



## **LEFORM BERHAD**

Registration No. 199501001582 (330776-K)

*(Incorporated in Malaysia)*

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024**

<i>in thousands of RM</i>	Individual Quarter			Cumulative Quarter		
	Current Quarter Ended 30-Jun-24 (Unaudited)	Corresponding Quarter Ended 30-Jun-23 (Unaudited)	Change	Cumulative Year to Date 30-Jun-24 (Unaudited)	Cumulative Year to Date 30-Jun-23 (Unaudited)	Change
Revenue	97,352	73,720	32.1%	204,254	176,322	15.8%
Results from operating activities	1,822	(771)	-336.3%	4,488	2,784	61.2%
Finance costs	(3,122)	(3,082)	1.3%	(5,885)	(6,123)	-3.9%
Interest income	44	335	-86.9%	91	422	-78.4%
Other income	1,602	3,600	-55.5%	3,277	5,185	-36.8%
Profit before taxation	346	82	322.0%	1,971	2,268	-13.1%
Income tax (expense)/income	(158)	222	-171.2%	(36)	(485)	-92.6%
Profit for the period	188	304	-38.2%	1,935	1,783	8.5%
<b>Profit after taxation attributable to:-</b>						
Owners of the Company	331	520	-36.4%	2,028	2,393	-15.3%
Non-controlling interests	(143)	(216)	-33.8%	(93)	(610)	-84.8%
	188	304	-38.2%	1,935	1,783	8.5%
<b>Total Comprehensive income attributable to:-</b>						
Owners of the Company	331	520	-36.4%	2,028	2,393	-15.3%
Non-controlling interests	(143)	(216)	-33.8%	(93)	(610)	-84.8%
	188	304	-38.2%	1,935	1,783	8.5%
<b>Earnings per ordinary share</b>						
Basic (sen)	0.02	0.04	-50.0%	0.14	0.16	-12.5%

*The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

<i>in thousands of RM</i>	<b>As at 30-Jun-24 (Unaudited)</b>	<b>As at 31-Dec-23 (Audited)</b>
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	155,844	145,110
Investment properties	9,421	9,533
Right-of-use assets	3,616	-
Goodwill	2,702	2,702
<b>Total non-current assets</b>	<b>171,583</b>	<b>157,345</b>
<b>Current Assets</b>		
Inventories	165,921	155,820
Trade and other receivables	113,616	99,894
Contract assets	1,693	7,843
Current tax assets	11,537	11,447
Derivatives Assets	22	-
Fixed deposits with licensed banks	6,890	6,102
Cash and bank balances	4,813	18,096
<b>Total current assets</b>	<b>304,492</b>	<b>299,202</b>
<b>Total assets</b>	<b>476,075</b>	<b>456,547</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	146,909	146,909
Reserves	68,938	66,910
Equity attributable to owners of the Company	215,847	213,819
Non-controlling interests	1,948	2,141
<b>Total equity</b>	<b>217,795</b>	<b>215,960</b>
<b>Non-current liabilities</b>		
Hire purchase payables	3,786	649
Term loans	5,557	5,719
Deferred tax liabilities	8,494	9,395
<b>Total non-current liabilities</b>	<b>17,837</b>	<b>15,763</b>
<b>Current liabilities</b>		
Trade and other payables	54,339	34,777
Amount owing to holding company	-	4,011
Derivatives liabilities	-	416
Hire purchase payables	1,136	749
Bankers' acceptances and trust receipts	158,381	165,812
Revolving credit	10,000	10,000
Bank overdrafts	14,224	5,954
Term loans	1,432	3,088
Current tax liabilities	931	17
<b>Total current liabilities</b>	<b>240,443</b>	<b>224,824</b>
<b>Total liabilities</b>	<b>258,280</b>	<b>240,587</b>
<b>Total equity and liabilities</b>	<b>476,075</b>	<b>456,547</b>
<b>Net assets per share attributable to owners of the Company (sen)*</b>	<b>14.57</b>	<b>14.44</b>

