

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2013 <sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Quarter <sup>(2)</sup> 31.03.2012 RM'000	Current Year-To-Date 31.03.2013 RM'000	Preceding Year-To-Date <sup>(2)</sup> 31.03.2012 RM'000
<b>Continuing Operations</b>				
Revenue	113,419	N/A	113,419	N/A
Direct operating costs	(97,894)	N/A	(97,894)	N/A
Gross profit	15,525	N/A	15,525	N/A
Other operating income	508	N/A	508	N/A
Distribution costs	(1,474)	N/A	(1,474)	N/A
Administrative costs	(5,656)	N/A	(5,656)	N/A
Other operating costs	(227)	N/A	(227)	N/A
	(7,357)	N/A	(7,357)	N/A
Profit from operations	8,676	N/A	8,676	N/A
Finance costs	(1,592)	N/A	(1,592)	N/A
<b>Profit before tax</b>	7,084	N/A	7,084	N/A
Income tax expense	(2,064)	N/A	(2,064)	N/A
<b>Profit after tax</b>	5,020	N/A	5,020	N/A
Total comprehensive income attributable to:				
- Owners of the parent	5,020	N/A	5,020	N/A
- Non-controlling interests	-	N/A	-	N/A
	5,020	N/A	5,020	N/A
Earnings per share (sen) attributable to owners of the parent:				
- Basic <sup>(3)</sup>	2.00	N/A	2.00	N/A
- Diluted	N/A	N/A	N/A	N/A

## **LEON FUAT BERHAD**

(Company No.756407-D)

### *Notes:*

*N/A Not applicable*

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Pro forma Consolidated Financial Information and Accountants' Report for the financial year ended 31 December 2012 as disclosed in the Prospectus of the Company dated 13 May 2013 and the accompanying explanatory notes attached to this interim financial statements.*
- (2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- (3) Based on the issued share capital of 250,690,000 shares after the completion of the Acquisitions (as detailed in Note B7 (i)) but prior to the Public Issue (as detailed in Note B7 (ii)).*

**LEON FUAT BERHAD**  
(Company No.756407-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013 <sup>(1)</sup>**

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012 <sup>(2)</sup> RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	85,105	N/A
Other investment	33	N/A
	85,138	N/A
<b>Current assets</b>		
Inventories	108,377	N/A
Trade receivables	116,727	N/A
Other receivables, deposits and prepayments	4,790	N/A
Fixed deposits with licensed banks	4,456	N/A
Cash and bank balances	9,873	N/A
	244,223	N/A
<b>TOTAL ASSETS</b>	<b>329,361</b>	<b>N/A</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	125,345	N/A
Share premium	-	N/A
Merger deficit	(109,545)	N/A
Capital reserve	1	N/A
Fair value reserve	(27)	N/A
Retained earnings	135,890	N/A
<b>Total equity</b>	<b>151,664</b>	<b>N/A</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,097	N/A
Borrowings	11,139	N/A
	14,236	N/A
<b>Current liabilities</b>		
Trade payables	37,598	N/A
Other payables and accruals	3,225	N/A
Borrowings	118,362	N/A
Tax liabilities	4,276	N/A
	163,461	N/A
<b>TOTAL LIABILITIES</b>	<b>177,697</b>	<b>N/A</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>329,361</b>	<b>N/A</b>
Net assets per share attributable to owners of the parent (RM) <sup>(3)</sup>	0.60	N/A

## **LEON FUAT BERHAD**

(Company No.756407-D)

### *Notes:*

*N/A Not applicable*

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Pro forma Consolidated Financial Information and Accountants' Report for the financial year ended 31 December 2012 as disclosed in the Prospectus of the Company dated 13 May 2013 and the accompanying explanatory notes attached to this interim financial statements.*
- (2) No comparative figures for the preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- (3) Based on the issued share capital of 250,690,000 shares after the completion of the Acquisitions (as detailed in Note B7 (i)) but prior to the Public Issue (as detailed in Note B7 (ii)).*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2013 <sup>(1)</sup>**

