

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Quarter ⁽²⁾ 31.12.2012 RM'000	Current Year-To-Date 31.12.2013 RM'000	Preceding Year-To-Date ⁽²⁾ 31.12.2012 RM'000
Continuing Operations				
Revenue	112,065	N/A	455,267	N/A
Direct operating costs	(95,131)	N/A	(389,260)	N/A
Gross profit	16,934	N/A	66,007	N/A
Other operating income	326	N/A	1,676	N/A
Distribution costs	(1,027)	N/A	(4,532)	N/A
Administrative costs	(4,810)	N/A	(18,786)	N/A
Other operating costs	(14)	N/A	(2,181)	N/A
	(5,851)	N/A	(25,499)	N/A
Profit from operations	11,409	N/A	42,184	N/A
Finance costs	(1,685)	N/A	(6,833)	N/A
Profit before tax	9,724	N/A	35,351	N/A
Income tax expense	(2,487)	N/A	(9,577)	N/A
Profit after tax	7,237	N/A	25,774	N/A
Other comprehensive income:				
Fair value changes on available-for-sales financial asset	15	N/A	15	N/A
Total comprehensive income	7,252	N/A	25,789	N/A
Profit attributable to:				
- Owners of the parent	7,237	N/A	25,774	N/A
- Non-controlling interests	-	N/A	-	N/A
	7,237	N/A	25,774	N/A
Total comprehensive income attributable to:				
- Owners of the parent	7,252	N/A	25,789	N/A
- Non-controlling interests	-	N/A	-	N/A
	7,252	N/A	25,789	N/A
Earnings per share (sen) attributable to owners of the parent:				
- Basic ⁽³⁾	2.33	N/A	9.02	N/A
- Diluted	N/A	N/A	N/A	N/A

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 year are available as this is the fourth interim report on the consolidated results for the fourth quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- (3) Based on the weighted average number of ordinary shares in issue as detailed in Note B11.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 ⁽¹⁾

	As at 31.12.2013 RM'000	As at 31.12.2012 ⁽²⁾ RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	84,170	N/A
Other investment	48	N/A
	<u>84,218</u>	<u>N/A</u>
Current assets		
Inventories	149,551	N/A
Trade receivables	119,059	N/A
Other receivables, deposits and prepayments	4,514	N/A
Fixed deposits with licensed banks	15,624	N/A
Cash and bank balances	6,701	N/A
	<u>295,449</u>	<u>N/A</u>
TOTAL ASSETS	<u>379,667</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	155,000	N/A
Share premium	5,094	N/A
Merger deficit	(109,545)	N/A
Capital reserve	1	N/A
Fair value reserve	(12)	N/A
Retained earnings	151,994	N/A
Total equity	<u>202,532</u>	<u>N/A</u>
Non-current liabilities		
Deferred tax liabilities	3,080	N/A
Borrowings	688	N/A
	<u>3,768</u>	<u>N/A</u>
Current liabilities		
Trade payables	30,273	N/A
Other payables and accruals	2,430	N/A
Borrowings	137,069	N/A
Tax liabilities	3,595	N/A
	<u>173,367</u>	<u>N/A</u>
TOTAL LIABILITIES	<u>177,135</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>379,667</u>	<u>N/A</u>
Net assets per share attributable to owners of the parent (RM) ⁽³⁾	0.65	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 fourth interim report on the consolidated results for the fourth quarter ended 31 December 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 310,000,000 shares after the completion of the Acquisitions (as detailed in Note B7 (i)) and after the Public Issue (as detailed in Note B7 (ii)).*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 ⁽¹⁾

	< -----Attributable to equity holders of the Company----- >						Distributable	Total
	< -----Non-distributable----- >					Retained		
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Earnings RM'000	RM'000	RM'000
At 1 January 2013	#	-	-	-	-	(1,374)	(1,374)	
Effect arising from merger	125,345	-	(109,545)	1	(27)	132,244	148,018	
Public issue of shares	29,655	5,931	-	-	-	-	35,586	
Total comprehensive income for the year	-	-	-	-	15	25,774	25,789	
Dividend declared	-	-	-	-	-	(4,650)	(4,650)	
Share issue expenses	-	(837)	-	-	-	-	(837)	
At 31 December 2013	155,000	5,094	(109,545)	1	(12)	151,994	202,532	

Notes:

No comparative figures for the preceding year are available as this is the fourth interim report on the consolidated results for the fourth quarter ended 31 December 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 ⁽¹⁾

