



**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 YEAR ENDED 31 DECEMBER 2020**

	NOTE	CURRENT		CUMULATIVE	
		3 MONTHS ENDED		12 MONTHS ENDED	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Continuing operations</b>					
Revenue		57,885	73,286	217,860	297,270
Operating expenses		(50,376)	(70,632)	(200,113)	(289,697)
<b>Operating profit</b>		7,509	2,654	17,747	7,573
Depreciation		(1,470)	(1,943)	(5,754)	(6,830)
Finance costs		(747)	(1,074)	(3,319)	(3,837)
<b>Profit/(Loss) before tax</b>		5,292	(363)	8,674	(3,094)
Tax (expenses)/income	B5	(1,797)	1,106	(2,461)	894
<b>Net profit/(loss) from continuing operations</b>		3,495	743	6,213	(2,200)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>					
Items that will not be reclassified subsequently to profit or loss:-					
- Gross revaluation increase of properties		0	9,408	0	13,693
- Deferred tax relating to revalued properties		0	(2,667)	0	(2,255)
<b>Other comprehensive income for the financial period</b>		0	6,741	0	11,438
<b>PROFIT FOR THE PERIOD, REPRESENTING TOTAL COMPREHENSIVE INCOME</b>		3,495	7,484	6,213	9,238
<b>Net profit/(loss) for the financial period attributable to:-</b>					
Equity holders of the company		3,501	758	6,239	(2,108)
Non-controlling interests		(6)	(15)	(26)	(92)
<b>NET PROFIT/(LOSS)</b>		3,495	743	6,213	(2,200)
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
Equity holders of the company		3,501	7,499	6,239	9,330
Non-controlling interests		(6)	(15)	(26)	(92)
<b>TOTAL COMPREHENSIVE INCOME</b>		3,495	7,484	6,213	9,238
<b>Basic earnings/(loss) per ordinary share (sen)</b>	B11	2.68	0.60	4.77	(1.66)
<b>Diluted earnings per ordinary share (sen)</b>	B11	N.A	N.A	N.A	N.A

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 2019.



**LEADER STEEL HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	NOTE	31 DEC 2020 RM'000 (Unaudited)	31 DEC 2019 RM'000 (Audited)
<b>ASSETS</b>			
Property, plant and equipment		132,591	134,381
Right-of-use assets		23,721	26,719
Goodwill		58	58
<b>TOTAL NON-CURRENT ASSETS</b>		<b>156,370</b>	<b>161,158</b>
Inventories		46,198	72,631
Trade and other receivables		48,282	38,155
Current tax assets		2,060	2,945
Cash and cash equivalents		2,789	3,058
<b>TOTAL CURRENT ASSETS</b>		<b>99,329</b>	<b>116,789</b>
<b>TOTAL ASSETS</b>		<b>255,699</b>	<b>277,947</b>
<b>EQUITY</b>			
Share capital		67,218	64,020
Treasury shares		(1,759)	(1,567)
Reserves		96,500	90,261
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		<b>161,959</b>	<b>152,714</b>
Non-controlling interests		91	117
<b>TOTAL EQUITY</b>		<b>162,050</b>	<b>152,831</b>
<b>LIABILITIES</b>			
Borrowings	B9	1,240	1,720
Lease liabilities		75	275
Deferred tax liabilities		15,653	15,344
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16,968</b>	<b>17,339</b>
Trade and other payables		13,004	19,796
Borrowings	B9	62,988	87,124
Lease liabilities		229	806
Current tax liabilities		460	51
<b>TOTAL CURRENT LIABILITIES</b>		<b>76,681</b>	<b>107,777</b>
<b>TOTAL LIABILITIES</b>		<b>93,649</b>	<b>125,116</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>255,699</b>	<b>277,947</b>
<b>Net Assets Per Share (Sen)</b>		<b>115</b>	<b>119</b>

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 2019.



