



LEADER STEEL HOLDINGS BERHAD
(Registration No. 199301012471 (267209-K))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	NOTE	CURRENT 3 MONTHS ENDED 31 MARCH		CUMULATIVE 3 MONTHS ENDED 31 MARCH	
		2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Continuing operations					
Revenue		52,682	60,146	52,682	60,146
Operating expenses		<u>(41,454)</u>	<u>(57,145)</u>	<u>(41,454)</u>	<u>(57,145)</u>
Operating profit		11,228	3,001	11,228	3,001
Depreciation		(1,364)	(1,443)	(1,364)	(1,443)
Finance costs		<u>(405)</u>	<u>(933)</u>	<u>(405)</u>	<u>(933)</u>
Profit before tax		9,459	625	9,459	625
Tax (expenses)/income	B5	<u>(2,354)</u>	<u>11</u>	<u>(2,354)</u>	<u>11</u>
PROFIT FOR THE PERIOD, REPRESENTING TOTAL COMPREHENSIVE INCOME		<u>7,105</u>	<u>636</u>	<u>7,105</u>	<u>636</u>
Net profit/(loss) for the financial period attributable to:-					
Equity holders of the company		7,111	642	7,111	642
Non-controlling interests		<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>
NET PROFIT		<u>7,105</u>	<u>636</u>	<u>7,105</u>	<u>636</u>
Total comprehensive income/(loss) for the financial period attributable to:-					
Equity holders of the company		7,111	642	7,111	642
Non-controlling interests		<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME		<u>7,105</u>	<u>636</u>	<u>7,105</u>	<u>636</u>
Basic earnings per ordinary share (sen)	B11	<u>5.47</u>	<u>0.51</u>	<u>5.47</u>	<u>0.51</u>
Diluted earnings per ordinary share (sen)	B11	<u>N.A</u>	<u>N.A</u>	<u>N.A</u>	<u>N.A</u>

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2020.



LEADER STEEL HOLDINGS BERHAD
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 MARCH 2021**

	NOTE	31 MAR 2021 RM'000 (Unaudited)	31 DEC 2020 RM'000 (Audited)
ASSETS			
Property, plant and equipment		131,523	132,591
Right-of-use assets		23,500	23,721
Goodwill		58	58
TOTAL NON-CURRENT ASSETS		155,081	156,370
Inventories		44,876	46,198
Trade and other receivables		53,067	49,773
Current tax assets		1,197	2,060
Cash and cash equivalents		5,450	2,789
TOTAL CURRENT ASSETS		104,590	100,820
TOTAL ASSETS		259,671	257,190
EQUITY			
Share capital		67,218	67,218
Treasury shares		(2,210)	(1,759)
Reserves		103,611	96,500
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		168,619	161,959
Non-controlling interests		85	91
TOTAL EQUITY		168,704	162,050
LIABILITIES			
Borrowings	B9	1,240	1,240
Lease liabilities		75	75
Deferred tax liabilities		15,653	15,653
TOTAL NON-CURRENT LIABILITIES		16,968	16,968
Trade and other payables		12,395	14,495
Borrowings	B9	60,968	62,988
Lease liabilities		180	228
Current tax liabilities		456	461
TOTAL CURRENT LIABILITIES		73,999	78,172
TOTAL LIABILITIES		90,967	95,140
TOTAL EQUITY AND LIABILITIES		259,671	257,190
Net Assets Per Share (Sen)		120	115

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2020.



LEADER STEEL HOLDINGS BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	31 MAR 2021 RM'000	31 MAR 2020 RM'000
Profit before tax	9,459	625
Adjustments for:		
Depreciation of property, plant and equipment	1,143	1,116
Depreciation of right-of-use assets	221	327
Interest expenses	405	933
Unrealised (gain)/loss on foreign exchange	(105)	480
Operating profit before working capital changes	11,123	3,481
Changes in:-		
Inventories	1,322	506
Trade and other receivables	(3,133)	(17,810)
Trade and other payables	(2,156)	13,325
Cash generated from/(used in) operations	7,156	(498)
Tax paid	(1,495)	(157)
Interest paid	(405)	(933)
Net cash from/(used in) operating activities	5,256	(1,588)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(75)	(121)
Net cash used in investing activities	(75)	(121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in short-term loans and borrowings	(1,901)	15,411
Purchase of treasury shares	(451)	(192)
Repayment of lease liabilities	(48)	(247)
Repayments of term loans	(120)	(120)
Net cash (used in)/from financing activities	(2,520)	14,852
Currency translation differences	0	159
Net increase in cash and cash equivalents	2,661	13,302
Cash and cash equivalents brought forward	2,789	1,937
Cash and cash equivalents carried forward	5,450	15,239
<u>Cash and cash equivalents carried forward</u>		
Cash and cash equivalents	5,450	15,477
Bank overdrafts	0	(238)
	5,450	15,239



