



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 2024**

	NOTE	CURRENT 3 MONTHS ENDED 31 MAR			CUMULATIVE 3 MONTHS ENDED 31 MAR		
		2024	2023	Changes	2024	2023	Changes
		RM'000 (Unaudited)	RM'000 (Unaudited)	(%)	RM'000 (Unaudited)	RM'000 (Unaudited)	(%)
Continuing operations							
Revenue		40,350	49,958	-19	40,350	49,958	-19
Cost of sales		<u>(35,436)</u>	<u>(44,313)</u>		<u>(35,436)</u>	<u>(44,313)</u>	
Gross profit		4,914	5,645	-13	4,914	5,645	-13
Other income		13,915	2,246		13,915	2,246	
Distribution expenses		(783)	(809)		(783)	(809)	
Administrative expenses		(8,978)	(3,043)		(8,978)	(3,043)	
Finance costs		<u>(725)</u>	<u>(615)</u>		<u>(725)</u>	<u>(615)</u>	
Profit before tax	A7	8,343	3,424	144	8,343	3,424	144
Taxation	B5	<u>(666)</u>	<u>(946)</u>		<u>(666)</u>	<u>(946)</u>	
PROFIT FOR THE PERIOD, REPRESENTING TOTAL COMPREHENSIVE INCOME		7,677	2,478	210	7,677	2,478	210
Net profit for the financial period attributable to:-							
Equity holders of the company		7,679	2,479		7,679	2,479	
Non-controlling interests		<u>(2)</u>	<u>(1)</u>		<u>(2)</u>	<u>(1)</u>	
NET PROFIT		7,677	2,478		7,677	2,478	
Total comprehensive income for the financial period attributable to:-							
Equity holders of the company		7,679	2,479		7,679	2,479	
Non-controlling interests		<u>(2)</u>	<u>(1)</u>		<u>(2)</u>	<u>(1)</u>	
TOTAL COMPREHENSIVE INCOME		7,677	2,478		7,677	2,478	
Basic earnings per share (sen)	B10(a)	<u>4.97</u>	<u>1.84</u>		<u>4.97</u>	<u>1.84</u>	
Diluted earnings per ordinary share (sen)	B10(b)	<u>4.96</u>	<u>1.84</u>		<u>4.96</u>	<u>1.84</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 2023.



LEADER STEEL HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	NOTE	31 MAR 2024	31 DEC 2023
		RM'000	RM'000
		(Unaudited)	(Audited)
ASSETS			
Property, plant and equipment		244,525	278,951
Investment properties		52,000	52,000
Right-of-use assets		38,349	38,369
Goodwill		58	58
TOTAL NON-CURRENT ASSETS		334,932	369,378
Inventories		58,043	46,754
Receivables, deposits and prepayments		34,162	43,182
Current tax assets		724	466
Cash and bank balances		73,491	5,959
TOTAL CURRENT ASSETS		166,420	96,361
TOTAL ASSETS		501,352	465,739
EQUITY			
Share capital		74,654	74,654
Treasury shares		(2,210)	(2,210)
Reserves		279,632	271,953
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		352,076	344,397
Non-controlling interests		42	44
TOTAL EQUITY		352,118	344,441
LIABILITIES			
Borrowings	B8	22,221	0
Lease liabilities		247	113
Deferred tax liabilities		32,574	32,574
TOTAL NON-CURRENT LIABILITIES		55,042	32,687
Trade, other payables and accruals		12,206	18,739
Borrowings	B8	80,835	68,777
Lease liabilities		655	632
Current tax liabilities		496	463
TOTAL CURRENT LIABILITIES		94,192	88,611
TOTAL LIABILITIES		149,234	121,298
TOTAL EQUITY AND LIABILITIES		501,352	465,739
Net Assets Per Share (Sen)		228	223

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 2023.