*\* Calculated based on net assets attributable to owners of the company's divided by the Company's weighted average number of ordinary shares in issue*

*The above unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2024**

<i>in thousand of RM</i>	Share Capital	Non-Distributable Revaluation Reserves	Distributable Retained Profits	Attributable to Owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2023	146,909	45,732	39,467	232,108	2,322	234,430
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial period	-	-	2,393	2,393	(610)	1,783
Distributions to owners of the Company:						
- Dividend by the Company	-	-	(13,329)	(13,329)	-	(13,329)
<b>Balance at 30 June 2023</b>	<b>146,909</b>	<b>45,732</b>	<b>28,531</b>	<b>221,172</b>	<b>1,712</b>	<b>222,884</b>
Balance at 1 January 2024	146,909	45,732	21,178	213,819	2,141	215,960
Profit after taxation/Total comprehensive income for the financial period	-	-	2,028	2,028	(93)	1,935
Distributions to owners of the Company:						
- Dividend by a subsidiary to non-controlling interests	-	-	-	-	(100)	(100)
<b>Balance at 30 June 2024</b>	<b>146,909</b>	<b>45,732</b>	<b>23,206</b>	<b>215,847</b>	<b>1,948</b>	<b>217,795</b>

*The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2024**

<i>in thousands of RM</i>	<b>For the 6 months ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,971	2,268
Adjustments for non-cash items	9,301	7,024
<b>Operating profit before working capital changes</b>	<u>11,272</u>	<u>9,292</u>
<b>Changes in working capital</b>		
Inventories	(10,101)	56,479
Trade and other payables, including derivatives	15,135	(34,533)
Trade and other receivables, including derivatives	(7,594)	13,810
<b>Cash from operations</b>	<u>8,712</u>	<u>45,048</u>
Income tax paid	(113)	(2,919)
<b>Net cash from operating activities</b>	<u>8,599</u>	<u>42,129</u>
<b>Cash flows for investing activities</b>		
Additions of deposits pledged with licensed financial banks or with tenure more than 3 months	(788)	(3,611)
Interest income received	91	422
Net addition to right-of-use assets	(3,624)	-
Proceeds from disposal of property, plant and equipment	149	50
Purchase of property, plant and equipment	(14,270)	(8,617)
<b>Net cash for investing activities</b>	<u>(18,442)</u>	<u>(11,756)</u>
<b>Cash flows for financing activities</b>		
Dividends paid to non-controlling interests	(100)	-
Dividends paid to owners of the Company	-	(13,329)
Interest paid	(5,885)	(6,123)
Net repayments of loans and borrowings	(9,249)	(41,164)
Net drawdown/(repayment) of hire purchase payables	3,524	(674)
<b>Net cash for financing activities</b>	<u>(11,710)</u>	<u>(61,290)</u>
Net decrease in cash and cash equivalents	(21,553)	(30,917)
Cash and cash equivalents at beginning of the financial period	12,142	28,368
Cash and cash equivalents at end of the financial period	<u>(9,411)</u>	<u>(2,549)</u>

*The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. BASIS OF PREPARATION**

The interim financial report (“Interim Financial Report”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

This Interim Financial Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this Interim Financial Report.

**A2. SINGIFICANT ACCOUNTING POLICIES**

The financial statements of Leform Berhad and its subsidiaries (“Group”) have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in preparation of the audited financial statements for the for the financial year ended 31 December 2023.

During the financial period the Group has adopted the following interpretations and amendments issued by the Malaysian Accounting Standards Board (“MASB”), which became effective for annual periods beginning on or after 1 January 2024:

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

The adoption of the above accounting standard(s) and/or interpretation(s) did not have any material impact on the Group’s financial statements.

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

**A2. SINGIFICANT ACCOUNTING POLICIES (CON'D)**

The Group has not applied in advance the following accounting standards and/or interpretations that have been issued by the MASB but are not yet effective for the current financial period:-

<b>MFRS and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

The adoption of the above accounting standards and/or interpretations is expected to have no material impact on the financial statements of the Group upon their initial application.