**LEADER STEEL HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	31 DEC 2020 RM'000	31 DEC 2019 RM'000
Profit/(Loss) before tax	8,674	(3,094)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	4,579	5,309
Depreciation of right-of-use assets	1,175	1,521
Interest expenses	3,319	3,837
Impairment losses on trade receivables	83	317
Inventories written down	0	272
Reversal of impairment losses on other and trade receivables	(17)	(2,320)
Unrealised loss/(gain) on foreign exchange	102	(91)
Gain on disposal of property, plant and equipment	0	(2,748)
Operating profit before working capital changes	17,915	3,003
Changes in:-		
Inventories	26,433	15,336
Trade and other receivables	(10,089)	2,702
Trade and other payables	(7,041)	(12,696)
Cash generated from operations	27,218	8,345
Tax paid	(859)	(920)
Tax refunded	0	45
Interest paid	(3,319)	(3,742)
Net cash from operating activities	23,040	3,728
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	0	3,406
Purchase of property, plant and equipment	(1,106)	(2,481)
Purchase of right-of-use assets	0	(429)
Net cash (used in)/ from investing activities	(1,106)	496
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net decrease in short-term loans and borrowings	(23,015)	(9,795)
Purchase of treasury shares	(192)	(116)
Repayment of lease liabilities	(637)	(1,595)
Proceeds from issuance of share	3,198	0
Repayments of term loans	(480)	(200)
Proceed from term loans	0	2,400
Net cash used in financing activities	(21,126)	(9,306)
Currency translation differences	44	(0)
Net increase/(decrease) in cash and cash equivalents	852	(5,082)
Cash and cash equivalents brought forward	1,937	7,019
Cash and cash equivalents carried forward	2,789	1,937
<b><u>Cash and cash equivalents carried forward</u></b>		
Cash and cash equivalents	2,789	3,058
Bank overdrafts	0	(1,121)
	2,789	1,937



**LEADER STEEL HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	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			
<b>Balance as at 1 January 2020</b>	64,020	68,882	(1,567)	21,379	152,714	117	152,831
Profit/(Loss) for the financial period	0	0	0	6,239	6,239	(26)	6,213
<b>Total comprehensive income/(loss) for the period</b>	0	0	0	6,239	6,239	(26)	6,213
<b>Transactions with owners</b>							
Issue of shares	3,198	0	0	0	3,198	0	3,198
Purchase of treasury shares	0	0	(192)	0	(192)	0	(192)
Total transactions with owners	3,198	0	(192)	0	3,006	0	3,006
<b>Balance as at 31 December 2020</b>	<b>67,218</b>	<b>68,882</b>	<b>(1,759)</b>	<b>27,618</b>	<b>161,959</b>	<b>91</b>	<b>162,050</b>

	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			
<b>Balance as at 1 January 2019</b>	64,020	57,444	(1,451)	23,487	143,500	209	143,709
Loss for the financial period	0	0	0	(2,108)	(2,108)	(92)	(2,200)
Gross revaluation increase of properties	0	13,693	0	0	13,693	0	13,693
Deferred tax relating to revalued properties	0	(2,255)	0	0	(2,255)	0	(2,255)
<b>Total comprehensive income/(loss) for the period</b>	0	11,438	0	(2,108)	9,330	(92)	9,238
<b>Transactions with owners</b>							
Purchase of treasury shares	0	0	(116)	0	(116)	0	(116)
Total transactions with owners	0	0	(116)	0	(116)	0	(116)
<b>Balance as at 31 December 2019</b>	<b>64,020</b>	<b>68,882</b>	<b>(1,567)</b>	<b>21,379</b>	<b>152,714</b>	<b>117</b>	<b>152,831</b>

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 2019.

# LEADER STEEL HOLDINGS BERHAD

(Registration No. 199301012471 (267209-K))

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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 2019.

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 2019.