LEADER STEEL HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	31 MAR 2024	31 MAR 2023
	RM'000	RM'000
Profit before tax	8,343	3,424
Adjustments for:		
Depreciation and amortisation	1,472	1,398
Interest expenses	725	615
Impairment losses on inventories	1,000	0
Impairment losses on property, plant and equipment	5,000	0
Unrealised gain on foreign exchange	(64)	(791)
Gain on disposal of property, plant and equipment	(12,759)	0
Operating profit before working capital changes	<u>3,717</u>	<u>4,646</u>
Changes in:-		
Inventories	(12,288)	(7,044)
Receivables, deposits and prepayments	9,109	(11,771)
Trade, other payables and accruals	(6,557)	(3,817)
Cash used in operations	<u>(6,019)</u>	<u>(17,986)</u>
Tax paid	(892)	(387)
Interest paid	(725)	(615)
Net cash used in operating activities	<u>(7,636)</u>	<u>(18,988)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	42,559	0
Purchase of property, plant and equipment	(1,425)	(85)
Purchase of right-of-use assets	(38)	0
Net cash from/(used in) investing activities	<u>41,096</u>	<u>(85)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in short-term loans and borrowings	9,709	7,417
Payments of lease liabilities	(207)	(302)
Repayments of term loans	(120)	(120)
Proceed from term loans	24,690	0
Net cash from financing activities	<u>34,072</u>	<u>6,995</u>
Currency translation differences	0	820
Net increase/(decrease) in cash and cash equivalents	<u>67,532</u>	<u>(11,258)</u>
Cash and cash equivalents brought forward	5,959	30,567
Cash and cash equivalents carried forward	<u>73,491</u>	<u>19,309</u>
<u>Cash and cash equivalents carried forward</u>		
Cash and cash equivalents	73,491	19,430
Bank overdrafts	(0)	(121)
	<u>73,491</u>	<u>19,309</u>



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Attributable to equity holders of the Company							Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Employee share option reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interests RM'000	
Balance as at 1 January 2024	74,654	197,358	1,153	(2,210)	73,442	344,397	44	344,441
Profit/(Loss) for the financial period	0	0	0	0	7,679	7,679	(2)	7,677
Realisation of revaluation reserve	0	(23,358)	0	0	23,358	0	0	0
Total comprehensive income/(loss) for the period	0	(23,358)	0	0	31,037	7,679	(2)	7,677
Transactions with owners								
Purchase of treasury shares	0	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	0	0	0	0	0
Balance as at 31 March 2024	74,654	174,000	1,153	(2,210)	104,479	352,076	42	352,118

	Attributable to equity holders of the Company							Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Employee share option reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interests RM'000	
Balance as at 1 January 2023	67,218	68,882	0	(2,210)	56,478	190,368	51	190,419
Profit/(Loss) for the financial period	0	0	0	0	2,479	2,479	(1)	2,478
Total comprehensive income/(loss) for the period	0	0	0	0	2,479	2,479	(1)	2,478
Transactions with owners								
Purchase of treasury shares	0	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	0	0	0	0	0
Balance as at 31 March 2023	67,218	68,882	0	(2,210)	58,957	192,847	50	192,897

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 2023.

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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 2023.

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 2023.

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 MFRS 16 *Lease – Lease liability in a Sale and Leaseback*
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
Amendments to MFRS 101 *Non-current Liabilities with Covenants*
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

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
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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

There were no issuance, cancellations, resale and repayment of debt and equity securities for the current quarter and period under review.

A6. Dividend

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

A7. Profit for the Period

Current Quarter Ended		Cumulative Period Ended	
31-Mar 2024	31-Mar 2023	31-Mar 2024	31-Mar 2023
RM'000	RM'000	RM'000	RM'000

Profit before tax is arrived at after charging

Depreciation of property, plant and equipment	1,050	1,051	1,050	1,051
Depreciation of investment property	0	62	0	62
Depreciation of right-of-use assets	422	285	422	285
Interest expense	725	615	725	615
Foreign exchange loss	6	377	6	377
Unrealised foreign exchange gain	(64)	(791)	(64)	(791)
Gain on disposal of property, plant and equipment	(12,759)	0	(12,759)	0
Impairment losses on inventories	1,000	0	1,000	0
Impairment losses on property, plant and equipment	5,000	0	5,000	0