**A3. AUDIT QUALIFICATIONS**

There was no audit qualification in the annual financial statements of the Group for the financial year ended 31 December 2023.

**A4. SEASONAL OR CYCLICAL FACTORS**

The operations of the Group were not affected by any seasonal or cyclical factors.

**A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items that had a material effect on the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review.

**A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported which have a material effect on the results of the Group for the current financial quarter under review.

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

**A7. DEBTS AND EQUITY SECURITIES**

There was no issuance, repurchase, resale or repayment of debts and equity securities in the current financial quarter under review.

**A8. DIVIDENDS PAID**

No dividends were paid during the quarter ended 30 June 2024.

**A9. SEGMENTAL INFORMATION**

The Group is organised into 3 main reportable segments as follows: -

- *Manufacturing segment:* involved in manufacturing of steel products comprising steel pipes, guardrails and flat steel products.
- *Trading segment:* involved in trading of steel products which are deemed complementary to its manufacturing segment.
- *Other segment:* involved in provision of transport and carrier services of the Group's finished steel products.

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b>			
	<b>30-Jun-24</b>		<b>30-Jun-23</b>	
	<b>Segmental Revenue</b> (unaudited)	<b>Profit Before tax</b> (unaudited)	<b>Segmental Revenue</b> (unaudited)	<b>(Loss)/profit Before tax</b> (unaudited)
Manufacturing	87,794	1,943	70,250	(1,321)
Trading	29,446	18	20,251	1,496
Transportation	658	7	559	(15)
	<u>117,898</u>	<u>1,968</u>	<u>91,060</u>	<u>160</u>
Elimination	<u>(20,546)</u>	<u>(1,622)</u>	<u>(17,340)</u>	<u>(78)</u>
	<u>97,352</u>	<u>346</u>	<u>73,720</u>	<u>82</u>

<i>In thousands of RM</i>	<b>CUMULATIVE QUARTER</b>			
	<b>30-Jun-24</b>		<b>30-Jun-23</b>	
	<b>Segmental Revenue</b> (unaudited)	<b>Profit/(Loss) Before tax</b> (unaudited)	<b>Segmental Revenue</b> (unaudited)	<b>Profit Before tax</b> (unaudited)
Manufacturing	186,075	3,623	169,483	566
Trading	66,111	408	45,896	1,554
Transportation	1,267	(19)	1,209	87
	<u>253,453</u>	<u>4,012</u>	<u>216,588</u>	<u>2,207</u>
Elimination	<u>(49,199)</u>	<u>(2,041)</u>	<u>(40,266)</u>	<u>61</u>
	<u>204,254</u>	<u>1,971</u>	<u>176,322</u>	<u>2,268</u>



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

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Pursuant to the revaluation model applied for land and buildings, the Group's land and buildings are subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses.

The valuation of land and buildings were brought forward without amendment from the annual audited financial statements for the year ended 31 December 2023.

**A11. RELATED PARTY DISCLOSURES**

Since 2022, there are no related party transactions till to-date.

**A12. MATERIAL EVENT SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL QUARTER**

There were no material events subsequent to the end of the reporting period and up to the date of this Interim Financial Report.

**A13. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the quarter under review.

**A14. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets or contingent liabilities as at the date of this Interim Financial Report.

**A15. CAPITAL COMMITMENTS**

<i>in thousands of RM</i>	<b>As At 30-Jun-24</b>	<b>As At 31-Dec-23</b>
Authorised and not contracted for:-		
- Purchase of equipment	237	3,196
- Construction of property	5,362	14,082
	<u>5,599</u>	<u>17,278</u>

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**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING**  
**REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. OPERATING SEGMENTS REVIEW**

**Statement of Financial Position**

Total assets had increased by RM19.5 million mainly due to increase in property, plant and equipment, right-of-use assets, inventories and trade receivables. The increase in property, plant and equipment were mainly due to progress payments made to our suppliers for our new facilities and the purchase and installation of solar panels, and the increase in rights-of-use assets were due to purchase of a leasehold land of RM3.6 million. The increase in trade receivables were mainly due to higher billings made to our customers in the quarter under view which are not yet overdue.

