



**LEADER STEEL HOLDINGS BERHAD**  
199301012471 (267209-K)

# Annual Report 2024



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32<sup>ND</sup>

**ANNUAL  
GENERAL  
MEETING**

**Date:**  
Monday,  
26 May 2025

**Time:**  
2:00 pm

**Venue:**  
2nd Floor, Wisma Leader Steel,  
Plot 85, Lorong Perusahaan Utama,  
Kawasan Perusahaan Bukit Tengah,  
14000 Bukit Tengah, Seberang Perai Tengah,  
Pulau Pinang, Malaysia

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Second Annual General Meeting ("**32<sup>nd</sup> AGM**") of the shareholders of Leader Steel Holdings Berhad ("**LSH**" or the "**Company**") will be held at 2nd Floor, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Pulau Pinang, Malaysia on **Monday, 26 May 2025 at 2:00 pm** for the purpose of considering and if thought fit, passing with or without any modifications the resolutions set out in this notice:-

### AGENDA

#### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who are retiring pursuant to Clause 107 of the Company's Constitution and who, being eligible, offer themselves for re-election:
  - 2.1 Dato' Goh Cheng Huat Ordinary Resolution 1
  - 2.2 Encik Abdull Sukor Bin Ismail Ordinary Resolution 2
3. To approve the payment of Directors' fees and benefits payable up to RM450,000.00 for the period commencing one day after this AGM through to the next AGM of the Company in 2026. Ordinary Resolution 3
4. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 4

#### As Special Business

5. **AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES** Ordinary Resolution 5  
 "THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company to such persons, at any time until the conclusion of the next Annual General Meeting ("AGM") and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding Treasury Shares) for the time being.

THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

THAT pursuant to Section 85(1) of the Act to be read together with Clause 66 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("Pre-emptive Rights").

AND THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 66 of the Constitution of the Company in respect of the new shares to be allotted and issued by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Shareholders' Mandate")**

"THAT subject to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with specified classes of related parties ("Recurrent Related Party Transactions") which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:

Ordinary Resolution 6

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

7. **PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY ("Proposed Share Buy-Back")**

"THAT subject to the Act, the Company's Constitution, the Listing Requirements of Bursa Securities and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Directors of the Company be and are hereby authorized to purchase and/or hold such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time and upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase including the shares previously purchased and retained as treasury shares (if any) and the amount of funds shall not exceed the total retained profits of the Company based on the latest audited financial statements for the financial year ended 31 December 2024 be utilized by the Company for the Proposed Share Buy-Back.

Ordinary Resolution 7

AND THAT at the discretion of the Directors of the Company, the ordinary shares of the Company to be purchased may be cancelled; and/or retained as treasury shares and subsequently distributed as dividends or resold on Bursa Securities or transfer for the purpose of or under an employee share option scheme ("ESOS") or as part of purchase consideration; or be cancelled.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT the Directors of the Company be and are hereby empowered to take all such steps as necessary to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the company.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and shall continue in force until:

- (a) the conclusion of the next AGM of the Company in 2026 at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier; but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid date and in any event, in accordance with the provisions in the guidelines issued by Bursa Securities and/or by any other relevant authorities."

8. To transact any other business of which due notice shall have been given.

By Order of the Board

Tai Yit Chan (MAICSA 7009143) (SSM PC No. 202008001023)  
Ong Tze-En (MAICSA 7026537) (SSM PC No. 202008003397)  
Joint Company Secretaries

Penang, 25 April 2025

### Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. A proxy must be of full age. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Notes: (Cont'd)

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
5. For the proxy to be valid, the Form of Proxy duly completed must be deposited / submitted at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 19 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

### Explanatory Notes:

1. The Ordinary Resolutions 1 and 2 pertain to the re-election of Dato' Goh Cheng Huat and Encik Abdull Sukor Bin Ismail ("retiring Directors"). Both are standing for re-election and being eligible, have consented and offered themselves to be re-elected as Directors of the Company at this 32<sup>nd</sup> AGM. The background of the retiring Directors are set out under Directors' Profile in the Annual Report 2024. The Board of Directors ("the Board"), through the Nominating Committee ("NC"), had conducted assessments on the retiring Directors. The assessments were based on the criteria set out in the Fit and Proper Policy, which included commitment, contributions, knowledge, integrity, experience, and overall performance. The Board is satisfied that both individuals meet the performance criteria required for the discharge of their duties and responsibilities.

Dato' Goh has extensive experience and technical knowledge of the processing of iron and steel products. With more than 40 years in the industry, he has accumulated invaluable skills, which included amongst others, the invention and enhancement of steel making machines and its related processes. Dato' Goh does not have any conflict of interest with the Company and its subsidiaries ("Group") other than as disclosed in the Audit Committee ("AC") Report as well as Notes to the Audited Financial Statements, both in the Annual Report and Circular to Shareholders dated 25 April 2025 and had also abstained from deliberation and decision making on his re-election.

Encik Abdull Sukor Bin Ismail has fulfilled the requirements on independence as set out in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and has provided confirmation of independence. He has demonstrated objectivity through his proactive engagements during meetings of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He chairs the Remuneration Committee ("RC") and is a member of the AC and NC. He has no any conflict of interest with the Company and the Group and had also abstained from deliberation and decision making on his re-election.

2. The proposed Ordinary Resolution 3, if passed, will facilitate the payment of the Directors' fees and benefits payable to the Directors for the period commencing one day after the 32<sup>nd</sup> AGM through to the next AGM in 2026. Details of the Directors' fees and benefits payable to the Directors for the financial year ended 31 December 2024 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2024.

The Directors' fees and benefits payable are calculated based on the number of days scheduled for meetings of the Board and Board Committees (collectively referring to the AC, RC and NC). The amounts of Directors' fees payable include fees payable to Directors as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meeting days of the Board and Board Committees and/or for the formation of additional Board Committees.

3. The proposed Ordinary Resolution 4, if approved, will effect the re-appointment of BDO PLT as the auditors of the Company. The AC has assessed the suitability, objectivity and independence of the auditors and concluded that BDO PLT fulfills the criteria as prescribed under Paragraph 15.21 of the Listing Requirements of Bursa Securities. The Board concurred with the AC's recommendation for the re-appointment of BDO PLT as auditors of the Company.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Explanatory Notes: (Cont'd)

4. The proposed Ordinary Resolution 5, if passed, is for the purpose of granting a renewed general mandate ("General Mandate") empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 66 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, no new shares issued were pursuant to the mandate granted to the Directors of the Company were at the last AGM held on 31 May 2024 and which will lapse at the conclusion of this 32<sup>nd</sup> AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

5. The proposed Ordinary Resolution 6, if passed, will obtain the Shareholders' Mandate for the Group to enter into recurrent related party transactions which are necessary for the Group's day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders. Further information is set out in the Circular to Shareholders dated 25 April 2025.
6. The proposed Ordinary Resolution 7, if passed, will allow the Company to purchase its own shares. The total number of ordinary shares purchased shall not exceed ten per centum (10%) of the total number of issued share of the Company for the time being. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM in 2026.

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of the Listing Requirements)

As at the date of this Notice, no individual is standing for election as a Director at the forthcoming 32<sup>nd</sup> AGM of the Company.

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

### Mr. Lim Leng Han

Chairman/  
Non-Independent Non-Executive Director

### Dato' Goh Cheng Huat

Deputy Chairman/  
Executive Director

### Datin Tan Pak Say

Managing Director

### Ms. Goh Wan Jing

Executive Director

### Encik Abdull Sukor Bin Ismail

Independent Non-Executive Director

### Mr. Soon Gim Wooi

Independent Non-Executive Director

### Datuk Dr. Roslan Bin A. Ghaffar

Independent Non-Executive Director

### KEY SENIOR MANAGEMENT

#### Mr. Ooi Teik Huat

Chief Financial Officer cum  
Business Controller

#### Mr. Tan Yew Teong

Senior Factory Manager

#### Ms. Goh Li Li

Senior Treasury &  
International Trade Manager

#### Mr. Lee Eng Keat

Senior Manager in Business  
Development

#### Mr. Tan Hong Kiat

Deputy Branch Manager

### AUDIT COMMITTEE

#### Mr. Soon Gim Wooi

Chairman

#### Encik Abdull Sukor Bin Ismail

Member

#### Datuk Dr. Roslan Bin A. Ghaffar

Member

### NOMINATION COMMITTEE

#### Datuk Dr. Roslan Bin A. Ghaffar

Chairman

#### Encik Abdull Sukor Bin Ismail

Member

#### Mr. Soon Gim Wooi

Member

### REMUNERATION COMMITTEE

#### Encik Abdull Sukor Bin Ismail

Chairman

#### Mr. Soon Gim Wooi

Member

#### Datuk Dr. Roslan Bin A. Ghaffar

Member

### REGISTERED OFFICE

170-09-01, Livingston Tower  
Jalan Argyll  
10050 George Town  
Pulau Pinang  
Malaysia  
Tel : 04-229 4390  
Fax : 04-226 5860

### HEAD OFFICE

Wisma Leader Steel  
Plot 85, Lorong Perusahaan Utama  
Kawasan Perusahaan Bukit Tengah  
14000 Bukit Tengah  
Seberang Perai Tengah  
Pulau Pinang  
Malaysia  
Tel : 04-507 1515  
Fax : 04-507 9527/04-507 9537

### JOINT COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)  
(SSM PC No. 202008001023)

Ong Tze-En (MAICSA 7026537)  
(SSM PC No. 202008003397)

### REGISTRAR

Securities Services (Holdings)  
Sdn. Bhd. (Penang)  
Suite 18.05, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 George Town  
Pulau Pinang  
Malaysia  
Tel : 04-263 1966  
Fax : 04-262 8544

### AUDITORS

BDO PLT  
Chartered Accountants  
51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 George Town  
Pulau Pinang  
Malaysia  
Tel : 04-222 0288  
Fax : 04-222 0299

### MAJOR BANKERS

Ambank (M) Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock code : 9881  
Stock name : LSTEEL



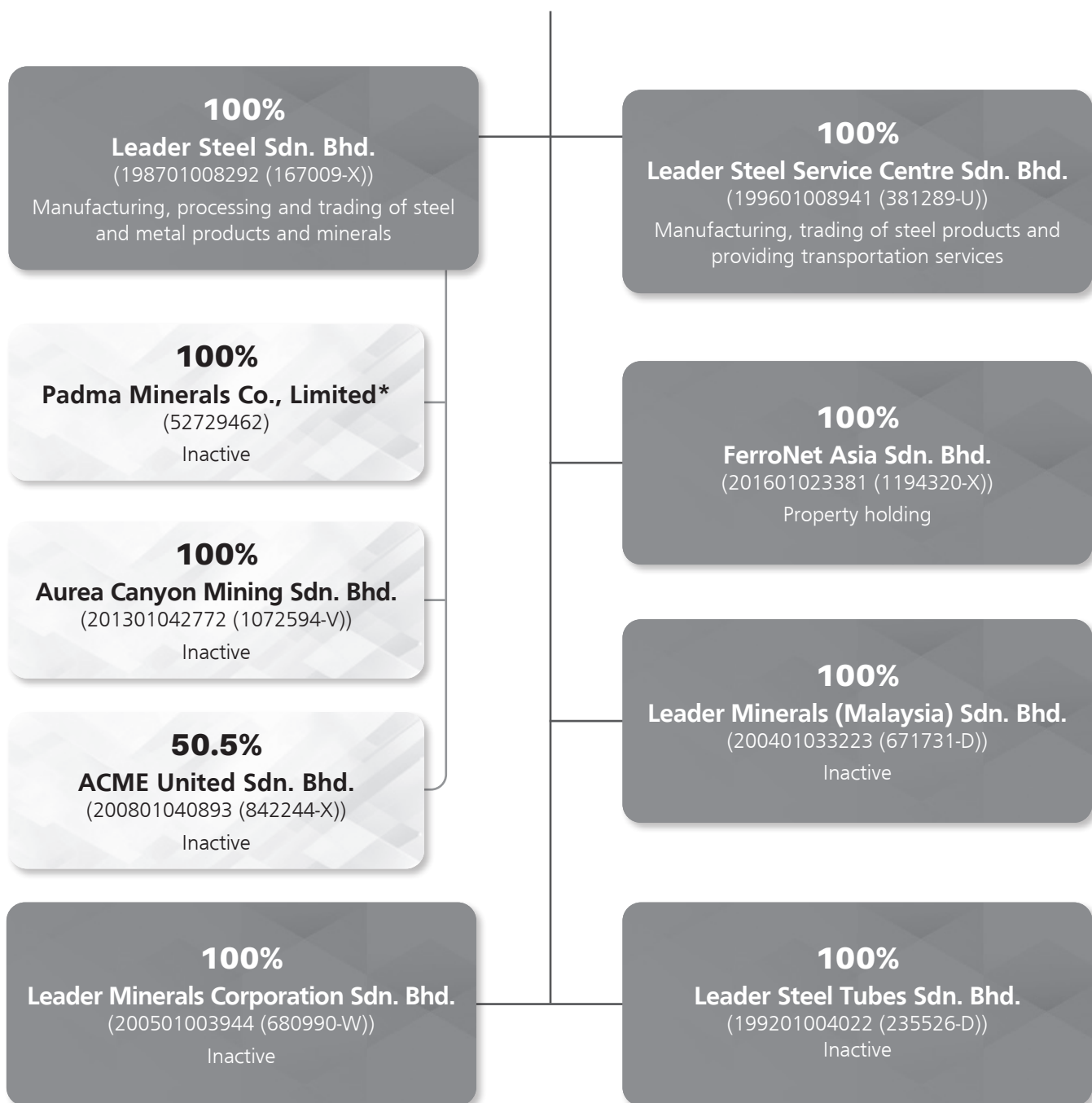
# GROUP STRUCTURE AND PRINCIPAL ACTIVITIES

AS AT 31 DECEMBER 2024



## LEADER STEEL HOLDINGS BERHAD 199301012471 (267209-K)

Investment Holding



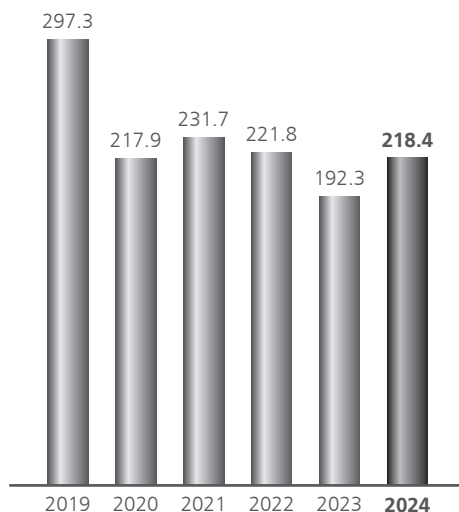
\* Incorporated in Hong Kong

# FINANCIAL HIGHLIGHTS

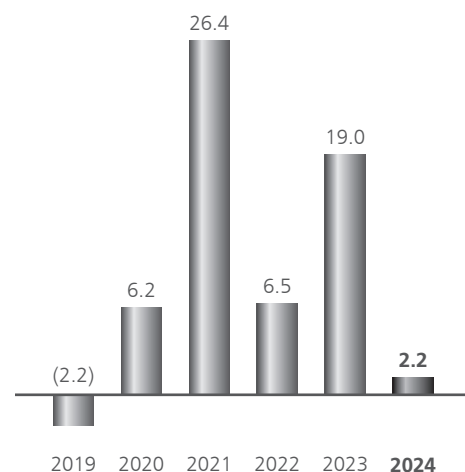
	2019	2020	2021	2022	2023	2024
<b>1 Financial Highlights of Statements of Profit or Loss</b>						
Revenue (RM mil)	297.3	217.9	231.7	221.8	192.3	<b>218.4</b>
EBITDA (RM mil)^	7.6	17.7	42.9	16.7	32.0	<b>9.8</b>
Profit/(Loss) before tax (RM mil)	(3.1)	8.7	35.4	9.1	24.0	<b>1.7</b>
Profit/(Loss) after tax (RM mil)	(2.2)	6.2	26.4	6.5	19.0	<b>2.2</b>
<b>2 Financial Highlights of Statements of Financial Position</b>						
Total assets (RM mil)	277.9	257.2	311.4	286.1	465.7	<b>461.5</b>
Total borrowings (RM mil)	88.8	64.2	87.7	61.7	68.8	<b>67.7</b>
Shareholders' equity (RM mil)	152.8	162.1	185.9	190.4	344.4	<b>343.6</b>

^ Earnings before interest, taxes, depreciation and amortisation.

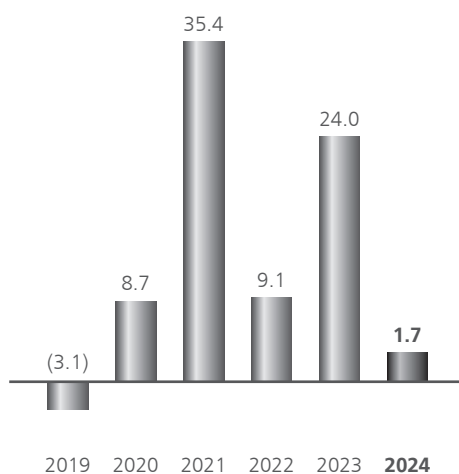
**Revenue (RM mil)**



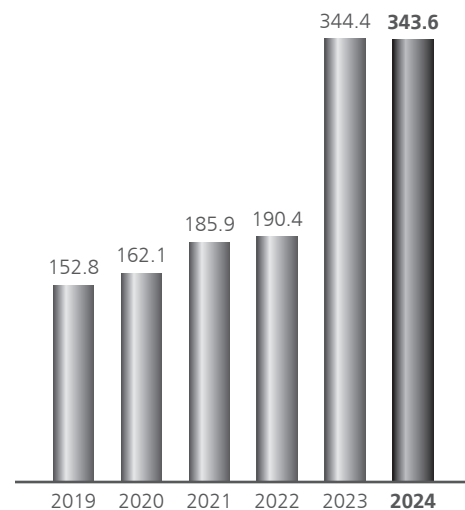
**Profit/(Loss) after tax (RM mil)**



**Profit/(Loss) before tax (RM mil)**



**Shareholders' equity (RM mil)**



## CHAIRMAN'S STATEMENT

“

### Dear Valued Shareholders,

On behalf of the Board of Directors of Leader Steel Holdings Berhad (“the Company”), I am delighted to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2024 (“FYE2024”).

”



### 2024 Performance Highlights

In 2024, the Group’s operations continued to face persistent challenges, including declining selling prices, uncertainties in steel supply and pricing, intense competition from players locally and abroad, cost pressures from the revision in minimum wages, volatility in foreign currency exchange rates, and rising inflation. These factors created a demanding operating environment that tested the Group’s adaptability and resilience.

Despite these challenges, the Group achieved a total revenue of RM218.4 million for FYE2024, reflecting a commendable 13.6% increase from RM192.3 million in FYE2023. However, profit before tax (“PBT”) decreased to RM1.7 million, compared to RM24.0 million in the previous year. The decline was mainly due to a lower profit margin, reduced rental income, inventory write-offs, and impairment losses on property, plant, and equipment.

A gain of RM12.8 million from the compulsory disposal of part of land in Kapar was recorded in FYE2024.

In contrast, the PBT for the preceding financial year was adversely impacted by a fair value loss of RM17.3 million on investment properties.

### 2025 Outlook

The Group anticipates a challenging operating environment in 2025 due to several macro and microeconomic factors. These include rising cost pressures, global economic uncertainty, ongoing geopolitical tensions, tariff war between global economic powerhouse and fluctuations in foreign currency exchange rates.

Despite these challenges, Management remains committed to proactive risk mitigation strategies. We will closely monitor market trends and implement ongoing prudent measures to navigate this complex landscape while capitalizing on potential opportunities. Our focus will continue to be on cost optimisation, operational efficiency, and strategic adaptation to ensure long-term sustainability.

### Dividend

As a token of appreciation for our shareholders’ continued confidence in the Group, the Company declared a single-tier interim dividend of 2 sen per ordinary share for the FYE2024 on 5 July 2024. The dividend was subsequently paid on 8 August 2024.

### Words of Appreciation

On behalf of the Board of Directors, I would like to express our sincere gratitude to the management team, dedicated staff, banking partners, regulatory authorities, and valued business associates for their unwavering support of the Group. I also extend my heartfelt thanks to my fellow directors for their wise counsel and steadfast commitment. Most importantly, I offer my profound appreciation to our shareholders for their enduring loyalty and support.

The Group’s ability to achieve positive results in the face of adversity underscores the dedication, resilience, and collaboration of all stakeholders. As we move forward, we remain focused on sustaining long-term growth and delivering value to all our stakeholders.

**MR. LIM LENG HAN**  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

This Management Discussion and Analysis (“MD&A”) is prepared by the Management of Leader Steel Holdings Berhad (“the Company”) and its subsidiaries (“the Group”) to offer an in-depth analysis of the financial performance for the financial year ended 31 December 2024 (“FYE2024”). It provides insights into the overall performance of the Group and the Company, key business strategies, as well as the anticipated and known risks and prospects of the Group.

While comments on past performance are grounded in historical data, this MD&A incorporates forward-looking statements. Despite Management’s diligence in formulating these forward-looking statements, they inherently involve uncertainties and should be interpreted with caution. This statements are made based on the Management’s reasonable expectations and beliefs, considering the information available during the drafting of this MD&A and are subject to future uncertainty. Actual future performance may materially differ from the projections herein.

This statements reflect the Management’s expectations regarding future growth, the general industry and economic outlook, predicted financial and operating conditions, business risks and opportunities, as well as plans and strategies of the Group. Expressions such as “seek,” “project,” “anticipate,” “expect,” “believe,” “estimate,” “could,” “intend,” “may,” “might,” “plan,” “will,” “would,” and other similar expressions, or the negative of these expressions, are generally indicative of forward-looking statements.

The MD&A should be read in conjunction with the audited financial statements of the Group and the Company for FYE2024. This MD&A is the responsibility of the Management, and the Board of Directors (“Board”) of the Company has reviewed and approved it for inclusion in this Annual Report.

## Business Overview

The Group is primarily engaged in the manufacturing and distribution of steel products (“Steel Segment”) and the trading and processing of minerals (“Mineral Segment”). While steel products are predominantly sold domestically, mineral products are primarily exported to People’s Republic of China.

The Group’s vision is to emerge as a major player in the Malaysian steel industry and explore opportunities in neighbouring countries. Steel products are manufactured at the Group’s facilities located in East and West Malaysia. We remain dedicated to continually enhancing the quality and processes to provide customers with high-quality steel products at competitive prices.

The Group is committed to meeting its customers’ quality requirements for the mineral products it sells.

## Industry Overview

In 2024, the Malaysian steel industry is influenced by low capacity utilisation, declining global steel prices and increased competition of steel products manufactured abroad. The fluctuations in exchange rates also affected the input cost especially for products manufactured from hot-rolled steel coils.

Looking ahead, the industry’s outlook will be influenced by global economic conditions with added uncertainties amid the tariff wars by major global economy powerhouse, exchange rate fluctuations, introduction of carbon tax on steel industry, and changes to the national minimum wages.

The Management will continue to closely monitor the situation and exercise caution in managing the Group’s operations in the upcoming financial year to safeguard the Group’s business interests and assets.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### Financial Performance of the Group

The financial results of the Group for FYE2024, compared to the preceding financial year, are summarized as follows:

Item	FYE2024	FYE2023	Increase/ (Decrease)
Revenue (RM'000)	218,404	192,257	26,147
Gross profit ("GP") (RM'000)	8,078	21,996	(13,918)
Profit before taxation ("PBT") (RM'000)	1,733	23,973	(22,240)
Profit after taxation ("PAT") (RM'000)	2,232	18,975	(16,743)
Earnings before interest, taxes, depreciation and amortisation ("EBITDA") (RM'000)	9,781	32,004	(22,223)
Gross assets (RM'000)	461,484	465,739	(4,255)
Shareholders' equity (RM'000)	343,601	344,397	(796)
Total borrowings and lease liabilities (RM'000)	68,331	69,521	(1,190)
No. of shares in issue at year end, including treasury shares ('000)	160,928	160,335	593
Net assets per share (RM)	2.14	2.15	(0.01)
Earnings per share (Sen)			
- Basic	1.45	13.74	(12.29)
- Diluted	1.45	13.71	(12.26)
Debt/Equity ratio (times)	0.20	0.20	(0.00)

For FYE2024, the Group recorded a revenue of RM218.4 million, a 13.6% increase from RM192.3 million in FYE2023. This growth was driven by higher demand in the steel segment and increased export quantities in the mineral segment.

Despite higher revenue, the Group's PBT and PAT declined significantly to RM1.7 million and RM2.2 million, respectively, from RM24.0 million and RM19.0 million in FYE2023. This represents a decrease of 92.9% and 88.4%, respectively. The lower profit is caused by margin compression amid lower international steel price.

#### Revenue

Revenue contributions from the respective segments are as follows:

	FYE2024 RM'000	FYE2023 RM'000	Increase/ (Decrease)
Steel Segment	201,807	176,471	25,336
Mineral Segment	16,597	15,786	811
<b>Total revenue</b>	<b>218,404</b>	<b>192,257</b>	<b>26,147</b>

In FYE2024, the Group experienced a 13.6% increase in revenue, totaling RM218.4 million, compared to RM192.3 million in FYE2023. This growth was driven by higher demand in the steel segment and increased export quantities in the mineral segment.

The Group's Steel Segment comprises manufacturing and trading activities of various steel products such as steel pipes and tubes, hollow sections, angle bars, flat bars, square bars, steel plates, u-channels, and trolley tracks. The Mineral Segment primarily focuses on processing and exporting steel-related mineral products like manganese ore.

#### PBT

The Group's PBT amounted to RM1.7 million, reflecting a 92.9% decrease from RM24.0 million recorded in FYE2023. This decline was mainly due to a lower profit margin due to lower global steel prices, decreased rental income, inventory write-off and impairment losses on property, plant and equipment during the year.

A gain of RM12.8 million from the compulsory disposal of part of land in Kapar was recorded in FYE2024.

PBT for FYE2023 was affected by a fair value adjustment of RM17.3 million on investment properties.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### Financial Performance of the Group (Cont'd)

#### *PAT*

The Group's PAT decreased to RM2.2 million from RM19.0 million in FYE2023, primarily due to the lower PBT recorded during the year.

#### *Gross Assets and Shareholders' Equity*

The Group's gross assets decreased by RM4.3 million, primarily due to the partial disposal of land in Kapar, partially offset by higher cash and bank balances and other investments.

Consolidated shareholders' equity decreased by RM0.8 million, mainly due to the dividend paid, which was partially offset by PAT for FYE2024.

#### *Borrowings*

Total borrowings for the Group decreased to RM67.7 million from RM68.8 million in FYE2023. The reduction, particularly in trade borrowings, was primarily due to lower inventory holdings as of 31 December 2024. However, this was offset by a term loan drawdown during the year.

The debt-to-equity ratio remained unchanged at 0.20 for both FYE2024 and FYE2023.

#### *Dividend*

In FYE2024, the Company paid a first single-tier interim tax-exempt dividend of RM3,094,237, equivalent to 2 sen per ordinary share.

#### *Employee Share Option Scheme ("ESOS")*

During FYE2024, 592,900 new ordinary shares were issued for cash at an exercise price of RM0.4510 per share pursuant to the Company's ESOS. 68,600 ESOS option lapsed due to staff resignation. As of 31 December 2024, a total of 5,745,800 ESOS options at an exercise price of RM0.4510 per share remained outstanding.

### Key Business Risks

The Group is exposed to a wide range of business risks, and the management is constantly monitoring and implementing risk-mitigating strategies to address these challenges.

#### *Customer concentration risks*

The Group's revenue stream is diversified, with only one largest customer contributing more than 20% of revenue in FYE2024.

#### *Credit risks*

It is an industry practice to sell products on credit terms, typically granting customers between 14 to 90 days, subject to a credit evaluation process. The management conducts an annual review of credit terms and limits for each customer, with monthly assessments using ageing reports to identify potential slow-paying customers. This allows the management to take appropriate action for debt recovery.

An evaluation of expected credit loss is performed at each financial year-end to ensure an adequate provision has been made to account for impairment loss for trade receivables. For details on lifetime expected loss provision for trade receivables, please refer to Note 10(f) in the Notes to the Audited Financial Statements for FYE2024.

#### *Pricing risks*

The Group's businesses are exposed to the volatility in commodity prices, particularly steel prices. The cost of steel is influenced by the international supply and demand of the commodity and can be affected by geopolitical factors.

To mitigate the impact of adverse steel price movements, the Group consistently monitors international steel prices and assesses its inventory position.

#### *Foreign currency risks*

The Group's exposure to foreign currency risks arises from transactions originating in currencies other than its functional currency.

Revenue from the Mineral Segment is denominated in foreign currencies such as USD and Renminbi ("RMB"). The Group also imports some steel materials denominated in USD.

The Group constantly monitors the movements in USD and RMB to minimize exposure to these foreign currencies. When appropriate, the Group enters into foreign currency contracts to lock in the exchange rates for these currencies.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### Key Business Risks (Cont'd)

#### *Liquidity and capital management risk*

The Group maintains a healthy level of cash and cash equivalents and holds committed credit facilities from financial institutions to fulfil its short-term and long-term obligations. Long-term assets will be financed through long-term loans, with any excess funds placed in interest-bearing assets.

#### *Interest rate risk*

The Group's interest rate risks arise mainly from bank borrowings and finance leases. The Group borrowed at both fixed and floating rates to achieve desired interest rate profile and to manage the exposure to interest rate risks.

#### *Investment risk*

The Group, through its wholly owned subsidiary, FerroNet Asia Sdn. Bhd. ("FerroNet"), owned a piece of industrial land in Kapar, Selangor ("Kapar Land").

On 10 January 2024, FerroNet received and accepted a *Notis Award dan Tawaran Pampasan* ("Borang H") from *Pentadbir Tanah Klang*, invoking the compulsory acquisition of a portion of Kapar Land under the Land Acquisition Act 1960. The acquisition involved approximately 28,903 square meters of land for a cash consideration of RM42,558,627. The disposal was completed on 25 March 2024.

As for the remaining portion of the Kapar Land, the Group intends to develop it for its own operations. However, Management may also explore options to sell or lease portions of it in the future.

The Group also holds investments in properties that are currently tenanted.

These investments is subject to inherent risks, as they do not guarantee the desired returns.

#### *Cyber risks*

The evolution of cybercrime and cyber-threats due to the acceleration in digital technologies and infrastructure pose a great challenge to the Group's information system.

The Group take accountability to manage the growing threat of cyber-attacks including protecting data related to our stakeholders and business information. The following measures have been taken:

- Installation of Firewall, Anti-Spam and Antivirus applications and keep systems up to date with the latest patches to ensure proper functionality;
- Monitoring Antivirus status for all users' computers/notebooks to ensure the devices are secured and free of risk from any cyber-attack; and
- Internet Security Awareness talk to create awareness on mobile banking attack via fake application.

### Prospect

The Group anticipates a challenging operating environment in 2025 due to several macro and microeconomic factors. These include rising cost pressures, global economic uncertainty, ongoing geopolitical tensions, tariff war between global economic powerhouse and fluctuations in foreign currency exchange rates.

Despite these challenges, Management remains committed to proactive risk mitigation strategies. We will closely monitor market trends and implement prudent measures to navigate this complex landscape while capitalizing on potential opportunities. Our focus will continue to be on cost optimisation, operational efficiency, and strategic adaptation to ensure long-term sustainability.

## DIRECTORS' PROFILE

### MR. LIM LENG HAN

Chairman/Non-Independent Non-Executive Director

**MR. LIM LENG HAN**, aged 64, Malaysian, joined the Board of Directors of Leader Steel Holdings Berhad ("LSH") as Independent Non-Executive Director on 25 July 1994. On 26 April 2023, he was re-designated as Non-Independent Non-Executive Director. Concurrent with his re-designation, he stepped down as Chairman and continued to remain as member of the Audit Committee, Nominating Committee and Remuneration Committee (collectively "Board Committees"). On 1 June 2023, he resigned from all his positions on the Board Committees when he assumed the role of Non-Independent Non-Executive Chairman.

He graduated in 1985 with a degree in Bachelor of Law (LLB) (Hon) from the University of Malaya and was admitted as Advocate and Solicitor by the High Court of Malaya on 8 February 1986. He subsequently became a member of the Bar Council of Malaysia. He is an appointed member of the Disciplinary Committee of the Bar Council of Malaysia and an appointed Notary Public by the Attorney-General's Chambers.

Mr. Lim has been active in the legal profession for 39 years with extensive experience in corporate, conveyancing and civil matters. Mr. Lim served with Johari, Goh & Associates, Kadir & Co. and Zaid Ibrahim & Co. for six (6) years before starting his own legal practice under the name of Messrs. Lim Leng Han & Co., in Butterworth, Penang on 8 February 1993 and thereafter as Messrs. Lim Leng Han & SF Tho until to date. He is also the legal advisor of societies and organisations such as Penang Hardware and Machinery Merchants' Association, Lim Clan Association of Penang, Butterworth Buddhist Association and Thang Hsiang Temple, Bayan Lepas.

He attended all four (4) Board meetings held during the financial year ended 31 December 2024.

### DATO' GOH CHENG HUAT

Deputy Chairman/Executive Director

**DATO' GOH CHENG HUAT**, aged 64, Malaysian, was appointed to the Board of Directors of LSH on 10 August 1995. He resigned as Managing Director and was appointed as Deputy Chairman on 29 April 2005. On 25 February 2014, Dato' Goh was re-designated as Executive Director.