	< -----Attributable to equity holders of the Company----- >					
	< -----Non-distributable----- >				Distributable	Total Equity RM'000
	Share Capital <sup>(2)</sup> RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	
At 1 January 2013	#	-	-	-	(1,374)	(1,374)
Effect arising from merger	125,345	(109,545)	1	(27)	132,244	148,018
Total comprehensive income for the period	-	-	-	-	5,020	5,020
At 31 March 2013	125,345	(109,545)	1	(27)	135,890	151,664

*Notes:*

*No comparative figures for the preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

# *This represents RM3.00.*

(1) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Pro forma Consolidated Financial Information and Accountants' Report for the financial year ended 31 December 2012 as disclosed in the Prospectus of the Company dated 13 May 2013 and the accompanying explanatory notes attached to this interim financial statements.*

(2) *Based on the issued share capital of 250,690,000 shares after the completion of the Acquisitions (as detailed in Note B7 (i)) but prior to the Public Issue (as detailed in Note B7 (ii)).*

**LEON FUAT BERHAD**  
(Company No.756407-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2013 <sup>(1)</sup>**

	<b>Current Year-To-Date 31.03.2013 RM'000</b>	<b>Preceding Year-To-Date 31.03.2012<sup>(2)</sup> RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	7,084	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,432	N/A
Interest expense	1,437	N/A
Dividend income	#	N/A
Gain on disposal of property, plant and equipment	(185)	N/A
Interest income	(47)	N/A
Operating profit before working capital changes	<u>9,721</u>	<u>N/A</u>
Increase in inventories	(12,762)	N/A
Increase in trade and other receivables	(78)	N/A
Increase in trade and other payables	18,006	N/A
Cash generated from operations	<u>14,887</u>	<u>N/A</u>
Interest paid	(1,437)	N/A
Interest received	47	N/A
Income tax paid	(1,404)	N/A
Net cash from operating activities	<u>12,093</u>	<u>N/A</u>
<b>Cash Flows from Investing Activities</b>		
Dividend received	#	N/A
Purchase of property, plant and equipment	(1,173)	N/A
Placement of fixed deposits	(12)	N/A
Proceeds from disposal of property, plant and equipment	185	N/A
Net cash used in investing activities	<u>(1,000)</u>	<u>N/A</u>
<b>Cash Flows from Financing Activities</b>		
Repayments of Al-BaiBithamanAjil Islamic (ABBA) financing	(164)	N/A
Payment of finance lease payables	(892)	N/A
Repayments of term loans	(368)	N/A
Net repayments of bankers' acceptances	(3,226)	N/A
Net cash used in financing activities	<u>(4,650)</u>	<u>N/A</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2013 <sup>(1)</sup> (CONT'D)**

	<b>Current Year-To-Date 31.03.2013 RM'000</b>	<b>Preceding Year-To-Date 31.03.2012 <sup>(2)</sup> RM'000</b>
<b>Net increase in cash and cash equivalents</b>	6,443	N/A
<b>Cash and cash equivalents at beginning of the period</b>	(7,170)	N/A
<b>Cash and cash equivalents at end of the period</b>	(727)	N/A
<b>Cash and cash equivalents at end of period comprises:</b>		
Fixed deposits with licensed banks	4,456	N/A
Cash and bank balances	9,873	N/A
Bank overdrafts	(14,664)	N/A
	(335)	N/A
Less: Fixed deposit under lien	(392)	N/A
	(727)	N/A

*Notes:*

N/A *Not applicable*

# *Insignificant amount, less than RM500.00*

(1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Pro forma Consolidated Financial Information and Accountants' Report for the financial year ended 31 December 2012 as disclosed in the Prospectus of the Company dated 13 May 2013 and the accompanying explanatory notes attached to this interim financial statements.*

(2) *No comparative figures for the preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

## **LEON FUAT BERHAD**

(Company No.756407-D)

### **A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

#### **A1. Accounting Policies and Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”) and paragraph 9.22 (Appendix 9B Part A) of the Main Market Listing Requirement (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

This is the first interim financial report on the consolidated results for the first quarter ended 31 March 2013 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Pro forma Consolidated Financial Information and the Accountants’ Report for the financial year ended 31 December 2012 as disclosed in the Prospectus of the Company dated 13 May 2013.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 31 December 2012.