Total liabilities had increased by 7.4% to RM258.3 million. The increase was mainly due to increase in trade payables, bank overdrafts and an additional new hire purchase to finance our working capital and for the financing of our solar panels.

Total equity had increased to RM217.8 million mainly due to increase in reserves that was contributed by profit for the 6-month period ended 30 June 2024.

**Statement of Cash Flows and Capital Expenditure**

During the period under review, the Group recorded a net cash from operating activities of RM8.6 million mainly due to higher inventory levels and increase in trade receivables, which were offset by the increase in trade payables.

The Group recorded a net cash for investing activities of RM18.4 million that were mainly attributable to installation of solar panels, purchase of a leasehold land and progress payments made to our suppliers of our new facilities.

The Group recorded a net cash for financing activities of RM11.7 million attributable to repayment of loans and borrowings, interest paid and drawdown of hire purchase for the purchase and installation of solar panels.

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**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING**  
**REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. OPERATING SEGMENTS REVIEW (CON'D)**

**Analysis of Performance of All Operating Segments**

**Q2 2024 vs Q2 2023**

Revenue had increased by 32.1% to RM97.3 million, which were contributed from both the manufacturing and trading segments. The gross profit margin for Q2 2024 slightly improved by 0.67% mainly due to higher volume demand from our customers, and was offset with the decrease in average selling price. Profit Before Tax ("PBT") had improved to RM0.3 million mainly due to better gross profit margin.

**YTD 2024 vs YTD 2023**

Revenue had increased by 15.8% from RM176.3 million to RM204.2 million contributed by both the manufacturing and trading segments. The increase was contributed by higher volume demand by 27.2% and offset with the lower average selling prices. These factors had resulted in the gross profit margin to decline by 0.8%.

The group generated a lower PBT of RM1.9 million as compared to YTD 2023 mainly due to lower gross profit margin, lower sales of second grade items and the lower gain on disposal of property, plant and equipment of RM0.2 million in YTD 2024 (YTD 2023: RM1.6 million).

**Manufacturing Segment**

**Q2 2024 vs Q2 2023**

Revenue increased by 25.0% from RM70.3 million resulting from increase in volume demand from our customers by 40.0%, while average selling price had reduced by 8.9%. These had resulted in a lower gross profit margin. PBT had improved from a loss of RM1.3 million in Q2 2023 to a PBT of RM1.9 million in Q2 2024. This was mainly due to dividend income of RM1.8 million received from a subsidiary and higher demand from our customers in Q2 2024.

**YTD 2024 vs YTD 2023**

Revenue had increased from RM169.5 million in YTD 2023 to RM186.1 million in YTD 2024, an increased of 9.8%. The increase was contributed by higher volume demand from our customers and was offset with lower average selling prices.

PBT had improved to RM3.6 million from RM0.6 million in YTD 2023 mainly due to dividend income of RM2.2 million received from the subsidiaries and contribution from higher sales. However, this was offset with the decrease in sales of second grade items.

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**Trading Segment**

**Q2 2024 vs Q2 2023**

Revenue had increased to RM29.4 million mainly due to higher volume demand from our customers, and was offset with the reduction in average selling price which had impacted our margins.

In the current quarter, the trading segment managed to breakeven while YTD 2023 had a higher PBT due to the gain on disposal of a machinery.

**YTD 2024 vs YTD 2023**

Revenue for the trading segment had increased by RM20.2 million. Similar to the manufacturing segment, the increase was due to higher volume demand for our products while our average selling price had declined. These had resulted in lower gross profit margin.