	Current Year-To-Date 31.12.2013 RM'000	Preceding Year-To-Date 31.12.2012⁽²⁾ RM'000
Cash Flows for Operating Activities		
Profit before tax	35,351	N/A
Adjustments for:		
Impairment loss on trade receivables	531	N/A
Reversal of impairment loss on trade receivables	(260)	N/A
Depreciation of property, plant and equipment	5,868	N/A
Interest expense	6,194	N/A
Dividend income	(2)	N/A
Gain on disposal of property, plant and equipment	(218)	N/A
Gain on foreign exchange – unrealised	(22)	N/A
Interest income	(518)	N/A
Operating profit before working capital changes	<u>46,924</u>	N/A
Increase in inventories	(53,936)	N/A
Increase in trade and other receivables	(2,404)	N/A
Increase in trade and other payables	9,906	N/A
Cash from operations	<u>490</u>	N/A
Interest paid	(6,194)	N/A
Interest received	518	N/A
Income tax paid	(9,615)	N/A
Net cash used in operating activities	<u>(14,801)</u>	N/A
Cash Flows for Investing Activities		
Dividend received	2	N/A
Purchase of property, plant and equipment	(4,759)	N/A
Placement of fixed deposits	(12)	N/A
Proceeds from disposal of property, plant and equipment	302	N/A
Net cash used in investing activities	<u>(4,467)</u>	N/A
Cash Flows from Financing Activities		
Net proceeds from issuance of shares	34,749	N/A
Repayments of Al-BaiBithamanAjil Islamic (ABBA) financing	(676)	N/A
Payment of finance lease payables	(3,379)	N/A
Repayments of term loans	(10,257)	N/A
Net drawdown of bankers' acceptances	15,299	N/A
Dividend paid	(4,650)	N/A
Net cash from financing activities	<u>31,086</u>	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 31.12.2013 RM'000	Preceding Year-To-Date 31.12.2012⁽²⁾ RM'000
Net increase in cash and cash equivalents	11,818	N/A
Cash and cash equivalents at beginning of the year	(7,170)	N/A
Cash and cash equivalents at end of the year	<u>4,648</u>	<u>N/A</u>
Cash and cash equivalents at end of year comprises:		
Fixed deposits with licensed banks	15,624	N/A
Cash and bank balances	6,701	N/A
Bank overdrafts	<u>(17,285)</u>	<u>N/A</u>
	5,040	N/A
Less: Fixed deposit under lien	<u>(392)</u>	<u>N/A</u>
	<u>4,648</u>	<u>N/A</u>

Notes:

N/A *Not applicable*

- (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 fourth interim report on the consolidated results for the fourth quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

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 fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 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

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

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

The adoption of the above standards, amendments 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, amendments to MFRSs and new IC Interpretation 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
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuance of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

The Group is in the process of assessing the impact which may arise from adoption of the above standard 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.

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 saved for the completion of the listing scheme as mention in Note B7.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported in the prior interim periods of the current financial year that have a material effect on the results for the current quarter and current financial year-to-date.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and current financial year-to-date except for the issuance of shares by the Company in conjunction with the listing scheme disclosed in Note B7.

A7. Dividend Paid

The first interim single-tier dividend of 1.5 sen per ordinary share in respect of financial year ending 31 December 2013 was declared on 26 August and paid on 8 October 2013.

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A8. Segment Information

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

	Investment Holding RM’000	Trading of Steel Products RM’000	Processing of Steel Products RM’000	Others ⁽¹⁾ RM’000	Elimination RM’000	Consolidated RM’000
External revenue	-	179,093	275,632	542	-	455,267
Direct operating costs	-	(153,052)	(235,759)	(449)	-	(389,260)
Gross Profit	-	26,041	39,873	93	-	66,007
Add/(Less):						
- Other income						1,676
- Operating expenses						(25,499)
- Finance costs						(6,833)
Profit before taxation						35,351
Income tax expense						(9,577)
Profit for the year						25,774

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

Note:

(1) *Mainly consists of 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

There were no 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 current financial year-to-date.

A11. Effects of Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A12. Capital Commitments

	As at 31.12.2013 RM’000	As at 31.12.2012⁽¹⁾ RM’000
Approved and contracted for:		
- Purchase of motor vehicles	64	N/A
- Purchase of machinery	2,241	N/A
	<u>2,305</u>	<u>N/A</u>

Note:

N/A Not applicable

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

A13. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets and liabilities since the end of the previous financial year up to 31 December 2013.

A14. Significant Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 RM’000	Preceding Year Quarter⁽¹⁾ 31.12.2012 RM’000	Current Year- To-Date 31.12.2013 RM’000	Preceding Year- To-Date⁽¹⁾ 31.12.2012 RM’000
Sales to related parties	1,161	N/A	5,883	N/A
Purchases from related parties	274	N/A	2,058	N/A
Rental expense paid to a related Party	60	N/A	240	N/A
	<u>1,495</u>	<u>N/A</u>	<u>8,181⁽²⁾</u>	<u>N/A</u>

Note:

N/A Not applicable

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

(2) Total related party transactions from 5 June 2013 (listing date) to 31 December 2013 amounting to approximately RM3.62 million.

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

B1. Review of Performance

The Group achieved revenue of RM112.07 million and profit before tax of RM9.72 million for the current quarter. For the current financial year-to-date, the Group's revenue was RM455.27 million and profit before tax was RM35.35 million.

Our Group's revenue 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 and the current financial year-to-date. The trading segment and the processing segment contributed revenue of approximately 40.0% and 59.9% respectively for the current quarter and approximately 39.4% and 60.5% respectively for the current financial year-to-date.

