49	44	98	91
b. Interest expense on financial liabilities that are not at fair value through profit or loss	(2,459)	(3,122)	(4,942)	(5,885)
c. Depreciation	(2,157)	(1,883)	(4,068)	(3,657)
d. Reversal of impairment loss on trade receivables	474	-	474	-
e. Reversal of allowance for slow-moving and obsolete stock	601	-	601	-
f. Net gain on disposal of property, plant and equipment	367	149	429	149
g. Unrealised (loss)/gain on derivatives	-	-	-	22

B12. STATUS OF CORPORATE PROPOSALS

On 28 February 2025, the Company announced that the Board of Directors (“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 issue by the Board in accordance with a resolution of the Board dated 25 August 2025.