As founder of the Group (LSH and subsidiaries, on a collective basis), Dato' Goh has extensive experience and technical knowledge of the processing of iron and steel products. With more than 40 years in the industry, he has accumulated invaluable skills, including the invention and enhancement of steel making machines and related processes. In recognition of his entrepreneurial skills, Dato' Goh was conferred the 1990 Young Entrepreneur Award by the Ministry of Youth and Sports. His zeal and untiring efforts to improve steel products making processes did not go unnoticed, in 1999, he was awarded a patent for "Process for the Manufacturing of Steel Products and Apparatus". Dato' Goh's visionary approach and keen business acumen certainly augur well for the Group especially in its business direction.

He graduated from National University of Singapore in 2013 with a Master of Business Administration.

Dato' Goh presently serves as a director in Maybulk Berhad and Eonmetall Group Berhad, along with their respective subsidiaries. Additionally, he holds directorship and/or shareholdings in companies across various sectors, including property development, property holdings, investment holdings, food ingredients, Bionexus (qualified biotechnology), and agriculture-related businesses.

He is the spouse of Datin Tan Pak Say and father of Ms. Goh Wan Jing.

He attended all four (4) Board meetings held during the financial year ended 31 December 2024.



## DIRECTORS' PROFILE (CONT'D)

### DATIN TAN PAK SAY

Managing Director

**DATIN TAN PAK SAY**, aged 63, Malaysian, was first appointed to the Board of Directors of LSH on 10 August 1995. Datin Tan took a brief break from 2 January 2004 before rejoining the Board on 25 May 2004. She was appointed as Executive Director on 21 February 2005 and subsequently re-designated as Managing Director on 29 April 2005.

Datin Tan Pak Say has been actively involved in the steel industry since mid-1980s upon completion of secondary education. She has leveraged her extensive experience to assist in building the Group to its present position.

She is the spouse of Dato' Goh Cheng Huat and the mother of Ms. Goh Wan Jing.

She was appointed as Managing Director & Chief Executive Officer of Eonmetall Group Berhad on 3 January 2025. She also holds directorship and/or shareholdings in companies across various sectors, including property development, property holdings, investment holdings, food ingredients, Bionexus (qualified biotechnology), and agriculture-related businesses.

She attended three (3) out of four (4) Board meetings held during the financial year ended 31 December 2024.

### MS. GOH WAN JING

Executive Director

**MS. GOH WAN JING**, aged 36, a Malaysian, is an Executive Director at LSH. She was appointed to the Board on 31 March 2017.

Ms. Goh began her career at KPMG as an IT auditor and later transitioned into a financial auditor role. In 2014, she joined the Group as a Personal Assistant to the Managing Director, where she successfully led the ERP system migration. In 2016, she was promoted to Deputy General Manager, overseeing group-wide process improvements. Since becoming an Executive Director in 2017, she has been actively involved in strategic planning and execution at the group level.

She holds a Master of Science in Analytics from the Georgia Institute of Technology, Atlanta, U.S.A. and a Bachelor in Business Administration from the University of Washington, Seattle, U.S.A..

She is the daughter of Dato' Goh Cheng Huat and Datin Tan Pak Say.

Ms. Goh attended all four (4) Board meetings held during the financial year ended 31 December 2024.

## DIRECTORS' PROFILE (CONT'D)

### ENCIK ABDULL SUKOR BIN ISMAIL

Independent Non-Executive Director

**ENCIK ABDULL SUKOR BIN ISMAIL**, aged 64, Malaysian, is an Independent Non-Executive Director at LSH. He was appointed to the Board on 24 February 2022. On 1 June 2023, he was appointed as a member of Audit Committee, Nominating Committee and Remuneration Committee. He assumed to role of Chairman of Remuneration Committee on 27 March 2024.

Encik Abdull Sukor had more than 40 years of extensive professional experiences in the engineering field. Throughout his long career as a civil engineer, he was involved extensively in water and sewerage industries as well as quarrying, road and building maintenance and construction.

He started his career in 1982 as Technical Assistant with Jabatan Kerja Raya (JKR). From year 1995 to 1999, he was the Project Manager of Kuad Sdn. Bhd. (a subsidiary of United Engineers (M) Sdn. Bhd.) and responsible for the management and monitoring of all the road constructions and maintenance works under JKR Pulau Pinang as well as all the special projects such as mill and pave for PLUS and Penang Bridge Sdn. Bhd..

In 2000, he joined Puncak Niaga Holdings Berhad as Regional Manager for the Northern Region accountable for management of activities and projects in the Northern states. During his tenure of service, he held senior positions with increasing responsibilities and scope of work in Syarikat Bekalan Air Selangor Sdn. Bhd. (SYABAS), a subsidiary of Puncak Niaga.

In 2009, he joined Suruhanjaya Perkhidmatan Air Negara (SPAN) as Regional Director overseeing the operations and regulate all the three (3) states (Johor, Melaka and Negeri Sembilan) water supply operators in the Southern Region. He was promoted as Senior Director in 2018 in charge of the Industry Development Division in Cyberjaya (head office) and retired in April 2021.

He graduated from Universiti Teknologi Malaysia with a Bachelor of Engineering (Civil) qualification in 1994.

He attended all four (4) Board meetings held during the financial year ended 31 December 2024.

### MR. SOON GIM WOOL

Independent Non-Executive Director

**MR. SOON GIM WOOL**, aged 57, Malaysian, was appointed to the Board of Directors of LSH on 1 June 2023. Simultaneously, he was appointed as the Chairman of the Audit Committee and as a member of both the Remuneration Committee and the Nominating Committee.

Mr. Soon Gim Wool is a Chartered Accountant registered with the Malaysian Institute of Accountants. He qualified under the Association of Chartered Certified Accountants (ACCA), United Kingdom in 1997 and is currently a Fellow of ACCA. He has more than 25 years of extensive experience in audit as well as tax and management consulting.

Mr. Soon started his career in KPMG PLT (then KPMG) from 1994 until his departure in 2000 to set up GW Soon & Partners and GW Soon & Ken Consultancy Services Sdn. Bhd. in June 2000 upon receipt of approved company auditor license from the Ministry of Finance Malaysia in May 2000. His firms offer a full range of audit and tax related services in Penang and Kedah.

Mr. Soon is also an active volunteer in various community services, with a particular focus on education and social welfare. He serves as a director in Chung Ling High School and SJK (C) Chung Hwa 1. Additionally, his firm provides pro bono audit services to social organisations including Eden Handicap Service Centre Berhad, Butterworth Nine Emperor Gods Temple (Butterworth Tow Boo Kong Temple), and Seberang Perai Hemodialysis Centre, all located in Penang.

He presently also holds directorship in Tong Herr Resources Berhad and See Hup Consolidated Berhad.

He attended all four (4) Board meetings held during the financial year ended 31 December 2024.

## DIRECTORS' PROFILE (CONT'D)

### DATUK DR. ROSLAN BIN A. GHAFAR

Independent Non-Executive Director

**DATUK DR. ROSLAN BIN A. GHAFAR**, aged 72, a Malaysian, was appointed as Independent Non-Executive Director of LSH on 27 March 2024. Concurrently, he was appointed as the Chairman of the Nominating Committee and as a member of both the Audit Committee and the Remuneration Committee.

He has over 30 years of experience in economics, finance, and investment. From 1985 to 2001, he served as Head of the Economics Department at Universiti Putra Malaysia ("UPM"). During his tenure at UPM, he provided consultancy services to various international and national organisations, including the World Bank, the Asian Development Bank, Winrock International, and the Economic Planning Unit of the Prime Minister's Department.

In 1994, he was appointed as the Director of Investment and Economic Research at the Employees Provident Fund ("EPF"). He was promoted to Senior Director in 1996 and later served as Deputy Chief Executive Officer until his retirement in 2007. During his tenure at EPF, he played a key role in formulating and implementing investment strategies to achieve its investment objectives.

He previously held various positions at Kuala Lumpur Sentral Sdn. Bhd., Straits International Education Group Sdn. Bhd., Permodalan Felcra Sdn. Bhd., Kumpulan Wang Simpanan Guru-Guru, and the Malaysian Rating Corporation Berhad.

He is currently the Chairman of the Investment Committee of Proven Venture Capital PLT and a member of the Fund and Insurance Committee (Dana & Insurance) of PTPTN.

He also serves as the Chairman of Mieco Chipboard Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad.

He attended all three (3) Board meetings held following his appointment during the financial year ended 31 December 2024.

#### Notes:

1. Except as disclosed in the above, Audit Committee Report as well as Notes to the Audited Financial Statements, both in the Annual Report and Circular to Shareholders dated 25 April 2025, none of the Directors have any actual or potential conflicts of interest, including interests in businesses that compete with the Group.
2. None of the Directors have been convicted of any offences in the past five years or received public sanctions or penalties from regulatory bodies during the financial year, except for traffic offences, if any.
3. None of the Directors has any family relationship with any Director and/or major shareholder other than Dato' Goh Cheng Huat being the spouse of Datin Tan Pak Say and father of Ms. Goh Wan Jing.
4. Saved and except for Dato' Goh Cheng Huat, Datin Tan Pak Say, Mr. Soon Gim Wooi and Datuk Dr. Roslan Bin A. Ghaffar, none of the other Directors has any other directorship in public companies and listed issuers.

## KEY SENIOR MANAGEMENT'S PROFILE

### MR. OOI TEIK HUAT

Chief Financial Officer cum Business Controller

Age: 55 | Gender: Male | Nationality: Malaysian

**Date of Appointment**

25 November 2021

**Academic/Professional Qualification(s)**

Member of MICPA and MIA

Mr. Ooi Teik Huat ("Mr. Ooi") worked in a major international accounting firm for more than 8 years before joining a subsidiary of Can-One Berhad as Finance Manager in 1995. He was appointed as Executive Director of Can-One Berhad Group in 2005 and left the position to assume the role of Group Chief Financial Officer of Kian Joo Can Factory Berhad in July 2012 and left in June 2021.

He currently is an Executive Director in Maybulk Berhad and was appointed as the Chief Financial Officer of Eonmetall Group Berhad on 3 January 2025.

Other than as disclosed in the Audit Committee Report, he does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

### MR. TAN YEW TEONG

Senior Factory Manager

Age: 61 | Gender: Male | Nationality: Malaysian

**Date of Appointment**

01 February 1990

**Academic/Professional Qualification(s)**

Primary School

He has more than forty (40) years' experience in steel pipe manufacturing industry. He was promoted to his current position on 26 December 2009.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

### MS. GOH LI LI

Senior Treasury & International Trade Manager

Age: 54 | Gender: Female | Nationality: Malaysian

**Date of Appointment**

01 July 1992

**Academic/Professional Qualification(s)**

LCCI

She has more than twenty (20) years' experience in finance and trade activities. She was promoted to her current position on 26 April 2011.

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

### MR. LEE ENG KEAT

Senior Manager in Business Development

Age: 57 | Gender: Male | Nationality: Malaysian

**Date of Appointment**

12 October 2015

**Academic/Professional Qualification(s)**

MBA, University of Portsmouth

He has more than thirty (30) years' experience in production and marketing activities.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

### MR. TAN HONG KIAT

Deputy Branch Manager

Age: 42 | Gender: Male | Nationality: Malaysian

**Date of Appointment**

01 December 2008

**Academic/Professional Qualification(s)**

Executive Master in Industrial Engineering Technology Bachelor (Hons) of Engineering (Mechanical - Manufacturing) Member of IEM

He has more than ten (10) years' experience in the steel pipes manufacturing industry. He was promoted to his current position on 16th November 2020.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

**Notes:**

- None of the Key Senior Management holds any other directorship in public companies, other than Mr. Ooi Teik Huat as disclosed above.
- None of the Key Senior Management has been convicted of any offences, other than traffic offences, within the past 5 years.
- None of the Key Senior Management has family relationships with any director and/or major shareholder, other than Ms. Goh Li Li being a niece of Dato' Goh Cheng Huat and Datin Tan Pak Say and a cousin of Ms. Goh Wan Jing.
- None of the Key Senior Management has public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Leader Steel Holdings Berhad (“the Company”) is committed to upholding good governance practices within the Company and its subsidiaries (collectively known as “the Group”) in accordance with the recommendations set forth in the Malaysian Code on Corporate Governance (“the Code”), last revised in April 2021 by the Securities Commission Malaysia (“SC”).

Throughout the financial year ended 31 December 2024 (“FYE2024”), the Group adhered to the best practices of corporate governance to achieve its long-term financial objectives while ensuring accountability to its shareholders and other stakeholders in accordance with the Code.

Detailed disclosure on the Group’s implementation of each practice outlined in the Code is reported in the Corporate Governance Report 2024, as prescribed under paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). This report is accessible on the corporate website at [www.leadersteel.my](http://www.leadersteel.my) and through the Company’s announcements on Bursa Securities’ website.

The Board is pleased to report on the Group’s application of the three (3) key principles of good governance under the Code during the financial year under review as follows:

- A *Board leadership and effectiveness*
- B *Effective audit and risk management*
- C *Integrity in corporate governance and meaningful relationship with stakeholders*

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### 1. Board of Directors

The current composition of the Company’s Board consists of seven (7) members. The individuals who have served as Directors on the Board are as follows:

Directorate	Director
Chairman/ Non-Independent Non-Executive Director (“Non-INED”)	Mr. Lim Leng Han
Deputy Chairman/ Executive Director (“ED”)	Dato’ Goh Cheng Huat
Managing Director (“MD”)	Datin Tan Pak Say
ED	Ms. Goh Wan Jing
Independent Non-Executive Director (“INED”)	Encik Abdull Sukor Bin Ismail
	Mr. Soon Gim Wooi
	Datuk Dr. Roslan bin A. Ghaffar

Please refer to Directors’ Profile in this Annual Report for brief background of each Director.

During FYE2024, four (4) Board meetings were held during which a wide variety of matters were deliberated by the Board. This included the Group’s quarterly performance and financial results, major investments, risk management and other strategic issues. The attendance of Board members at these meetings is as follows:

Director(s)	Attendance
Mr. Lim Leng Han	4/4
Dato’ Goh Cheng Huat	4/4
Datin Tan Pak Say	3/4
Ms. Goh Wan Jing	4/4
Encik Abdull Sukor Bin Ismail	4/4
Mr. Soon Gim Wooi	4/4
Datuk Dr. Roslan bin A. Ghaffar	3/3*

\* Being number of meetings held since date of appointment

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board of Directors (Cont'd)

In the intervals between Board meetings, Board approvals were obtained via circular resolutions for matters which require Directors' urgent attention and approval.

The Directors acknowledged that professional development would equip them with the necessary knowledge to discharge their duties more effectively and to keep abreast of changes to the financial and regulatory landscapes on timely basis.

All Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme (MAP) part 1 and part 2 pursuant to the requirement by Bursa Malaysia Listing Requirements. In compliance with Paragraph 15.08 of the MMLR, the Directors attended the following seminar, webinar, conference, training sessions in FYE2024:

Director	Subject
Mr. Lim Leng Han	<ol style="list-style-type: none"> <li>1. Within and Beyond the Will: Strategies to Prevent Family Feuds</li> <li>2. A focus on Tax Transparency - ESG &amp; Beyond</li> <li>3. Managing Misconduct in the Workplace</li> <li>4. Understand Anti-Bribery and Corruption</li> </ol>
Dato' Goh Cheng Huat	<ol style="list-style-type: none"> <li>1. Understand Anti-Bribery and Corruption</li> <li>2. Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact ("MAP II")</li> </ol>
Datin Tan Pak Say	<ol style="list-style-type: none"> <li>1. Within and Beyond the Will: Strategies to Prevent Family Feuds</li> <li>2. Managing Misconduct in the Workplace</li> <li>3. BDO Tax Seminar on Budget 2025: Building Fiscal Resilience</li> <li>4. Sustainable Investing, Ethical Wealth Management, and AMLA Compliance: Aligning Financial Goals with Social Impact</li> <li>5. Understand Anti-Bribery and Corruption</li> <li>6. 17th World Chinese Entrepreneurs Convention (WCEC)</li> </ol>
Ms. Goh Wan Jing	<ol style="list-style-type: none"> <li>1. Understand Anti-Bribery and Corruption</li> <li>2. Sustainable Investing, Ethical Wealth Management, and AMLA Compliance: Aligning Financial Goals with Social Impact</li> </ol>
Encik Abdull Sukor Bin Ismail	<ol style="list-style-type: none"> <li>1. Within and Beyond the Will: Strategies to Prevent Family Feuds</li> <li>2. A focus on Tax Transparency - ESG &amp; Beyond</li> <li>3. Managing Misconduct in the Workplace</li> <li>4. Bursa PLCs IR4U Series 1: Brace Up for a Volatile Year</li> <li>5. AOB Conversation with Audit Committees</li> <li>6. Understand Anti-Bribery and Corruption</li> </ol>
Mr. Soon Gim Wooi	<ol style="list-style-type: none"> <li>1. Understand Anti-Bribery and Corruption</li> <li>2. AOB Conversation with Audit Committees</li> </ol>
Datuk Dr. Roslan bin A. Ghaffar	<ol style="list-style-type: none"> <li>1. Violation of The Companies Act 2016, Oversight by Directors and Secretaries</li> <li>2. Managing Misconduct in the Workplace</li> <li>3. Understand Anti-Bribery and Corruption</li> <li>4. AOB Conversation with Audit Committees</li> </ol>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board of Directors (Cont'd)

##### 1.1 Board responsibilities

The Board comprises members with diverse skill sets and experiences, including general management, public policy, production, sales and marketing, accounting and finance, legal, engineering, and information technology.

The Board leads and controls the Group by providing strategic guidance to the management, effective oversight on governance, and overseeing the Group's business affairs. Its principal responsibilities include the following:

- (a) Review and adopt a strategic plan for the Group and institute a regular and formal Board strategy review to ensure that the strategic plan supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning the sustainability of its business and Group operations;
- (b) Oversee the conduct of the Group's business, supervise and assess management's performance to evaluate whether the business is being properly managed and that the Group's performance is skewed towards achieving its strategy notwithstanding that the subsidiaries have separate Boards of Directors;
- (c) Review, challenge, and decide on management's proposals for the Company and monitor their implementation by management;
- (d) Anticipate changes in the market and ensure that the Group's capabilities and resources are sufficient to manage uncertainties;
- (e) Identify principal risks and ensure the implementation of risk mitigation measures and system of internal controls;
- (f) Succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing Board members and senior management;
- (g) Review and deliberate the Board Charter and Terms of Reference ("TOR") of various Board Committees;
- (h) Develop and review a Fit and Proper Policy for the appointment of Board members and senior management;
- (i) Develop and implement an investor relations program or shareholder communications policy for the Group;
- (j) Review the adequacy and the integrity of the Group's risk management initiatives, internal control systems, and management information systems, including systems/reporting framework for compliance with applicable laws, regulations, rules, directives, and guidelines;
- (k) Review and deliberate on conflict of interest and/or potential conflict of interest situation involving Directors and Senior Management of the Group;
- (l) Determine the remuneration of Directors and Senior Management, with the individuals concerned abstaining from discussions of their own remuneration;
- (m) Ensure that the Company's and the Group's financial statements are true and fair and conform with the laws; and
- (n) Ensure that the Group adheres to high standards of ethics and corporate behavior.

A formal schedule of matters is reserved for the Board's decision-making to ensure that the Group's direction and control are firmly in its hands. These matters include strategic issues and planning, significant asset acquisitions and disposals, capital expenditures, authority levels, treasury policies, conflict of interest and/or potential conflict of interest situation involving directors and senior management, risk management policies, appointment of auditors, financial statement reviews, financing and borrowing activities, compliance with statutory regulations, and a review of the adequacy and integrity of internal controls.

In discharging the Boards responsibilities, the Board is assisted by the following Board Committees:

#### I. Audit Committee ("AC")

The AC was established on 14 August 1995. Please refer to the AC Report in this Annual Report for details on the composition, TOR and activities of AC during FYE2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Board of Directors (Cont'd)

#### 1.1 Board responsibilities (Cont'd)

In discharging the Boards responsibilities, the Board is assisted by the following Board Committees: (Cont'd)

#### II. Nominating Committee ("NC")

The NC was formed on 26 August 2002. Please refer to Section 5 for details on the composition and activities of NC in FYE2024.

#### III. Remuneration Committee ("RC")

The RC was formed on 26 August 2002. Please refer to Section 7 for details on the composition and activities of RC in FYE2024.

Each of the Board Committees operates within its TORs, which have been approved by the Board. These TORs are reviewed periodically by the Board to ensure that they remain relevant and adequate in governing the functions and responsibilities of the respective committees and reflect the latest developments in MMLR and the Code.

The composition of the respective Board Committees meets the independence criteria outlined in the MMLR and the code.

All decisions and deliberations at the Board Committee level are properly minuted. The Chairman of the Board Committees reports to the Board on the outcome and recommendations made during the meetings of Board Committees for further deliberation and approval.

The Board has adopted a Directors' Fit and Proper Policy in line with the requirements under Paragraph 15.01A of the MMLR of Bursa Securities. The Directors' Fit and Proper Policy is available on the Company's website at [www.leadersteel.my](http://www.leadersteel.my) and serves as a guide to the NC and the Board in reviewing and assessing candidates for appointment as Directors, as well as for Directors seeking election or re-election.

The MD, supported by the ED, Chief Financial Officer ("CFO"), senior management team, and various management committees, is responsible for the day-to-day management of the Group's business and operations.

The Risk Management Committee ("RMC"), a management level committee, oversees all risk management matters and advises the AC on areas of high risk and adequacy of compliance and control procedures.

The NC assists the Board in ensuring an effective and orderly succession plan and reviews the diversity of the Board's composition.

The RC ensures that the remuneration plans for the EDs and Non-Executive Directors as well as the senior management team appropriately reflect the different roles and responsibilities and are comparable to industry benchmarks.

#### 1.2 Chairman of the Board

The Chairman of the Board is responsible for leading the Board and ensuring that all Directors received sufficient and relevant financial and non-financial information in a timely manner to enable them to actively participate in Board discussions.

The Chairman leads governance activities on the Board to create a conducive environment geared towards building and enhancing Directors' effectiveness and ensuring that appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates in the discussion, allowing for appropriate dialogue and the expression of relevant opinions by all members.

Other roles of the Chairman include leading the Board in the oversight of management, ensuring the adequacy and integrity of the governance process and addressing any issues that may arise. The Chairman also maintains regular dialogue with the MD, ED and CFO regarding operational matters and seeks the opinions of fellow Board members on any matters that give cause for major concerns.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board of Directors (Cont'd)

##### 1.3 Separation of position of Chairman and Managing Director

The Board enforces a clear separation of duties between the Chairman and the MD. This means the positions of Chairman and MD are never held by the same person. This separation enables the Chairman and the MD to dedicate sufficient time to their distinct responsibilities, ensuring the effective execution of their duties.

The Board Chairman, Mr. Lim Leng Han, a Non-INED, is responsible for overseeing Board matters and ensuring the Board's overall conduct.

Datin Tan Pak Say, the current MD, leads the management team alongside two EDs and CFO. She oversees the daily operations of the Group's business affairs, implements corporate strategies, and regularly reports the Group's operational performance to the Board.

##### 1.4 Chairman of the Board shall not be a member of AC, NC and RC

The current Chairman of the Board, Mr. Lim Leng Han is not member of the AC nor NC and RC of the Company.

##### 1.5 Qualified and Competent Company Secretaries

The Board is supported by Joint Company Secretaries who are competent, adequately qualified, and experienced. The Joint Company Secretaries are responsible for ensuring that the affairs of the Board are conducted in accordance with applicable rules and regulations. They advise the Board on any changes to regulatory requirements, listing rules, and corporate governance matters as and when they arise.

All members of the Board have direct access to the advice and services of the Joint Company Secretaries for the purposes of the Board's affairs.

##### 1.6 Access to Information and Advice

Prior to each Board meeting, members receive a timely agenda and comprehensive board papers, including quarterly and annual financial results, performance analysis, project status, minutes from previous meetings of the Board and Board Committees.

Board papers are typically circulated to the Directors at least seven (7) days prior to each meeting, providing them with adequate time to review, consider, and deliberate effectively on the matters to be discussed.

Members of the management team and external professional advisors appointed by the Company may also be invited to provide their opinions to the Board if necessary.

Between scheduled Board meetings, decisions on matters requiring Board approval are sought through a circular resolution in writing, supported by all relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

Where necessary, the Board may engage independent professional advice, at the Group's expense, in furtherance of its duties.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. Demarcation of Responsibilities

#### 2.1 Board Charter

The Board Charter defines the roles, duties, and responsibilities of the Chairman, MD, EDs, the Board itself, and Board Committees. It also specifies matters reserved for the Board's collective decision.

The Board Charter serves as a key reference document and induction resource for prospective Board members and senior management.

The Board Charter was last updated in November 2023 to reflect the division of responsibilities and segregation of duties. It is available on the Company's website and is subject to periodic review and revision as needed.

### 3. Good Business Conduct and Corporate Culture

#### 3.1 Code of Ethics and Conduct and Anti-Bribery and Anti-Corruption Policy

The Board has implemented a Code of Conduct and a Code of Ethics for the Group, both of which are subject to periodic reviews. These documents serve as a guide for Directors and employees, ensuring they maintain the highest ethical standards while fulfilling their responsibilities.

Furthermore, the Board has adopted an Anti-Bribery and Anti-Corruption Policy in accordance with the Malaysian Anti-Corruption Commission Act 2009, along with its subsequent amendments, modifications, or reenactments. This policy offers clear guidance to Directors, employees, and business associates on identifying, preventing, and properly reporting acts of bribery and corruption.

All three (3) documents—the Code of Conduct, the Code of Ethics, and the Anti-Bribery and Anti-Corruption Policy—are available on the Company's website at [www.leadersteel.my](http://www.leadersteel.my).

#### 3.2 Whistleblowing Policy

The Company has a Whistleblowing Policy with the objective of providing an avenue for all employees of the Group, suppliers, customers, or members of the public to report any improper conduct, malpractices, irregularities, or wrongdoings in the Group and to provide protection to the persons who reported such matters of concern.

All malpractices or wrongdoings reported by the whistleblower are to be directed in the following manner:

- i. By way of email to [whistleblower@leadersteel.my](mailto:whistleblower@leadersteel.my)
- ii. By way of a sealed envelope addressed to the MD, Leader Steel Holdings Berhad, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Pulau Pinang

The policies and procedures on whistleblowing are made available on the Company's website at [www.leadersteel.my](http://www.leadersteel.my).

### 4. Sustainable Practice

#### 4.1 Material Sustainability Matters

The Board recognizes that sustainable development is crucial for the Group's long-term success. They are responsible for developing the Group's sustainability strategies. The RMC, primarily composed of senior management, drives the strategic management of material sustainability matters.

#### 4.2 Sustainability Strategies

Management has set sustainability targets and communicates them to key stakeholders. Implementation strategies are developed and continuously measured.

The Board is aware of the material sustainability matters and has scheduled discussions on key sustainability issues at least annually.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 4. Sustainable Practice (Cont'd)

##### 4.3 Periodic Updates

The Board members are apprised of the Group's sustainability issues and provide their views and opinions during Board meetings.

##### 4.4 Performance Evaluation

Recognizing the importance of sustainability across all business operations, the Board has incorporated it as a performance evaluation criterion for board members.

##### 4.5 Sustainability strategically

The Board recognizes the importance of sustainability in long-term success. Sustainability targets are set, measured, and reviewed periodically. The CFO is responsible for overseeing strategic sustainability management and ensuring adherence to the Group's sustainability framework, while implementation is carried out by the relevant departments.

#### 5. Board Composition

The Board is supported by the NC, which plays a vital role in ensuring the Board's composition is appropriate. The NC carefully selects individuals with the necessary caliber, knowledge, experience, integrity, reputation, competence, and capacity to serve as directors or senior management for the Group. The NC also performs an annual assessment of the performance of the Board, Board committees, and senior management of the Group.

The TOR of the NC, formed on 26 August 2002, are available on the Company's website. The composition of the current NC comprises all INEDs and is as follows:

Chairman	Datuk Dr. Roslan bin A. Ghaffar
Members	Encik Abdull Sukor Bin Ismail Mr. Soon Gim Wooi

During the FYE2024, the NC convened one (1) meeting on 22 February 2024, with full attendance recorded from all members serving at that time. Datuk Dr. Roslan bin A. Ghaffar was not in attendance, as his appointment to the Committee was effective on 27 March 2024, subsequent to the said meeting.

The key activities undertaken by the NC during FYE2024 are summarized as follows:

- (a) Reviewed the composition, size, and structure of the Board;
- (b) Reviewed the required mix of skills, diversity of experience, and other qualities, including core competency, of members of the Board;
- (c) Assessed the effectiveness of the Board as a whole, the various board committees, and the contribution of each individual Director;
- (d) Assessed the character, experience, integrity, and competency of each Director, Chief Executive Officer, or Chief Financial Officer and ensured they have sufficient time to discharge their respective roles;
- (e) Assessed the training needs of Directors;
- (f) Reviewed the level of independence of INEDs;
- (g) Reviewed the terms of office and performance of AC and each of its members annually to determine whether the AC and members have carried out their duties in accordance with their terms of reference;
- (h) Assessed Directors due for retirement by rotation and put forward their recommendation for re-election;
- (i) Reviewed suitability of candidates nominated to be appointed as Director and recommend the same to the Board;
- (j) Reviewed composition of Board committees and recommended changes to the Board committees;
- (k) Reviewed the NC report on duties and responsibilities and main activities undertaken during the year for inclusion in the Annual Report; and
- (l) Deliberated on the skillset and expertise required for suitable candidates for directorship.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 5. Board Composition (Cont'd)

#### 5.1 Review of Board Composition

The NC reviews the composition of the Board annually to ensure that the Board is the right size and possesses the appropriate mix of skills and diversity of experience.

The NC also evaluates the performance of each Director annually. Recommendations for the annual re-election of Directors are made upon satisfactory evaluations of their performance and contributions to the Board.

#### 5.2 Independent Directors

As at the end of FYE2024, the Board comprises seven (7) Board members with three (3) being INEDs and this ratio fell short of the recommendation of at least 50% INEDs.

Although the Board has not met the composition recommended under the MCCG whereby at least half (50%) of the Board comprises INED, the Board believes that the three (3) INEDs are capable of ensuring that issues of strategies, performance and resources proposed by the Management are objectively evaluated, taking into consideration of the long-term interest of shareholders, other stakeholders and the communities in which the Group conducts its businesses. The Board, in fulfilling its fiduciary duties and responsibilities, has always acted on consensus of the entire Board. Any dissenting member will have his/her views heard and deliberated on until mutually resolved to arrive at objective decision taken in the best interest of the Company and the Group.

It must be noted that the Board composition complies with Paragraph 15.02 of the MMLR, which mandates that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is higher, must be INEDs.

The key elements for fulfilling the criteria are the appointment of Directors who are not members of management and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and the Group.

The NC reviewed the independence of the INEDs annually based on the requirements and definition of "independent director" as set out in the Paragraph 1.01 and Practice Note 13 issued of the MMLR, the confirmation of independence declared by INEDs as well as their objectivity in carrying out their duties and responsibilities objectively.

The Board adheres to the Code's recommendation regarding the nine (9) year tenure limit for INEDs. However, the Code allows INEDs who have served beyond nine (9) years to remain on the Board as Non-INEDs.

As of the date of this Statement, none of the INEDs have served on the Board for a cumulative or consecutive term of nine (9) years.

#### 5.3 Limit of Tenure for INED

The Group has not adopted a policy which limits the tenure of independent directors to nine (9) years without further extension.

#### 5.4 Policy limiting INED tenure to nine (9) years

The Group has not implemented a policy that restricts the tenure of independent directors to nine (9) years without allowing for further extension.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 5. Board Composition (Cont'd)

##### 5.5 Diversity of Board and Senior Management

The Board is committed to foster diversity on the Board and within the senior management team. Appointments are based on objective criteria, merit, and a strong focus on achieving diversity in skills, experience, age, cultural background, and gender. This focus ensures the Board and senior management possess a well-rounded perspective to effectively lead the company.

The current Directors, with their diverse backgrounds and professional specializations, contribute a wealth of experience and expertise across various areas, including general management, operations, legal, commercial, engineering, finance and accounting, corporate affairs, manufacturing, information technology, sales, and marketing.

To ensure compliance with Paragraph 15.01A of the MMLR, the Board has adopted a Directors' Fit and Proper Policy. This policy is available on the Company's website at [www.leadersteel.my](http://www.leadersteel.my). The NC reviews the diversity of the Board and senior management annually.

##### 5.6 Sources to Identify Candidate for Directorship

The NC utilises a variety of sources to identify potential candidates for Board positions. These sources include recommendations from independent sources and current Directors.

Before recommending a candidate for directorship, NC will perform a fit and proper assessment by carrying out an independent background check on the candidate using information from independent sources.

##### 5.7 Directors' Information

The Company provides comprehensive information about its Directors to ensure transparency and facilitate informed shareholders' decisions. This information includes:

- (a) Detailed Profiles in Annual Report: The Annual Report publishes detailed profiles of each Director, including their age, gender, tenure, directorships in other companies, work experience, any potential conflicts of interest and/or shareholdings in the Company.
- (b) Meeting Agenda for Appointments/Re-appointments: To assist shareholders in deciding on director appointments and/or re-appointments, the meeting agenda will include a brief profile of the director who is seeking appointment and/or re-appointment in the Annual General Meeting ("AGM"). This profile will be accompanied by a statement from the Board supporting the appointment and/or re-appointment.