#### **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:

*Amendments to References to the Conceptual Framework in MFRS Standards*

*Amendments to MFRS 3 Definition of a Business*

*Amendments to MFRS 101 and MFRS 108 Definition of Material*

*Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform*

*Amendment to MFRS 16 Covid-19-Related Rent Concessions*

*Amendment to MFRS 4 Insurance Contract – Extension of Temporary Exemption from Applying MFRS 9*

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:

<b>Title</b>	<b>Effective Date</b>
<i>Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i>	1 January 2021
<i>Annual Improvements to MFRS Standards 2018 – 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment – Proceeds Before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022

## **A1. Basis of Preparation (Continued)**

### **Standards issued but not yet effective (Continued)**

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: (Continued)

<b>Title</b>	<b>Effective Date</b>
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
Amendments to MFRS 10 and MFRS 128 <i>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:-

On 17 August 2020, the Company announced the listing and quotation of 12,302,960 new ordinary shares for RM0.26 per share concurrent with the conclusion of a private placement exercise.

As at to-date, the Company had bought back 675,600 of its own shares at a total cash consideration of RM191,652.00. The highest and the lowest price per share purchased were at RM0.300 and RM0.265 respectively.

## A6. Dividend

The Board of Directors is pleased to declare a single-tier interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2020. The entitlement and payment dates will be determined and announced at a later date.

## A7. Profit/(Loss) for the Period

Current Quarter ended		Cumulative Year ended	
31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019
RM'000	RM'000	RM'000	RM'000

### Profit/(Loss) before tax is arrived at after charging/ (crediting)

Depreciation of property, plant and equipment	1,159	422	4,579	5,309
Depreciation of right-of-use assets	311	1,521	1,175	1,521
Interest expense	747	1,074	3,319	3,837
Foreign exchange (gain)/loss	(9)	23	109	380
Unrealised foreign exchange (gain)/loss	(184)	(168)	102	(91)

## A8. Segment Information

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

Year-to-date ended 31 December 2020	Trading & Processing of Minerals RM'000	Manufacturing & Trading of Steel Products RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
- External	61,754	158,593	0	220,347
- Inter-segment	0	0	(2,487)	(2,487)
<b>Total Revenue</b>	<b>61,754</b>	<b>158,593</b>	<b>(2,487)</b>	<b>217,860</b>
<b>Results</b>				
Operating profit	3,297	15,754	(1,304)	17,747
Depreciation of				
- property, plant and equipment	(202)	(4,377)	0	(4,579)
- right-of-use assets	(89)	(1,564)	478	(1,175)
Finance cost	(742)	(3,269)	692	(3,319)
Tax expenses	(552)	(1,909)	0	(2,461)
<b>Segment profit</b>	<b>1,712</b>	<b>4,635</b>	<b>(134)</b>	<b>6,213</b>

**A8. Segment Information (Continued)**

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

Year-to-date ended 31 December 2019	Trading & Processing of Minerals RM'000	Manufacturing & Trading of Steel Products RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
- External	82,063	232,377	0	314,440
- Inter-segment	0	0	(17,170)	(17,170)
<b>Total Revenue</b>	<b>82,063</b>	<b>232,377</b>	<b>(17,170)</b>	<b>297,270</b>
<b>Results</b>				
Operating profit	6,467	1,496	(390)	7,573
Depreciation of - property, plant and equipment	(697)	(4,612)	0	(5,309)
- right-of-use assets	(173)	(1,826)	478	(1,521)
Finance cost	(894)	(2,996)	53	(3,837)
Tax income	0	894	0	894
<b>Segment profit/(loss)</b>	<b>4,703</b>	<b>(7,044)</b>	<b>141</b>	<b>(2,200)</b>

**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 31.12.2020 RM'000	As at 31.12.2019 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	109,940	178,660



**A13. Related Party Transactions**

<b>Companies in which certain directors are deemed to have substantial financial interests</b>	<b>12 months ended 31 December 2020</b>
<b>Eonmetall Group Berhad and its subsidiaries</b>	<b>RM'000</b>
Sales of goods	3,195
Purchase of goods	26
Purchase of machinery	587
	<b>3,808</b>

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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 RM57.89 million for the current quarter under review as compared to RM73.29 million for the preceding year corresponding quarter. This represents a decrease of RM15.40 million or 21.01% over both manufacturing of steel products and trading of mineral segments.