The Group has adopted merger accounting method for the preparation of this interim combined financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Company dated 13 May 2013, except for the adoption of the following:

#### **New or Revised MFRSs/Amendments/Interpretations**

MFRS 3, Business Combinations (2004)

MFRS 10, Consolidated Financial Statements

MFRS 11, Joint Arrangements

MFRS 12, Disclosure of Interest in Other Entities

MFRS 13, Fair Value Measurement

MFRS 119, Employee Benefits

MFRS 127, Separate Financial Statements

MFRS 128, Investments in Associates and Joint Ventures

Amendments to MFRS 1, First-time Adoption of Malaysia Financial Reporting Standard

Amendments to MFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial liabilities

Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance

Amendments to MFRS 11, Joint Arrangements: Transition Guidance

Amendments to MFRS 12, Disclosure of Interest in Other Entities: Transition Guidance

Amendments to MFRS101, Presentation of Financial Statements – Presentation of items of other Comprehensive Income

Amendments to MFRS 116, Property, Plant and Equipment

Amendments to MFRS 132, Financial Instruments: Presentation

Amendments to MFRS 134, Interim Financial Reporting

Amendment to IC Interpretation 2, Members’ Shares in Co-operative Entities and Similar Instruments

IC Interpretation 20, Stripping Cost in the Production Phase of a Surface Mine



## LEON FUAT BERHAD

(Company No.756407-D)

### A1. Accounting Policies and Basis of Preparation(*Cont'd*)

The adoption of the above standards and interpretations did not have any material impact on the financial position and performance of the Group.

The Group has not applied in advance the following MFRSs and amendments to MFRSs that have been issued by MASB but not yet effective for the current financial year:

		<u>Effective Date</u>
MFRS 9	Financial Instruments	1 January 2015
Amendments to MFRS 10	Consolidated financial statements	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
Amendments to MFRS 127	Separate Financial Statements	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The Group is in the process of assessing the impact which may arise from adoption of the above standards IC interpretations and amendments.

### A2. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2012 were not qualified.

### A3. Seasonality or Cyclicity of Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors during the current quarter and current financial year-to-date under review.

### A4. Unusual Items

There were no significant items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size and incidence during the current quarter and current financial year-to-date.

### A5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current quarter and current financial year-to-date results.

### A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and financial year-to-date except for those disclosed in Note B7.

### A7. Dividend Paid

No dividend was paid in the current quarter.

**A8. Segment Information**

Segment information of the Group for the financial year-to-date ended 31 March 2013 is as follows:

	<b>Investment Holding RM'000</b>	<b>Trading of Steel Products RM'000</b>	<b>Processing of Steel Products RM'000</b>	<b>Others <sup>(1)</sup> RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
External revenue	-	42,239	71,085	95	-	113,419
Direct operating costs	-	(35,500)	(62,327)	(67)	-	(97,894)
Gross Profit	-	6,739	8,758	28	-	15,525
Add/(Less):						
- Other income						508
- Operating expenses						(7,357)
- Finance costs						(1,592)
Profit before taxation						7,084
Income tax expense						(2,064)
Profit for the period						5,020

Comparative figures for the preceding financial year-to-date are not presented as this is the first interim report for the first quarter ended 31 March 2013 being announced by the Company.

*Note:*

*(1) Include trading of specialised steel materials including tool steel and non-ferrous metal products including bronze, brass, aluminium and copper products.*

**A9. Valuations of Property, Plant and Equipment**

There were no amendments to the valuation of property, plant and equipment that have been brought forward from the preceding annual financial statements.