##### 5.8 Chairman of NC

Chairman of NC must be an INED.

Datuk Dr. Roslan bin A. Ghaffar (INED) was appointed as Chairman of NC on 27 March 2024.

##### 5.9 Female Board Representation

Currently, the Board has two (2) female Directors out of seven (7) Directors, equivalent to 29% female representation on the Board. This reflects the Group's commitment to diversity and inclusivity, ensuring the Board composition aligns with the communities it serves.

##### 5.10 Gender Diversity

The Board is committed to foster gender diversity on the Board and within its senior management team.

As of the date of this Statement, the Group has a 20% female representation in senior management positions. The Board is evaluating the need for a formal gender diversity policy.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 6. Board Effectiveness

#### 6.1 Effectiveness of the Board and Individual Director

The Board, through the NC, conducted an annual board assessment and evaluation of the Board, Board Committees and each individual Director in respect of FYE2024 to assess the Board's overall effectiveness.

The evaluation process utilises a self-assessment format. Directors complete standardized evaluation forms. The NC then summarises and presents the results, along with any director comments, at its meeting. The Chairman of NC subsequently reports these findings and any discussions to the full Board.

The evaluation of the Board and Board Committees focuses on key criteria, including board composition and diversity, the quality of information and decision-making processes, boardroom dynamics, and the Board's relationship with management and other committees.

The assessment of individual Directors focuses on contribution and performance, competence and personality, skill set, and independence.

Based on the assessments conducted for FYE2024, the NC is satisfied with the contribution and performance of each individual director, the Board as a whole, and the Board Committees, as well as the independence and objective judgments that the INEDs have brought to the Board.

### 7. Level and Composition of Remuneration

#### 7.1 Remuneration Policy

The Company's Remuneration Policy, available on our website, outlines the compensation structure for both Directors and Key Senior Management. This policy is subject to regular review.

The policy establishes the compensation levels for EDs and CFO. The components of their remuneration package are linked to the scope of their duties and responsibilities, considering their skills and experience, as well as the Group's performance. EDs and CFO do not participate in deciding their own remuneration and abstain from all discussions related to it.

For Non-Executive Directors, the level of remuneration reflects their experience, expertise, contribution to the Group, duties, and level of responsibilities undertaken, including the number of Board meetings attended. Directors' fee for Non-Executive Directors (including Chairman) is determined by the Board as a whole.

#### 7.2 RC

The Board delegates the authority to the RC to review and make recommendations on matters related to the remuneration of the Board and senior management. The RC's TOR, established on 26 August 2002, are available along with the Company's Remuneration Policy on our website.

During the FYE2024, the RC convened one (1) meeting on 22 February 2024, with full attendance recorded from all members serving at that time. Datuk Dr. Roslan bin A. Ghaffar was not in attendance, as his appointment to the Committee was effective on 27 March 2024, subsequent to the said meeting. At this meeting, the RC reviewed the remuneration package (including bonus) for the executive management team, and considered directors fees for the Chairman and members of Board committees.

At present, the RC comprises exclusively of INEDs as follows:-

Chairman	Encik Abdull Sukor Bin Ismail
Members	Mr. Soon Gim Wooi Datuk Dr. Roslan bin A. Ghaffar

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 8. Remuneration of Directors and Senior Management

##### 8.1 Details of Directors' Remuneration

The remuneration package for EDs and senior management includes salary, bonus, statutory contributions, directors' fees, and benefits-in-kind. Non-Executive Directors receive annual directors' fees, allowances, and meeting attendance fees.

The following table summarizes the annual directors' fee payable:

Type of fees	RM
Directors (per pax)	36,000
Service fee for Chairman of Board (per month)	2,000
Chairman of AC, NC and RC (per pax)	6,000
Member of AC, NC and RC (per pax)	3,000

The fees and benefits payable to the Directors are endorsed by the Board for approval by the shareholders at the AGM before payment is made.

The remuneration received/receivable by the Directors of the Company for FYE2024 is as disclosed in the CG Report.

##### 8.2 Top Five (5) Senior Management's Remuneration

The remuneration package for senior management comprises salary, bonus, statutory contributions, and benefits-in-kind. This package commensurates with the scope of work, their performance, and level of skills and experience.

The Board opts not to disclose the remuneration of the top 5 senior management personnel (who are not Directors of the Company) on a named basis, considering the information on the remuneration of these personnel to be sensitive and proprietary.

However, the Board has opted to disclose the remuneration of the top 5 senior management personnel in bands rather than on a named basis. The Board believes that this approach fulfills the transparency and accountability aspects of corporate governance applicable to senior management.

Remuneration range	No. of senior management staff
Below RM200,000	-
Between RM200,001 to RM250,000	-
Between RM250,001 to RM300,000	2
Between RM300,001 to RM350,000	-
Between RM350,001 to RM400,000	1
Between RM400,001 to RM450,000	-
Between RM450,001 to RM500,000	1
More than RM500,001	1

##### 8.3 Detailed Remuneration of Top Five (5) Senior Management

The Board takes the view that there is no necessity for the Group to disclose the detailed remuneration package of senior management on a named basis, given the competitive human resource environment, as such disclosure may give rise to talent retention issues.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 9. AC

##### 9.1 Chairman of the AC

The Chairman of the AC must be an INED. The Company's AC is currently chaired by Mr. Soon Gim Wooi, who serves as an INED.

Details on the composition, TOR and other pertinent facts of the AC are outlined under the AC Report section in this Annual Report.

##### 9.2 Appointment of Former Key Audit Partner to AC

None of the AC members were former key audit partners.

The TOR of the AC require that in the event the Board wishes to appoint former key audit partners to the AC, the candidate shall observe a cooling-off period of at least three (3) years.

##### 9.3 External Auditors

The Group's external auditors is BDO PLT. Prior to commencing the audit and upon completion, the AC invites BDO PLT to present their audit plans, findings, and any matters requiring the Committee's attention.

The AC evaluates annually the suitability, objectivity and independence of the external auditors in order to safeguard the quality and reliability of the Group's audited financial statements.

The evaluation process covers the assessment of, inter-alia, the external auditors' independence, performance, competency, quality of work, level of service, audit fees and the adequacy of resources.

The AC met with the external auditors at least twice (2) a year without the presence of EDs or senior management to allow the AC and the external auditors to exchange independent views on matters which require the AC's attention.

##### 9.4 Composition of the AC

The AC is entrusted by the Board to, among others, provide guidance and recommendations on matters relating to financial reporting, external audit, the internal control environment, internal audit processes, review of related party transactions, and potential conflict of interest situations.

The AC comprises solely of INEDs in line with Step-up Practice 9.4 of the Code. This structure helps to ensure the impartiality and objectivity of the Committee's oversight of the Group's financial reporting and auditing processes.

##### 9.5 Diversity in Skills of the AC

The AC currently comprises members with professional experience in finance and the public service sector. All members are financially literate and possess the ability to read, interpret, and understand financial statements. The diversity in skill sets, coupled with their financial literacy, equips the AC with the ability to effectively discharge their roles and responsibilities.

The Board, via the NC, has reviewed the effectiveness and the composition of the AC and is satisfied with the members' competency and the AC's effectiveness.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### 10. Risk Management and Internal Control Framework

##### 10.1 Establishment of Effective Risk Management and Internal Control Framework

The Board recognises the importance of a sound risk management framework and internal controls system in order to safeguard the Group's assets and shareholders' investment in the Group.

There is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board confirms its overall responsibility for the Group's system of internal controls and risk management to manage these risks. The Board constantly reviews the adequacy and integrity of financial, operational and compliance controls.

The Statement on Risk Management and Internal Controls in this Annual Report provides an overview of the state of internal controls and risk management within the Group.

##### 10.2 Features of Risk Management and Internal Control Framework

The Board has established an RMC within its Senior Management team. The RMC's function is to identify key business risks, formulate a risk management strategy, and implement a sound internal control system to manage each key risk.

When necessary, external professionals are engaged to assist the RMC in identifying key business risks and formulating a risk management strategy.

The Group's internal audit function provides independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control framework and processes. The internal auditors will regularly report their findings to the AC. The risk-based internal audit plans are tabled to the AC for review and approval to ensure adequate coverage.

Risk assessment and management report is regularly presented to the AC by the management.

##### 10.3 Establishment of a RMC Comprises a Majority of Independent Director

The Group has not complied with this step-up practice, as the current RMC comprises solely of management personnel. The Group will review the composition of the RMC in the future.

#### 11. Effective Governance, Risk Management and Internal Control

##### 11.1 Internal Audit Function

The Group has outsourced the internal audit function to an external professional service firm, Finfield Corporate Services Sdn. Bhd. ("Finfield").

The internal auditors report directly to the AC, who evaluates their competency, independence, and the quality of their work annually.

The internal auditors present the annual audit plan to the AC and report the findings of their internal audit activities to the AC upon completion of their assignments.

##### 11.2 Disclosure on the Internal Audit Function

The internal auditors are required to declare their independence to the AC. The AC has also received assurance from the internal auditors that they have adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

Total fees of RM24,000 was incurred for internal audit services for FYE2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE C: INTEGRITY IN CORPORATE GOVERNANCE AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### 12 Stakeholders Engagement

#### 12.1 Communication with Stakeholders

The Group recognizes the importance of effective and timely communication with shareholders and investors to keep them informed about the latest financial performance and material corporate developments. This information is made available through various channels, including the Company's website at [www.leadersteel.my](http://www.leadersteel.my), annual reports, circulars to shareholders, general announcements, and quarterly reports announced on the Bursa Securities website.

Additionally, the Group utilises AGM and/or Extraordinary General Meeting ("EGM"), if any, as platforms for effective dialogue with shareholders. Question and answer sessions are held during these meetings, where Directors, senior management, Joint Company Secretaries, and external auditors are available to address any concerns or queries raised by shareholders.

All Annual Reports, Company announcements, Circulars to Shareholders, Notices of AGM, or other AGM-related documents will be made available on the Company's website.

#### 12.2 Integrated Reporting

The Company is not categorised as a "Large Company" and hence, has not adopted integrated reporting based on a globally recognised framework.

### 13 Shareholders' Participation at General Meetings

#### 13.1 Notice for AGM

At the last AGM, the Notice for the Thirty-First (31st) AGM was issued on 30 April 2024, at least 28 days prior to the meeting date on 31 May 2024. This was in accordance with Practice 13.1 of the code, which recommends that notice of an AGM be given at least 28 days in advance.

The notice of the AGM included detailed explanatory notes and background information on the proposed resolutions, where applicable. This approach enables shareholders to make informed decisions regarding the business agenda of the AGM.

The Board will ensure that the Notice of the upcoming 32<sup>nd</sup> AGM is sent to shareholders at least twenty-eight (28) days prior to the said meeting. This will allow shareholders have sufficient time and opportunity to prepare for the discussions during the meeting. Additionally, it will be published in at least one major local newspaper. The notice of AGM will also be published on the Company's website and released to the public via Bursa LINK.

The Board is satisfied with the current programme at AGM and there have been no major contentious issues noted with shareholders/investors.

#### 13.2 Directors' Attendance

The Company convened its 31st AGM on 31 May 2024, during which all members of the Board were in attendance.

All queries and concerns raised by shareholders were duly addressed.

#### 13.3 Leveraging on Technology

At the last AGM on 31 May 2024, the Company used a secure virtual platform for remote voting and live participation, with an option to appoint proxies, supported by advanced cybersecurity measures.

In line with the enhanced requirements issued by Bursa Malaysia Securities Berhad and the Securities Commission Malaysia, the Company will comply with the new directive mandating that all general meetings of listed issuers be conducted either as hybrid or fully physical meetings, with effect from 1 March 2025. Fully virtual general meetings will no longer be permitted under the revised framework.

Accordingly, the upcoming 32<sup>nd</sup> AGM will be held as a physical meeting to promote direct, face-to-face engagement and facilitate robust shareholder oversight. This move is in line with the regulators' objective to enhance transparency, accountability, and meaningful shareholder interaction.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE GOVERNANCE AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### 13 Shareholders' Participation at General Meetings (Cont'd)

##### 13.4 Shareholders Engagement

The Board highly encourages shareholders' participation, making general meetings important events. The Board seizes the opportunity to engage in a dialogue with shareholders following the presentation of annual audited financial results and address any questions that may arise.

All Directors, senior management, Joint Company Secretaries, and external auditors were present during AGM to engage with shareholders (both physically and virtually) and address any areas of interest or concerns raised by shareholders.

Shareholders are provided with an avenue to post their queries to the company, either virtually or physically.

##### 13.5 Infrastructure for Virtual Meetings

The RPV system used to handle virtual 31<sup>st</sup> AGM in FYE2024 was tested prior to the meetings, and it had facilitated interactions between the Board, the senior management team, and shareholders. Questions raised by shareholders were posted on the meeting platform or read out by the host before the Board was invited to respond to the questions. The Board had given the assurance that in the event that an answer could be readily given at the meeting, the Board would include response in the minutes of said general meetings.

##### 13.6 Minutes of General Meeting

Minutes of the AGM detailing the meeting proceedings and outcome of the voting results were published on the Company's corporate website within 30 business days from the date of the convening of said meetings in FYE2024.

#### Compliance with the Code

The Board is of the opinion that the Group has complied, in all material respects, with the provisions of the Code throughout FYE2024 apart from the exceptions disclosed in the relevant sections in this statement.

#### Disclosure and Transparency

The Board believes this Corporate Governance Overview Statement provides shareholders with the necessary information to assess the Group's application of the Code during FYE2024.

#### Approval

This Corporate Governance Overview Statement was approved by the Board on 21 April 2025.

## ADDITIONAL INFORMATION

### 1. Employees' Share Option Scheme

At the Company's Extraordinary General Meeting held on 30 May 2022, shareholders had approved the establishment and implementation of an Employees' Share Option Scheme ("ESOS") involving up to 15% of the total number of issue ordinary shares (excluding treasury shares) ("Shares") for eligible Directors and employees of Company and its subsidiaries (excluding dormant subsidiaries).

The ESOS was implemented on 31 May 2023. The ESOS is for a period of 5 years and would expire on 30 May 2028 subject to an extension in accordance with the By-Laws of the ESOS.

The details total number of options granted, exercised and outstanding under the ESOS are set out in the table below:

Date of grant	Number of options over ordinary shares				
	Balance as at 1.1.2024	Exercised	Lapsed	Balance as at 31.12.2024	Exercisable as at 31.12.2024
31 May 2023	6,407,300	(592,900)	(68,600)	5,745,800	5,745,800

As of the financial year ended 31 December 2024, approximately 9% of the shares granted under the ESOS have been exercised since its implementation.

### 2. Non-audit Fees

Non-audit fees amounting to RM53,150 were paid and payable to a firm or corporation affiliated with the external auditors for the financial year ended 31 December 2024.

### 3. Material Contracts

During the financial year ended 31 December 2024, there were no material contracts with the Company and its subsidiaries involving Directors' and major shareholders' interest.

## ADDITIONAL INFORMATION (CONT'D)

### 4. Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of recurrent related party transactions made during the financial year ended 31 December 2024 pursuant to the shareholders' mandate obtained by the Company at the Thirty-First Annual General Meeting held on 31 May 2024 were as follows:

Company within the Group involved	Transacting Party	Amount (RM'000)	Nature of transactions	Interested Related Party
Leader Steel Sdn. Bhd. ("LSSB")	Eonmetall	939	Rental income	Interested Director and Major Shareholder Dato' Goh Cheng Huat Datin Tan Pak Say
	Technology Sdn. Bhd.	37	Purchase of property, plant and equipment	
Leader Steel Service Centre Sdn. Bhd. ("LSSC")	Eonmetall Industries Sdn. Bhd.	35,261	Sale and purchase of steel products	Interested Major Shareholder Bischart Sdn. Bhd.
	Eonmetall Technology Sdn. Bhd.	13	Purchase of property, plant and equipment	
	Eonmetall Systems Sdn. Bhd.	14,652	Purchase of steel products	

### 5. Corporate Proposals

On 10 January 2024, a subsidiary of the Company, FerroNet Asia Sdn. Bhd. had received and accepted a Notis Award and Tawaran Pampasan ("Borang H") from the Pentadbir Tanah Klang invoking compulsory acquisition of a portion of Kapar Land under Land Acquisition Act, 1960 to acquire approximately 28,903 square meters in area of land forming part of H.S.(D) 166444, No. PT85119 Mukim Kapar, Daerah Klang, Negeri Selangor for a cash consideration of RM42,558,627.

The transaction was completed on 25 March 2024.

# AUDIT COMMITTEE REPORT

## 1. Introduction

The Audit Committee ("AC") of Leader Steel Holdings Berhad ("LSH" or "the Company") was established by the Board of Directors ("Board") on 14 August 1995 to assist the Board in fulfilling its oversight responsibilities concerning the financial reporting and audit processes of the Company and its subsidiaries ("LSH Group" or "the Group").

The terms of reference of the AC are available on the Company's website at [www.leadersteel.my](http://www.leadersteel.my), in compliance with Paragraph 15.11 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

## 2. Composition of the Audit Committee

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors ("INEDs"), in compliance with Paragraph 15.09(1)(b) of the MMLR.

The members of the AC as of 31 December 2024 are as follows:

- Mr. Soon Gim Wooi – Chairman, Independent Non-Executive Director
  - Member of the Malaysian Institute of Accountants ("MIA")
- Encik Abdull Sukor Bin Ismail – Independent Non-Executive Director
- Datuk Dr. Roslan bin A. Ghaffar – Independent Non-Executive Director

This composition ensures full compliance with Paragraphs 15.09(1)(b) and 15.09(1)(c) of the MMLR, which require that:

- All AC members must be non-executive directors.
- The majority, including the Chairman, must be independent directors.
- At least one member must be a qualified accountant.

## 3. Number of AC Meetings and Attendance

During the financial year ended 31 December 2024 ("FYE2024"), the AC convened four (4) meetings. The attendance of each member was as follows:

Director(s)	Attendance
Mr. Soon Gim Wooi	4/4
Encik Abdull Sukor Bin Ismail	4/4
Datuk Dr. Roslan bin A. Ghaffar	3/3*

\* Being number of meetings held since date of appointment

The external auditors, internal auditors, and other senior management personnel attended the meetings as and when invited by the AC.

## 4. Summary of Key Activities Undertaken by AC in FYE2024

### 4.1 Financial Reporting & Compliance

- Reviewed and discussed the unaudited quarterly financial results before recommending them to the Board for approval.
- Reviewed the annual audited financial statements and annual report to ensure compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and Main LR.
- Discussed with external auditors on key audit matters, financial reporting issues, and any significant adjustments arising from the audit.

## AUDIT COMMITTEE REPORT (CONT'D)

### 4. Summary of Key Activities Undertaken by AC in FYE2024 (Cont'd)

#### 4.2 External Audit

- Reviewed the external audit plan, scope of work, and audit strategy for FYE2024.
- Assessed the performance, independence, and objectivity of the external auditors before recommending their reappointment.
- Evaluated the external audit fees and made recommendations to the Board.
- Held two (2) private sessions with the external auditors, without the presence of Management, in conjunction with the AC meetings in February 2024 and November 2024. During these sessions, the AC discussed matters including the level of Management's cooperation with the external auditors, the transparency and adequacy of information provided, the proficiency and sufficiency of resources within the financial reporting function, as well as any key concerns or issues identified by the external auditors during the course of their audit.
- Evaluated the performance of the external auditors and made recommendations to the Board, subject to the approval of shareholders at the Annual General Meeting.

#### 4.3 Internal Audit & Risk Management

- Reviewed and approved the internal audit plan to ensure adequate coverage of key risk areas.
- Evaluated the findings and recommendations from internal audit reports and ensured corrective actions were taken by management.
- Assessed the effectiveness of internal controls and risk management processes within the Group.
- Evaluated the performance of the internal auditors, including the competency, experience, resources, independence and objectivity.

#### 4.4 Related Party Transactions ("RPTs")

- Reviewed any RPTs and recurrent RPTs to ensure compliance with the MMLR and to avoid conflicts of interest.
- Ensured that appropriate disclosures were made in accordance with regulatory requirements.

#### 4.5 Conflict of Interest ("COI")

- Reviewed and monitored potential COI and COI situations involving the Directors and Key Senior Management during every AC meeting and reported them to the Board accordingly, ensuring that the interested person(s) recused themselves and abstained from deliberating and voting on the transactions. Details of potential COI and COI related to certain Directors and Key Senior Management for FYE 2024, along with the measures taken to address COIs, are disclosed in Table 1 below. These COI situations have been addressed in accordance with the established COI Policy.

## AUDIT COMMITTEE REPORT (CONT'D)

### 4. Summary of Key Activities Undertaken by AC in FYE2024 (Cont'd)

Table 1: Details of potential COI and COI situations

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/ Key Senior Management	Measures Taken to Address COI
1.	Potential COI in matters concerning land development or transactions within the area	Dato' Goh Cheng Huat is an Executive Director of LSH Group and Eonmetall Group Berhad together with its subsidiaries ("EGB Group"), which owns a parcel of land in the Kapar, Selangor area, and a Director of several privately held companies that own land adjacent to or within the vicinity of the land owned by FerroNet Asia Sdn. Bhd., a subsidiary of LSH.	Dato' Goh has disclosed his interests in EGB and his privately held companies. He will recuse himself and abstain from discussions and decisions involving land-related matters in the Kapar, Selangor area.  Additionally, the Board will ensure that any such matters are reviewed independently by unaffected directors and key senior management, in line with the Company's governance policies on COI.
2.	COI arising from the engagement of GL Business Advisory Sdn. Bhd. by LSH Group for a shared talent framework.	Ms. Goh Wan Jing ("Ms. Goh") is the Executive Director of LSH Group and GL Business Advisory Sdn. Bhd..	Ms. Goh has declared her interest in GL Business Advisory Sdn. Bhd. in accordance with the Company's COI policy and relevant statutory requirements.  Ms. Goh will recuse herself and will abstain from participating in any discussions, deliberations, or decisions on transactions involving GL Business Advisory Sdn. Bhd..
3.	A potential transaction may involve GL Shield Agency Sdn. Bhd. in relation to the provision of general insurance services.	Ms. Goh is a Director of GL Shield Agency Sdn. Bhd.	Ms. Goh has declared her interest in GL Shield Agency Sdn. Bhd. to the Board in accordance with the Company's COI policy and relevant statutory requirements.  Ms. Goh will recuse herself and will abstain from participating in any discussions, deliberations, or decisions on transactions involving GL Shield Agency Sdn. Bhd.
4.	Potential COI due to dual engagement	Mr. Ooi, the Chief Financial Officer ("CFO") cum Business Controller of LSH Group, also serves as the named Company Secretary for 18 private companies owned by LSH Group's executive leadership, namely Dato' Goh, Datin Tan, and Ms. Goh.	Mr. Ooi has made full disclosure of his external engagements to the Board.  Mr. Ooi will make full disclosure of his external engagements in the event of any transactions between LSH Group with these 18 private companies, when the need arises.
5.	COI due to multiple engagements	Mr. Ooi is the CFO and Executive Director of Maybulk Berhad and CFO of EGB Group.  There are transactions between LSH Group with EGB Group and Maybulk Berhad during the financial year.	Mr. Ooi has made full disclosure of his roles in Maybulk Berhad and EGB Group.  Mr. Ooi will make full disclosure of his external engagements in the event of any transactions between LSH Group with Maybulk Berhad and EGB Group, when the need arises.



## AUDIT COMMITTEE REPORT (CONT'D)

### 4. Summary of Key Activities Undertaken by AC in FYE2024 (Cont'd)

#### 4.6 Other Activities

- Update on the Share Buy-Back exercise.
- Reported on any material litigation involving the Group.
- Reported on any whistleblowing incidents or anti-bribery issues; none were reported.
- Reviewed the AC's terms of reference to ensure alignment with regulatory changes and best practices in good governance.
- Conducted an annual self-assessment and performance evaluation of the AC and its members.

### 5. Internal Audit Function

The Group outsourced its internal audit function to an external professional firm, Finfield Corporate Services Sdn. Bhd. ("Finfield"), to carry out internal audit services. The principal responsibilities of the internal auditor are to undertake regular and systematic reviews of the systems of internal controls and risk management to provide reasonable assurance that such systems continue to operate effectively and efficiently.

Finfield and its personnel are free from any relationship or conflict of interest with the Group that could impair their objectivity and independence. The Executive Director of Finfield is a member of the Malaysian Institute of Accountants (MIA) and the Institute of Internal Auditors Malaysia (IIAM).

For each internal audit review, Finfield deployed 2 to 3 personnel to conduct assessments, ensuring comprehensive audit coverage.

#### 5.1 Key Activities Undertaken by Internal Auditors During FYE2024

During FYE2024, the internal audit function carried out the following activities:

1. Follow-up audits on issues identified in the previous internal audits to ensure corrective actions were effectively implemented.
2. Presented and reviewed a risk-based audit plan for FYE2024.
3. Performed internal audits in key risk areas, including revenue recognition, credit control, purchasing, accounts payables, and related party transactions.
4. Reviewed and assessed the Group's risk management framework.
5. Monitored management's implementation of audit recommendations and provided updates to the AC.
6. Carried out an internal review on common sustainability indicators and reported the findings to the Board.

The total cost incurred for the internal audit function in FYE2024 was RM24,000.

The AC is satisfied that the internal audit function is independent, adequately resourced, and effective in assisting the AC and the Board in discharging their responsibilities.

### 6. Conclusion

The AC remains committed to ensuring transparency, accountability, and good governance within the Group. The Board acknowledges the AC's contributions in strengthening the Group's financial integrity, risk management, and internal control framework.

This report was approved by the AC on 21 April 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of Leader Steel Holdings Berhad ("the Company") is responsible for maintaining a sound system of internal control and risk management in the Company and its subsidiaries (collectively "the Group"). The Board is pleased to present the following Statement on Risk Management and Internal Control ("Statement") pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Principle B of the Malaysian Code on Corporate Governance ("the Code"), and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This statement outlines the nature and scope of risk management and internal control systems of the Group during the financial year ended 31 December 2024 ("FYE2024").

## A. BOARD RESPONSIBILITY

The Board acknowledges its responsibility for the adequacy and effectiveness of the Group's risk management and internal control system to achieve its business objectives.

The Board has in place an ongoing process for identifying, evaluating, and managing significant risks encountered by the Group. The Board, through its Audit Committee ("AC"), reviews the results of this process. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

However, as the risk management and internal control system is designed to mitigate, rather than eliminate, the risk of failure in achieving the business objectives, it provides reasonable but not absolute assurance against material misstatement of financial information or losses, contingencies, fraud, or any irregularities.

## B. MANAGEMENT RESPONSIBILITY

Management is responsible for implementing the Group's policies and procedures on risk management and internal control to:

1. Identify risks relevant to the Group's business and the achievement of objectives and strategies.
2. Design, implement, and oversee the Risk Management Framework ("Framework") to align with the Group's strategic vision and overall risk tolerance, while continuously monitoring its effectiveness.
3. Recognise any changes in risk or emerging risks, take necessary steps as appropriate, and promptly inform the Board.

## C. RISK MANAGEMENT FRAMEWORK

The Board, with the assistance of an independent professional firm, has established a Framework aligned with the Group's risk appetite. Under the Framework:

1. Risk Management Committee ("RMC"), comprising senior management, has been formed to oversee risk management and internal control processes.
2. RMC is responsible for reviewing risk assessments, controls, and mitigation strategies and reporting to the AC.
3. The Group has implemented a structured risk management process, which includes:
  - Identifying Risks: Recognising potential events that could impact business objectives at strategic, operational, reporting, or compliance levels.
  - Evaluating Risks: Assessing identified risks based on impact and likelihood.
  - Managing Risks: Implementing control strategies, conducting periodic reviews, and ensuring corrective actions are effective.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### D. KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group's internal control framework is embedded within its operations, providing a structured approach to managing risks. Key elements include:

1. Diligent review by the Board and AC of quarterly financial results and management explanations for significant deviations.
2. Review by the AC of risk management reports and deliberation on key risks affecting the Group.
3. A clear organizational structure defining lines of responsibility and delegation of authority.
4. A structured hierarchical reporting process to ensure accountability.
5. Policies and procedures covering:
  - Health and safety
  - Training and development
  - Equal opportunity
  - Staff performance and disciplinary actions.

### E. INTERNAL AUDIT FUNCTION

The Group's internal audit function, outsourced to an independent professional services firm, provides an independent assessment of the adequacy and effectiveness of the Group's internal control system. During the financial year under review:

1. The internal audit plan was approved by the AC.
2. Internal audits were conducted on key areas such as:
  - Revenue
  - Accounts receivable and credit control
  - Purchasing
  - Accounts payable and payments
  - Recurrent related party transactions
3. The internal audit team reviewed sustainability-related indicators and reported findings to the Board.
4. Follow-up reviews ensured implementation of recommendations from previous audits.
5. Internal audit reports were presented to the AC, and findings were discussed during AC meetings, with key discussions documented for Board review.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### F. BOARD'S REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROLS

During the year, the Board reviewed the adequacy and effectiveness of risk management and internal control systems through:

1. Discussions on the Group's strategic and operational matters during Board meetings.
2. Review of quarterly and annual financial reports before public announcements.
3. Consideration of risk management reports from the RMC.
4. Assessment of internal audit findings and implementation progress.
5. Review of external audit results and discussions with external auditors.

### G. ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Chief Financial Officer cum Business Controller that the Group's risk management and internal control system has been operating adequately and effectively during the financial year under review up to the date of this statement.

### H. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the external auditors reviewed this Statement and confirmed that nothing has come to their attention that causes them to believe that this Statement is not prepared in accordance with applicable guidelines.

### I. SUSTAINABILITY STATEMENT

The Sustainability Statement has been prepared in accordance with Bursa Malaysia's Listing Requirements, with reference to Practice Note 9 of the MMLR, Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), the Illustrative Sustainability Report, and the Code.

This ensures transparency in reporting sustainability-related risks and opportunities, demonstrating the Group's commitment to responsible business practices.

### J. CONCLUSION

The Board is confident that the Group's risk management and governance framework, supported by a sound internal controls framework, has been effective in safeguarding the Group's assets, shareholders' investments, and the interests of stakeholders during FYE2024. The Board remains committed to continuous improvement of the risk management, internal control, and governance framework to ensure ongoing effectiveness.

This Statement was approved by the Board on 21 April 2025.

# SUSTAINABILITY REPORT

## About This Report

Leader Steel Holdings Berhad and its subsidiaries ("LSH" or "the Group") are pleased to present our Annual Sustainability Statement ("SS" or "the Statement") for the financial year ended 31 December 2024 ("FYE2024"). This Statement provides a comprehensive overview of the Group's sustainability performance for the period from 1 January 2024 to 31 December 2024, unless otherwise specified.

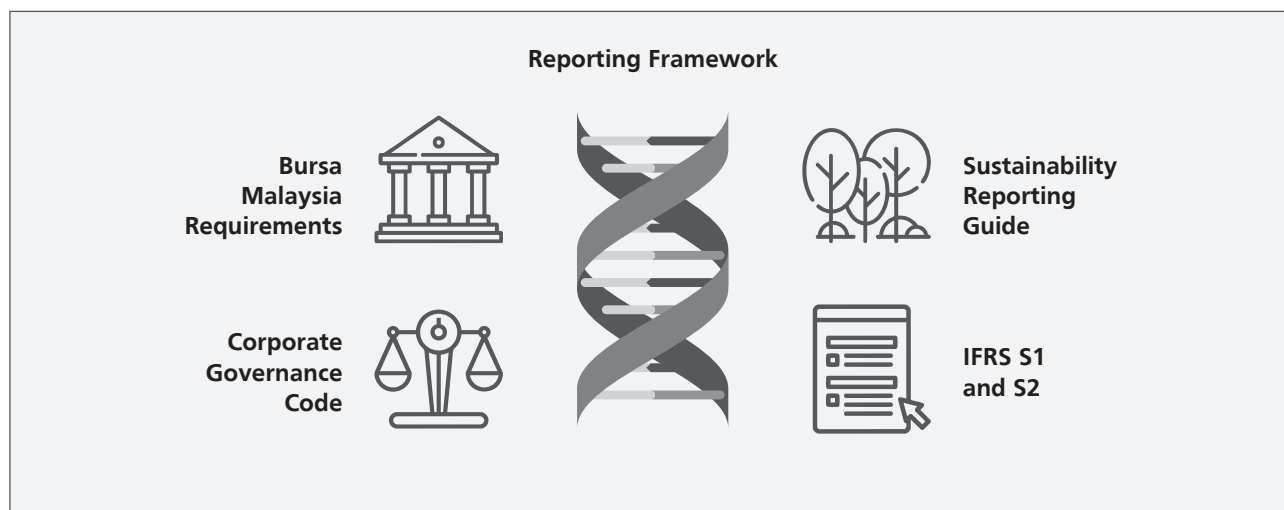
## Scope and Coverage

This Statement focuses on the Group's sustainability performance and the progress of our business operations in Malaysia, which form the core of our business activities.

## Reporting Frameworks and Standards

This Statement has been prepared in accordance with Bursa Malaysia's Listing Requirements, with reference to Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), the Illustrative Sustainability Report, and the Malaysian Code on Corporate Governance.