PBT had reduced from RM1.6 million to RM0.4 million mainly due to the profit garnered from the disposal of a machinery in YTD 2023.

**Transportation Segment**

**Q2 2024 vs Q2 2023**

Revenue had increased to RM0.7 million and the transportation segment managed to breakeven due to lower depreciation for the current quarter as some motor vehicles had been fully depreciated.

**YTD 2024 vs YTD 2023**

Revenue had slightly increased by RM0.06 million. However, the transportation segment generated a loss before tax of RM0.02 million as compared to a PBT of RM0.09 million which was due to the disposal of a motor vehicle in YTD 2023.

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B2. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER**

in thousands of RM	Segmental Revenue				Segmental Profit before taxation			
	30-Jun-24	31-Mar-24	Changes		30-Jun-24	31-Mar-24	Changes	
			Amount	%			Amount	%
Manufacturing	87,794	98,281	(10,487)	-11%	1,943	1,680	263	16%
Trading	29,446	36,665	(7,219)	-20%	18	390	(372)	-95%
Transportation	658	609	49	8%	7	(26)	33	-127%
Elimination	117,898	135,555	(17,657)	-13%	1,968	2,044	(76)	-4%
	(20,546)	(28,653)	8,107	-28%	(1,622)	(419)	(1,203)	287%
	97,352	106,902	(9,550)	-9%	346	1,625	(1,279)	-79%

Revenue had decreased for major segments mainly due to lower demand and lower average selling price, as compared to the preceding quarter. PBT had reduced from RM1.6 million to RM0.3 million mainly due to lower margin and higher interest expenses.

**B3. COMMENTARY ON PROSPECTS**

According to the 15th Report on the Status & Outlook of the Malaysian Iron and Steel Industry 2024/2025 published by the Malaysian Iron and Steel Industry Federation (MISIF), the local iron and steel industry has significantly influenced the nation's economic and industrial development since 1957. The development of advanced steel-making capacities is crucial for ensuring iron and steel supply and to reduce import reliance and generate foreign exchange earnings.

In 2023, Malaysia's basic metals industry employed 112,157 people which accounts for 4.7% of the total manufacturing employment. Basic metals account for 2.5% of GDP, significantly impacting construction and manufacturing industries whereas iron and steel exports account for 2.4% of total manufactured goods<sup>(1)</sup>.

On the other hand, the industry faces overcapacity issues and low utilisation rates, with global steel consumption declining in 2022. The Investment, Trade and Industry Ministry (MITI) had therefore imposed a two-year moratorium on the expansion and diversification of the steel-making industry, effective 15 August 2023, which seeks to address the overcapacity issues by restricting new application for manufacturing licenses and freezing the issuance of certificate for exemption from manufacturing license under the Industrial Coordination Act 1975 (Act 156).

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

<sup>1</sup> <https://www.mida.gov.my/mida-news/mapping-malaysias-steel-sector-journey/>

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**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

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

**B5. INCOME TAX EXPENSE**

<i>in thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter ended 30-Jun-24	Corresponding Quarter ended 30-Jun-23	Current Year To Date 30-Jun-24	Corresponding Year To Date 30-Jun-23
<b><u>Current tax</u></b>				
- Current year	558	(78)	936	629
- Prior year	-	(144)	-	(144)
<b><u>Deferred tax</u></b>				
- Current year	(400)	-	(900)	-
	158	(222)	36	485
Effective tax rate	161%	-95%	47%	28%

The Group's effective tax rate for financial period is higher than the statutory tax rate mainly due to losses incurred by the subsidiaries.

**B6. BORROWINGS AND DEBT SECURITIES**

<i>in thousands of RM</i>	As at 30-Jun-24	As at 31-Dec-23
<b><u>Secured</u></b>		
- Term Loans	6,989	8,807
- Hire purchase payables	4,922	1,398
- Bankers' acceptance and trust receipts	158,381	165,812
- Revolving credit	10,000	10,000
- Bank overdrafts	14,224	5,954
	194,516	191,971
Current liabilities	185,173	185,603
Non-Current liabilities	9,343	6,368

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**REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B7. CHANGES IN MATERIAL LITIGATION**

There was no material litigation against the Group as at the date of this Interim Financial Report.