**A10. Material Events Subsequent to the End of the Interim Period**

Saved as disclosed in Note B7 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current quarter up to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

**A11. Effects of Changes in Composition of the Group**

Upon completion of the Acquisitions as disclosed under Note B7(i) on the Status of Corporate Proposals, Leon Fuat Hardware Sdn Bhd, Leon Fuat Hardware (Klang) Sdn Bhd, Supreme Steelmakers Sdn Bhd and Asa Steel (M) Sdn Bhd became wholly-owned subsidiaries of the Company on 2 January 2013.

The Acquisitions were accounted for using the Merger Accounting Method whereby the difference between the acquisition costs and the nominal value of the share capital of the subsidiaries is taken to the merger reserve or deficit, where applicable. The Acquisitions have resulted in a merger deficit amounting to RM109.55 million.

**A12. Capital Commitments**

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Approved and contracted for:		
- Purchase of property, plant and equipment	776	N/A

*Note:*

N/A *Not applicable*

**A13. Changes in Contingent Liabilities and Contingent Assets**

There were no significant changes in contingent liabilities since the end of the previous financial year and there were no contingent assets as at end of the current quarter.

**A14. Significant Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2013 RM'000</b>	<b>Preceding Year Quarter<sup>(1)</sup> 31.03.2012 RM'000</b>	<b>Current Year- To-Date 31.03.2013 RM'000</b>	<b>Preceding Year- To-Date<sup>(1)</sup> 31.03.2012 RM'000</b>
Sales to related parties	1,955	N/A	1,955	N/A
Purchases from related parties	1,195	N/A	1,195	N/A
Rental expense paid	60	N/A	60	N/A

*Note:*

(1) *No comparative figures for the preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

**B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Performance**

The Group achieved revenue of RM113.42 million and recorded a profit before tax of RM7.08 million for the current quarter.

The revenue for the current quarter was mainly derived from our two (2) major segments, namely trading and processing of steel products, which collectively contributed approximately 99.9% of our total revenue for the current quarter. Processing of steel products contributed approximately 62.7% while trading of steel products contributed approximately 37.2% to our group revenue.

Processing of steel products was our largest gross profit contributor, which accounted for approximately 56.4% of our total gross profit, whilst gross profit from trading of steel products accounted for approximately 43.4% of our total gross profit for the current quarter.

No comparative figures are presented for the preceding year corresponding period as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2013 announced by the Company.

**B2. Material Variation of Profit Before Tax Against Immediate Preceding Quarter**

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

**B3. Commentary on Prospects**

As disclosed in the Prospectus of the Company dated 13 May 2013, although the local production of flat rolled steel products has indicated a negative growth between 2007 to 2011, the growing economy is expected to produce a positive flow-on effect on the rolled steel industry. With an average annual growth rate of 4% in real GDP between 2008 to 2012, coupled with the various government initiatives and ongoing development of infrastructures, the Group is optimistic that its prospects are positive in the second half of the year.

**B4. Variance of Forecast Profit and Profit Guarantee**

No profit forecast has been issued by the Group previously in any public document.

**B5. Profit Before Tax**

Profit before tax is derived after taking into consideration of the followings:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Quarter 31.03.2012 <sup>(1)</sup> RM'000	Current Year- -To-Date 31.03.2013 RM'000	Preceding Year- To-Date 31.03.2012 <sup>(1)</sup> RM'000
Depreciation of property, plant and equipment	1,432	N/A	1,432	N/A
Dividend income	#	N/A	#	N/A
Gain on disposal of property, plant and equipment	(185)	N/A	(185)	N/A
Insurance claims	(181)	N/A	(181)	N/A
Interest expense	1,437	N/A	1,437	N/A
Interest income	(47)	N/A	(47)	N/A
Rental income	(79)	N/A	(79)	N/A
Rental of premises	60	N/A	60	N/A
Rental of equipment	13	N/A	13	N/A