We are also committed to aligning with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) in accordance with the latest Practice Note 9 and 9A. As part of our dedication to transparent and accountable reporting, we are actively working to collect and disclose relevant sustainability-related financial information, with full disclosure targeted for financial year 2025 ("FY2025").



## Statement of Assurance

All data presented in this report has been internally sourced and verified by the respective data owners. This Statement has undergone a thorough review by the Sustainability Committee and the Board of Directors, who confirm that the information accurately reflects the Group's sustainability impacts for the reporting period. To further enhance the credibility of this Sustainability Report, selected sections have been subjected to an internal review and approved by the company's internal auditor.

## Engaging with Stakeholders

Creating long-term value for our stakeholders is a key priority, and we believe that understanding stakeholder expectations is vital to our sustainability efforts. To gauge stakeholder understanding and needs regarding our sustainability initiatives, we regularly send out a Sustainability Questionnaire.

## Feedback on the Report

Your feedback is essential in helping us improve, and we welcome suggestions and comments from all stakeholders. For any inquiries or feedback, please contact us at [info@leadersteel.my](mailto:info@leadersteel.my).

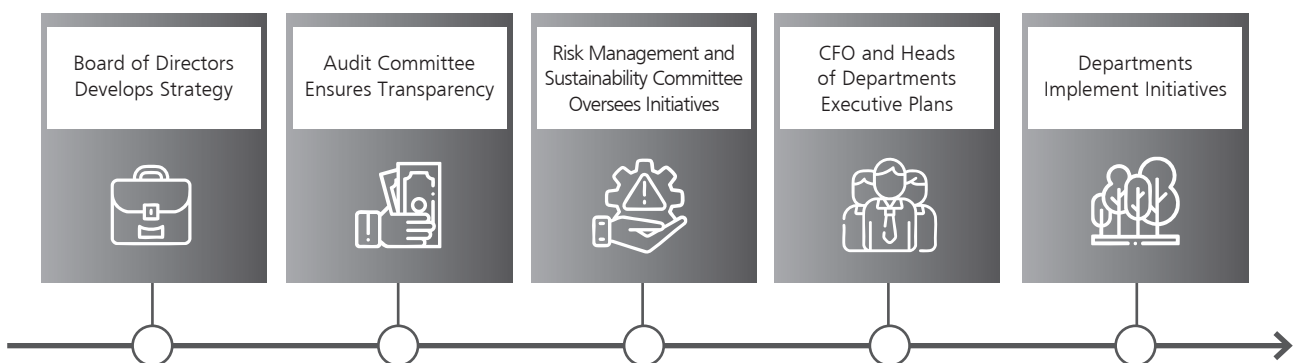
## SUSTAINABILITY REPORT (CONT'D)

### Governance Structure

LSH is committed to maintaining the highest standards of corporate governance across the organization, ensuring that integrity, transparency, and accountability are reflected in our operations. Guided by our governance framework, as outlined in the Board Charter and key policies, we strive to safeguard our reputation and enhance long-term shareholder value.

The Board of Directors leads the development of the Group's sustainability strategy, ensuring that sustainability is fully integrated into the business's overall direction. The Audit Committee supports the Board by ensuring the accuracy and transparency of the Group's financial reporting and audit processes, with a focus on sustainability. The Risk Management and Sustainability Committee is responsible for overseeing the implementation of sustainability initiatives and evaluating associated risks and opportunities throughout the organization. This committee ensures that the Group's sustainability strategy aligns with long-term business growth and objectives, implements sustainability initiatives in accordance with Board-approved strategies, and regularly reviews and evaluates sustainability policies and other related matters.

Meanwhile, the CFO and Heads of Departments are responsible for executing sustainability plans and reporting on Key Sustainability Indicators. Day-to-day implementation of sustainability initiatives is carried out by relevant departments (working group), which play a critical role in driving initiatives that align with our sustainability objectives and contribute to overall performance. This governance structure enables LSH to cultivate a robust culture of sustainability, embedding environmental, social, and governance principles into our business operations and decision-making processes.



### Stakeholder Engagement

The Board recognizes that the Group's Directors can enhance their progress on the sustainability journey through effective collaboration with stakeholders. The Group is committed to engaging continuously with stakeholders to identify and address their concerns. Our goal is to improve the company's approach to stakeholder engagement by carefully identifying sustainability stakeholders as outlined below.

Key Stakeholders	Engagement platforms	Area of interest or concerns	Our response
<b>Shareholders and Potential Investors</b>	<p><u>As needed</u></p> <ul style="list-style-type: none"> <li>Corporate Announcements</li> </ul> <p><u>Ongoing</u></p> <ul style="list-style-type: none"> <li>Company website</li> </ul> <p><u>Quarterly</u></p> <ul style="list-style-type: none"> <li>Quarterly financial results and announcements</li> </ul> <p><u>Annually</u></p> <ul style="list-style-type: none"> <li>Annual Report</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operation performance</li> <li>Key corporate developments</li> <li>Dividends</li> <li>Protection of asset values</li> <li>Transparency &amp; Corporate Governance</li> <li>Sustainable growth</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>To safeguard the shareholder' interest</li> <li>To attract potential investors with enhance corporate value</li> </ul>

## SUSTAINABILITY REPORT (CONT'D)

### Stakeholder Engagement (Cont'd)

Key Stakeholders	Engagement platforms	Area of interest or concerns	Our response
<b>Employees</b>	<u>As needed</u> <ul style="list-style-type: none"> <li>Workshops and training courses</li> <li>Employee engagement activities</li> </ul> <u>Ongoing</u> <ul style="list-style-type: none"> <li>Internal communication</li> </ul> <u>Annually</u> <ul style="list-style-type: none"> <li>Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Employee welfare</li> <li>Workplace safety and health</li> <li>Career growth and training opportunities</li> <li>Operation in compliance with applicable laws and standards</li> </ul>	<ul style="list-style-type: none"> <li>To provide a safe and conducive workplace with good welfare and employment opportunities</li> <li>To retain and attract talented employees</li> </ul>
<b>Customers</b>	<u>Ongoing</u> <ul style="list-style-type: none"> <li>Feedback forms</li> <li>Meetings and business communication</li> <li>Company website</li> <li>Other channel including email and customer service hotline</li> </ul> <u>Annually</u> <ul style="list-style-type: none"> <li>Satisfactory survey</li> </ul>	<ul style="list-style-type: none"> <li>Quality, reliability, and pricing of products</li> <li>Timely delivery</li> <li>Customers' satisfaction</li> <li>Safety and security</li> <li>Sustaining long-term relationship</li> </ul>	<ul style="list-style-type: none"> <li>To create stronger market integrity</li> <li>To build long-term sustainable relationships with customers</li> </ul>
<b>Suppliers</b>	<u>As needed</u> <ul style="list-style-type: none"> <li>Meetings</li> </ul> <u>Ongoing</u> <ul style="list-style-type: none"> <li>Transparent procurement process</li> </ul> <u>Annually</u> <ul style="list-style-type: none"> <li>Supplier performance assessment</li> </ul>	<ul style="list-style-type: none"> <li>Quality, reliability, and pricing of products</li> <li>Sustaining long-term relationship</li> </ul>	<ul style="list-style-type: none"> <li>To drive sustainability across the supply chain</li> <li>To build long-term relationships with suppliers</li> </ul>
<b>Government and Regulators</b>	<u>As needed</u> <ul style="list-style-type: none"> <li>Participate in government-organised training programme</li> </ul> <u>Annually</u> <ul style="list-style-type: none"> <li>Annual and sustainability reports</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Labour practices</li> <li>Compliance and adherence to security and safety standards</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all our business operations comply with the statutory and regulatory requirement.</li> </ul>
<b>Local Communities</b>	<u>Ongoing</u> <ul style="list-style-type: none"> <li>Participate in community programme</li> <li>Financial contribution</li> </ul>	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Job opportunity</li> <li>Corporate Social Responsibility ("CSR")</li> </ul>	<ul style="list-style-type: none"> <li>To create positive impacts among communities where we operate our business</li> </ul>

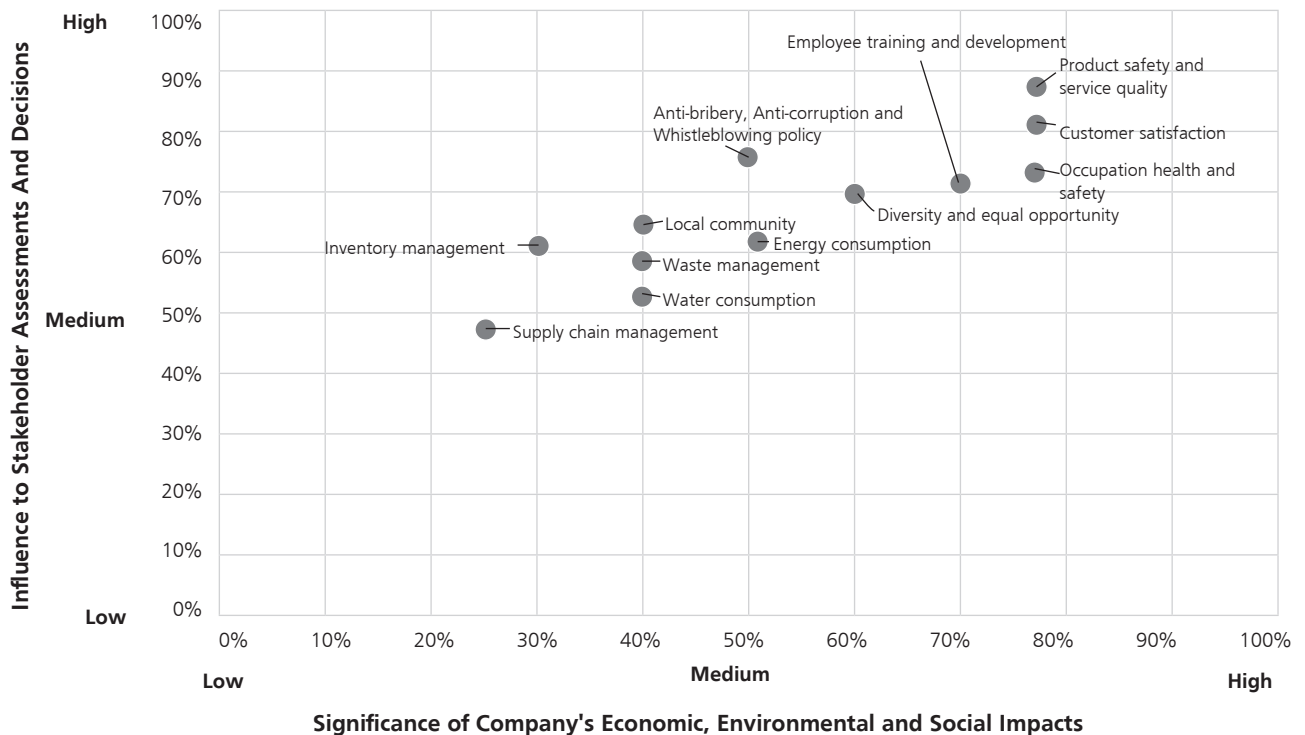
# SUSTAINABILITY REPORT (CONT'D)

## Material Matters

We recognize that material issues can impact our ability to create sustainable value for stakeholders, both directly and indirectly. In financial year 2024 ("FY2024"), we conducted a comprehensive materiality assessment, which included a survey of key internal and external stakeholders. The goal was to understand and appropriately address their interests and concerns. Below is an outline of our materiality assessment process.

Identification	Prioritisation	Review & Validation
<ul style="list-style-type: none"> <li>Relevant sustainability matters are identified through a full materiality assessment, which involves both internal and external stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Relevant material sustainability matters that have been identified are then consolidated and prioritized based on their significance to Group business operations and importance to stakeholders.</li> <li>A total of 12 material matters have been prioritized in our materiality matrix.</li> </ul>	<ul style="list-style-type: none"> <li>We ensure that the outcome of the materiality assessment undertaken is reviewed, validated, and approved for the materiality matrix by the Risk Management and Sustainability Committee and the Board of Directors.</li> </ul>

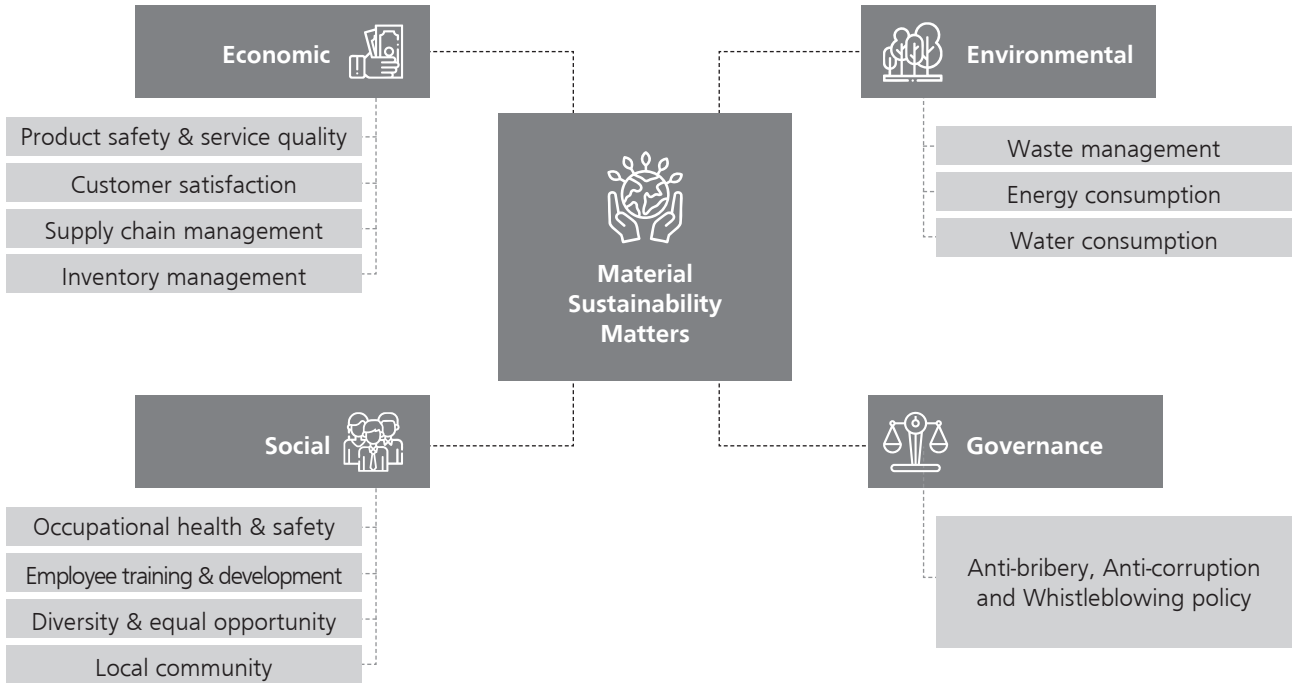
**Materiality Matrix**





# SUSTAINABILITY REPORT (CONT'D)

## Material Matters (Cont'd)



### Sustainability Factors

<b>Economic Factors</b>	Key elements affecting economic performance.
<b>Environmental Factors</b>	Aspects related to ecological impact and resource use.
<b>Social Factors</b>	Elements influencing social responsibility and community engagement.
<b>Governance Factors</b>	Policies ensuring ethical management and compliance.

## SUSTAINABILITY REPORT (CONT'D)

### Risk Management

Recognising material issues is essential for shaping our strategy, enabling us to recognize both risks and opportunities. By fully understanding their importance, we can set future targets and develop action plans to mitigate risks and capitalize on opportunities.

Materiality Matters	Risks	Opportunities
<b>Economic</b>		
Product safety and service quality	<ul style="list-style-type: none"> <li>Consumer harm</li> <li>Regulatory compliance risks</li> <li>Negative publicity</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer satisfaction</li> <li>Enhanced brand trust</li> </ul>
Customer satisfaction	<ul style="list-style-type: none"> <li>Unmet expectations</li> <li>Loss of customers</li> <li>Declining customer loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Improved retention</li> <li>Increased revenue</li> <li>Brand loyalty and advocacy</li> </ul>
Supply chain management	<ul style="list-style-type: none"> <li>Underperforming vendors</li> <li>High reliance on key suppliers</li> <li>Supply chain disruptions</li> </ul>	<ul style="list-style-type: none"> <li>Improved supplier and vendor relationship</li> <li>Ability to meet and maintain standards towards environmental, social and governance aspects</li> </ul>
Inventory management	<ul style="list-style-type: none"> <li>Stockouts or overstocking</li> <li>Inefficient turnover</li> </ul>	<ul style="list-style-type: none"> <li>Optimizing inventory levels</li> <li>Improved forecasting</li> </ul>
<b>Environmental</b>		
Waste management	<ul style="list-style-type: none"> <li>Regulatory compliance risks</li> <li>Environmental impact</li> <li>Rising operational costs</li> </ul>	<ul style="list-style-type: none"> <li>Minimising waste generation</li> <li>Reducing the use of non-renewable resources</li> <li>Cost saving benefits</li> </ul>
Energy consumption	<ul style="list-style-type: none"> <li>Volatile energy prices</li> <li>Regulatory compliance risks</li> <li>Negative environmental footprint</li> </ul>	<ul style="list-style-type: none"> <li>Enhance energy efficiency improvements</li> <li>Increased adoption of renewable energy adoption</li> <li>Technological innovations in energy management</li> <li>Cost reduction through sustainable practices</li> </ul>
Water consumption	<ul style="list-style-type: none"> <li>Rising operational costs</li> <li>Regulatory compliance risks</li> <li>Environmental sustainability concern</li> </ul>	<ul style="list-style-type: none"> <li>Improve water efficiency</li> <li>Implementation of water recycling and reuse</li> </ul>
<b>Social</b>		
Occupational health and safety	<ul style="list-style-type: none"> <li>Workplace accidents and injuries</li> <li>Regulatory compliance risks</li> <li>Employee mental health concern</li> </ul>	<ul style="list-style-type: none"> <li>Stronger safety culture</li> <li>Implementation of health and wellness programs</li> <li>Improve well-being and productivity</li> </ul>
Employee training and development	<ul style="list-style-type: none"> <li>Lack of competent or skilled employees</li> <li>Difficulty in retaining talent</li> </ul>	<ul style="list-style-type: none"> <li>Upskilling and professional growth</li> <li>Career advancement opportunities</li> <li>Attraction of talent</li> </ul>
Diversity and equal opportunity	<ul style="list-style-type: none"> <li>Lack of competent or skilled employees</li> <li>Challenges in attracting diverse talent</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced innovation</li> <li>Attracting top talent</li> <li>Better decision-making</li> </ul>
Local community	<ul style="list-style-type: none"> <li>Regulatory compliance requirements</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced corporate reputation</li> <li>Engaging local communities for sustainable development</li> <li>Commitment to CSR</li> </ul>
<b>Governance</b>		
Anti-bribery, Anti-corruption and Whistleblowing Policy	<ul style="list-style-type: none"> <li>Weak corporate governance leading to LSH's reputation and credibility risk</li> <li>Lack of training and awareness on ethical practices</li> <li>Risk of retaliation against whistleblowers</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing trust and credibility among stakeholders</li> <li>Strengthening corporate governance practices</li> <li>Enhancing trust and credibility among stakeholders</li> </ul>

## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Framework

Our sustainability initiatives are built around four key focus areas: Economic, Environmental, Social, and Governance. These areas serve as the foundation for our Group-wide sustainability practices and shape the key topics addressed in this statement.

We have also aligned these pillars with the United Nations Sustainable Development Goals (UN SDGs), in line with the principles of the Dairy Declaration of Rotterdam, which acknowledges the UN SDGs as the guiding framework for the steel industry's sustainable development goals by 2030.



## SUSTAINABILITY REPORT (CONT'D)

### Performance Scorecard

Below are our key targets and progress to date:

Focus Areas	Materiality Matters	Targets	Progress Against Targets
Economic	Product safety and service quality	<ul style="list-style-type: none"> <li>To ensure no major rejection reported.</li> </ul>	<ul style="list-style-type: none"> <li>No major rejection</li> </ul>
	Customer satisfaction	<ul style="list-style-type: none"> <li>Achieve at least 90% for customer satisfaction survey score annually</li> </ul>	<ul style="list-style-type: none"> <li>89%</li> </ul>
	Supply chain management	<ul style="list-style-type: none"> <li>70% of spending on local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>40%</li> </ul>
Environment	Waste management	<ul style="list-style-type: none"> <li>To ensure schedule waste properly handled</li> </ul>	<ul style="list-style-type: none"> <li>Total schedule waste disposed was 550KG on contaminated rags &amp; gloves, 704.51MT on metal scrap and 510KG on general waste</li> </ul>
	Energy consumption	<ul style="list-style-type: none"> <li>Maintain the electricity consumption to 1% of total revenue (activity based)</li> </ul>	<ul style="list-style-type: none"> <li>Electricity consumption is 0.4% of total revenue.</li> </ul>
	Water consumption	<ul style="list-style-type: none"> <li>Maintain the water consumption to 1% of total revenue (activity based)</li> </ul>	<ul style="list-style-type: none"> <li>Water consumption is 0.01% of total revenue.</li> </ul>
Social	Occupational health and safety	<ul style="list-style-type: none"> <li>Achieve annual targets as follows:               <ol style="list-style-type: none"> <li>Zero fatalities</li> <li>Less than 10 accident cases</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities</li> <li>3 accidents reported</li> </ul>
	Employee training and development	<ul style="list-style-type: none"> <li>Achieving 10 average training hours per employee per year</li> <li>Allocate a budget of RM20,000 for training and development</li> </ul>	<ul style="list-style-type: none"> <li>An average of 10.75 training hours per employee per year</li> <li>A total of RM59,787 was spent for training in FY2024</li> </ul>
	Diversity and equal opportunity	<ul style="list-style-type: none"> <li>At least 1 female at Board level</li> <li>Achieve percentage of gender ratio 70% male and 30% female for all levels</li> </ul>	<ul style="list-style-type: none"> <li>2 female directors at the Board level</li> <li>24% of all employees are female</li> </ul>
	Local community	<ul style="list-style-type: none"> <li>Achieve 1 community engagement activity</li> <li>Allocate a budget of RM15,000 in community engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>A total of RM34,315 was spent for community activities in FY2024</li> <li>7 financial contribution or donation to charitable organisation or events in FY2024</li> </ul>
Governance	Anti-bribery, Anti-corruption and Whistleblowing policy	<ul style="list-style-type: none"> <li>Zero corruption and bribery cases</li> <li>30% of employees who received training on anti-corruption, including all key personnel</li> <li>A briefing provided to all new staff upon joining the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Zero reported cases of corruption or bribery in FY2024.</li> <li>All directors, 65% of management-level employees, and 5% of executive-level employees received anti-corruption training</li> <li>All new staff received an anti-corruption briefing.</li> </ul>





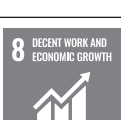


## SUSTAINABILITY REPORT (CONT'D)

### Sustainable Development Goals

We are fully committed to supporting the United Nations Sustainable Development Goals (UNSDG) for 2030, which aim to inspire communities, businesses, and governments to collaborate in creating a better future for all.



In FYE 2024, we identified the most relevant United Nations SDGs for our organization by aligning them with our material matters, business strategies, key risks, stakeholder expectation, and community impact.



Sustainable Development Goals	Materiality Matters	Key Stakeholders Impacted
	<ul style="list-style-type: none"> <li>Safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Shareholders and investors</li> <li>Government and regulatory</li> </ul>
	<ul style="list-style-type: none"> <li>Training and development</li> <li>Local community</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Shareholders and investors</li> <li>Customers</li> <li>Community</li> </ul>
	<ul style="list-style-type: none"> <li>Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Government and regulatory</li> <li>Customers</li> <li>Community</li> </ul>
	<ul style="list-style-type: none"> <li>Energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Customers</li> <li>Government and regulatory</li> <li>Employees</li> <li>Community</li> </ul>
	<ul style="list-style-type: none"> <li>Training and development</li> <li>Occupational health and safety</li> <li>Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Government and regulatory</li> <li>Customers</li> <li>Community</li> </ul>
	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Inventory management</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Customers</li> <li>Supplier</li> <li>Employees</li> <li>Government and regulatory</li> </ul>
	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Inventory management</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Customers</li> <li>Supplier</li> <li>Employees</li> <li>Government and regulatory</li> </ul>

# SUSTAINABILITY REPORT (CONT'D)

## Sustainable Development Goals (Cont'd)

Sustainable Development Goals	Materiality Matters	Key Stakeholders Impacted
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>Waste management</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Customers</li> <li>Government and regulatory</li> <li>Employees</li> <li>Community</li> </ul>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>Anti-bribery, Anti-corruption and Whistleblowing policy</li> <li>Data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Customers</li> <li>Supplier</li> <li>Employees</li> <li>Government and regulatory</li> </ul>

## Sustainability Management

### Economic

#### 1. Product safety and service quality

##### Why is this important?

Product safety and service quality are crucial for LSH's success and reputation. Ensuring product safety builds consumer trust and mitigates legal risks, while high service quality enhances customer satisfaction and loyalty. Prioritizing these aspects also strengthens employee engagement and morale. A strong commitment to safety and quality enables LSH to adapt to evolving consumer expectations and drive long-term brand loyalty, and maintain a competitive edge in the market.

##### Our approach

At LSH, we uphold the highest quality and safety to protect our brand and enhance customer retention. Our products comply with both national and international standards, ensuring they are safe for their intended applications. Two (2) of our active steel manufacturing facilities, Bukit Tengah and Sarawak, have successfully retained ISO 9001:2015 certification in FY2024, demonstrating our ongoing commitment to quality management. We maintain strict compliance with established quality standards, industry certifications and accreditations, reinforcing our dedication to delivering high-quality products. This focus on quality excellence supports our operational efficiency and helps us meet the evolving needs of our customers.

##### Our Performance

We are proud to report that there were no major incidents, including product recalls, related to health and safety issues across our products and services in FY2024.

#### 2. Customer satisfaction

##### Why is this important?

Customer satisfaction is crucial for LSH shaping its reputation and trust. A strong quality reputation fosters customer loyalty and repeat business, ensuring stable revenue. Satisfied customers provide referrals, creating new opportunities, while consistently meeting quality expectations differentiates LSH from competitors. Ultimately, high customer satisfaction strengthens relationships and drives sustained growth.

##### Our approach

We conduct an annual customer satisfaction survey to evaluate client experience and gather valuable feedback. Our goal is to continuously improve our ratings while maintaining a high level of customer satisfaction. This commitment to feedback enables us to identify areas for improvement and better meet our customers' evolving needs.

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Economic (Cont'd)

#### 2. Customer satisfaction (Cont'd)

##### Our Performance

Achieved an 89% customer satisfaction rate for product quality and service delivery in FY2024.

Year	Customers' Satisfaction Rate
2024	89%

#### 3. Supply chain management



##### Why is this important?

At LSH, we recognize that our supply chain plays a crucial role in our overall sustainability efforts. We are committed to ensuring that our procurement practices not only support our business objectives but also contribute to the well-being of society and the environment.

##### Our approach

##### Local Sourcing and Partnerships

We prioritise local sourcing to support the domestic economy while recognizing the importance of global partnerships in meeting our business needs. However, challenges such as the lack of local mills for Hot Rolled coils, our primary raw material, has necessitated increased overseas sourcing. Moving forward, we are actively exploring opportunities to diversify our local supplier base and strengthen partnerships with businesses that share our values of sustainability and ethical practices.

##### Responsible Procurement

Our procurement practices are guided by principles of sustainability, ethicality, and transparency. We carefully evaluate the sustainability practices and compliance records of all our suppliers, ensuring our supply chain remains free from exploitation and environmental harm, aligning with our commitment to environmental and social well-being. Through responsible procurement, we mitigate risks, foster a more sustainable value chain, and meet the evolving expectations of our customers and stakeholders.

##### Engagement and Collaboration

We recognize that sustainability is an ongoing journey, and we are committed to foster engagement and collaboration throughout our supply chain. We actively work with our suppliers, employees, and stakeholders to identify opportunities for improvement and innovation, driving positive change across our value chain and building a more sustainable future for all.

By integrating sustainability principles into our supply chain management and strengthening collaboration, we are not only ensuring our long-term business success but also contribute to a more sustainable and equitable future for everyone.

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Economic (Cont'd)

#### 3. Supply chain management (Cont'd)

##### Our performance

In 2024, an average of 40% of our raw material suppliers were based in Malaysia, demonstrating our commitment to nurturing local businesses.

Year	Proportion of spending on local suppliers
2023	26%
2024	40%

#### 4. Inventory management



##### Why is this important?

Effective inventory management is essential for controlling costs, ensuring products are available to meet demand, and optimizing cash flow. It prevents overstocking or shortages, reduces waste, and supports smooth operations. Strong inventory control also enhances supplier coordination, mitigates risks, and ensures regulatory compliance. Ultimately, it boosts efficiency, profitability, and customer satisfaction.

##### Our approach

LSH is transitioning from a paper-based system to an in-house barcoding solution to modernize our inventory management, streamline processes, and improve inventory control. Real-time data insights will enable data-driven decision-making, reducing cost and, improving order fulfillment speed and customer satisfaction.

We are confident that the phased implementation of barcoding will contribute to a more efficient and responsive inventory system, strengthening our ability to meet customer demands and optimize operational performance.

##### Our performance

No management data were collected for FY2024 due to the ongoing system transition.

## Environmental

#### 5. Waste management



##### Why is this important?

At LSH, we are committed to integrate sustainable practices into every aspect of our steel pipe manufacturing operations. Our waste management strategies are carefully designed to minimize environmental impact while maximizing resource efficiency. This report outlines our approach to waste management and reinforces our dedication to continuous improvement and sustainability.



## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

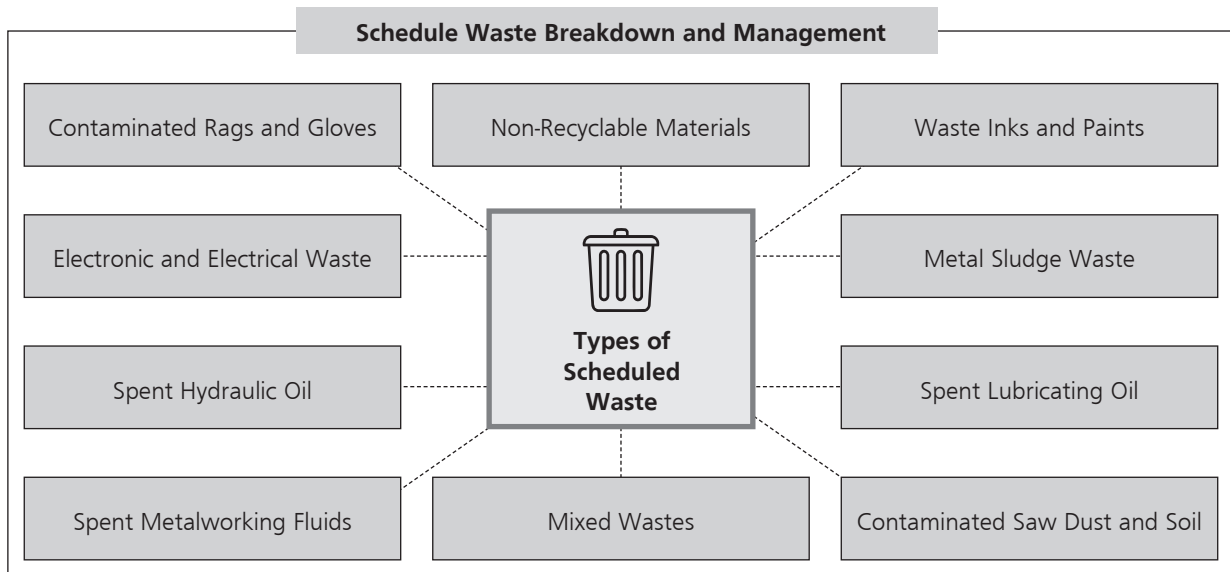
#### Environmental (Cont'd)

#### 5. Waste management (Cont'd)

##### Our Approach

Reusing and recycling waste are essential for a sustainable environment and cost reduction, benefiting both the environment and our stakeholders. Our waste management strategy focuses on:

- **Dedicated Team:** A specialized team ensures that scheduled waste is managed in strict compliance with all regulations, supporting a safe and eco-friendly workplace.
- **Pollution Prevention:** We identify scheduled waste for proper disposal to prevent pollution, thus protecting both the environment and local communities.
- **Compliance and Training:** All industrial waste is managed in accordance with the Environmental Quality (Scheduled Wastes) Regulation 2005 and employees receive training on proper waste handling practices. We are fully committed to compliance with the Environmental Quality Act 1994 (EQA), and in FY2024, none of our subsidiaries faced penalties for EQA non-compliance.



## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

#### Environmental (Cont'd)

#### 5. Waste management (Cont'd)

##### Our Approach (Cont'd)

Our waste management system addresses various waste streams generated throughout the production process. Below is a breakdown of each waste type and its specific handling methods:

Waste Code	Description	Sources	Packaging	Hazards	Method of Control
<b>SW110</b>	Electronic and Electrical Waste	Electronic control systems, office equipment	Dismantled and sorted for recycling	Hazardous materials like mercury and lead	Certified e-waste recyclers
<b>SW204</b>	Metal Sludge Waste	Steel processing	Collected in sealed containers	Heavy metals	Recovery of valuable metals
<b>SW305</b>	Spent Lubricating Oil	Machinery, forklifts, maintenance	Stored in sealed drums	Soil and water contamination	Approved vendors for re-refining
<b>SW306</b>	Spent Hydraulic Oil	Hydraulic systems, machinery maintenance	Stored in designated containers	Risks to aquatic life	Re-refining
<b>SW307</b>	Spent Metalworking Fluids	Machining processes	Closed-loop system	Environmental pollution	Reuse and filtration
<b>SW408</b>	Contaminated Saw Dust and Soil	Cleanup of machinery leaks and spills	Controlled disposal bins	Fire risk, soil contamination	Used as fuel supplement
<b>SW410</b>	Contaminated Rags and Gloves	Maintenance, cleaning	Designated waste bins	Health risks	Specialized waste management
<b>SW417</b>	Waste Inks and Paints	Marking and painting operations	Sealed containers	Volatile organic compounds (VOCs)	Recycling or disposal at specialized facilities
<b>SW422</b>	Mixed Wastes	Metal cutting, empty aerosols, mother coil slitting	Sorted and packaged	Varies by composition	Systematic sorting and recycling
<b>General Waste</b>	Non-recyclable materials	Office and production waste	Compacted and bagged	Landfill volume	Waste reduction programs

## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

#### Environmental (Cont'd)

#### 5. Waste management (Cont'd)

##### Our Approach (Cont'd)

During the financial year, a total of 550 kilograms (0.5 metric tons) of SW410 – contaminated rags and hand gloves was generated as waste. To ensure proper handling and disposal in compliance with environmental regulations, the waste was disposed. This reflects company's commitment to responsible waste disposal and adherence to sustainability practices. For Sarawak branch, the company generated 261.58 metric tons (MT) of SW422 – metal scrap as part of the waste management initiatives. This approach reflects LSH's commitment to sustainability by responsibly managing recyclable materials. For Penang branch, company sold scrap irons for total of 442.93 MT of scrap. Total scrap sold during the year was amounted to 704.51MT. For general waste, the company took a proactive approach to manage general waste by separating recyclable materials and ensuring the materials are responsibly handled. A total of 178 kilograms (KG) of carton boxes, 150 KG of paper and mixed waste and 182 KG of recycled old newspapers were collected and disposed. These efforts highlight LSH's dedication to sustainable waste management practices, emphasizing recycling and collaboration with recycle center to minimize landfill volume.

##### Key Activities and Initiatives

To support our waste management strategies, we have implemented a range of initiatives designed to reduce waste, promote resource efficiency and strengthen our sustainability practices:

- **Scrap Metal Recovery:** Our extensive scrap metal recovery program reduces the need for raw material extraction and minimize waste from metal processing.
- **Energy Efficiency:** Our facilities are equipped with energy-efficient technologies, which significantly lowers our carbon footprint. By integrating advanced machinery, we ensure that our processes consume less energy while maintaining high production output.
- **Water Conservation:** We have implemented water recycling systems across our facilities. These systems allow us to reuse water in cooling and production processes, helping to conserve this vital resource and reduce our environmental impact.
- **Waste Reduction Programs:** Our company-wide waste reduction programs focus on minimizing general waste and optimise raw material usage. These programs are regularly reviewed and updated to ensure they meet the highest standards of resource efficiency.
- **Partnerships with Certified Recyclers:** We collaborate with certified recyclers to ensure hazardous waste is handled in accordance with regulations and is recycled or disposed of in an environmentally friendly manner.
- **Employee Training:** Regular training programs to educate employees on waste segregation, proper disposal practices, and compliance with waste management policies fostering a culture of sustainability.
- **Continuous Improvement:** We remain committed to continually improving our waste management practices through ongoing research, advanced recycling techniques and innovative waste reduction methods to reduce the volume of waste send to landfills.

##### Our Commitment to the Future

LSH is committed to aligning our waste management efforts with industry standards and environmental regulations. We recognize that sustainability is an ongoing journey, and we set ambitious goals for the future, including

- **Zero Waste to Landfill:** We aim to eliminate landfill waste by increasing recycling rates, reusing materials, and continuously improving our waste handling processes.
- **Enhanced Recycling:** Through partnering with leading recycling companies and investment in advanced technologies, we are committed to significantly increasing the amount of waste we recycle each year.

Through integrating these initiatives, LSH is not only producing high-quality steel pipes but also contributing to a more sustainable future for our planet. We believe that responsible waste management is key to building a resilient and environmentally friendly steel manufacturing industry.

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Environmental (Cont'd)

#### 6. Energy consumption



#### Why is this important?

Energy consumption significantly impacts our environmental footprint and operational costs. Reducing energy use is essential to lower emissions, enhancing efficiency, and promoting sustainability. At LSH, responsible energy management is a priority, enabling us to minimize environmental impact, ensure regulatory compliance, and support long-term business sustainability.

#### Our approach

We are committed to improving energy efficiency by continuously investing in advanced, energy-saving technologies for our plant and machinery. Through diligently monitoring consumption, analyzing usage patterns, and identifying areas for optimization, we implement strategies such as routine maintenance to enhance equipment performance. The Group remains committed to ongoing energy conservation efforts.

#### Key Initiatives and Achievements:

- We have replaced all our lighting systems with energy-efficient LED technology and upgraded older equipment to more energy-saving models.
- We encourage employees to adopt energy-conscious practices, such as turning off unused lights and electrical supplies.
- Our facilities utilize translucent roofing to maximise natural daylight and reduce artificial lighting needs.
- As part of our sustainability efforts, we installed a 566.80-kilowatt peak (kWp) photovoltaic (PV) solar system on our headquarters' rooftop in October 2023. This investment in renewable energy is projected to generate an average of 800 megawatt hours (MWh) annually over the first three years.



## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

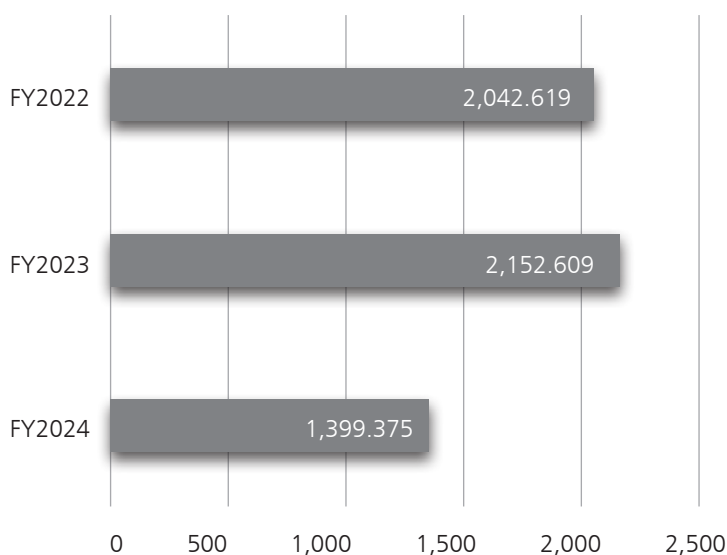
#### Environmental (Cont'd)

#### 6. Energy consumption (Cont'd)

##### Our performance

Our total energy consumption in FY2024 amounted to 1,399.375 MWh, reflecting a 34.99% reduction from 2,152.609 MWh in FY2023. The reason for the drop in consumption is the introduction of energy efficiency improvements in LSH. Various energy saving measures have been introduced to optimise consumption and reduce energy usage. The decline in energy consumption is a positive indicator of our energy management efforts and highlights the successful implementation of our sustainability initiatives.

**Electricity Consumption (MWh)**



#### 7. Water consumption

##### Why is this important?

At LSH, we prioritise efficient water management across our operations to minimize environmental impact and reduce costs.

Efficient water use is essential for sustaining operations, ensuring regulatory compliance, and preserving resources for future use. By prioritizing water conservation, we contribute to environmental sustainability while enhancing the efficiency of our manufacturing processes.

##### Our approach

We are dedicated to the responsible use of water resources by improving efficiency in water consumption. Our approach includes regular monitoring, evaluation, and prompt corrective measures when irregular patterns arise. We promote responsible water usage among staff and implement initiatives such as water-saving practices, water-efficient fittings, and regular maintenance checks to prevent leaks from faulty pipes or equipment. By reviewing our water consumption monthly, we strive to minimize usage across our offices and operations.

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

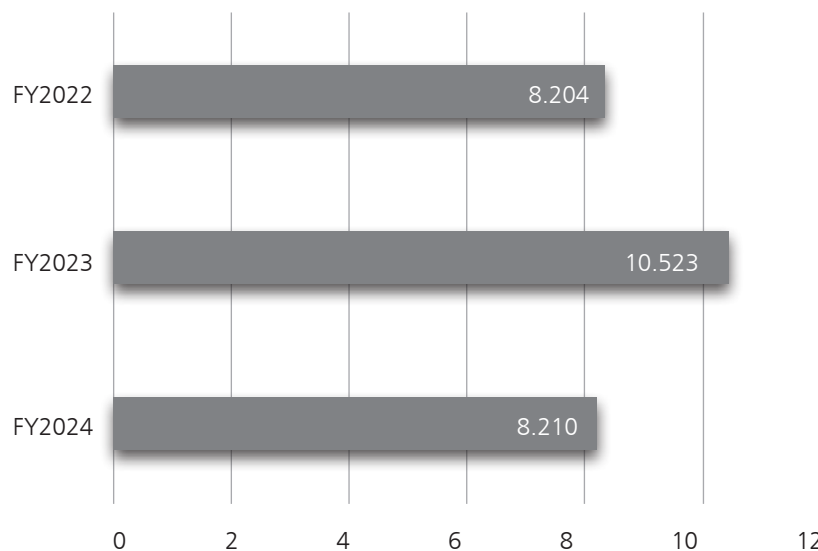
### Environmental (Cont'd)

#### 7. Water consumption (Cont'd)

##### Our performance

In FY2024, our water consumption was 8.210 megaliters reflecting a 21.98% reduction from 10.523 megaliters in FY2023. This improvement is contributed by the implementation of water saving initiatives and increased employee awareness of responsible water usage and water reduction. To further optimise water consumption, LSH conducts water usage audits to identify additional opportunity for reduction. The data highlights our ongoing efforts in FY2024 to enhance water efficiency, particularly in response to the higher usage recorded in FY2023 compared to FY2022.

**Water Consumption (Megaliter)**



#### 8. Carbon Emission

Aligned with PN9 and Bursa Malaysia guidelines, we collect and refine emissions data. This covers direct (Scope 1), purchased energy (Scope 2), and other indirect emissions (Scope 3). Despite challenges, we prioritize transparent reporting and improvement. Adhering to the GHG Protocol ensures consistency. Our goal: comprehensive emissions data in FY2025, with ongoing refinement.

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Social

#### 9. Occupational health and safety



#### Why is this important?

Our top priority is the health and safety of our employees across all our business operations. We are committed to creating a secure and supportive environment that prioritizes the prevention of injuries and illnesses. By upholding stringent safety standards, we aim to eliminate workplace hazards and safeguard our workforce's well-being. This commitment not only protects our employees but also enhances operational efficiency and productivity, as we believe fostering a culture of occupational health and safety excellence is vital for sustained success and long-term growth.

#### Our approach

By implementing safety guidelines, we create a hazard-free workplace that safeguard both our employees and the environment. All the Group's facilities fully comply with local Occupational Safety and Health ("OSH") regulations with no breaches identified in FY2024.

Key safety and health measures within the Group include:

- a) Guided by the Health, Safety, and Environment ("HSE") Policy, the Group is committed to ensuring the safety, health and environment well-being of all employees. Our comprehensive HSE Policy, supported by additional policies such as the Environmental Policy, Drug and Alcohol Policy, and OSH Policy, outlines clear procedures and measures to achieve these objectives. To reinforce awareness and compliance, the HSE policy is displayed on notice boards across our factories and offices, as well as on the Company's website. Additionally, we conduct regular training sessions and weekly briefings to educate staff and culturing the safety behaviour, particularly among production staff.
- b) Each factory appoint a qualified safety officer responsible for overseeing safety and health matters. Additionally, a safety committee is set up at each factory to serve as a platform for management and employees to identify and address safety and health-related issues.
- c) The Group ensure that employees are well-informed of the safety and health procedures. Personal protective equipment is provided to all employees working in the production areas and must be worn at all times during operations.
- d) In compliance with OSHA requirement, the Environmental, Safety and Health ("ESH") Committee convened four (4) meetings during the year and maintained a monthly report to monitor and improve workplace safety.
- e) Regular health and safety training were conducted through the year to all relevant employees. This training prepares employees with the necessary knowledge, expertise, and skills to discharge their duties safely and efficiently.

In FY2024, the trainings and activities attended by employees included:

1. **Workplace Safety & Equipment Handling**
  - Awareness of Overhead Crane & Lifting Safety
  - Workplace Safety Training with Forklift
  - Safe Working at Heights Course
  - Macroergonomic Workplace Assessment (MerWA)
  - Safety & Health Tool Box Briefing
2. **Occupational Safety & Health Compliance**
  - DOSH Roadshow on OSHA Amendment Act
  - New OSHA (Amendment) 2022 "The Day After June 2024"
  - Safety and Health Conference
  - ESH Committee Training

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Social (Cont'd)

#### 9. Occupational health and safety (Cont'd)

##### Our approach (Cont'd)

##### 3. Health & Emergency Response

- Basic First Aid & CPR
- Noise and Hearing Conservation Program Training
- Awareness of Safe Noise Limits
- Chemical Safety Awareness

##### 4. Environmental & Waste Management

- Introduction to Scheduled Waste
- Schedule Waste Analysis & Characterization (SWAC)
- Practical Guideline to Waste Card Preparation Workshop

##### 5. Personal Protective Equipment (PPE) & General Safety

- PPE Training
- Refresher Safety & Health Training 2024
- Safety & Health Refresher Training for Office

##### 6. Regulatory & Compliance Awareness

- Anti-Drug Awareness Talk
- International Webinar on Occupational Health by WHaSSH, UiTM

##### Our performance

The table below summarizes our commitment to a safe work environment.

Sustainability Indicator	FY2024	FY2023	FY2022
Number of work-related fatalities	-	-	-
Lost time incident Rate	1.86	2.56	0.0
Number of employees trained on health and safety standards	91	36	42

#### 10. Employee training and development



##### Why is this important?

At LSH, employee training and development are essential for cultivating a skilled and productive workforce, enhancing performance, driving innovation, and preparing future leaders. This investment fosters loyalty and engagement, while our commitment to competency development is key to employee retention and enhancing our human capital. Together, these initiatives ensure customer satisfaction and position LSH for sustained competitiveness and success in the industry.



## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

#### Social (Cont'd)

#### 10. Employee training and development (Cont'd)

##### Our approach

We encourage our staff to attain relevant technical certifications and provide opportunities for employees to attend external training courses. These courses cover areas such as quality control, service quality, and skills development, promoting professional growth in technical competencies, functional competencies, and personal effectiveness.

During the financial year, our employees participated in training courses relating to:

1. **Occupational Safety & Health (OSH) Training**
  - Awareness of Overhead Crane and Lifting Safety
  - Safe Forklift Driving
  - Safe Working at Heights Course
  - Workplace Safety Training with Forklift
  - Noise and Hearing Conservation Program Training
  - Refresher Safety & Health Training 2024
  - Safety & Health Refresher Training for Office
  - PPE Training (Safety Shoes, Safety Helmet, Hand Gloves, Ear Plugs)
  - Safety & Health Toolbox Briefing
  - ESH Committee Training
  - DOSH Roadshow on OSHA Amendment Act
  - New OSHA (Amendment) 2022 "The Day After June 2024"
  - Safety & Health Conferences 2024
2. **ISO & Quality Management**
  - ISO 9001:2015 Internal Auditor Training
  - Understanding ISO 9001:2015 Requirements
  - ISO 9001:2015 QMS Internal Audit
3. **Environmental & Sustainability Topics**
  - Schedule Waste Analysis & Characterization (SWAC)
  - Schedule Waste Introduction
  - Practical Guideline to Waste Card Preparation Workshop
  - Beyond Compliance: Bursa's Enhanced Sustainability Reporting
  - Climate Change: Awareness, Documentation, Implementation & Auditing
  - Setting Measurable and Sustainable Targets Through Gap Analysis
4. **Finance, Taxation & E-Invoicing**
  - Roadmap for E-Invoicing Implementation and Transformation Strategies
  - E-Invoicing Strategy & Implementation in Malaysia
  - Electronic Invoicing Tour Seminar
  - Simplifying E-Invoicing
  - Practical Payroll Computation Workshop
  - Excel Power Pivot & Pivot Tables for Accountants
  - BDO Tax Seminar on Budget 2025
  - Tax Seminar on Budget 2025
5. **Compliance & Ethical Practices**
  - Understand Anti-Bribery and Corruption
  - Recent Developments in Listing Requirements, Including COI Amendment
  - Sustainable Investing, Ethical Wealth Management & AMLA Compliance
  - General Business & Industry-Specific Topics
  - Factory Digitalisation
  - Macroergonomic Workplace Assessment (MerWA)
  - International Webinar on Occupational Health by WHaSSH, UiTM
  - Free Tea-Talk & HR Networking Event
  - Teh Tarik Talk: ePLKS for Foreign Workers

## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

#### Social (Cont'd)

#### 10. Employee training and development (Cont'd)

We recognize that a competitive workforce needs continuous training and a supportive environment that values work-life balance. To support this, we are implementing a Flexible Work Arrangement policy, offering options like flexible hours. This initiative aims to enhance job satisfaction, boost productivity, and promote overall well-being by giving employees greater autonomy over their work schedules and locations.

#### Our performance

Labour practices and standards	FY2024	FY2023	FY2022
Total Training Hours	1,666.5	1,144.8	1,554.0
Percentage of employees that are contractors or temporary staff (%)			
- Permanent employee	94.9	96.2	98.0
- Contract	5.1	3.8	2.0
Number of substantiated complaints concerning human rights violations	-	-	-

#### Total hours of training by employee category

Category	Total hours of training		
	FY2024	FY2023	FY2022
Management	399.0	154.5	164.0
Executives	425.5	258.5	317.0
Non-Executives	401.0	282.5	322.0
General Workers	441.0	449.3	751.0
<b>Total Hours</b>	<b>1,666.5</b>	<b>1,144.8</b>	<b>1,554.0</b>

#### Turnover by Employee Category

Category	Total number of employee turnover*	
	FY2024	FY2023
Management	1	-
Executives	1	3
Non-Executives	5	6
General Workers	11	15

\* Turnover numbers refer to employees who leave the company voluntarily.

## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

#### Social (Cont'd)

#### 11. Diversity and equal opportunity



#### Why is this important?

LSH is committed to cultivating a diverse and inclusive workforce that reflect the communities we serve. We value and appreciate the unique contributions of every individual, regardless of gender, age, race, ethnicity, religion, sexual orientation, disability, or any other protected characteristic. Our goal is to create a workplace where everyone feels welcomed, valued, and empowered to achieve their full potential.

#### Our approach

To support this vision, we provide ongoing training for our managers and employees to address unconscious bias and promote a culture of respect. We also strive to increase the representation of women in leadership roles by 20% over the next three years. We acknowledge that true diversity and inclusion is an ongoing journey, and we are dedicated to continually learning and adapting our practices to create a workplace where everyone can thrive.

#### Our performance

In FY2024, the overall composition of the Group's workforce is detailed as follows:

#### Gender Group by Employee Category

Employee Category	Male (%)			Female (%)		
	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022
Management	70.00	66.67	63.16	30.00	33.33	36.84
Executive	40.54	41.67	41.03	59.46	58.33	58.97
Non executive/ Technical Staff	82.69	82.35	79.59	17.31	17.65	20.41
General Workers	100.00	95.92	90.91	0.00	4.08	9.09

#### Age Group by Employee Category

Employee Category	Below 30 years (%)			31 - 50 years (%)			Above 50 years (%)		
	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022
Management	0.00	0.00	0.00	60.00	61.90	55.56	40.00	38.10	44.44
Executive	8.11	5.56	5.13	67.57	75.00	79.49	24.32	19.44	15.38
Non executive/ Technical Staff	34.62	29.41	27.45	38.46	47.06	49.02	26.92	23.53	23.53
General Workers	60.87	71.43	74.42	32.61	22.45	20.93	6.52	6.12	4.65

# SUSTAINABILITY REPORT (CONT'D)

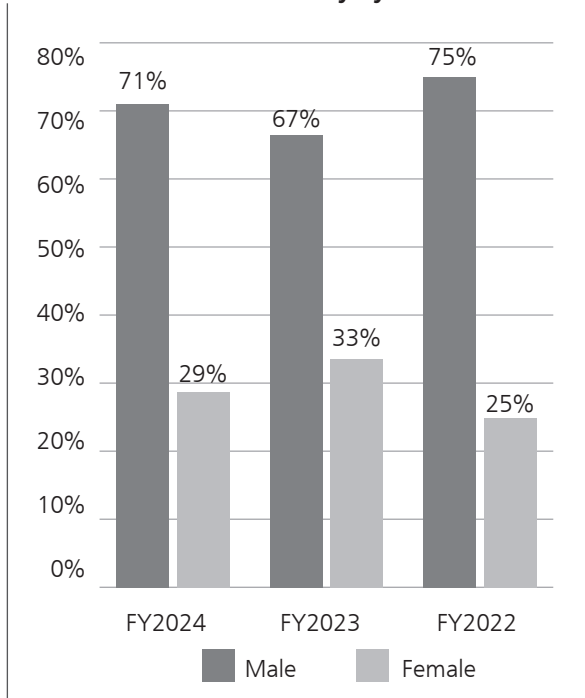
## Sustainability Management (Cont'd)

### Social (Cont'd)

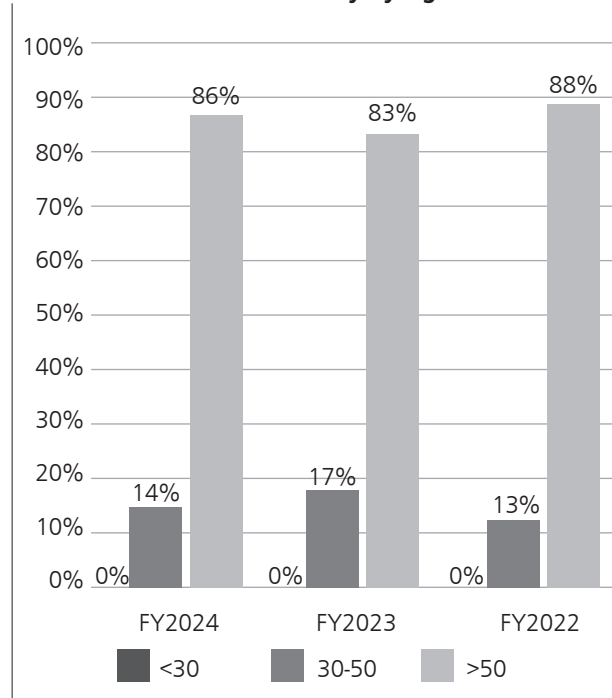
#### 11. Diversity and equal opportunity (Cont'd)

##### Board of Directors

**Board Diversity by Gender**

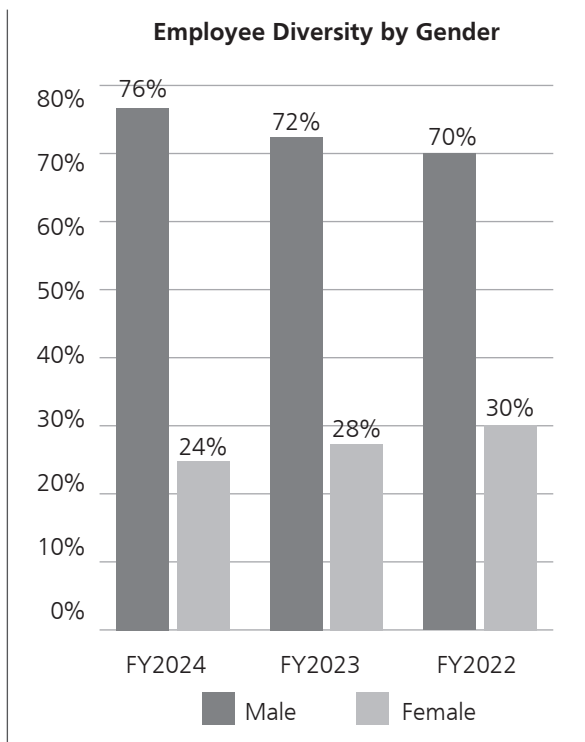


**Board Diversity by Age**

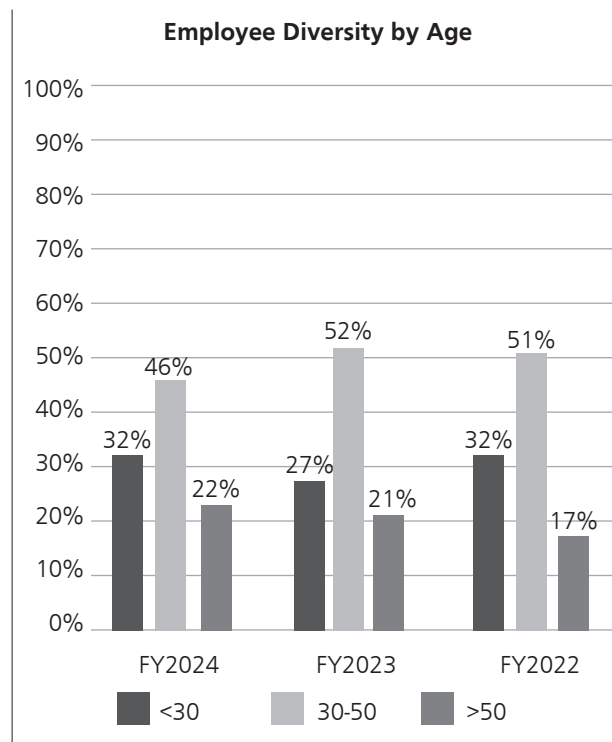


##### Employee

**Employee Diversity by Gender**



**Employee Diversity by Age**



## SUSTAINABILITY REPORT (CONT'D)

### Sustainability Management (Cont'd)

#### Social (Cont'd)

#### 12. Local community



##### Why is this important?

At LSH, we believe that supporting the local community is important for sustainable growth and making a positive impact. Our success is connected to the well-being of the communities we serve. By investing in local initiatives, we promote social and economic development, strengthen community relationships and enhance our commitment to corporate responsibility, all of which are key pillars of our long-term success and reputation.

##### Our approach

##### Contribution to the Community

We are committed to giving back by actively engaging in various CSR initiatives. Our CSR activities span a wide range of programs aimed at creating a positive societal impact, including the student artwork program, which nurtures young talent, and financial support for local charities and educational institutions. While measuring the total number of beneficiaries across all initiatives remains challenging, we are confident that our efforts make a positive influence in the lives of many individuals and communities.

##### Donations

We are committed to transparent reporting in line with Practice Note 9. While we actively support various local charities and educational institutions through cash and in-kind donations, quantifying the total investment in the community remains challenging due to the diverse range of beneficiaries.

To enhance transparency, we are working on establishing mechanisms to better track and report the specific amounts donated and beneficiaries impacted. This will enable more comprehensive disclosure in the future.

In FY2024, the Group made significant contributions to a wide range of organizations dedicated to improving lives within our communities. This commitment to corporate social responsibility reflects our dedication to creating positive change beyond our business operations.

##### Our performance

We are pleased to report that in FY2024, a total of RM34,315 were invested in the community initiatives benefiting individuals and organisation outside the listed issuer. This investment directly supported 7 communities extending our positive impact and strengthening our commitment to the communities we serve.

Sustainability Indicator	Measurement Unit	FY2024	FY2023
Total amount invested in community initiatives benefiting individuals or organisation outside LSH	RM	34,315	13,800
The total number of communities that benefited from the investment initiative	Number	7	6



Essential supply to flood victims at the Ibu Pejabat Polis Daerah Tumpat in Kelantan

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Social (Cont'd)

#### 13. Anti-bribery, Anti-corruption and Whistleblowing Policy



#### Why is this important?

LSH is dedicated to safeguarding the interests of our business and stakeholders, while fostering trust and confidence. We are committed to ethical, sustainable, and responsible practices by upholding a standard of excellence that reflects our core values of accountability, transparency, integrity, and sustainability throughout the organization.

#### Our approach

LSH strives to cultivate a culture of integrity defined by the highest ethical standards. We uphold a zero-tolerance policy towards bribery and corruption, supported by our comprehensive Anti-Bribery and Anti-Corruption Policy. This policy provides clear guidelines for employees, directors, and business partners to identify and report any suspected misconduct or wrongdoing.

The following outlines the frameworks and policies that guide the Group's responsible business practices:

Policies	Description
Anti-Bribery & Anti-Corruption Policy	This policy provides guidance to all Group personnel on recognizing and reporting incidents of corruption, gratification, or bribery involving any employee or agent of the Group. The ABC Policy is available on our corporate website at <a href="http://www.leadersteel.my">www.leadersteel.my</a>
Whistleblowing Policy	This policy offers an avenue for all Group employees, suppliers, customers, or members of the public to disclose improper conduct, malpractices, irregularities, or wrongdoing within the Group. It also ensures protection for those who report such concerns. The Whistleblower Policy is available on our corporate website at <a href="http://www.leadersteel.my">www.leadersteel.my</a>
Code of Conduct and Code of Ethics	This policy applies to all members of the Board, establishing a standard of behavior for all Directors while safeguarding the Company's business interests.

#### Our performance

Sustainability Indicator	Measurement Unit	FY2024	FY2023
Corruption case reported and action taken	Number	0	0
Percentage of operations assessed for corruption-related risks	Percentage (%)	100%	Nil
Percentage of employees who have received training on anti-corruption by employee category	Percentage (%)	All directors, 65% of management and 5% of executive	Nil
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0

# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Management (Cont'd)

### Social (Cont'd)

#### 13. Anti-bribery, Anti-corruption and Whistleblowing Policy (Cont'd)

##### Our performance (Cont'd)

This year, we conducted a comprehensive corruption risk assessment across all our operations, as no such assessment was performed in FY2023. We are pleased to report zero confirmed incidents of corruption, reflecting our commitment to taking swift action whenever suspicions arise. As part of our commitment to this policy, all directors and a portion of our management and executive teams participated in external training in 2024 to ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. We will continue to reinforce this commitment through internal briefing sessions for both new and existing staff members.

##### Moving Forward

As we look ahead to FY2025, we are committed to continuously enhancing our sustainability practices guided by valuable stakeholder feedback. Encouraged by the positive outcomes of our ongoing efforts, we are actively exploring new initiatives including energy audits across our production facilities. Through collaboration, we firmly believe in making a positive impact on our environment, society, and the communities in which we operate.



# SUSTAINABILITY REPORT (CONT'D)

## Performance Data Table

Indicator	Measurement Unit	2023	2024
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	0.00	65.00
Executive	Percentage	0.00	5.00
Non-executive/Technical Staff	Percentage	0.00	0.00
General Workers	Percentage	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	13,800.00	34,315.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6	7
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	61.90	60.00
Management Above 50	Percentage	38.10	40.00
Executive Under 30	Percentage	5.56	8.11
Executive Between 30-50	Percentage	75.00	67.57
Executive Above 50	Percentage	19.44	24.32
Non-executive/Technical Staff Under 30	Percentage	29.41	34.62
Non-executive/Technical Staff Between 30-50	Percentage	47.06	38.46
Non-executive/Technical Staff Above 50	Percentage	23.53	26.92
General Workers Under 30	Percentage	71.43	60.87
General Workers Between 30-50	Percentage	22.45	32.61
General Workers Above 50	Percentage	6.12	6.52
Gender Group by Employee Category			
Management Male	Percentage	66.67	70.00
Management Female	Percentage	33.33	30.00
Executive Male	Percentage	41.67	40.54
Executive Female	Percentage	58.33	59.46
Non-executive/Technical Staff Male	Percentage	82.35	82.69
Non-executive/Technical Staff Female	Percentage	17.65	17.31
General Workers Male	Percentage	95.92	100.00
General Workers Female	Percentage	4.08	0.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	66.67	71.43
Female	Percentage	33.33	28.57
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	16.67	14.29
Above 50	Percentage	83.33	85.71
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	2,152.61	1,399.38
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	247.64	1.86
Bursa C5(c) Number of employees trained on health and safety standards	Number	36	91

Internal assurance      External assurance      No assurance

(\*) Restated



# SUSTAINABILITY REPORT (CONT'D)

## Performance Data Table (Cont'd)

Indicator	Measurement Unit	2023	2024
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	155	399
Executive	Hours	259	426
Non-executive/Technical Staff	Hours	283	401
General Workers	Hours	449	441
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.82	5.13
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	1
Executive	Number	3	1
Non-executive/Technical Staff	Number	6	5
General Workers	Number	15	11
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	26.00	40.00
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	10.520000	8.210000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	-	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	No Data Provided
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	No Data Provided
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided

## DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (a) Adopted appropriate accounting policies and applied them consistently;
- (b) Made judgements and estimates that are reasonable and prudent; and
- (c) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

## DIRECTORS' REPORT

### DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly manufacturing, processing and trading of steel, metal products and minerals and providing transportation services. Further details of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	Group RM	Company RM
Profit for the financial year	<u>2,232,125</u>	<u>12,969,901</u>
Attributable to:		
Owners of the parent	2,239,759	12,969,901
Non-controlling interests	<u>(7,634)</u>	<u>0</u>
	<u>2,232,125</u>	<u>12,969,901</u>

### DIVIDEND

Dividend paid, declared or proposed by the Company since the end of the previous financial year was as follows:

	RM
In respect of the financial year ended 31 December 2024:	
First single-tier interim dividend of RM0.02 per ordinary share, paid on 8 August 2024	<u>3,094,237</u>

The Directors do not recommend any payment of final dividend for the current financial year.

### RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in statements of changes in equity.

## DIRECTORS' REPORT (CONT'D)

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 160,334,960 ordinary shares to 160,927,860 ordinary shares by way of issuance of 592,900 new ordinary shares pursuant to 592,900 options exercised under ESOS at exercise price of RM0.4510 each for cash totalling of RM267,398.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year apart from the issuance of options pursuant to the Employees' Share Option Scheme ("ESOS").

The establishment of ESOS was approved by the shareholders at an Extraordinary General Meeting held on 30 May 2022. During the financial year, the Company has granted an option under the ESOS and the option is exercisable within a period of five (5) years from the date commencing from 31 May 2023.

The ESOS is administered in accordance with the By-Laws by the ESOS Committee.

The salient features of the ESOS are as follows:

- (a) The aggregate maximum number of shares which may be made available under the ESOS, shall not exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time over the duration of the ESOS;
- (b) Only eligible directors and employee ("Eligible Persons") who fulfil the following conditions on the date of offer shall be eligible to participate in the ESOS:
  - (i) The director/employee is at least eighteen (18) years of age and is not undischarged bankrupt or subject to any bankruptcy proceedings;
  - (ii) The employee is employed on the date of offer on a full time basis and is on the payroll of any company in the Group for a continuous period of at least one (1) year and employment has been confirmed by any company in the Group on the date of offer;
  - (iii) The employee is employed on the date of offer under an employment contract for a continuous fixed period of at least one (1) year as may be determined by the ESOS Committee; and
  - (iv) The director/employee fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (c) The number of new shares to be allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed ten percent (10%) of the total number of new shares to be issued under ESOS;

## DIRECTORS' REPORT (CONT'D)

### OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

- (d) Not more than eighty percent (80%) of the total number of shares available under ESOS will be allocated in aggregate to the Director(s) and senior management personnel of the companies in the Group;
- (e) The aggregate maximum number of shares that may be offered to an Eligible Person shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing under the duration of the scheme relating to employees' and/or Directors' share issuance schemes and after taking into consideration the performance, targets position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Persons or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit;
- (f) The exercise price of each new share to be determined by the Board upon recommendation of the ESOS Committee based on the volume weighted average market price of the shares for the five (5) market days immediately preceding date of the offer with a discount of not more than ten percent (10%) during the duration of the scheme;
- (g) The exercise price to be determined by the Board upon recommendation of the ESOS Committee shall be conclusive and binding on the grantees and shall be subject to any amendments with By-Laws;
- (h) The ESOS Committee shall have full discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company and of the Group (as the case may be) and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any vesting condition if the ESOS Committee decides that a changed performance target would be a fairer measure of performance; and
- (i) The ESOS Committee may cancel any ESOS options awarded under this scheme that has not been exercised and any unvested ESOS options awarded under this scheme in the event of any such cancellation, the ESOS Committee may, at its discretion, authorise the granting of new ESOS options (which may or may not cover the same number of Shares that had been subject of any prior ESOS option) in such manner, at such exercise price and subject to such terms, conditions and discretion as would have been applicable under the scheme had the cancelled ESOS options had not been awarded.

Details of the options over ordinary shares of the Company are as follows:

	Number of options over ordinary shares				
	Balance as at 1.1.2024	Exercised	Forfeited*	Balance as at 31.12.2024	Exercisable as at 31.12.2024
<b>Date of grant</b>					
31 May 2023	6,407,300	(592,900)	(68,600)	5,745,800	5,745,800

\* Due to resignation

## DIRECTORS' REPORT (CONT'D)

### REPURCHASE OF SHARES

At the 31st Annual General Meeting held on 31 May 2024, shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to ten per centum (10%) of its own ordinary shares.

During the financial year, the Company repurchased 393,000 of its issued ordinary shares from the open market of Bursa Malaysia Securities at an average price of RM0.53 per share. The total consideration paid, including transactions costs, for the repurchased shares was RM209,253 and was financed by internally generated funds.

As at 31 December 2024, 6,195,400 (2023: 5,802,400) treasury shares at a total cost of RM2,419,068 (2023: RM2,209,815) are held by the Company. The shares repurchased are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities.

### DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

#### Leader Steel Holdings Berhad

Dato' Goh Cheng Huat \*  
Datin Tan Pak Say \*  
Lim Leng Han  
Goh Wan Jing \*  
Abdull Sukor bin Ismail  
Soon Gim Wooi  
Datuk Dr. Roslan Bin A. Ghaffar

\* These Directors are also Directors of certain subsidiaries of the Company.

The Directors of subsidiaries who have held office during the financial year and up to the date of this report, not including those Directors listed above are:

Goh Li Li  
Goh Hong Kent  
Anton Ong Lim  
Wang Yunyun  
Hu PingFan  
Ooi Teik Huat (alternate Director to Dato' Goh Cheng Huat)

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			Balance as at 31.12.2024
	Balance as at 1.1.2024	Bought	Sold	
<b>Shares in the Company</b>				
<u>Direct interests:</u>				
Dato' Goh Cheng Huat	12,047,894	2,950,600	0	14,998,494
Datin Tan Pak Say	1,375,006	0	0	1,375,006
Lim Leng Han	18,000	0	0	18,000
<u>Indirect interests:</u>				
Dato' Goh Cheng Huat #	56,622,974	0	0	56,622,974
Datin Tan Pak Say ^	67,295,862	2,950,600	0	70,246,462

	Number of options over ordinary shares			Balance as at 31.12.2024
	Balance as at 1.1.2024	Granted	Exercised	
<b>Shares options in the Company</b>				
<u>Direct interests:</u>				
Dato' Goh Cheng Huat	350,000	0	0	350,000
Datin Tan Pak Say	500,000	0	0	500,000
Lim Leng Han	250,000	0	0	250,000
Goh Wan Jing	350,000	0	0	350,000
Abdull Sukor bin Ismail	100,000	0	0	100,000

# Deemed interest by virtue of Section 8 of the Companies Act 2016 through shares held in Bischart Sdn. Bhd. and shares held by his spouse and children.

^ Deemed interest by virtue of Section 8 of the Companies Act 2016 through shares held by her spouse in Bischart Sdn. Bhd. and shares held by her spouse and children.

By virtue of their interests in the ordinary shares of the Company, Dato' Goh Cheng Huat and Datin Tan Pak Say are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

Other than those disclosed above, none of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remuneration from the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than ESOS granted to certain Directors.

### DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	<b>Group RM</b>	<b>Company RM</b>
Director's fees	243,541	243,541
Salaries, bonuses and allowances	1,596,375	0
Contribution to defined contribution plans	92,205	0
Social security contribution	1,997	0
Other emoluments	56,755	56,755
	<u>1,990,873</u>	<u>300,296</u>

Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Company is RM39,150.

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group effected Directors' liability insurance during the financial year to protect the Directors of the Group against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group are RM10,000,000 and RM17,500 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.



## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

#### (III) AS AT THE DATE OF THIS REPORT (CONT'D)

- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 10 January 2024, a subsidiary of the Company had received and accepted a Notis Award and Tawaran Pampasan ("Borang H") from the Pentadbir Tanah Klang invoking compulsory acquisition under Land Acquisition Act, 1960 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 RM42,558,627.

The transaction was completed on 25 March 2024.

### AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

### AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	<b>Group RM</b>	<b>Company RM</b>
Statutory audit	244,500	98,600
Other services	5,500	5,500
	<u>250,000</u>	<u>104,100</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Datin Tan Pak Say**  
Director

**Lim Leng Han**  
Director

Penang  
21 April 2025

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 88 to 150 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Datin Tan Pak Say**

Director

**Lim Leng Han**

Director

Penang

21 April 2025

### STATUTORY DECLARATION

I, Ooi Teik Huat (CA 21851) (I/C No.: 691005-07-5243), being the officer primarily responsible for the financial management of Leader Steel Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 88 to 150 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly  
declared by the abovenamed  
at Georgetown in the State of  
Penang this 21 April 2025

**Ooi Teik Huat**

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

To The Members Of Leader Steel Holdings Berhad  
(Registration No. 199301012471 (267209-K) (Incorporated In Malaysia))

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Leader Steel Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 88 to 150.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### a) **Recoverability of trade receivables**

As at 31 December 2024, the Group had trade receivables amounted to RM18,885,081, which were net of impairment losses of RM476,926. The details of trade receivables and their credit risks have been disclosed in Note 10 and Note 30 to the financial statements respectively.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

#### ***Audit response***

Our audit procedures included the following:

- (i) assessed the probability of default using historical data and forward-looking information adjustment by the Group;

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of Leader Steel Holdings Berhad  
(Registration No. 199301012471 (267209-K) (Incorporated In Malaysia)

### Key Audit Matters (Cont'd)

#### a) Recoverability of trade receivables (Cont'd)

##### *Audit response (Cont'd)*

Our audit procedures included the following: (Cont'd)

- (ii) assessed the correlation coefficient between the macroeconomic indicators set by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (iii) inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

#### b) Carrying amount of inventories at lower of cost and net realisable value

As at 31 December 2024, the Group had carrying amount of inventories amounted to RM42,114,976, which were generally consists of steel and mineral products. Details of the inventories have been disclosed in Note 9 to the financial statements.

We have focused on the audit risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value. Writing down of inventories to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are based on the subsequent average selling prices of steel and minerals products, and if not accounted for properly, may lead to the valuation of inventories being misstated.

##### *Audit response*

Our audit procedures included the following:

- (i) obtained an understanding of the process implemented by management over the determination of lower of cost and net realisable value used in the valuation of inventories; and
- (ii) compared the net realisable values determined by management, of sampled inventory items, against sales subsequent to the year end on steel and mineral products.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of Leader Steel Holdings Berhad  
(Registration No. 199301012471 (267209-K) (Incorporated In Malaysia))

### Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of Leader Steel Holdings Berhad

(Registration No. 199301012471 (267209-K) (Incorporated In Malaysia)

### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 8 to the financial statements.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of Leader Steel Holdings Berhad  
(Registration No. 199301012471 (267209-K) (Incorporated In Malaysia)

### Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **BDO PLT**

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Penang  
21 April 2025

#### **Goh Chee Beng**

03535/11/2026 J  
Chartered Accountant



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	<b>255,290,373</b>	278,951,294	<b>0</b>	0
Right-of-use assets	6	<b>37,298,184</b>	38,369,471	<b>0</b>	0
Investment properties	7	<b>52,000,000</b>	52,000,000	<b>0</b>	0
Investments in subsidiaries	8	<b>0</b>	0	<b>86,131,661</b>	72,031,661
Goodwill		<b>58,426</b>	58,426	<b>0</b>	0
		<b>344,646,983</b>	369,379,191	<b>86,131,661</b>	72,031,661
<b>Current assets</b>					
Inventories	9	<b>42,114,976</b>	46,753,594	<b>0</b>	0
Trade and other receivables	10	<b>31,536,497</b>	43,181,519	<b>637,513</b>	13,046,559
Current tax assets		<b>1,877,822</b>	465,864	<b>0</b>	0
Other investments	11	<b>16,045,901</b>	0	<b>7,637,069</b>	0
Cash and bank balances	12	<b>25,261,735</b>	5,958,742	<b>571,337</b>	50,646
		<b>116,836,931</b>	96,359,719	<b>8,845,919</b>	13,097,205
<b>TOTAL ASSETS</b>		<b>461,483,914</b>	465,738,910	<b>94,977,580</b>	85,128,866
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	13	<b>75,028,490</b>	74,654,370	<b>75,028,490</b>	74,654,370
Treasury shares, at cost	13	<b>(2,419,068)</b>	(2,209,815)	<b>(2,419,068)</b>	(2,209,815)
Reserves	14	<b>270,991,236</b>	271,952,436	<b>21,917,437</b>	12,148,495
		<b>343,600,658</b>	344,396,991	<b>94,526,859</b>	84,593,050
Non-controlling interests	8	<b>37,219</b>	44,853	<b>0</b>	0
<b>TOTAL EQUITY</b>		<b>343,637,877</b>	344,441,844	<b>94,526,859</b>	84,593,050

## STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	15	<b>20,686,363</b>	0	<b>0</b>	0
Lease liabilities	6	<b>209,195</b>	113,144	<b>0</b>	0
Deferred tax liabilities	16	<b>31,815,705</b>	32,574,063	<b>0</b>	0
		<b>52,711,263</b>	32,687,207	<b>0</b>	0
<b>Current liabilities</b>					
Trade and other payables	17	<b>17,630,680</b>	18,738,428	<b>390,737</b>	517,616
Current tax liabilities		<b>68,214</b>	463,323	<b>59,984</b>	18,200
Borrowings	15	<b>47,056,669</b>	68,776,465	<b>0</b>	0
Lease liabilities	6	<b>379,211</b>	631,643	<b>0</b>	0
		<b>65,134,774</b>	88,609,859	<b>450,721</b>	535,816
<b>TOTAL LIABILITIES</b>		<b>117,846,037</b>	121,297,066	<b>450,721</b>	535,816
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>461,483,914</b>	465,738,910	<b>94,977,580</b>	85,128,866

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	19	<b>218,403,751</b>	192,256,894	<b>13,000,000</b>	4,500,000
Cost of sales		<b>(210,325,571)</b>	(170,260,794)	<b>0</b>	0
Gross profit		<b>8,078,180</b>	21,996,100	<b>13,000,000</b>	4,500,000
Other income		<b>16,466,114</b>	22,998,863	<b>712,689</b>	221,277
Distribution expenses		<b>(3,310,302)</b>	(3,452,744)	<b>0</b>	0
Administrative expenses		<b>(17,907,731)</b>	(13,984,090)	<b>(606,916)</b>	(1,180,125)
Impairment losses on trade receivables	10(g)	<b>0</b>	(951,258)	<b>0</b>	0
Reversal of impairment losses on trade receivables	10(g)	<b>548,113</b>	1,619	<b>0</b>	0
Finance costs	20	<b>(2,141,395)</b>	(2,635,787)	<b>0</b>	0
Profit before tax		<b>1,732,979</b>	23,972,703	<b>13,105,773</b>	3,541,152
Taxation	24	<b>499,146</b>	(4,997,973)	<b>(135,872)</b>	(51,033)
Profit for the financial year		<b>2,232,125</b>	18,974,730	<b>12,969,901</b>	3,490,119
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Gross revaluation increase of properties		<b>0</b>	144,007,778	<b>0</b>	0
Deferred tax relating to revalued properties		<b>0</b>	(15,531,820)	<b>0</b>	0
Realisation of revaluation reserve upon disposal		<b>(23,358,316)</b>	0	<b>0</b>	0
Transfer of revaluation surplus to retained earnings		<b>23,358,316</b>	0	<b>0</b>	0
Other comprehensive income, net of tax		<b>0</b>	128,475,958	<b>0</b>	0
Total comprehensive income		<b>2,232,125</b>	147,450,688	<b>12,969,901</b>	3,490,119
Profit attributable to:					
Owners of the parent		<b>2,239,759</b>	18,981,339	<b>12,969,901</b>	3,490,119
Non-controlling interests	8(d)	<b>(7,634)</b>	(6,609)	<b>0</b>	0
		<b>2,232,125</b>	18,974,730	<b>12,969,901</b>	3,490,119
Total comprehensive income attributable to:					
Owners of the parent		<b>2,239,759</b>	147,457,297	<b>12,969,901</b>	3,490,119
Non-controlling interests	8(d)	<b>(7,634)</b>	(6,609)	<b>0</b>	0
		<b>2,232,125</b>	147,450,688	<b>12,969,901</b>	3,490,119
Earnings per ordinary share attributable to equity holders of the Company (sen):					
- Basic	26(a)	<b>1.45</b>	13.74		
- Diluted	26(b)	<b>1.45</b>	13.71		

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2024		74,654,370	(2,209,815)	197,357,941	1,153,314	73,441,181	344,396,991	44,853	344,441,844
Profit for the financial year		0	0	0	0	2,239,759	2,239,759	(7,634)	2,232,125
Realisation of revaluation reserve upon disposal	14(a)	0	0	(23,358,316)	0	0	(23,358,316)	0	(23,358,316)
Transfer of revaluation surplus to retained earnings		0	0	0	0	23,358,316	23,358,316	0	23,358,316
Other comprehensive (loss)/income, net of tax		0	0	(23,358,316)	0	23,358,316	0	0	0
Total comprehensive (loss)/income		0	0	(23,358,316)	0	25,598,075	2,239,759	(7,634)	2,232,125
<b>Transactions with owners</b>									
Ordinary shares issued pursuant to ESOS	13(a)	374,120	0	0	(106,722)	0	267,398	0	267,398
Purchase of treasury shares	13(b)	0	(209,253)	0	0	0	(209,253)	0	(209,253)
Share options lapsed		0	0	0	(12,348)	12,348	0	0	0
Dividend paid	25	0	0	0	0	(3,094,237)	(3,094,237)	0	(3,094,237)
Total transactions with owners		374,120	(209,253)	0	(119,070)	(3,081,889)	(3,036,092)	0	(3,036,092)
Balance as at 31 December 2024		75,028,490	(2,419,068)	173,999,625	1,034,244	95,957,367	343,600,658	37,219	343,637,877

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Share capital RM	Treasury shares RM	Revaluation reserve RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2023	67,218,370	(2,209,815)	68,881,983	0	56,477,830	190,368,368	51,462	190,419,830
Profit for the financial year	0	0	0	0	18,981,339	18,981,339	(6,609)	18,974,730
Gross revaluation increase of properties	0	0	144,007,778	0	0	144,007,778	0	144,007,778
Deferred tax relating to revalued properties	0	0	(15,531,820)	0	0	(15,531,820)	0	(15,531,820)
Other comprehensive income, net of tax	0	0	128,475,958	0	0	128,475,958	0	128,475,958
Total comprehensive income/(loss)	0	0	128,475,958	0	18,981,339	147,457,297	(6,609)	147,450,688
<b>Transactions with owners</b>								
Ordinary shares issued pursuant to private placement	7,436,000	0	0	0	0	7,436,000	0	7,436,000
Share options granted under ESOS	0	0	0	1,153,314	0	1,153,314	0	1,153,314
Dividend paid	0	0	0	0	(2,017,988)	(2,017,988)	0	(2,017,988)
Total transactions with owners	7,436,000	0	0	1,153,314	(2,017,988)	6,571,326	0	6,571,326
Balance as at 31 December 2023	74,654,370	(2,209,815)	197,357,941	1,153,314	73,441,181	344,396,991	44,853	344,441,844

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Note	Share capital RM	Treasury shares RM	Share options reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2024		74,654,370	(2,209,815)	1,153,314	10,995,181	84,593,050
Profit for the financial year		0	0	0	12,969,901	12,969,901
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	0	0	12,969,901	12,969,901
<b>Transactions with owners</b>						
Ordinary shares issued pursuant to ESOS	13(a)	374,120	0	(106,722)	0	267,398
Purchase of treasury shares	13(b)	0	(209,253)	0	0	(209,253)
Share options lapsed		0	0	(12,348)	12,348	0
Dividend paid	25	0	0	0	(3,094,237)	(3,094,237)
Total transactions with owners		374,120	(209,253)	(119,070)	(3,081,889)	(3,036,092)
Balance as at 31 December 2024		75,028,490	(2,419,068)	1,034,244	20,883,193	94,526,859
Balance as at 1 January 2023		67,218,370	(2,209,815)	0	9,523,050	74,531,605
Profit for the financial year		0	0	0	3,490,119	3,490,119
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	0	0	3,490,119	3,490,119
<b>Transactions with owners</b>						
Ordinary shares issued pursuant to private placement	13(a)	7,436,000	0	0	0	7,436,000
Share options granted under ESOS		0	0	1,153,314	0	1,153,314
Dividend paid	25	0	0	0	(2,017,988)	(2,017,988)
Total transactions with owners		7,436,000	0	1,153,314	(2,017,988)	6,571,326
Balance as at 31 December 2023		74,654,370	(2,209,815)	1,153,314	10,995,181	84,593,050

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		<b>1,732,979</b>	23,972,703	<b>13,105,773</b>	3,541,152
Adjustments for:					
Depreciation of:					
- property, plant and equipment	5	<b>4,133,784</b>	4,191,294	<b>0</b>	0
- right-of-use assets	6	<b>1,772,412</b>	1,203,843	<b>0</b>	0
Distribution income		<b>(600,095)</b>	0	<b>(130,421)</b>	0
Dividend income from subsidiaries	19	<b>0</b>	0	<b>(13,000,000)</b>	(4,500,000)
Fair value gain on other investments		<b>(9,541)</b>	0	<b>(2,282)</b>	0
Gain on fair value adjustment on investment properties	7	<b>0</b>	(17,255,670)	<b>0</b>	0
Gain on disposal of property, plant and equipment		<b>(3,440,450)</b>	0	<b>0</b>	0
Impairment losses on property, plant and equipment	5	<b>5,429,362</b>	0	<b>0</b>	0
Impairment losses on trade receivables	10(g)	<b>0</b>	951,258	<b>0</b>	0
Interest expense	20	<b>2,141,395</b>	2,635,787	<b>0</b>	0
Interest income		<b>(76,570)</b>	(80,178)	<b>(579,986)</b>	(219,957)
Gain on lease termination	6(g)	<b>(516)</b>	0	<b>0</b>	0
Inventories written off	9(b)	<b>998,541</b>	0	<b>0</b>	0
Reversal of impairment losses on trade receivables	10(g)	<b>(548,113)</b>	(1,619)	<b>0</b>	0
Operating profit/(loss) before changes in working capital carried forward		<b>11,533,188</b>	15,617,418	<b>(606,916)</b>	(1,178,805)

## STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)</b>					
Operating profit/(loss) before changes in working capital		<b>11,533,188</b>	15,617,418	<b>(606,916)</b>	(1,178,805)
Revaluation deficit of property, plant and equipment		<b>0</b>	614,461	<b>0</b>	0
Unrealised gain on foreign exchange		<b>(22,367)</b>	(524,185)	<b>0</b>	0
Share options granted under ESOS		<b>0</b>	1,153,314	<b>0</b>	432,000
Decrease/(Increase) in inventories		<b>3,640,077</b>	(12,323,744)	<b>0</b>	0
Decrease/(Increase) in trade and other receivables		<b>12,142,124</b>	(33,918,967)	<b>25,989,032</b>	(4,781,828)
(Decrease)/Increase in trade and other payables		<b>(1,038,187)</b>	1,884,180	<b>(126,879)</b>	118,600
Cash generated from/(used in) operations		<b>26,254,835</b>	(27,497,523)	<b>25,255,237</b>	(5,410,033)
Interest paid		<b>(2,102,156)</b>	(2,578,920)	<b>0</b>	0
Interest income		<b>76,570</b>	80,178	<b>0</b>	0
Tax refunded		<b>14,619</b>	0	<b>92</b>	0
Tax paid		<b>(2,080,898)</b>	(2,629,241)	<b>(94,180)</b>	(22,570)
Net cash from/(used in) operating activities		<b>22,162,970</b>	(32,625,506)	<b>25,161,149</b>	(5,432,603)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant and equipment		<b>33,240,450</b>	0	<b>0</b>	0
Purchase of property, plant and equipment	5(e)	<b>(15,702,225)</b>	(4,240,907)	<b>0</b>	0
Purchase of right-of-use assets	6(d)	<b>(72,422)</b>	0	<b>0</b>	0
Subscriptions of redeemable preference shares of subsidiaries	8(c)	<b>0</b>	0	<b>(29,800,000)</b>	0
Redemption of redeemable preference shares of a subsidiary	8(c)	<b>0</b>	0	<b>15,700,000</b>	0
Placement of short-term funds		<b>(197,743,639)</b>	0	<b>(43,684,366)</b>	0
Withdrawal of short-term funds		<b>182,307,374</b>	0	<b>36,180,000</b>	0
Net cash from/(used in) investing activities		<b>2,029,538</b>	(4,240,907)	<b>(21,604,366)</b>	0



**STATEMENTS OF CASH FLOWS (CONT'D)**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid	25	<b>(3,094,237)</b>	(2,017,988)	<b>(3,094,237)</b>	(2,017,988)
Payments of lease liabilities	6	<b>(823,807)</b>	(1,107,666)	<b>0</b>	0
Proceeds from short-term borrowings		<b>91,647,254</b>	68,551,364	<b>0</b>	0
Repayments of short-term borrowings		<b>(115,566,719)</b>	(60,923,543)	<b>0</b>	0
Drawdown of term loans		<b>24,690,000</b>	0	<b>0</b>	0
Repayments of term loans		<b>(1,814,637)</b>	(480,000)	<b>0</b>	0
Proceed from issuance of ordinary shares pursuant to:					
- ESOS	13(a)	<b>267,398</b>	0	<b>267,398</b>	0
- private placement	13(a)	<b>0</b>	7,436,000	<b>0</b>	7,436,000
Purchase of treasury shares	13(b)	<b>(209,253)</b>	0	<b>(209,253)</b>	0
Net cash (used in)/from financing activities		<b>(4,904,001)</b>	11,458,167	<b>(3,036,092)</b>	5,418,012
Net increase/(decrease) in cash and cash equivalents		<b>19,288,507</b>	(25,408,246)	<b>520,691</b>	(14,591)
Effect of exchange rate changes on cash and cash equivalents		<b>3,817</b>	799,998	<b>0</b>	0
Cash and cash equivalents at beginning of financial year		<b>5,958,742</b>	30,566,990	<b>50,646</b>	65,237
Cash and cash equivalents at end of financial year	12(b)	<b>25,251,066</b>	5,958,742	<b>571,337</b>	50,646

## STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6) RM	Short-term borrowings* (Note 15) RM	Term loans (Note 15) RM
<b>Group</b>			
Balance as at 1 January 2024	744,787	68,496,465	280,000
Cash flows	(823,807)	(23,919,465)	22,875,363
Non-cash flows:			
- unwinding of interest	39,239	0	0
- additions	642,854	0	0
- termination	(14,667)	0	0
Balance as at 31 December 2024	<u>588,406</u>	<u>44,577,000</u>	<u>23,155,363</u>
Balance as at 1 January 2023	1,774,933	60,868,644	760,000
Cash flows	(1,107,666)	7,627,821	(480,000)
Non-cash flows:			
- unwinding of interest	56,867	0	0
- additions	20,653	0	0
Balance as at 31 December 2023	<u>744,787</u>	<u>68,496,465</u>	<u>280,000</u>

\* Short-term borrowings includes bankers' acceptances and revolving credit, but exclude bank overdrafts.

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 1. CORPORATE INFORMATION

Leader Steel Holdings Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal place of business of the Company is located at Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Penang.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 21 April 2025.

## 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly manufacturing, processing and trading of steel, metal products and minerals and providing transportation services. Further details of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 32.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 4. OPERATING SEGMENTS

The Group has two (2) reportable segments as described below, which are the strategic business units of the Group. The strategic business units offer different products and are separately evaluated by the Directors in deciding how to allocate resources and in assessing performance of the Group.

The reportable segments of the Group are as follows:

- (i) Steel segment - Manufacturing and distribution of steel products.
- (ii) Mineral segment - Trading and processing of minerals.
- (iii) Others - Investment holdings.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses.

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements.

Segment assets exclude goodwill on consolidation and current tax assets.

Segment liabilities exclude current tax liabilities and deferred tax liabilities.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

## 4. OPERATING SEGMENTS (CONT'D)

(a) Reportable segments

2024	Steel segment RM	Mineral segment RM	Others RM	Elimination RM	Total RM
Revenue from external customers	201,806,614	16,597,137	0	0	218,403,751
Inter-segment revenue	0	0	13,000,000	(13,000,000)	0
Total revenue	201,806,614	16,597,137	13,000,000	(13,000,000)	218,403,751
Interest income	1,046,943	0	579,986	(1,550,359)	76,570
Distribution income	469,674	0	130,421	0	600,095
Finance costs	(3,669,015)	(32,266)	0	1,559,886	(2,141,395)
Net finance expense	(2,152,398)	(32,266)	710,407	9,527	(1,464,730)
Tax income/(expense)	667,093	(32,075)	(135,872)	0	499,146
<b>Segment profit/(loss)</b>	<b>2,740,392</b>	<b>(457,798)</b>	<b>12,969,901</b>	<b>(13,020,370)</b>	<b>2,232,125</b>
Other material non-cash items:					
- Depreciation of property, plant and equipment	(4,030,278)	(103,506)	0	0	(4,133,784)
- Depreciation of right-of-use assets	(1,618,206)	(154,206)	0	0	(1,772,412)
- Impairment losses on property, plant and equipment	(5,429,362)	0	0	0	(5,429,362)
- Inventories written off	0	(998,541)	0	0	(998,541)
- Reversal of impairment losses on trade receivables	101,889	446,224	0	0	548,113
- Gain on disposal of property, plant and equipment	3,440,450	0	0	0	3,440,450
- Gain on lease termination	516	0	0	0	516
- Fair value gain on other investments	7,259	0	2,282	0	9,541
- Unrealised gain/(loss) on foreign exchange	69,472	(47,105)	0	0	22,367
Additions to non-current assets other than financial instruments, goodwill on consolidation and deferred tax assets	16,015,565	401,936	0	0	16,417,501
<b>Segment assets</b>	<b>419,334,833</b>	<b>36,903,443</b>	<b>8,845,919</b>	<b>(5,536,529)</b>	<b>459,547,666</b>
<b>Segment liabilities</b>	<b>88,933,776</b>	<b>1,858,160</b>	<b>390,737</b>	<b>(5,220,555)</b>	<b>85,962,118</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

## 4. OPERATING SEGMENTS (CONT'D)

(a) Reportable segments (Cont'd)

2023	Steel segment RM	Mineral segment RM	Others RM	Elimination RM	Total RM
Revenue from external customers	176,470,960	15,785,934	0	0	192,256,894
Inter-segment revenue	0	0	4,500,000	(4,500,000)	0
Total revenue	176,470,960	15,785,934	4,500,000	(4,500,000)	192,256,894
Interest income	82,354	0	219,957	(222,133)	80,178
Finance costs	(2,526,728)	(390,905)	0	281,846	(2,635,787)
Net finance expense	(2,444,374)	(390,905)	219,957	59,713	(2,555,609)
Tax expense	(4,729,185)	(217,755)	(51,033)	0	(4,997,973)
<b>Segment profit/(loss)</b>	17,476,905	(666,937)	3,490,118	(1,325,356)	18,974,730
Other material non-cash items:					
- Depreciation of property, plant and equipment	(3,992,250)	(199,044)	0	0	(4,191,294)
- Depreciation of right-of-use assets	(1,117,468)	(86,375)	0	0	(1,203,843)
- Impairment losses on trade receivables	(295,635)	(655,623)	0	0	(951,258)
- Revaluation deficit of property, plant and equipment	(614,461)	0	0	0	(614,461)
- Reversal of impairment losses on trade receivables	(6,567)	8,186	0	0	1,619
- Gain on fair value adjustment on investment properties	17,255,670	0	0	0	17,255,670
- Unrealised (loss)/gain on foreign exchange	(149,083)	673,268	0	0	524,185
- Share options granted under ESOS	(721,314)	0	(432,000)	0	(1,153,314)
Additions to non-current assets other than financial instruments, goodwill on consolidation and deferred tax assets	52,745,758	20,653	0	0	52,766,411
<b>Segment assets</b>	445,502,905	38,010,618	13,097,205	(31,396,108)	465,214,620
<b>Segment liabilities</b>	94,757,468	1,706,626	517,616	(8,722,030)	88,259,680

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 4. OPERATING SEGMENTS (CONT'D)

(b) Reconciliations

Reconciliations of reportable segment profit or loss to the corresponding amounts of the Group are as follows:

Group	2024 RM	2023 RM
<b>Profit for the financial year</b>		
Total profit for reportable segments	1,732,979	23,972,703
Taxation	499,146	(4,997,973)
Profit for the financial year	<u>2,232,125</u>	<u>18,974,730</u>
<b>Assets</b>		
Segment assets	459,547,666	465,214,620
Goodwill on consolidation	58,426	58,426
Current tax assets	1,877,822	465,864
Total assets	<u>461,483,914</u>	<u>465,738,910</u>
<b>Liabilities</b>		
Segment liabilities	85,962,118	88,259,680
Deferred tax liabilities	31,815,705	32,574,063
Current tax liabilities	68,214	463,323
Total liabilities	<u>117,846,037</u>	<u>121,297,066</u>

(c) Geographical information

The following tables provided an analysis of the Group's segment revenue and non-current assets by geographical segment.