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A8. Segment Information

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

Year-to-date ended	Manufacturing & Trading of Steel Products ("Steel Segment")	Trading & Processing of Minerals ("Mineral Segment")	Eliminations	Consolidated
31 March 2024	RM'000	RM'000	RM'000	RM'000
Revenue				
- External	39,230	1,120	0	40,350
Total Revenue	39,230	1,120	0	40,350
Results				
Operating profit	10,976	(436)	0	10,540
Depreciation of				
- property, plant and equipment	(1,015)	(35)	0	(1,050)
- right-of-use assets	(401)	(21)	0	(422)
Finance cost	(715)	(10)	0	(725)
Tax expenses	(542)	(124)	0	(666)
Segment profit/ (losses)	8,303	(626)	0	7,677
Year-to-date ended				
31 March 2023				
Revenue				
- External	43,617	6,341	0	49,958
Total Revenue	43,617	6,341	0	49,958
Results				
Operating profit	4,707	730	0	5,437
Depreciation of				
- property, plant and equipment	(1,015)	(36)	0	(1,051)
- investment property	(62)	0		(62)
- right-of-use assets	(263)	(22)	0	(285)
Finance cost	(492)	(123)	0	(615)
Tax expenses	(811)	(135)	0	(946)
Segment profit	2,064	414	0	2,478

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 year.

A11. Capital Commitment

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Capital expenditure in respect of purchase of property, plant and equipment: Contracted but not provided for	<u>10,485</u>	<u>10,485</u>

A12. Changes in Contingent Liabilities

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Unsecured		
Corporate guarantees given to banks for credit facilities granted to - subsidiaries	<u>212,270</u>	<u>212,270</u>
Amount utilised - subsidiaries	<u>103,056</u>	<u>68,777</u>

A13. Related Party Transactions

Companies in which certain directors are deemed to have substantial financial interests	3 months ended 31 Mar 2024
Eonmetall Group Berhad and its subsidiaries	RM'000
Sales of goods	37
Rental income	804
Purchase of plant, property and equipment	34
Supply of materials and labour	13

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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

For the Quarter

The Group recorded a revenue of RM40.35 million for the current quarter under review, compared to RM49.96 million for the corresponding quarter of the preceding year, representing a decrease of RM9.61 million or 19.24%. This decline in revenue was primarily attributed to lower sales generated from both the Steel and Mineral Segments.

The Steel Segment recorded a revenue of RM39.23 million for the current quarter, down from RM43.62 million for the corresponding quarter of the preceding year, marking a decrease of RM4.39 million or 10.06%. This decline in revenue was driven by lower demand and a decrease in the average selling price.

In the Minerals Segment, revenue for the current quarter amounted to RM1.12 million, compared to the RM6.34 million recorded in the corresponding quarter of the preceding year, representing a decrease of RM5.22 million or 82.33%. This decline in revenue was primarily attributed to a decrease in the average selling price during the current quarter.

The Group's profit before tax for the current quarter was RM8.34 million, compared to a profit before tax of RM3.42 million in the corresponding quarter of the preceding year, representing an increase of RM4.92 million or 143.86%. This increase in profit before taxation was primarily attributed to a gain on the disposal of a part of Kapar Land of RM12.76 million (Note B7), offset by impairment losses on inventories and property, plant and equipment.

B2. Current quarter compared to the preceding quarter

	Current Quarter	Immediate	
	31/03/2024	Preceding Quarter	Changes
	RM'000	31/12/2023	
		RM'000	(%)
Revenue	40,350	55,542	-27.35
Gross Profit	4,914	6,020	-18.37
Profit Before Tax	8,343	17,168	-51.40

The Group reported a revenue of RM40.35 million, compared to RM55.54 million in the preceding quarter, representing a decline of RM15.19 million or 27.35%. This decrease was primarily driven by lower sales generated by both Steel and Mineral Segments due to lower demand pre and post Chinese New Year.