*Saved as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable*

*Note:*

# *Less than RM500.00*

(1) *No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.*

**B6. Income Tax Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Quarter 31.03.2012 <sup>(1)</sup> RM'000	Current Year-To-Date 31.03.2013 RM'000	Preceding Year-To-Date 31.03.2012 <sup>(1)</sup> RM'000
<u>Income tax</u>				
Current tax	1,819	N/A	1,819	N/A
Deferred tax	245	N/A	245	N/A
Tax expense	2,064	N/A	2,064	N/A

*Note:*

(1) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

The effective tax rate for the current period is higher than the statutory tax rate of 25% mainly due to certain expenses which are not deductible for tax purposes.

**B7. Status of Corporate Proposals**

In conjunction with, and as an integral part of the Company's listing on Main Market of Bursa Securities, the following listing scheme was undertaken by the Company:

**(i) Acquisitions**

(a) Acquisition of Leon Fuat Hardware Sdn Bhd ("LF Hardware")

Acquisition by the Company of the entire issued and paid-up share capital in LF Hardware comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM28,978,000 which was entirely satisfied by the issuance of 57,956,000 new ordinary shares of RM0.50 each in the Company ("Shares") at an issue price of RM0.50 per share, credited as fully paid;

(b) Acquisition of Leon Fuat Hardware (Klang) Sdn Bhd ("LF Klang")

Acquisition by the Company of the entire issued and paid-up share capital in LF Klang comprising 10,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM76,793,997 which was entirely satisfied by the issuance of 153,587,994 new Shares at an issue price of RM0.50 per share in the Company, credited as fully paid;

(c) Acquisition of Supreme Steelmakers Sdn Bhd ("Supreme Steelmakers")

Acquisition by the Company of the entire issued and paid-up share capital in Supreme Steelmakers comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM12,188,000 which was entirely satisfied by the issuance of 24,376,000 new Shares at an issue price of RM0.50 per share, credited as fully paid; and

**B7. Status of Corporate Proposals (Cont'd)**

**(i) Acquisitions (Cont'd)**

**(d) Acquisition of ASA Steel (M) Sdn Bhd (“ASA Steel”)**

Acquisition by the Company of the entire issued and paid-up share capital in ASA Steel comprising 1,800,000 ordinary shares of RM1.00 each for a total purchase consideration of RM7,385,000 which was entirely satisfied by the issuance of 14,770,000 new Shares at an issue price of RM0.50 per share, credited as fully paid.

(the above transactions are collectively refer to as “Acquisitions”)

The Acquisitions were completed on 2 January 2013.

**(ii) Initial Public Offering**

Public Issue

The Company will undertake a public issue of 59,310,000 new Shares, representing approximately 19.13% of the Company’s enlarged issued and paid-up share capital at an issue price of RM0.60 per share to be allocated in the following manner:

- (a) 15,500,000 Public Issue Shares, representing approximately 5.00% of the Company’s enlarged issued and paid-up share capital, will be available for application by the Public, of which at least 50% shall be set aside for Bumiputera investors including individuals, companies, societies, co-operatives and institutions;
- (b) 10,000,000 Public Issue Shares, representing approximately 3.23% of the Company’s enlarged issued and paid-up share capital, for subscription by eligible Directors, employees and persons who have contributed to the success of the Group; and
- (c) 33,810,000 Public Issue Shares, representing approximately 10.91% of the Company’s enlarged issued and paid-up share capital, have been reserved for placement to selected investors.

Offer for Sale

Concurrent with the Public Issue, Leon Fuat Holdings Sdn Bhd, being the substantial shareholder of the Company, will offer for sale up to 31,000,000 Offer Shares at an offer price of RM0.60 per Share, representing approximately up to 10.00% of the Company’s enlarged issued and paid-up share capital, to Bumiputera investors approved by the Ministry of International Trade and Industry.