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	203,252,546	176,470,960	344,646,983	369,379,191
China	15,151,205	9,504,231	0	0
Others	0	6,281,703	0	0
	<u>218,403,751</u>	<u>192,256,894</u>	<u>344,646,983</u>	<u>369,379,191</u>

#### Major customers

A major customer of the Group, with revenue equal or more than ten percent (10%) of the revenue of the Group, contributes approximately RM48,871,061 (2023: RM Nil) of the revenue of the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2024 RM	Additions RM	Disposals RM	Impairment losses charge for the financial year RM	Depreciation charge for the financial year RM	Balance as at 31.12.2024 RM
<b>Carrying amount</b>						
<u>At Valuation</u>						
Buildings	48,405,000	1,428,943	0	0	(1,593,694)	48,240,249
Freehold land	199,190,000	0	(29,800,000)	0	0	169,390,000
<u>At Cost</u>						
Plant and machinery	20,745,050	74,005	0	(5,429,362)	(2,045,034)	13,344,659
Furniture, fittings and office equipment	818,590	36,759	0	0	(165,201)	690,148
Electrical and other installations	1,166,045	0	0	0	(137,444)	1,028,601
Tools and equipment	77,821	13,220	0	0	(12,438)	78,603
Motor vehicles	252,784	0	0	0	(179,973)	72,811
Capital work-in-progress	8,296,004	14,149,298	0	0	0	22,445,302
	<u>278,951,294</u>	<u>15,702,225</u>	<u>(29,800,000)</u>	<u>(5,429,362)</u>	<u>(4,133,784)</u>	<u>255,290,373</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Group	2024				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Buildings	0	49,833,943	(1,593,694)	0	48,240,249
Freehold land	0	169,390,000	0	0	169,390,000
Plant and machinery	131,626,913	0	(112,852,892)	(5,429,362)	13,344,659
Furniture, fittings and office equipment	4,980,566	0	(4,290,418)	0	690,148
Electrical and other installations	4,550,007	0	(3,521,406)	0	1,028,601
Tools and equipment	2,191,734	0	(2,113,131)	0	78,603
Motor vehicles	3,795,728	0	(3,722,917)	0	72,811
Capital work-in-progress	22,934,394	0	0	(489,092)	22,445,302
	<b>170,079,342</b>	<b>219,223,943</b>	<b>(128,094,458)</b>	<b>(5,918,454)</b>	<b>255,290,373</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance as at 1.1.2023 RM	Additions RM	Transfer to investment properties (Note 7) RM	Revaluation RM	Depreciation charge for the financial year RM	Balance as at 31.12.2023 RM
<b>Carrying amount</b>						
<u>At Valuation</u>						
Buildings	44,225,866	542,727	0	5,078,698	(1,442,291)	48,405,000
Freehold land	27,595,000	48,504,851	0	123,090,149	0	199,190,000
<u>At Cost</u>						
Plant and machinery	26,270,240	531,975	(3,799,413)	0	(2,257,752)	20,745,050
Furniture, fittings and office equipment	819,921	164,673	0	0	(166,004)	818,590
Electrical and other installations	4,504	1,179,811	0	0	(18,270)	1,166,045
Tools and equipment	61,584	29,930	0	0	(13,693)	77,821
Motor vehicles	546,068	0	0	0	(293,284)	252,784
Capital work-in-progress	6,504,213	1,791,791	0	0	0	8,296,004
	<u>106,027,396</u>	<u>52,745,758</u>	<u>(3,799,413)</u>	<u>128,168,847</u>	<u>(4,191,294)</u>	<u>278,951,294</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Group	2023				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Buildings	0	48,405,000	0	0	48,405,000
Freehold land	0	199,190,000	0	0	199,190,000
Plant and machinery	131,552,908	0	(110,807,858)	0	20,745,050
Furniture, fittings and office equipment	4,943,807	0	(4,125,217)	0	818,590
Electrical and other installations	4,550,007	0	(3,383,962)	0	1,166,045
Tools and equipment	2,178,514	0	(2,100,693)	0	77,821
Motor vehicles	3,795,728	0	(3,542,944)	0	252,784
Capital work-in-progress	8,785,096	0	0	(489,092)	8,296,004
	<u>155,806,060</u>	<u>247,595,000</u>	<u>(123,960,674)</u>	<u>(489,092)</u>	<u>278,951,294</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

After initial recognition, property, plant and equipment except for freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less subsequent accumulated depreciation. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation annual rates are as follows:

Buildings	2% - 3%
Plant and machinery	2.5% - 10%
Furniture, fittings and office equipment	10%
Electrical and other installations	10% - 14%
Tools and equipment	10%
Motor vehicles	14%

Freehold land has unlimited useful life and is not depreciated.

Capital work-in-progress represents buildings and plant and machinery under installation and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (b) The freehold land and buildings were revalued on 11 September 2023, 4 December 2023 and 31 December 2023, based on valuations carried out by external independent valuers using cost approach and comparison approach.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	Group	
	2024 RM	2023 RM
Buildings	<b>17,985,027</b>	16,581,015
Freehold land	<b>49,423,055</b>	56,135,120
	<b><u>67,408,082</u></b>	<u>72,716,135</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(c) The fair value of freehold land and buildings (at valuation) of the Group are categorised as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Level 3</b>		
Buildings	<b>48,240,249</b>	48,405,000
Freehold land	<b>169,390,000</b>	199,190,000
	<b><u>217,630,249</u></b>	<u>247,595,000</u>

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2024 and 31 December 2023.

(ii) Level 3 fair value of freehold land and buildings (at valuation) was determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. It has been derived from observable recent transacted prices of similar land and buildings in the local market. The fair value of freehold land and buildings was derived using cost and comparison method.

The freehold land and buildings are valued by reference to transactions of similar properties in close proximity with adjustments made for differences in location, size, accessibility, title and other relevant characteristics (if any) to arrive at market value.

Appropriate adjustments are then made for certain buildings for the factors of obsolescence, optimisation and existing physical condition of the buildings by reference to its depreciated replacement costs.

The significant unobservable input into this valuation method is adjustment factors to prices of comparable assets. The estimated fair value would increase if the historical sales transaction prices were higher and vice versa.

(d) As at 31 December 2024, freehold land and buildings of the Group with carrying amount of RM59,736,232 (2023: RM59,200,000) have been charged to banks for credit facilities granted to the Group as disclosed in Note 15(c) to the financial statements.

(e) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Additions of property, plant and equipment	<b>15,702,225</b>	52,745,758
Reclassification from deposits and prepayments	<b>0</b>	(48,504,851)
Cash payments on purchase of property, plant and equipment	<b><u>15,702,225</u></b>	<u>4,240,907</u>

(f) Impairment loss on property, plant and equipment of the Group of RM5,429,362 (2023: RM Nil) was recognised during the financial year due to decline in or cessation of operations of a subsidiary of the Group. The recoverable amount was determined based on the fair value less cost to sell.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### The Group as lessee

#### Right-of-use assets

	Balance as at 1.1.2024 RM	Additions RM	Termination RM	Depreciation charge for the financial year RM	Balance as at 31.12.2024 RM
<b>Carrying amount</b>	<b>36,020,000</b>	<b>0</b>	<b>0</b>	<b>(1,252,352)</b>	<b>34,767,648</b>
<u>At Valuation</u>					
Leasehold land					
<u>At Cost</u>	<u>24,764</u>	<u>0</u>	<u>(14,151)</u>	<u>(10,613)</u>	<u>0</u>
Land	23,140	18,854	0	(19,550)	22,444
Buildings	2,301,567	696,422	0	(489,897)	2,508,092
Motor vehicles	<u>38,369,471</u>	<u>715,276</u>	<u>(14,151)</u>	<u>(1,772,412)</u>	<u>37,298,184</u>

	Balance as at 1.1.2023 RM	Revaluation RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2023 RM
<b>Carrying amount</b>	<b>21,498,919</b>	<b>15,224,470</b>	<b>0</b>	<b>(703,389)</b>	<b>36,020,000</b>
<u>At Valuation</u>					
Leasehold land					
<u>At Cost</u>	<u>67,218</u>	<u>0</u>	<u>0</u>	<u>(42,454)</u>	<u>24,764</u>
Land	24,353	0	20,653	(21,866)	23,140
Buildings	2,737,701	0	0	(436,134)	2,301,567
Motor vehicles	<u>24,328,191</u>	<u>15,224,470</u>	<u>20,653</u>	<u>(1,203,843)</u>	<u>38,369,471</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)****The Group as lessee (Cont'd)****Lease liabilities**

	Balance as at 1.1.2024 RM	Additions RM	Termination RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2024 RM
<b>Carrying amount</b>						
Land	25,530	0	(14,667)	(11,100)	237	0
Buildings	23,585	18,854	0	(20,400)	647	22,686
Motor vehicles	695,672	624,000	0	(792,307)	38,355	565,720
	<u>744,787</u>	<u>642,854</u>	<u>(14,667)</u>	<u>(823,807)</u>	<u>39,239</u>	<u>588,406</u>

	Balance as at 1.1.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2023 RM
<b>Carrying amount</b>					
Land	67,821	0	(44,400)	2,109	25,530
Buildings	24,672	20,653	(22,800)	1,060	23,585
Motor vehicles	1,682,440	0	(1,040,466)	53,698	695,672
	<u>1,774,933</u>	<u>20,653</u>	<u>(1,107,666)</u>	<u>56,867</u>	<u>744,787</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

#### The Group as lessee (Cont'd)

#### Lease liabilities (Cont'd)

	2024 RM	2023 RM
Represented by:		
Current liabilities	379,211	631,643
Non-current liabilities	209,195	113,144
	<u>588,406</u>	<u>744,787</u>
Lease liabilities owing to financial institutions	565,720	695,672
Lease liabilities owing to non-financial institutions	22,686	49,115
	<u>588,406</u>	<u>744,787</u>

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets except for leasehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities. Leasehold land are stated at valuation, which is the fair value at the date of revaluation less subsequent accumulated depreciation. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	3 - 4 years
Buildings	1 - 3 years
Motor vehicles	3 - 7 years

Leasehold land is depreciated over the period of the lease of 34 to 64 years. The leasehold land has a remaining tenure of 29 years to 58 years (2023: 30 years to 59 years).

- (b) The leasehold land was revalued on 4 December 2023 and 31 December 2023 based on valuations carried out by an external independent valuer using cost approach and comparison approach.



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)****The Group as lessee (Cont'd)**

(b) (Cont'd)

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Leasehold land	<u>2,921,690</u>	<u>3,019,933</u>

(c) The fair value of leasehold land (at valuation) of the Group are categorised as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Level 3</b>		
Leasehold land	<u>34,767,648</u>	<u>36,020,000</u>

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2024 and 31 December 2023.

(ii) Level 3 fair value of leasehold land (at valuation) was determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. It has been derived from observable recent transacted prices of similar land in the local market. The fair value of leasehold land was derived using comparison method.

The leasehold land is valued by reference to transactions of similar properties in close proximity with adjustments made for differences in location, size, accessibility, title and other relevant characteristics (if any) to arrive at market value.

The significant unobservable input into this valuation method is adjustment factors to prices of comparable assets. The estimated fair value would increase if the historical sales transaction prices were higher and vice versa.

(d) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Addition of right-of-use assets	<b>715,276</b>	20,653
Financed by lease liabilities	<u>(642,854)</u>	<u>(20,653)</u>
Cash payments on purchase of right-of-use assets	<u>72,422</u>	<u>0</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

#### The Group as lessee (Cont'd)

- (e) The leasehold land of the Group with carrying amount of RM9,075,862 (2023: RM9,400,000) have been charged to banks for credit facilities granted to the Group as disclosed in Note 15(c) to the financial statements.
- (f) The Group has certain leases of office equipment with lease term of twelve (12) months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (g) The following are the amounts recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Depreciation charge of right-of-use assets (included in cost of sales)	1,282,515	767,709
Depreciation charge of right-of-use assets (included in administrative expenses)	489,897	436,134
Interest expense on lease liabilities (included in finance costs)	39,239	56,867
Gain on early termination (included in other income)	516	0
Expenses relating to leases of low value assets (included in administrative expenses)	11,850	6,900
	<u>1,824,017</u>	<u>1,267,610</u>

- (h) The following are total cash outflows for leases as a lessee:

	Group	
	2024 RM	2023 RM
Included in net cash from/(used in) operating activities:		
Payment relating to low value assets	11,850	6,900
Included in net cash from/(used in) investing activities:		
Purchase of right-of-use assets	72,422	0
Included in net cash (used in)/from financing activities:		
Payments of lease liabilities	823,807	1,107,666
Total cash outflows for leases	<u>908,079</u>	<u>1,114,566</u>

- (i) Information on financial risks of lease liabilities is disclosed in Note 30 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

#### The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties for terms of between one (1) to two (2) years. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivables as at the end of each reporting period as follows:

	Group	
	2024 RM	2023 RM
Less than one (1) year	1,434,112	2,408,399
One (1) to two (2) years	<u>660,632</u>	<u>1,793,144</u>
	<u>2,094,744</u>	<u>4,201,543</u>

### 7. INVESTMENT PROPERTIES

	Balance as at 1.1.2024/ 31.12.2024 RM
Building	20,350,000
Freehold land	<u>31,650,000</u>
	<u>52,000,000</u>

	Balance as at 1.1.2023 RM	Transfer from property, plant and equipment (Note 5) RM	Gain on fair value adjustment RM	Balance as at 31.12.2023 RM
Building	11,944,917	3,799,413	4,605,670	20,350,000
Freehold land	<u>19,000,000</u>	<u>0</u>	<u>12,650,000</u>	<u>31,650,000</u>
	<u>30,944,917</u>	<u>3,799,413</u>	<u>17,255,670</u>	<u>52,000,000</u>

- (a) Investment properties are initially measured at cost, which includes transfer cost. After initial recognition, investment properties are stated at fair value. A gain or loss arising from a change in fair value of investment property shall be recognised in profit or loss in the period which it arises.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 7. INVESTMENT PROPERTIES (CONT'D)

- (b) The fair value of the investment properties of the Group is categorised as Level 3 based on Directors' estimation by reference to valuations by registered independent valuers with appropriate recognised professional qualification and have recent experience in the location and category of the investment properties being valued. The valuation was based on comparison approach with recent transactions of similar properties with adjustments made for differences in size, accessibility, title, building benefit and other relevant characteristics to arrive at the market value. Appropriate adjustments then made for the factors of obsolescence, optimisation and existing physical condition of the buildings. The estimated fair value would be higher if the estimated replacement cost is lower and vice versa. The significant unobservable input into this valuation method is adjustment factors to prices of comparable assets.
- (c) Freehold land and building of the Company with a carrying amount of RM52,000,000 (2023: RM52,000,000) have been charged to a bank for credit facilities granted to the Group as disclosed in Note 15(c) to the financial statements.
- (d) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM1,407,557 (2023: RM3,210,591).
- (e) Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM17,433 (2023: RM17,433).

### 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
<b>At cost:</b>		
Unquoted shares, at cost		
- ordinary shares	<b>34,538,493</b>	34,538,493
- redeemable convertible preference shares	<b>55,511,000</b>	41,411,000
Fair value of share options allocated to subsidiaries	<b>2,405,849</b>	2,405,849
Less: Impairment loss	<b>(6,323,681)</b>	(6,323,681)
	<b><u>86,131,661</u></b>	<u>72,031,661</u>

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**8. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective ownership interest		Principal activities
		2024 %	2023 %	
Leader Steel Sdn. Bhd. #	Malaysia	100	100	Manufacturing, processing and trading of steel and metal products and minerals
Leader Steel Service Centre Sdn. Bhd. #	Malaysia	100	100	Manufacturing, trading of steel products and providing transportation services
Leader Steel Tubes Sdn. Bhd. #	Malaysia	100	100	Inactive
Leader Minerals (Malaysia) Sdn. Bhd. #	Malaysia	100	100	Inactive
Leader Minerals Corporation Sdn. Bhd. #	Malaysia	100	100	Inactive
FerroNet Asia Sdn. Bhd. #	Malaysia	100	100	Property holding
<b>Subsidiaries of Leader Steel Sdn. Bhd.</b>				
ACME United Sdn. Bhd. #	Malaysia	50.5	50.5	Inactive
Padma Minerals Co., Limited *	Hong Kong	100	100	Inactive
Aurea Canyon Mining Sdn. Bhd. #	Malaysia	100	100	Inactive

# Subsidiaries audited by BDO PLT in Malaysia.

\* Subsidiary not audited by BDO PLT in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Changes in shareholdings in subsidiaries

(i) Leader Steel Sdn. Bhd.

During the financial year, a wholly-owned subsidiary of the Company, Leader Steel Sdn. Bhd. had further issued an additional 260,000 redeemable preference shares of RM100 each. The Company had further subscribed 260,000 redeemable preference shares for a total cash consideration of RM26,000,000. Pursuant to that, the equity interest in Leader Steel Sdn. Bhd. remained at 100%.

(ii) FerroNet Asia Sdn. Bhd.

During the financial year, a wholly-owned subsidiary of the Company, FerroNet Asia Sdn. Bhd. redeemed the 157 redeemable convertible preference shares of RM100,000 each by the way of out of profit of that subsidiary.

FerroNet Asia Sdn. Bhd. further issued an additional 38 redeemable preference shares of RM100,000 each. The Company had subscribed 38 redeemable preference shares for a total consideration of RM3,800,000 by way of capitalising the amount owing to the Company.

Pursuant to the above, the equity interest in FerroNet Asia Sdn. Bhd. remained at 100%.

(d) The subsidiary of the Group that has non-controlling interests ('NCI') is as follows:

	<b>ACME United Sdn. Bhd.</b>	
	<b>2024</b>	2023
NCI percentage of ownership interest and voting interest	<b>49.5%</b>	49.5%
Carrying amount of NCI (RM)	<b><u>37,219</u></b>	<u>44,853</u>
Loss allocated to NCI (RM)	<b><u>(7,634)</u></b>	<u>(6,609)</u>
Total comprehensive loss allocated to NCI (RM)	<b><u>(7,634)</u></b>	<u>(6,609)</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**8. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

- (e) The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period is as follows:

	<b>ACME United Sdn. Bhd.</b>	
	<b>2024</b>	2023
	<b>RM</b>	RM
<b>Assets and liabilities</b>		
Current assets	<b>3,835</b>	4,391
Current liability	<b>(45,902)</b>	(31,035)
Net liability	<b>(42,067)</b>	(26,644)
<b>Results</b>		
Revenue	<b>0</b>	0
Loss for the financial year	<b>(15,423)</b>	(13,350)
Total comprehensive loss	<b>(15,423)</b>	(13,350)
Cash flows used in non-operating activities	<b>(556)</b>	(30)
Net decrease in cash and bank balances	<b>(556)</b>	(30)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 9. INVENTORIES

	Group	
	2024 RM	2023 RM
<b>At cost</b>		
Raw materials	9,692,229	15,302,679
Manufactured inventories	14,530,037	7,850,170
Trading inventories	17,292,248	21,771,575
	<u>41,514,514</u>	<u>44,924,424</u>
<b>At net realisable value</b>		
Raw materials	165,877	323,908
Manufactured inventories	184,662	111,882
Trading inventories	249,923	1,393,380
	<u>600,462</u>	<u>1,829,170</u>
<b>Total</b>	<u>42,114,976</u>	<u>46,753,594</u>

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of trading inventories and raw materials comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of manufactured inventories includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The Group writes down inventories based on assessment of their estimated net selling prices. Management exercise significant judgement in writing down of inventory to net realisable value which have been derived from estimates of selling prices that are based on the subsequent average selling prices of steel products and market value of minerals.

- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM210,325,571 (2023: RM170,260,794). The Group has also written off inventories by RM998,541 (2023:RM Nil).



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**10. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade receivables</b>				
Third parties	<b>18,744,653</b>	32,577,748	<b>0</b>	0
Related parties	<b>617,354</b>	1,444,573	<b>0</b>	0
	<b>19,362,007</b>	34,022,321	<b>0</b>	0
Less: Impairment losses				
- third parties	<b>(271,690)</b>	(672,266)	<b>0</b>	0
- related parties	<b>(205,236)</b>	(352,773)	<b>0</b>	0
	<b>(476,926)</b>	(1,025,039)	<b>0</b>	0
	<b>18,885,081</b>	32,997,282	<b>0</b>	0
<b>Other receivables</b>				
Third parties	<b>11,089,294</b>	9,739,882	<b>0</b>	0
Related party	<b>669,601</b>	0	<b>0</b>	0
Subsidiaries	<b>0</b>	0	<b>622,338</b>	13,031,249
	<b>11,758,895</b>	9,739,882	<b>622,338</b>	13,031,249
Less: Impairment losses				
- third parties	<b>(979,691)</b>	(979,691)	<b>0</b>	0
	<b>10,779,204</b>	8,760,191	<b>622,338</b>	13,031,249
<b>Total receivables</b>	<b>29,664,285</b>	41,757,473	<b>622,338</b>	13,031,249
<b>Deposits</b>	<b>266,813</b>	274,413	<b>1,000</b>	0
<b>Prepayments</b>	<b>1,605,399</b>	1,149,633	<b>14,175</b>	15,310
	<b>31,536,497</b>	43,181,519	<b>637,513</b>	13,046,559

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 14 to 90 days (2023: 14 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Non-trade portion of amounts due by related parties are unsecured, non-interest bearing and payable within next twelve (12) months.

Amounts due by subsidiaries are unsecured, bear interest rates ranging from 5.13% to 5.40% (2023: 4.97% to 5.49%) per annum and payable within next twelve (12) months.

- (d) Included in other receivables are advance payment made to suppliers amounting to RM9,960,127 (2023: RM6,329,014).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The currency exposure profile of trade and other receivables, net of prepayments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<b>22,994,125</b>	29,166,356	<b>623,338</b>	13,031,249
Renminbi	<b>6,936,973</b>	12,865,530	<b>0</b>	0
	<b>29,931,098</b>	42,031,886	<b>623,338</b>	13,031,249

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method based on the common credit risk characteristic - industry.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (producer price index) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Impairment for trade receivables past due more than three (3) months, other receivables, amounts due by subsidiaries and a related party are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk as amount past due more than three (3) months.

The probability of non-payment by trade receivables past due more than three (3) months, other receivables and amounts due by subsidiaries and a related party are adjusted by forward-looking information (producer price index) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the trade receivables past due more than three (3) months, other receivables and amounts due by subsidiaries and a related party.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**10. TRADE AND OTHER RECEIVABLES (CONT'D)**

(f) (Cont'd)

Lifetime expected loss provision for trade receivables of the Group are as follows:

	<b>Gross carrying amount RM</b>	<b>Lifetime expected credit losses RM</b>	<b>Net carrying amount RM</b>
<b>2024</b>			
<b>Collective assessment</b>			
Not past due	15,053,973	138,775	14,915,198
Past due			
- 1 to 30 days	1,492,415	23,941	1,468,474
- 31 to 60 days	2,536,441	190,236	2,346,205
- 61 to 90 days	279,178	123,974	155,204
- More than 90 days	0	0	0
	<u>19,362,007</u>	<u>476,926</u>	<u>18,885,081</u>
<b>2023</b>			
<b>Collective assessment</b>			
Not past due	20,641,464	12,987	20,628,477
Past due			
- 1 to 30 days	2,709,610	6,470	2,703,140
- 31 to 60 days	470,686	23,711	446,975
- 61 to 90 days	144,532	28,020	116,512
- More than 90 days	329,192	298,228	30,964
<b>Individual assessment</b>	<u>9,726,837</u>	<u>655,623</u>	<u>9,071,214</u>
	<u>34,022,321</u>	<u>1,025,039</u>	<u>32,997,282</u>

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 10. TRADE AND OTHER RECEIVABLES (CONT'D)

(g) Movements in the impairment loss for trade receivables are as follows:

	Group	
	2024 RM	2023 RM
Balance as at 1 January	1,025,039	504,539
Charge for the financial year	0	951,258
Reversal of impairment losses	(548,113)	(1,619)
Written off	0	(429,139)
Balance as at 31 December	<u>476,926</u>	<u>1,025,039</u>

(h) Movements in the impairment loss for other receivables are as follows:

	Lifetime expected credit losses Credit impaired	
	2024 RM	2023 RM
<b>Group</b>		
Balance as at 1 January/31 December	<u>979,691</u>	<u>979,691</u>

Credit impaired refers to individually determined other receivables who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

The Group considers other receivables to be in default when the other receivables are more than twelve (12) months past due.

No further expected credit loss is recognised arising from the other receivables as it is negligible.

(i) Information on financial risks of trade and other receivables is disclosed in Note 30 to the financial statements.

### 11. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term funds	<u>16,045,901</u>	<u>0</u>	<u>7,637,069</u>	<u>0</u>

(a) Other investments are classified as financial assets measured at fair value through profit or loss.

(b) Other investments are denominated in Ringgit Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 11. OTHER INVESTMENTS (CONT'D)

- (c) Short-term funds are mainly money market funds, which are designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (d) The fair value of short-term funds are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period. Short-term funds of the Group and of the Company are categorised at Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (e) Information on financial risks of other investments is disclosed in Note 30 to the financial statements.

### 12. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	<u>25,261,735</u>	<u>5,958,742</u>	<u>571,337</u>	<u>50,646</u>

- (a) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	15,836,015	4,336,412	571,337	50,646
United States Dollar	25,417	20,371	0	0
Renminbi	9,396,592	1,598,246	0	0
Others	3,711	3,713	0	0
	<u>25,261,735</u>	<u>5,958,742</u>	<u>571,337</u>	<u>50,646</u>

- (b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	25,261,735	5,958,742	571,337	50,646
Bank overdrafts included in borrowings (Note 15)	<u>(10,669)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>25,251,066</u>	<u>5,958,742</u>	<u>571,337</u>	<u>50,646</u>

- (c) No expected credit losses were recognised arising from the cash and bank balances because the probability of default by these financial institutions were negligible.
- (d) Information on financial risks of cash and bank balances is disclosed in Note 30 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 13. SHARE CAPITAL

(a) Share capital

	Group and Company			
	2024		2023	
	Number of ordinary shares	RM	Number of ordinary shares	RM
<b>Issued and fully paid with no par value:</b>				
Balance as at 1 January	160,334,960	74,654,370	140,334,960	67,218,370
Issuance of ordinary shares pursuant to:				
- ESOS	592,900	374,120	0	0
- private placement	0	0	20,000,000	7,436,000
Balance as at 31 December	<u>160,927,860</u>	<u>75,028,490</u>	<u>160,334,960</u>	<u>74,654,370</u>

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 160,334,960 ordinary shares to 160,927,860 ordinary shares by way of issuance of 592,900 new ordinary shares pursuant to 592,900 options exercised under ESOS at exercise price of RM0.4510 each for cash totalling of RM267,398.

In the previous financial year, the issued and fully paid-up ordinary shares of the Company was increased from 140,334,960 to 160,334,960 by way of issuance of 20,000,000 new ordinary shares pursuant to the private placement of 20,000,000 new ordinary shares of RM0.3718 each for cash totalling RM7,436,000.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The owners of the parent (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

(b) Treasury shares

At the 31st Annual General Meeting held on 31 May 2024, shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to ten per centum (10%) of its own ordinary shares.

	Group and Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Balance as at 1 January	(5,802,400)	(2,209,815)	(5,802,400)	(2,209,815)
Purchase of treasury shares	<u>(393,000)</u>	<u>(209,253)</u>	0	0
Balance as at 31 December	<u>(6,195,400)</u>	<u>(2,419,068)</u>	<u>(5,802,400)</u>	<u>(2,209,815)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 13. SHARE CAPITAL (CONT'D)

(b) Treasury shares (Cont'd)

- (i) When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statements of financial position.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sale consideration and the carrying amount is shown as a movement in equity.

- (ii) During the financial year, the Company repurchased its issued ordinary shares from the open market as summarised below:

Date	Number of shares	Market price			Consideration paid RM
		Lowest RM	Highest RM	Average RM	
4 June 2024	213,000	0.530	0.535	0.535	113,855
13 June 2024	180,000	0.523	0.535	0.530	95,398
	<u>393,000</u>				<u>209,253</u>

- (iii) As at 31 December 2024, 6,195,400 (2023: 5,802,400) out of the total 160,927,860 (2023: 160,334,960) issued and fully paid ordinary shares are held as treasury shares by the Company. The number of ordinary shares in issue and fully paid as at 31 December 2024 after excluding the treasury shares is 154,732,460 (2023: 154,532,560).

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

### 14. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-distributable:</b>				
Revaluation reserve	173,999,625	197,357,941	0	0
Share options reserve	1,034,244	1,153,314	1,034,244	1,153,314
<b>Distributable:</b>				
Retained earnings	95,957,367	73,441,181	20,883,193	10,995,181
	<u>270,991,236</u>	<u>271,952,436</u>	<u>21,917,437</u>	<u>12,148,495</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 14. RESERVES (CONT'D)

(a) Revaluation reserve

The revaluation reserve arose from the revaluation of freehold land, leasehold land and buildings.

The revaluation reserve which is non-distributable as cash dividend represents the surplus arising on the revaluation of the freehold land, leasehold land and buildings of the Group, net of tax.

	Group	
	2024 RM	2023 RM
Balance as at 1 January	197,357,941	68,881,983
Realisation of revaluation reserve upon disposal	(23,358,316)	0
Gross revaluation increase of properties	0	144,007,778
Transfer to deferred tax liabilities (Note 16)	0	(15,531,820)
Balance as at 31 December	<u>173,999,625</u>	<u>197,357,941</u>

(b) Share options reserve

Share options reserve represents the effect of equity-settled share options granted to employees. This reserve comprises the cumulative value of services received from employees for the issue of share options. Whenever options are exercised, an amount from the share options reserve is transferred to share capital. Whenever the share options expire, an amount from the share options reserve is transferred to retained earnings.

### 15. BORROWINGS

	Group	
	2024 RM	2023 RM
<b>Current</b>		
<i>Secured</i>		
Bankers' acceptances	44,577,000	63,592,728
Bank overdrafts (Note 12)	10,669	0
Revolving credit	0	4,903,737
Term loans	2,469,000	280,000
	<u>47,056,669</u>	68,776,465
<b>Non-current</b>		
<i>Secured</i>		
Term loans	<u>20,686,363</u>	0
<b>Total borrowings</b>		
Bankers' acceptances	44,577,000	63,592,728
Bank overdrafts (Note 12)	10,669	0
Revolving credit	0	4,903,737
Term loans	23,155,363	280,000
	<u>67,743,032</u>	<u>68,776,465</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 15. BORROWINGS (CONT'D)

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in Ringgit Malaysia.
- (c) The bank borrowings of the Group are secured by the following:
- (i) fixed charges over the property, plant and equipment, right-of-use assets and investment properties of the Group as disclosed in Note 5(d), Note 6(e) and Note 7(c) to the financial statements.
  - (ii) corporate guarantee of RM212,180,000 (2023: RM212,490,000) by the Company.
- (d) Borrowings are not measured at fair value and are categorised as Level 3 in fair value hierarchy.
- (e) Information on financial risks of borrowings is disclosed in Note 30 to the financial statements.

### 16. DEFERRED TAX LIABILITIES

- (a) The deferred tax liabilities is made up of the following:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	<b>32,574,063</b>	15,576,193
Recognised in:		
- profit or loss (Note 24)	<b>(758,358)</b>	1,466,050
- other comprehensive income (Note 14(a))	<b>0</b>	15,531,820
Balance as at 31 December	<b><u>31,815,705</u></b>	<u>32,574,063</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 16. DEFERRED TAX LIABILITIES (CONT'D)

(b) Deferred tax (assets)/liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	0	0	5,016,585	5,345,125	5,016,585	5,345,125
Provisions	(406,887)	(527,570)	0	0	(406,887)	(527,570)
Other deductible temporary differences	(445,668)	(464,727)	0	0	(445,668)	(464,727)
Revaluation of freehold and leasehold land and buildings	0	0	27,651,675	28,221,235	27,651,675	28,221,235
Deferred tax (assets)/liabilities	(852,555)	(992,297)	32,668,260	33,566,360	31,815,705	32,574,063
Set off	852,555	992,297	(852,555)	(992,297)	0	0
Net deferred tax liabilities	0	0	31,815,705	32,574,063	31,815,705	32,574,063
Group						
			Other deductible temporary differences RM	Revaluation of freehold and leasehold land and building RM	Property, plant and equipment RM	Total RM
Balance as at 1 January 2024		(527,570)	(464,727)	28,221,235	5,345,125	32,574,063
Recognised in profit or loss		120,683	19,059	(569,560)	(328,540)	(758,358)
Balance as at 31 December 2024		(406,887)	(445,668)	27,651,675	5,016,585	31,815,705
Balance as at 1 January 2023		(252,863)	(497,827)	10,724,975	5,601,908	15,576,193
Recognised in profit or loss		(274,707)	33,100	1,964,440	(256,783)	1,466,050
Recognised in other comprehensive income		0	0	15,531,820	0	15,531,820
Balance as at 31 December 2023		(527,570)	(464,727)	28,221,235	5,345,125	32,574,063

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**16. DEFERRED TAX LIABILITIES (CONT'D)**

- (c) The estimated amount of net deferred tax assets calculated at the applicable tax rate, which is not recognised in the financial statements are as follows:

	Group	
	2024 RM	2023 RM
Unabsorbed capital allowances	343,770	343,770
Unabsorbed tax losses		
- Expires by 31 December 2028	345,900	345,900
- Expires by 31 December 2029	9,350	9,350
	<b>699,020</b>	699,020

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local and foreign tax authorities. Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

**17. TRADE AND OTHER PAYABLES**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade payables</b>				
Third parties	2,026,460	610,736	0	0
Related party	18,818	0	0	0
	<b>2,045,278</b>	610,736	<b>0</b>	0
<b>Other payables</b>				
Third parties	13,264,528	15,353,504	316,337	310,579
Related parties	37,817	0	0	0
Subsidiary	0	0	0	154,287
Accrued expenses	2,283,057	2,774,188	74,400	52,750
	<b>15,585,402</b>	18,127,692	<b>390,737</b>	517,616
	<b>17,630,680</b>	18,738,428	<b>390,737</b>	517,616

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 120 days (2023: 14 to 120 days).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 17. TRADE AND OTHER PAYABLES (CONT'D)

- (c) The amounts due to related parties are non-trade in nature, unsecured, non-interest bearing and payable within next twelve (12) months.
- (d) In the previous financial year, the amount due to a subsidiary was unsecured, bore interest rates ranging from 4.97% to 5.49% per annum and payable within next twelve (12) months.
- (e) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	15,195,689	14,181,209	390,737	517,616
United States Dollar	633,230	651,900	0	0
Renminbi	1,801,761	3,905,319	0	0
	<u>17,630,680</u>	<u>18,738,428</u>	<u>390,737</u>	<u>517,616</u>

- (f) Information on financial risks of trade and other payables is disclosed in Note 30 to the financial statements.