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Attributable to equity holders of the Company				Equity attributable to owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
Balance as at 1 January 2021	67,218	68,882	(1,759)	27,618	161,959	91	162,050
Profit/(Loss) for the financial period	0	0	0	7,111	7,111	(6)	7,105
Total comprehensive income/(loss) for the period	0	0	0	7,111	7,111	(6)	7,105
Transactions with owners							
Purchase of treasury shares	0	0	(451)	0	(451)	0	(451)
Total transactions with owners	0	0	(451)	0	(451)	0	(451)
Balance as at 31 March 2021	67,218	68,882	(2,210)	34,729	168,619	85	168,704

	Attributable to equity holders of the Company				Equity attributable to owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
Balance as at 1 January 2020	64,020	68,882	(1,567)	21,378	152,713	118	152,831
Profit/(Loss) for the financial period	0	0	0	642	642	(6)	636
Total comprehensive income/(loss) for the period	0	0	0	642	642	(6)	636
Transactions with owners							
Purchase of treasury shares	0	0	(192)	0	(192)	0	(192)
Total transactions with owners	0	0	(192)	0	(192)	0	(192)
Balance as at 31 March 2020	64,020	68,882	(1,759)	22,020	153,163	112	153,275

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2020.

LEADER STEEL HOLDINGS BERHAD

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards 134 (MFRS134): “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

Adoption of Standards, Amendments and Issues Committee (“IC”) Interpretations and changes in accounting policies

During the financial period, the Group has adopted the following Standards, Amendments and IC Interpretations:

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

Standards issued but not yet effective

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been earlier adopted by the Group:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds Before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023

A1. Basis of Preparation (Continued)

Standards issued but not yet effective (Continued)

Title	Effective Date
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial periods.

A2. Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors.

A3. Unusual Items

There were no items of unusual nature, size or incidence which affect assets, liabilities, equity, net income or cash flows during the current quarter under review.

A4. Changes in Accounting Estimates

There were no changes in accounting estimates of amounts reported in prior year that have a material effect in the current quarter under review.

A5. Debts and Equity or Securities

Save as disclosed below, there were no issuance, cancellations, resale and repayment of debt and equity securities for the current quarter and period under review:-

As at to-date, the Company had bought back 800,000 of its own shares at a total cash consideration of RM451,408.50. The highest and the lowest price per share purchased were at RM0.575 and RM0.550 respectively.

A6. Dividend

A first single-tier interim dividend of 1.5 sen per ordinary share amounting to RM2,017,988 was paid on 11 May 2021 in respect of the financial year ended 31 December 2020.

A7. Profit for the Period

Current Quarter ended		Cumulative Period ended	
31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
RM'000	RM'000	RM'000	RM'000

Profit before tax is arrived at after charging

Depreciation of property, plant and equipment	1,143	1,116	1,143	1,116
Depreciation of right-of-use assets	221	327	221	327
Interest expense	405	933	405	933
Foreign exchange loss	7	(238)	7	(238)
Unrealised foreign exchange (gain)/loss	(105)	480	(105)	480

A8. Segment Information

Segmental reporting for the financial period-to-date is as below:

Period-to-date ended	Trading & Processing of Minerals	Manufacturing & Trading of Steel Products	Eliminations	Consolidated
31 March 2021	RM'000	RM'000	RM'000	RM'000
Revenue				
- External	4,056	50,638	0	54,694
- Inter-segment	0	0	(2,012)	(2,012)
Total Revenue	4,056	50,638	(2,012)	52,682
Results				
Operating profit	550	10,678	0	11,228
Depreciation of				
- property, plant and equipment	(44)	(1,099)	0	(1,143)
- right-of-use assets	(15)	(206)	0	(221)
Finance cost	(22)	(383)	0	(405)
Tax expenses	(121)	(2,233)	0	(2,354)
Segment profit	348	6,757	0	7,105

A8. Segment Information (Continued)

Segmental reporting for the financial period-to-date is as below: (Continued)

Period-to-date ended 31 March 2020	Trading & Processing of Minerals RM'000	Manufacturing & Trading of Steel Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
- External	21,627	38,765	0	60,392
- Inter-segment	0	0	(246)	(246)
Total Revenue	21,627	38,765	(246)	60,146
Results				
Operating profit	901	2,100	0	3,001
Depreciation of - property, plant and equipment	(24)	(1,092)	0	(1,116)
- right-of-use assets	(30)	(297)	0	(327)
Finance cost	(232)	(701)	0	(933)
Tax income	11	0	0	11
Segment profit	626	10	0	636

A9. Events after the Interim Period

There is no event subsequent to the interim period.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period-to-date.

A11. Capital Commitment

There is no commitment in respect of capital expenditure on property, plant and equipment for current quarter.

A12. Changes in Contingent Liabilities

	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	166,152	173,591

A13. Related Party Transactions

Companies in which certain directors are deemed to have substantial financial interests	3 months ended 31 March 2021
Eonmetall Group Berhad and its subsidiaries	RM'000
Sales of goods	441
Purchase of goods	1
Sales of machinery	320
	762

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Current quarter compared to the corresponding quarter of last year

The Group recorded a revenue of RM52.68 million for the current quarter under review as compared to RM60.15 million for the preceding year corresponding quarter, representing a decrease of RM7.47 million or 12.42%. This was mainly due to lower sales generated by trading of mineral segments.