**(iii) Listing on Bursa Securities**

The listing and quotation of the Company’s entire enlarged issued and paid-up share capital of RM155,000,000 comprising 310,000,000 ordinary shares of RM0.50 each on the Main Market of Bursa Malaysia Securities Berhad.

**B7. Status of Corporate Proposals (Cont'd)**

Subsequent to the listing on the Main Market of Bursa Securities which is scheduled on 5 June 2013, the gross proceeds from the Public Issue amounting to RM35.59 million will be utilised in the following manner:

	<b>Purposes</b>	<b>RM'000</b>	<b>%</b>	<b>Estimated timeframe for use (from the listing date)</b>
(i)	Purchase of new industrial land with building	13,000	36.53	Within 1 year
(ii)	Construction of new processing plant with warehousing facilities	6,000	16.86	Within 3 years
(iii)	Purchase of new machines	6,000	16.86	Within 3 years
(iv)	Working capital	7,786	21.88	Within 1 year
(v)	Estimated listing expenses	2,800	7.87	Upon Listing
	<b>Total gross proceeds</b>	<b>35,586</b>	<b>100.00</b>	

*Note: The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2013.*

As at the date of this report, saved as disclosed above, there are no other corporate proposals that are pending for completion.

**B8. Group Borrowings**

Total Group borrowings as at 31 March 2013 were as follows:-

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b><u>Current</u></b>		
<b>Secured:</b>		
ABBA financing facilities	696	N/A
Bankers' acceptances	47,291	N/A
Hire purchase payables	2,967	N/A
Term loans	1,308	N/A
Bank overdrafts	13,386	N/A
	<b>65,648</b>	<b>N/A</b>
<b>Unsecured:</b>		
Bankers' acceptances	51,436	N/A
Bank overdrafts	1,278	N/A
	<b>52,714</b>	<b>N/A</b>
	<b>118,362</b>	<b>N/A</b>
<b><u>Non-current</u></b>		
<b>Secured:</b>		
ABBA financing facilities	360	N/A
Hire purchase payables	1,740	N/A
Term loans	9,039	N/A
	<b>11,139</b>	<b>N/A</b>
<b>Total Borrowings</b>	<b>129,501</b>	<b>N/A</b>

The above Group borrowings are denominated in Ringgit Malaysia.



**B9. Material Litigation**

Since the last annual financial statements up to the date of issue of this report, the Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which have a material effect on the financial position of our Group, and the Board does not know of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

**B10. Dividend**

There were no dividend proposed or declared during the current quarter and current financial year-to-date.

**B11. Earnings Per Share**

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Quarter 31.03.2012 <sup>(1)</sup> RM'000	Current Year- To-Date 31.03.2013 RM'000	Preceding Year- To-Date 31.03.2012 <sup>(1)</sup> RM'000
Profit for the period	5,020	N/A	5,020	N/A
Weighted average number of ordinary shares of RM0.50 each in issue ('000) *	250,690	N/A	250,690	N/A
Basic Earnings Per Share (sen)	2.00	N/A	2.00	N/A

*Note:*

\* Based on the issued share capital after the completion of the Acquisitions as detailed in Note B7 (i) but prior to the Public Issue as detailed in Note B7 (ii).

(1) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

(b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial year-to-date.

**B12. Realised and Unrealised Profits / Losses Disclosure**

The breakdown of the retained profits of the Group as at the end of the current quarter and previous financial year, into realised and unrealised profits, is as follows:-

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012<sup>(1)</sup> RM'000</b>
Total retained earnings of the Group		
(a) Realised	142,423	N/A
(b) Unrealised	(3,927)	N/A
	<hr/> 138,496	<hr/> N/A
Less: consolidated adjustments	(2,606)	N/A
Total retained earnings	<hr/> <b>135,890</b>	<hr/> <b>N/A</b>

*Note:*

(1) *No comparative figures for the preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.*

By order of the Board  
Kuala Lumpur  
30 May 2013