In the Steel Segment, revenue for the current quarter was RM39.23 million, compared to RM52.81 million in the preceding quarter, indicating a decrease of RM13.58 million or 25.71%. The decline in revenue was driven by lower demand during the current quarter.

For the Minerals Segment, revenue amounted to RM1.12 million in the current quarter, compared to RM2.73 million in the previous quarter, indicating a decrease of RM1.61 million or 58.97%. The reduction in revenue was mainly due to a decrease in the average selling price during the current quarter.

B2. Current quarter compared to the preceding quarter (Continued)

The Group reported a profit before tax of RM8.34 million in the current quarter, compared to RM17.17 million in the preceding quarter, indicating a decrease of RM8.83 million or 51.43%. The results for the current quarter were mainly influenced by a gain of RM12.76 million from the disposal of a portion of land in Kapar (Note B7), which was offset by impairment losses on inventories and property, plant, and equipment. The results for the previous quarter were primarily impacted by a fair value adjustment of investment properties amounting to RM17.26 million.

B3. Prospects

The Board is mindful of the ongoing complexities in the steel market, including fluctuations in global steel prices and a softening demand landscape. In this climate, the Group will prioritize prudent management to navigate these challenges and aim to secure a positive outcome for the financial year 2024.

B4. Profit Forecast

Not applicable as no profit forecast was issued.

B5. Tax expenses

	Current Quarter		Cumulative Period	
	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023
	RM'000	RM'000	RM'000	RM'000
- Current tax	(666)	(946)	(666)	(946)
- Prior year tax	0	0	0	0
Total tax expenses	(666)	(946)	(666)	(946)

Income tax is calculated at the Malaysia statutory tax rate of 24%.

B6. Audit Report

The audited report of the preceding annual financial statements ended 31 December 2023 was not subject to any qualification.

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B7. Status of Corporate Proposal Announced

Save as disclosed below, there was no corporate proposal announced and not completed as at the date of this announcement: -

- (a) On 10 January 2024, the Company announced that its wholly owned subsidiary, Ferronet Asia Sdn. Bhd. had, on 10 January 2024, received and accepted a Notis Award dan Tawaran Pampasan (“Borang H”) from the Pentadbir Tanah Klang invoking compulsory acquisition under Land Acquisition Act, 1960 (“Act 486”) to acquire approximately 28,903 square meter in area of land forming part of H.S.(D) 166444, No. PT85119 Mukim Kapar, Daerah Klang, Negeri Selangor for a cash consideration of RM42,558,626.99. The disposal was completed on 25 March 2024.

B8. Borrowings

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Current		
<i>Secured</i>		
Bankers’ acceptances	73,230	63,593
Revolving credit	4,976	4,904
Term loans	2,629	280
	<u>80,835</u>	<u>68,777</u>
Non-current		
<i>Secured</i>		
Term loans	22,221	0
	<u>22,221</u>	<u>0</u>

Borrowings which are denominated in RM are subject to floating interest rate.

B9. Changes in Material Litigation

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

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B10. Earnings per Share (“EPS”)**(a) Basic EPS**

	Current Quarter Ended 31-Mar		Cumulative Period Ended 31-Mar	
	2024	2023	2024	2023
Net earnings attributable to ordinary equity holders of the Company (RM'000)	7,679	2,479	7,679	2,479
Weighted average number of ordinary shares ('000)	154,533	134,533	154,533	134,533
Basic EPS (sen)	4.97	1.84	4.97	1.84

(b) Diluted EPS

	Current Quarter Ended 31-Mar		Cumulative Period Ended 31-Mar	
	2024	2023	2024	2023
Net earnings attributable to ordinary equity holders of the Company (RM'000)	7,679	2,479	7,679	2,479
Weighted average number of ordinary shares ('000)	154,533	134,533	154,533	134,533
Adjustment for dilutive effect of ESOS ('000)	270	0	270	0
	154,803	134,533	154,803	134,533
Diluted EPS (sen)	4.96	1.84	4.96	1.84

By the order of the Board

Datin Tan Pak Say
Managing Director
Penang

31 May 2024