The manufacturing of steel products segment recorded a revenue of RM48.63 million for the current quarter compared to RM38.52 million for the preceding year corresponding quarter, representing an increase of RM10.11 million or 26.25%. This was mainly due to significant increase in steel prices during the current quarter.

The trading of minerals segment recorded revenue of RM4.05 million for the current quarter compared to RM21.63 million for the preceding year corresponding quarter, representing a decrease of RM17.58 million or 81.28%. The decrease in revenue was mainly due to pandemic-related supply chain and service disruption during the current quarter.

The Group recorded profit before tax of RM9.46 million in current quarter as compared to profit before tax of RM0.63 million in preceding year corresponding quarter, representing an increase of RM8.83 million. The improvement in performance was mainly attributable to strategic sales and procurement practices in an environment of international supply shortage, rapid rise in global steel price, and post-lockdown market recovery.

B2. Current quarter compared to the preceding quarter

The Group reported a revenue of RM52.68 million for the current quarter as compared to RM57.89 million in the preceding quarter, representing a decrease of RM5.21 million or 9.00%. This was mainly due to lower sales generated by both manufacturing of steel products and trading of mineral segments.

The manufacturing of steel products segment recorded a revenue of RM48.63 million for the current quarter compared to RM52.59 million for the preceding quarter, representing a decrease of RM3.96 million or 7.53%. This was mainly due to lower sales volume resulting from post-lockdown international raw material supply shortage during the quarter under review.

During the current quarter, the trading of minerals segment reported revenue of RM4.05 million compared to RM5.30 million in the preceding quarter. This represents a decrease of RM1.25 million or 23.58% mainly due to pandemic-related supply chain and service disruption during the current quarter.

The Group has reported profit before tax amounting to RM9.46 million in the current quarter as compared to profit before tax of RM5.29 million in the preceding quarter. This represents an increase of RM4.17 million or 78.83% in the current quarter. The improvement in performance was mainly attributable to strategic sales and procurement practices in an environment of international supply shortage, rapid rise in global steel price, and post-lockdown market recovery.

B3. Prospects

The gradual resumption of operation continues to provide us with the positive outlook in the steel sector. The steel prices are now at the 10 year-high, aided by supply chain disruption, post-lockdown recovery in the economy and work resumption in the construction industry. The Group will continue to closely monitor the macro factors that may affect the steel price in the financial year 2021 to mitigate the impact of adverse steel price movement.

In these challenging times, the Group has taken action to ensure business operation continuity and financial sustainability, including cost control measures. The Board of Director endeavours to maintain the Group's healthy financial position for our long-term business sustainability.

Barring unforeseen circumstances, the Board is optimistic about the Group's prospects and will exercise caution whilst striving to achieve a positive performance for the remaining quarters of 2021.

B4. Profit Forecast

Not applicable as no profit forecast was issued.

B5. Tax (expenses)/income

	Current Quarter		Cumulative Period	
	3 months ended 31 Mar		3 months ended 31 Mar	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
- Current tax	(2,354)	0	(2,354)	0
- Prior year tax	0	11	0	11
Total tax (expenses)/income	(2,354)	11	(2,354)	11

Income tax is calculated at the Malaysia statutory tax rate of 24% of the estimated assessable profit for the year.

B6. Audit Report

The audited report of the preceding annual financial statements ended 31 December 2020 was not subject to any qualification.

B7. Status of Corporate Proposal Announced

There was no corporate proposal announced and not completed as at the date of this announcement.

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B8. Status of utilisation of proceeds raised from corporate proposal

As at 31 March 2021, the status of utilisation of proceeds raised pursuant to the Private Placement is as follows:-

Details of Utilisation	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Intended Timeframe for Utilisation*
	RM'000	RM'000	RM'000	
Working capital	3,103	3,103	-	Within one (1) year
Estimated expenses in relation to the Proposed Private Placement	95	95	-	Within one (1) month
	<u>3,198</u>	<u>3,198</u>	<u>-</u>	

Notes:

* From the date of listing of the Placement Shares

B9. Borrowings

	31-Mar-21
	RM'000
Short term borrowings	
Secured	360
Unsecured	60,608
	<u>60,968</u>
Long term borrowings	
Secured	1,240
	<u>1,240</u>

B10. Changes in Material Litigation

There were no outstanding material litigations as at the date of this announcement.

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B11. Earnings per Ordinary Share

	Current Quarter Ended 31-Mar		Cumulative Period Ended 31-Mar	
	2021	2020	2021	2020
Net earnings attributable to ordinary equity holders of the Company (RM'000)	7,111	642	7,111	642
Weighted average number of ordinary shares ('000)	130,118	126,126	130,118	126,126
Basic earnings per share (sen)	5.47	0.51	5.47	0.51

By the order of the Board

Datin Tan Pak Say
Managing Director
Penang

20 May 2021