### 18. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Capital expenditure in respect of purchase of property, plant and equipment: Contracted but not provided for	<u>7,600,000</u>	<u>10,485,200</u>

### 19. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from contracts with customers</b>				
<b>Recognised at point in time:</b>				
- Sales of goods	218,403,751	192,256,894	0	0
<b>Other revenue:</b>				
- Dividend income	0	0	13,000,000	4,500,000
	<u>218,403,751</u>	<u>192,256,894</u>	<u>13,000,000</u>	<u>4,500,000</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 19. REVENUE (CONT'D)

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Revenue from contract with customers is disaggregated in Note 4 to the financial statements.

### 20. FINANCE COSTS

	Group	
	2024 RM	2023 RM
Interest expenses on:		
- bank overdrafts	0	65
- term loans	4,892	26,687
- bankers' acceptances	1,857,264	2,304,289
- revolving credit	240,000	247,879
- lease liabilities	39,239	56,867
	<u>2,141,395</u>	<u>2,635,787</u>

### 21. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Wages, salaries, bonuses and incentive	8,648,345	8,222,219	0	0
Contributions to defined contribution plan	943,033	915,936	0	0
Social security contributions	103,990	98,888	0	0
Share options granted under ESOS	0	802,314	0	153,000
	<u>9,695,368</u>	<u>10,039,357</u>	<u>0</u>	<u>153,000</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 22. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Directors of the Company</b>				
Executive:				
- fees	<b>108,000</b>	108,000	<b>108,000</b>	108,000
- remuneration	<b>1,690,577</b>	1,857,579	<b>0</b>	0
- share options granted under ESOS	<b>0</b>	288,000	<b>0</b>	216,000
- other emoluments	<b>7,000</b>	16,485	<b>7,000</b>	9,000
	<b>1,805,577</b>	2,270,064	<b>115,000</b>	333,000
Non-executive:				
- fees	<b>135,541</b>	194,145	<b>135,541</b>	194,145
- share options granted under ESOS	<b>0</b>	63,000	<b>0</b>	63,000
- other emoluments	<b>49,755</b>	159,582	<b>49,755</b>	89,082
	<b>185,296</b>	416,727	<b>185,296</b>	346,227
Total Directors' remuneration	<b>1,990,873</b>	2,686,791	<b>300,296</b>	679,227

Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Company is RM39,150 (2023: RM28,000).

### 23. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The establishment of ESOS was approved by the shareholders at an Extraordinary General Meeting held on 30 May 2022. During the financial year, the Company has granted an option under the ESOS and the option is exercisable within a period of five (5) years from the date commencing from 31 May 2023.

The ESOS is administered in accordance with the By-Laws by the ESOS Committee.

The salient features of the ESOS are as follows:

- (a) The aggregate maximum number of shares which may be made available under the ESOS, shall not exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time over the duration of the ESOS;
- (b) Only eligible directors and employee ("Eligible Persons") who fulfil the following conditions on the date of offer shall be eligible to participate in the ESOS:
  - (i) The director/employee is at least eighteen (18) years of age and is not undischarged bankrupt or subject to any bankruptcy proceedings;
  - (ii) The employee is employed on the date of offer on a full time basis and is on the payroll of any company in the Group for a continuous period of at least one (1) year and employment has been confirmed by any company in the Group on the date of offer;

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 23. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

- (b) Only eligible directors and employee ("Eligible Persons") who fulfil the following conditions on the date of offer shall be eligible to participate in the ESOS: (Cont'd)
  - (iii) The employee is employed on the date of offer under an employment contract for a continuous fixed period of at least one (1) year as may be determined by the ESOS Committee; and
  - (iv) The director/employee fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (c) The number of new shares to be allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed ten percent (10%) of the total number of new shares to be issued under ESOS;
- (d) Not more than eighty percent (80%) of the total number of shares available under ESOS will be allocated in aggregate to the Director(s) and senior management personnel of the companies in the Group;
- (e) The aggregate maximum number of shares that may be offered to an Eligible Person shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing under the duration of the scheme relating to employees' and/or Directors' share issuance schemes and after taking into consideration the performance, targets position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Persons or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit;
- (f) The exercise price of each new share to be determined by the Board upon recommendation of the ESOS Committee based on the volume weighted average market price of the shares for the five (5) market days immediately preceding date of the offer with a discount of not more than ten percent (10%) during the duration of the scheme;
- (g) The exercise price to be determined by the Board upon recommendation of the ESOS Committee shall be conclusive and binding on the grantees and shall be subject to any amendments with By-Laws;
- (h) The ESOS Committee shall have full discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company and of the Group (as the case may be) and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any vesting condition if the ESOS Committee decides that a changed performance target would be a fairer measure of performance; and
- (i) The ESOS Committee may cancel any ESOS options awarded under this scheme that has not been exercised and any unvested ESOS options awarded under this scheme in the event of any such cancellation, the ESOS Committee may, at its discretion, authorise the granting of new ESOS options (which may or may not cover the same number of Shares that had been subject of any prior ESOS option) in such manner, at such exercise price and subject to such terms, conditions and discretion as would have been applicable under the scheme had the cancelled ESOS options had not been awarded.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 23. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The details of the options over ordinary shares of the Company are as follows:

	Number of options over ordinary shares				Exercisable as at 31.12.2024
	Balance as at 1.1.2024	Exercised	Forfeited*	Balance as at 31.12.2024	
<b>Date of grant</b>					
<b>31 May 2023</b>	6,407,300	(592,900)	(68,600)	5,745,800	5,745,800
<b>Exercise price</b>					RM0.4510
Remaining contractual life (months)	53				41

\* Due to resignation

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and assumptions used are as follows:

	<b>Granted on 31 May 2023</b>
Fair value of share options at the following grant dates (RM)	0.180
Share price at grant date (RM)	0.450
Exercise price (RM)	0.451
Expected volatility (%)	39.86
Expected life (years)	5
Risk free rate (%)	3.51



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**24. TAXATION**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense based on profit for the financial year	<b>312,647</b>	3,533,507	<b>139,308</b>	50,625
(Over)/Underprovision of tax expense in prior years	<b>(53,435)</b>	(1,584)	<b>(3,436)</b>	408
	<b>259,212</b>	3,531,923	<b>135,872</b>	51,033
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	<b>(351,362)</b>	(450,637)	<b>0</b>	0
Crystallisation of deferred tax liabilities on revaluation surplus	<b>(569,561)</b>	(405,921)	<b>0</b>	0
Effect of income subject to real property gain tax	<b>0</b>	2,370,360	<b>0</b>	0
Under/(Over)provision of deferred tax in prior years	<b>162,565</b>	(47,752)	<b>0</b>	0
	<b>(758,358)</b>	1,466,050	<b>0</b>	0
Taxation for the financial year	<b>(499,146)</b>	4,997,973	<b>135,872</b>	51,033

The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the taxable profits for the fiscal year.

The numerical reconciliation between the taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	<b>1,732,979</b>	23,972,703	<b>13,105,773</b>	3,541,152
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	<b>415,915</b>	5,753,449	<b>3,145,386</b>	849,876
Tax effects in respect of:				
Non-allowable expenses	<b>2,785,454</b>	2,160,167	<b>113,922</b>	280,749
Non-taxable income	<b>(3,809,645)</b>	(5,236,763)	<b>(3,120,000)</b>	(1,080,000)
Effect of income subject to real property gain tax	<b>0</b>	2,370,360	<b>0</b>	0
Deferred tax assets not recognised	<b>0</b>	96	<b>0</b>	0
	<b>(608,276)</b>	5,047,309	<b>139,308</b>	50,625
(Over)/Underprovision in prior years:				
- current tax	<b>(53,435)</b>	(1,584)	<b>(3,436)</b>	408
- deferred tax	<b>162,565</b>	(47,752)	<b>0</b>	0
	<b>(499,146)</b>	4,997,973	<b>135,872</b>	51,033

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 25. DIVIDENDS

	Group and Company			
	2024		2023	
	Dividend per share RM	Amount of dividend RM	Dividend per share RM	Amount of dividend RM
In respect of the financial year ended 31 December 2024:				
First single-tier interim dividend	0.020	3,094,237	0	0
In respect of the financial year ended 31 December 2023:				
First single-tier interim dividend	0	0	0.015	2,017,988
	<u>0.020</u>	<u>3,094,237</u>	<u>0.015</u>	<u>2,017,988</u>

### 26. BASIC AND DILUTED EARNINGS PER SHARE

#### (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

	Group	
	2024	2023
Profit attributable to equity holders of the parent (RM)	<u>2,239,759</u>	<u>18,981,339</u>
Weighted average number of ordinary shares in issue (unit)	<u>154,587,668</u>	<u>138,148,998</u>
Basic earnings per ordinary share (sen)	<u>1.45</u>	<u>13.74</u>

#### (b) Diluted

Diluted earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parents and the weighted average number of ordinary shares in issue excluding treasury shares during the financial year adjusted for the effects of dilutive potential ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**26. BASIC AND DILUTED EARNINGS PER SHARE (CONT'D)**

(b) Diluted (Cont'd)

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to equity holders of the parent (RM)	<u>2,239,759</u>	<u>18,981,339</u>
Weighted average number of ordinary shares in issue applicable to basic earning per ordinary share (unit)	<b>154,587,668</b>	138,148,998
Effect of dilution due to:		
- ESOS (unit)	<u>244,925</u>	<u>269,900</u>
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (unit)	<u>154,832,593</u>	<u>138,418,898</u>
Diluted earnings per ordinary share (sen)	<u>1.45</u>	<u>13.71</u>

**27. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The Group has related parties relationship with the following:

<b>Names of related parties</b>	<b>Relationship</b>
Eonmetall Industries Sdn. Bhd.	A company in which certain Directors of the Company have substantial interest.
Eonmetall Technology Sdn. Bhd.	A company in which certain Directors of the Company have substantial interest.
Eonmetall Systems Sdn. Bhd.	A company in which certain Directors of the Company have substantial interest.
EMT Systems Sdn. Bhd.	A company in which certain Directors of the Company have substantial interest.
GL Business Advisory Sdn. Bhd.	A company in which certain Directors of the Company have substantial interest.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 27. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related parties transactions

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Related parties:</b>				
Purchase of property, plant and equipment	(49,757)	(9,620)	0	0
Sales	899,291	2,106,218	0	0
Purchases	(49,083,909)	(68,587)	0	0
Rental income	938,873	3,210,591	0	0
Professional service fees	231,086	0	0	0
<b>Subsidiaries:</b>				
Dividend income	0	0	13,000,000	4,500,000
Interest income	0	0	579,986	219,957

Balances with related parties at the end of the financial year are disclosed in Note 10 and Note 17 to the financial statements.

The above transactions were carried out on terms and rates as agreed between the Group and the related parties.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Executive Directors, Non-Executive Directors and other members of key management personnel during the financial year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Directors</b>				
Fees	243,541	302,145	243,541	302,145
Remuneration	1,690,577	1,857,579	0	0
Share options granted under ESOS	0	351,000	0	279,000
Other emoluments	56,755	176,067	56,755	98,082
	1,990,873	2,686,791	300,296	679,227

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**27. RELATED PARTY DISCLOSURES (CONT'D)**

- (c) Compensation of key management personnel (Cont'd)

The remuneration of Executive Directors, Non-Executive Directors and other members of key management personnel during the financial year are as follows: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b><u>Other Key Management Personnel</u></b>				
Remuneration	1,400,191	1,366,640	0	0
Share options granted under ESOS	0	34,740	0	0
Other emoluments	431,950	487,474	0	0
	<u>1,832,141</u>	<u>1,888,854</u>	<u>0</u>	<u>0</u>
	<u>3,823,014</u>	<u>4,575,645</u>	<u>300,296</u>	<u>679,227</u>

Estimated monetary value of benefits-in-kind provided to the Executive Directors and key management personnel of the Group is RM106,550 (2023: RM95,400).

**28. FINANCIAL GUARANTEES**

	Company	
	2024 RM	2023 RM
<b>Unsecured</b>		
Financial guarantees given to financial institutions for credit facilities granted to subsidiaries:		
- Limit of guarantee	212,180,000	212,490,000
- Amount utilised	<u>67,743,032</u>	<u>68,776,465</u>

- (a) The Company provides financial guarantees to banks for credit facilities granted to certain subsidiaries.
- (b) The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries amounts to RM67,743,032 (2023: RM68,776,465) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.
- (c) Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:
- the expected loss model under MFRS 9; and
  - the amount initially recognised less amortisation, where appropriate.
- (d) Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 28. FINANCIAL GUARANTEES (CONT'D)

- (e) Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

The subsidiaries defaulting on the credit lines is remote. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

- (f) Information on financial risks of financial guarantees are disclosed in Note 30 to the financial statements.

### 29. FINANCIAL INSTRUMENTS

- (a) Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity (including non-controlling interests), borrowings, lease liabilities and trade and other payables to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as, total borrowings, lease liabilities and trade and other payables divided by total equity as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Borrowings	<b>67,743,032</b>	68,776,465	<b>0</b>	0
Lease liabilities	<b>588,406</b>	744,787	<b>0</b>	0
Trade and other payables	<b>17,630,680</b>	18,738,428	<b>390,737</b>	517,616
Total loans and borrowings	<b>85,962,118</b>	88,259,680	<b>390,737</b>	517,616
Total equity	<b>343,637,877</b>	344,441,844	<b>94,526,859</b>	84,593,050
Debt-to-equity ratio	<b>0.25 : 1</b>	0.26 : 1	<b>0.004 : 1</b>	0.006 : 1

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial years ended 31 December 2024 and 31 December 2023.

The Group and the Company have complied with these externally imposed capital requirements as at the end of reporting period.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**29. FINANCIAL INSTRUMENTS (CONT'D)**

(b) Categories of financial instruments

	Group RM	Company RM
<b>31 December 2024</b>		
<b>Financial assets</b>		
<b>Amortised cost</b>		
Trade and other receivables, net of prepayments	29,931,098	623,338
Cash and bank balances	25,261,735	571,337
	<u>55,192,833</u>	<u>1,194,675</u>
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Borrowings	67,743,032	0
Trade and other payables	17,630,680	390,737
	<u>85,373,712</u>	<u>390,737</u>
<b>31 December 2023</b>		
<b>Financial assets</b>		
<b>Amortised cost</b>		
Trade and other receivables, net of prepayments	42,031,886	13,031,249
Cash and bank balances	5,958,742	50,646
	<u>47,990,628</u>	<u>13,081,895</u>
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Borrowings	68,776,465	0
Trade and other payables	18,738,428	517,616
	<u>87,514,893</u>	<u>517,616</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below.

#### (a) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

#### Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	2024		2023	
	RM	% of total	RM	% of total
<b>By countries</b>				
Malaysia	11,948,108	63%	20,131,752	61%
China	6,936,973	37%	12,865,530	39%
	<b>18,885,081</b>	<b>100%</b>	<b>32,997,282</b>	<b>100%</b>
<b>By industry sectors</b>				
Minerals	6,936,973	37%	12,865,530	39%
Steel and trading	11,948,108	63%	20,131,752	61%
	<b>18,885,081</b>	<b>100%</b>	<b>32,997,282</b>	<b>100%</b>

At the end of each reporting period, approximately 3% (2023: 4%) of the trade receivables of the Group were due from related parties. The Company's receivables consist 100% (2023: 100%) of amounts due by subsidiaries.



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

## (b) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting their financial obligations due to shortage of funds. The exposure of the Group to liquidity and cash flow risk arises primarily from mismatches of maturities of financial assets and financial liabilities. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of available credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

	<b>On demand or within one (1) year RM</b>	<b>One (1) to five (5) years RM</b>	<b>More than five (5) years RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>As at 31 December 2024</b>				
<b>Financial liabilities</b>				
Lease liabilities	433,496	238,817	0	672,313
Trade and other payables	17,630,680	0	0	17,630,680
Borrowings	47,782,605	11,961,617	11,481,176	71,225,398
Total undiscounted financial liabilities	<u>65,846,781</u>	<u>12,200,434</u>	<u>11,481,176</u>	<u>89,528,391</u>
<b>As at 31 December 2023</b>				
<b>Financial liabilities</b>				
Lease liabilities	686,320	116,240	0	802,560
Trade and other payables	18,738,428	0	0	18,738,428
Borrowings	68,780,525	0	0	68,780,525
Total undiscounted financial liabilities	<u>88,205,273</u>	<u>116,240</u>	<u>0</u>	<u>88,321,513</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk (Cont'd)

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations. (Cont'd)

	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
<b>Company</b>			
<b>As at 31 December 2024</b>			
<b>Financial liabilities</b>			
Other payables	390,737	0	390,737
Financial guarantee contracts	67,743,032	0	67,743,032
Total undiscounted financial liabilities	<u>68,133,769</u>	<u>0</u>	<u>68,133,769</u>
<b>As at 31 December 2023</b>			
<b>Financial liabilities</b>			
Other payables	517,616	0	517,616
Financial guarantee contracts	68,776,465	0	68,776,465
Total undiscounted financial liabilities	<u>69,294,081</u>	<u>0</u>	<u>69,294,081</u>

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily in United States Dollar ('USD') and Renminbi ('RMB').

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD and RMB exchange rate against the respective functional currencies of the Group entities, with all other variables held constant:

		Group	
		2024 RM	2023 RM
<b>Profit after tax</b>			
USD/RM	- strengthen by 10% (2023: 10%)	<b>(46,194)</b>	(47,996)
	- weaken by 10% (2023: 10%)	<b>46,194</b>	47,996
		<hr/>	<hr/>
RMB/RM	- strengthen by 10% (2023: 10%)	<b>1,104,417</b>	802,443
	- weaken by 10% (2023: 10%)	<b>(1,104,417)</b>	(802,443)
		<hr/>	<hr/>

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

There is no impact to the equity as a result of changes of foreign exchange rates as at the end of the reporting period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rate risk arises primarily from their loans and borrowings. The Group borrows at both, floating and fixed rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by ten (10) basis points with all other variables held constant:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Profit after tax</b>				
- Increase by 0.1% (2023: 0.1%)	<b>(51,477)</b>	(52,270)	<b>473</b>	9,786
- Decrease by 0.1% (2023: 0.1%)	<b>51,477</b>	52,270	<b>(473)</b>	(9,786)
		<hr/>	<hr/>	<hr/>

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the carrying amount of fixed rate financial instruments of the Group and of the Company are measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.

There is no impact to the equity as a result of changes of interest rate for floating rate instruments as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	Effective interest rates %	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	Total RM
<b>As at 31 December 2024</b>								
<b>Fixed rates</b>								
Lease liabilities	6	3.49 - 4.34*	14,738	7,948	0	0	0	22,686
Lease liabilities	6	3.35 - 3.57	364,473	179,410	21,837	0	0	565,720
<b>Floating rates</b>								
Bankers' acceptances	15	3.19 - 5.27	44,577,000	0	0	0	0	44,577,000
Term loans	15	5.69	2,469,000	2,469,000	2,469,000	13,279,363	23,155,363	23,155,363
<b>As at 31 December 2023</b>								
<b>Fixed rates</b>								
Lease liabilities	6	3.49 - 4.13*	43,696	5,419	0	0	0	49,115
Lease liabilities	6	3.35 - 3.57	587,947	107,725	0	0	0	695,672
<b>Floating rates</b>								
Bankers' acceptances	15	3.25 - 5.29	63,592,728	0	0	0	0	63,592,728
Revolving credit	15	5.39	4,903,737	0	0	0	0	4,903,737
Term loans	15	4.35	280,000	0	0	0	0	280,000

\* Represents incremental borrowings rate per annum.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (Cont'd)

Company	Note	Effective interest rates %	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	Total RM
<b>As at 31 December 2024</b>								
<b>Floating rates</b>								
Amounts due by subsidiaries	10	5.13 - 5.40	622,338	0	0	0	0	622,338
<b>As at 31 December 2023</b>								
<b>Floating rates</b>								
Amounts due by subsidiaries	10	4.97 - 5.49	13,031,249	0	0	0	0	13,031,249
Amount due to a subsidiary	17	4.97 - 5.49	(154,287)	0	0	0	0	(154,287)
			12,876,962	0	0	0	0	12,876,962

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

### 31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 10 January 2024, a subsidiary of the Company had received and accepted a Notis Award and Tawaran Pampasan ("Borang H") from the Pentadbir Tanah Klang invoking compulsory acquisition under Land Acquisition Act, 1960 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 RM42,558,627.

The transaction was completed on 25 March 2024.

### 32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 32.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

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

#### 32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature - dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

31 DECEMBER 2024

**33. STATUTORY DISCLOSURE**

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company were as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Statutory audit	<b>244,500</b>	222,500	<b>98,600</b>	90,500
Other services	<b>5,500</b>	5,500	<b>5,500</b>	5,500
	<b>250,000</b>	228,000	<b>104,100</b>	96,000

## PROPERTIES OF THE GROUP

Location	Date of Revaluation/ Acquisition	Lot	Tenure	Approximate Age of Building	Area (Square Meters)	Description	Carrying Amount as at 31 December 2024 (RM'000)
<b>Leader Steel Sdn. Bhd.</b>							
Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Pulau Pinang, Malaysia.	31/12/2023	Lot No. PT 2965, Mukim 11 District of Seberang Perai Tengah Pulau Pinang	Leasehold 60 years, expiring 21.12.2052	32 years	34,011	Factory	40,018
No. 6, Lorong Limau Manis 1, Taman Limau Manis, 14000 Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang, Malaysia.	31/12/2023	Lot No. 5582, Mukim 11 District of Seberang Perai Tengah Pulau Pinang	Freehold Double Storey Terrace house	30 years	111	Residential premise for factory workers	477
No. 8, Lorong Limau Manis 1, Taman Limau Manis, 14000 Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang, Malaysia.	31/12/2023	Lot No. 5583, Mukim 11 District of Seberang Perai Tengah Pulau Pinang	Freehold Double Storey Terrace house	30 years	111	Residential premise for factory workers	477
Lot 841, Block 7 MTL, Sejingkat Industrial Park, 93050 Kuching, Sarawak, Malaysia.	4/12/2023	Lot 841, Block 7 Muara Tebas Land District Sarawak	Leasehold 60 years, expiring 10.11.2053	31 years	33,600	Factory	23,490
Lot No. 1596, Title No. GRN 77765, Mukim 12, Daerah Seberang Perai Selatan, Pulau Pinang, Malaysia.	13/12/2023	Lot 1596, Mukim 12 District of Seberang Perai Selatan Pulau Pinang	Freehold Land & Building	12 years	39,250	Factory	52,000
Parcel No. 1572-2-11, First floor, Block I, Demak Laut Commercial Centre, off Jalan Bako, 93050, Kuching, Sarawak, Malaysia.	31/12/2023	Lot 1572, Block 7 Muara Tebas Land District Sarawak	Leasehold 60 years, expiring 07.12.2059	26 years	73	Residential premise for factory workers	93
<b>Leader Steel Service Centre Sdn. Bhd.</b>							
Geran 43145, Lot No. 6483, Kapar, Klang, Selangor, Malaysia.	31/12/2023	Lot 6483, Mukim of Kapar District of Klang Selangor	Freehold Land	21 years	48,583	Factory	32,000
Lot 6483, Jalan Sungai Puloh, KU5, 42100 Klang, Selangor, Malaysia.	31/12/2023	Lot 6483, Mukim of Kapar District of Klang Selangor	Freehold Building	16 years	17,720	Factory	13,322
No. 42A, Lorong Bayu Mutiara 8, Taman Bayu Mutiara, 14000 Bukit Mertajam, Pulau Pinang, Malaysia.	31/12/2023	Lot No. 7764, Mukim 11 District of Seberang Perai Tengah Pulau Pinang	Freehold Double Storey Terrace house	18 years	130	Residential premise for factory workers	637



## PROPERTIES OF THE GROUP (CONT'D)

Location	Date of Revaluation/ Acquisition	Lot	Tenure	Approximate Age of Building	Area (Square Meters)	Description	Carrying Amount as at 31 December 2024 (RM'000)
<b>Leader Steel Service Centre Sdn. Bhd. (Cont'd)</b>							
No. 48, Lorong Bayu Mutiara 8, Taman Bayu Mutiara, 14000 Bukit Mertajam, Pulau Pinang, Malaysia.	31/12/2023	Lot No. 7762, Mukim 11 District of Seberang Perai Tengah Pulau Pinang	Freehold Double Storey Terrace house	18 years	130	Residential premise for factory workers	637
No. 32A, Jalan Setia Impian, U13/4D Sek U13 Setia Alam, 40170 Shah Alam, Selangor, Malaysia.	31/12/2023	Lot No. 17575, Mukim of Bukit Raja District of Petaling Selangor	Freehold Double Storey Terrace house	17 years	130	Residential premise for factory workers	676
No. 32, Klang Central Industrial Park, Lorong 5, Di Lorong Sungai Puloh, Batu 5 ¾, Jalan Kapar, 41400 Klang, Selangor Darul Ehsan, Malaysia.	31/12/2023	Lot No. 32948, Mukim of Kapar District of Klang Selangor	Freehold Double Storey Shophouse	15 years	186	Residential premise for factory workers	608
No. 8, Jalan Setia Impian U13/8G, Setia Alam Seksyen U13, Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia.	31/12/2023	Lot No. 28091 and 21547, all of Mukim of Bukit Raja District of Petaling Selangor	Freehold Double Storey Terrace house	16 years	130	Residential premise for factory workers	706
No. 30, Klang Central Industrial Park, Lorong 5, Di Lorong Sungai Puloh, Batu ¾, Jalan Kapar, 41400 Klang, Selangor Darul Ehsan, Malaysia.	31/12/2023	Lot No. 32947, Mukim of Kapar District of Klang Selangor	Freehold Double Storey Shophouse	12 years	191	Residential premise for factory workers	637
Plot 9288, Kawasan Perindustrian Kelemak, 78000 Alor Gajah, Melaka.	31/12/2023	Mukim 273, Lot 2953, Tempat Kawasan Perindustrian Kelemak Mukim Kelemak Daerah Alor Gajah Melaka	Leasehold 99 years, expiring 27.09.2082	42 years	6,133	Factory	1,230
<b>FerroNet Asia Sdn. Bhd.</b>							
H.S.(D) 166443, No. PT 85118, Mukim Kapar, Daerah Klang, Negeri Selangor, Malaysia	11/9/2023	H.S.(D) 166443, No. PT 85118, Mukim Kapar, Daerah Klang, Negeri Selangor, Malaysia	Freehold industrial land	2 year	133,546	Industrial land	102,590
H.S.(D) 166444, No. PT 85119, Mukim Kapar, Daerah Klang, Negeri Selangor, Malaysia	11/9/2023	H.S.(D) 166444, No. PT 85119, Mukim Kapar, Daerah Klang, Negeri Selangor, Malaysia	Freehold industrial land	2 year	55,186	Industrial land	34,800

## ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Issued Share Capital	: 160,927,860 ordinary shares (including 6,195,400 treasury shares)
Class of Share	: Ordinary Shares
No. of Shareholders	: 2,232
Voting Rights	: One vote per ordinary share

### Analysis by size of shareholdings

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares Held
LESS THAN 100	9	0.40	323	0.00
100 - 1,000	284	12.73	187,000	0.12
1,001 - 10,000	1,300	58.24	7,344,869	4.56
10,001 - 100,000	575	25.76	17,788,300	11.05
100,001 – 8,046,392*	62	2.78	69,724,200	43.33
8,046,393 – 160,927,860**	2	0.09	65,883,168	40.94
<b>TOTAL:</b>	<b>2,232</b>	<b>100.00</b>	<b>160,927,860</b>	<b>100.00</b>

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

### Substantial Shareholders

No.	Name of Major Shareholders	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Dato' Goh Cheng Huat	14,998,494	9.69	^56,622,974	^36.59
2.	Datin Tan Pak Say	1,375,006	0.89	^70,246,462	^45.40
3.	Bischart Sdn. Bhd.	54,035,868	34.92	-	-

### DIRECTORS' INTEREST IN THE SHARE CAPITAL

No.	Name of Directors	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Dato' Goh Cheng Huat	14,998,494	9.69	^56,622,974	^36.59
2.	Datin Tan Pak Say	1,375,006	0.89	^70,246,462	^45.40
3.	Lim Leng Han	18,000	0.01	-	-
4.	Goh Wan Jing	-	-	-	-
5.	Abdull Sukor Bin Ismail	-	-	-	-
6.	Soon Gim Wooi	-	-	-	-
7.	Datuk Dr. Roslan Bin A. Ghaffar	-	-	-	-

^ Deemed interested pursuant to Section 8 of the Companies Act, 2016 through direct and indirect shares via spouse and children and shares pursuant to Section 59(11)(c) of the Act.

By virtue of their interests of more than 20% in the shares of the Company, Dato' Goh Cheng Huat and Datin Tan Pak Say are also deemed to have an interest in the shares of all the subsidiaries to the extent the Company has an interest.

**ANALYSIS OF SHAREHOLDINGS (CONT'D)**

AS AT 28 MARCH 2025

**LIST OF TOP 30 HOLDERS AS AT 28 MARCH 2025**

No.	Name	Holdings	%
1	BISCHART SDN. BHD.	18,035,868	11.21
2	BISCHART SDN. BHD.	18,000,000	11.19
3	BISCHART SDN. BHD.	18,000,000	11.19
4	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GOH CHENG HUAT (SMART)	11,847,300	7.36
5	PULAU ANGKASA INDUSTRIES SDN. BHD.	7,606,400	4.73
6	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHING CHING	6,748,300	4.19
7	TAN HAN CHUAN	6,547,600	4.07
8	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG HUEY PENG	6,488,800	4.03
9	LEADER STEEL HOLDINGS BERHAD SHARE BUY BACK ACCOUNT	6,195,400	3.85
10	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH TING HONG	5,522,900	3.43
11	ONG HAR HONG	5,462,900	3.39
12	POO CHOO @ ONG POO CHOI	3,000,000	1.86
13	GOH CHENG HUAT	2,950,600	1.83
14	GOLDEN VALLEY LOGISTIC SDN.BHD.	2,799,700	1.74
15	GOH HONG KENT	1,212,100	0.75
16	TAN PHAIK HOON	1,160,000	0.72
17	DATIN TAN PAK SAY	1,155,006	0.72
18	CHEANG BENG CHEE	847,000	0.53
19	LEE HENG WAI	821,000	0.51
20	TAN AIK CHOON	639,300	0.40
21	TAN KHENG HWA	500,000	0.31
22	TAN AIK CHOON	491,300	0.31
23	SONG HUAT CHAN HOLDINGS SDN. BHD.	427,800	0.27
24	KUEH CHIAW BOON	380,000	0.24
25	KUEH TUNG BOON	336,000	0.21
26	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG KIM VOOY	330,000	0.21
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HO KOK KIANG (8123858)	326,800	0.20
28	LIM SOON HUAT	320,200	0.20
29	LIM KIAN HUAT	310,900	0.19
30	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	300,000	0.19
<b>Total:</b>		<b>128,763,174</b>	<b>80.03</b>



# FORM OF PROXY

**Thirty-Second (32<sup>nd</sup>)  
Annual General Meeting**

CDS Account No. \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

I\*/We\* \_\_\_\_\_  
(Full name in Block Letters and NRIC / Company No.)

of \_\_\_\_\_ and \_\_\_\_\_  
(Address) (Tel. No.)

being a member\*/members\* of Leader Steel Holdings Berhad hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

\* and/or (\*delete if not applicable)

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing \*him/her, THE CHAIRMAN OF THE MEETING as my\*/our\* proxy, to vote for me\*/us\* and on my\*/our\* behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held at 2nd Floor, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Pulau Pinang, Malaysia on Monday, 26 May 2025 at 2:00 pm or at any adjournment thereof.

	Ordinary Resolutions						
	1	2	3	4	5	6	7
FOR							
AGAINST							

(Please indicate with an "x" in the appropriate space(s) provided above on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Common Seal to be affixed here  
if Shareholder is a Corporation

**Notes:**

- A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. A proxy must be of full age. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
- For the proxy to be valid, the Form of Proxy duly completed must be deposited / submitted at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 19 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

**Personal Data Privacy**

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 32<sup>nd</sup> Annual General Meeting of the Company and any adjournment thereof.



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**Affix  
Stamp**

The Company Secretaries  
**LEADER STEEL HOLDINGS BERHAD**  
Registration No.: 199301012471 (267209-K)  
170-09-01, Livingston Tower  
Jalan Argyll, 10050 George Town  
Pulau Pinang, Malaysia

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## **Leader Steel Holdings Berhad**

199301012471 (267209-K)

Wisma Leader Steel,  
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