The manufacturing of steel products segment recorded a revenue of RM52.59 million for the current quarter compared to RM56.60 million for the preceding year corresponding quarter, representing a decrease of RM4.01 million or 7.08%. This was mainly due to lower sales volume resulting from post-lockdown international raw material supply shortage during the current quarter.

The trading of minerals segment recorded revenue of RM5.30 million for the current quarter compared to RM16.69 million for the preceding year corresponding quarter, representing a decrease of RM11.39 million or 68.24%. The decrease in revenue was mainly due to supply chain disruption caused by inclement weather during the current quarter.

The Group recorded profit before tax of RM5.29 million in current quarter as compared to the loss before tax of RM0.36 million in preceding year's corresponding quarter, representing an increase of RM5.65 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 RM57.89 million as compared to RM60.73 million in the preceding quarter, representing a decrease of RM2.84 million or 4.68%. This was mainly due to lower sales generated by trading of mineral segments.

The manufacturing of steel products segment recorded a revenue of RM52.59 million for the current quarter compared to RM44.65 million for the preceding quarter, representing an increase of RM7.94 million or 17.78%. The improved performance was mainly due to post-lockdown market demand recovery and rising steel price during the quarter under review.

During the current quarter, the trading of minerals segment reported revenue of RM5.30 million compared to RM16.08 million in the preceding quarter. This represents a decrease of RM10.78 million or 67.04% mainly due to supply chain disruption caused by inclement weather during the current quarter.

The Group has reported profit before tax amounting to RM5.29 million in the current quarter as compared to profit before tax of RM3.15 million in the preceding quarter. This represents an increase of RM2.14 million or 67.94% in the current quarter. The improvement in performance was mainly attributable to strategic sales and procurement practices in an environment of rapid rise in international supply shortage, rapid rise in global steel price, and post-lockdown market recovery.

### B3. Prospects

The Malaysian steel industry remained resilient through the COVID-19 pandemic, aided by post-lockdown recovery in the local economy and work resumption in the construction industry. First quarter of 2021 is marked by a rapid rise in global steel price, general market sentiment forecasts a positive price trend for first half of 2021.

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 in first half of 2021.

### B4. Profit Forecast

Not applicable as no profit forecast was issued.

### B5. Tax (expenses)/income

	Current Quarter 3 months ended 31 Dec		Cumulative Period 12 months ended 31 Dec	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
- Current tax	(1,445)	210	(2,120)	0
- Prior year tax	(44)	23	(33)	21
- Deferred tax	(308)	873	(308)	873
<b>Total tax (expenses)/income</b>	<b>(1,797)</b>	<b>1,106</b>	<b>(2,461)</b>	<b>894</b>

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 2019 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 December 2020, the status of utilisation of proceeds raised pursuant to the Private Placement is as follows:-

<b>Details of Utilisation</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance Unutilised</b>	<b>Intended Timeframe for Utilisation*</b>
	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**

	<b>31-Dec-20</b>
	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	480
Unsecured	<u>62,508</u>
	<b><u>62,988</u></b>
<b>Long term borrowings</b>	
Secured	<u>1,240</u>
	<b><u>1,240</u></b>

**B10. Changes in Material Litigation**

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

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**B11. Earnings/(Loss) per Ordinary Share**

	<b>Current Quarter Ended 31-Dec</b>		<b>Cumulative Period Ended 31-Dec</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net earnings/(loss) attributable to ordinary equity holders of the Company (RM'000)	3,501	758	6,239	(2,108)
Weighted average number of ordinary shares ('000)	130,731	126,679	130,731	126,679
<b>Basic earnings/(loss) per share (sen)</b>	<b>2.68</b>	<b>0.60</b>	<b>4.77</b>	<b>(1.66)</b>

By the order of the Board

Datin Tan Pak Say  
Managing Director  
Penang

25 March 2021