**B8. DIVIDEND**

No dividend has been proposed for the current quarter ended 30 June 2024.

**B9. DERIVATIVES**

The outstanding United States Dollar (“USD”) denominated forward foreign currency contracts entered as at 30 June 2024 are as follow:-

Type Derivatives	Nominal Value (USD'000)	Net Fair value Assets (RM'000)	Maturity
USD denominated forward foreign exchange contracts	629	22	Less than 1 year

Fair value information

There was a gain arising from fair value changes of the Group’s financial assets for the current quarter under review due to the favourable exchange rate as at 30 June 2024.

There were no changes to the Group’s financial risk management policies in managing these derivatives financial instruments and their related accounting policies.

**B10. EARNINGS /DILUTED EARNINGS PER SHARE**

The calculation of basic earnings per share for the period is based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the period as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to owners of the Company (RM'000)	331	520	2,028	2,393
Weighted average number of ordinary shares in issue ('000)	1,481,013	1,481,013	1,481,013	1,481,013
Basic EPS (Sen)	0.02	0.04	0.14	0.16

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

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**B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

Profit before taxation is arrived at after taking in the following items:-

<i>in thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Corresponding	Current	Corresponding
	Quarter ended	Quarter ended	Year To Date	Year To Date
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
(a) Interest income on financial assets measured at amortised costs	44	335	91	422
(b) Interest expense on financial liabilities that are not at fair value through profit or loss	(3,122)	(3,082)	(5,885)	(6,123)
(c) Depreciation	(1,883)	(1,988)	(3,657)	(3,977)
(d) Net impairment loss on trade receivables	-	26	-	55
(e) Net gain on disposal of property, plant and equipment	149	1,620	149	1,620
(f) Net foreign exchange gain	62	269	382	65
(g) Reversal of slow moving inventories written down	-	22	-	977
(h) Unrealised gain on derivatives	22	-	22	-

**B12. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced as at the date of this Interim Financial Report.



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**B13. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING ("IPO")**

The status of utilisation of gross proceeds of approximately RM71.5 million from the IPO are as follows:-

<b>Purpose of utilisation</b>	<b>Proposed utilisation of IPO Proceeds (RM'000)</b>	<b>Variation to the utilisation of the IPO Proceeds<sup>(1)</sup> (RM'000)</b>	<b>Revised utilisation of IPO Proceeds (RM'000)</b>	<b>Actual utilisation (RM'000)</b>	<b>Balance proceeds unutilised (RM'000)</b>	<b>Estimated timeframe for utilisation</b>
Working Capital	21,910	1,651	23,561	23,561	-	Within 12 months from listing
Repayment of bank borrowings	14,385	(1,200)	13,185	13,185	-	Within 10 months from listing
Construction of new headquarters, warehouse storage facility and workers' accommodation	30,038	-	30,038	29,188	850	Within 7 months from the Company's announcement dated 29 May 2024
Estimated listing expenses	5,200	(451)	4,749	4,749	-	Within 3 months from listing
<b>Total</b>	<b>71,533</b>	<b>-</b>	<b>71,533</b>	<b>70,683</b>	<b>850</b>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 26 October 2022 and the Company's announcement on the variation and extension of timeframe for the utilisation of proceeds raised from the IPO dated 29 May 2024.

**Note:**

(1) The balance of unutilised amount that was previously earmarked for the listing expenses and repayment of bank borrowings of RM451,000 and RM1,200,000 respectively, have been reallocated for working capital.

**B14. AUTHORISATION FOR ISSUE**

The Interim Financial Report have been authorised for issue by the Board of Directors ("Board") in accordance with its resolution of the Board dated 27 August 2024.