Processing of steel products was our largest gross profit contributor, which accounted for approximately 62.6% and 60.4% of our total gross profit for the current quarter and the current financial year-to-date respectively. Gross profit from trading of steel products accounted for approximately 37.4% and 39.5% of our total gross profit for the current quarter and the current financial year-to-date respectively.

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

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

Our Group achieved revenue of RM112.07 million for the current quarter, which was marginally lower than the immediate preceding quarter's revenue by approximately 3.2% or RM3.73 million.

For the current quarter, our profit before tax increased by approximately 16.0% or RM1.34 million, from RM8.38 million for the immediate preceding quarter to RM9.72 million for the current quarter mainly due to the following:

1. Increase in gross profit margin from trading of steel products segment, which improved from 12.4% for the immediate preceding quarter to 14.2% for the current quarter. This was mainly attributable to an increase in the GP margin of flat and long mild steel due to their lower average cost of input material. The favorable position from the mild steel was however partially negated by a reduction in the GP margin of flat stainless steel as a result of an increase in the average cost of input material arising from the strengthening of USD.
2. Better gross profit margin obtained from processing of steel products segment, which improved from 14.3% for the immediate preceding quarter to 15.8% for the current quarter, mainly due to the stabilisation in average selling price particularly for processing of flat carbon steel products, while average cost of input material is lower compared to the immediate preceding quarter.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B3. Commentary on Prospects

With the expected continued improvement in the world, regional as well as our local economy, our Group is optimistic that, barring unforeseen circumstances, its prospects for the next financial year will be positive.

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 the followings:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Quarter 31.12.2012 ⁽¹⁾ RM'000	Current Year-To-Date 31.12.2013 RM'000	Preceding Year-To-Date 31.12.2012 ⁽¹⁾ RM'000
Impairment loss on trade receivables	58	N/A	531	N/A
Reversal of impairment loss on trade receivables	(68)	N/A	(260)	N/A
Depreciation of property, plant and equipment	1,441	N/A	5,868	N/A
Dividend income	#	N/A	(2)	N/A
Loss/(Gain) on disposal of property, plant and equipment	30	N/A	(218)	N/A
Insurance claims	(7)	N/A	(202)	N/A
Interest expense	1,578	N/A	6,194	N/A
Interest income	(153)	N/A	(518)	N/A
Rental income	(79)	N/A	(315)	N/A
Rental of premises	60	N/A	240	N/A
Rental of equipment	14	N/A	57	N/A
Gain on foreign exchange - realised	(43)	N/A	(34)	N/A
- unrealised	(103)	N/A	(22)	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

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B5. Profit Before Tax (Cont'd)

Note:

Less than RM500

(1) *No comparative figures for the preceding year are available as this is the fourth interim report on the consolidated results for the fourth quarter ended 31 December 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 31.12.2013 RM'000	Preceding Year Quarter 31.12.2012 ⁽¹⁾ RM'000	Current Year-To-Date 31.12.2013 RM'000	Preceding Year-To-Date 31.12.2012 ⁽¹⁾ RM'000
<u>Income tax</u>				
Current tax				
- for the financial period/year	2,420	N/A	9,432	N/A
- over provision in previous year	-	N/A	(83)	N/A
Deferred tax	67	N/A	228	N/A
Tax expense	<u>2,487</u>	<u>N/A</u>	<u>9,577</u>	<u>N/A</u>

Note:

N/A *Not applicable*

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

The effective tax rate for the current quarter and current financial year-to-date 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 ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Status of Corporate Proposals (Cont'd)

(i) Acquisitions (Cont'd)

(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

(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 has undertaken 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 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, 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, for placement to selected investors.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Status of Corporate Proposals (Cont'd)

(ii) Initial Public Offering (Cont'd)

Offer for Sale

Concurrent with the Public Issue, Leon Fuat Holdings Sdn Bhd, being the substantial shareholder of the Company, offered for sale of 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 and Quotation 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.

The Public Issue amounting to 59,310,000 new ordinary shares of RM0.50 each at an issue price of RM0.60 per Share, and the Offer for Sale amounting to 31,000,000 Offer Shares at an offer price of RM0.60 per Share were completed upon the allotment and transferred of the shares to the successful investors on 31 May 2013. The Company was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad of its entire enlarged issued and paid-up capital comprising of 310,000,000 shares on 5 June 2013.

The Public Issue raised a gross proceeds of RM35.59 million. The status of utilisation of proceeds raised from the Public Issue as at 31 December 2013 is as follows:

Purposes	Proposed	Actual	Deviation		Balance	Intended timeframe for utilisation (from the listing date)
	utilisation ⁽¹⁾ RM'000	utilisation RM'000	RM'000	%		
Purchase of new industrial land with building	13,000	(12,677)	(323) ⁽²⁾	(2.5%)	-	Within 1 year
Construction of new processing plant with warehousing facilities	6,000	-	-	-	6,000	Within 3 years
Purchase of new machines	6,000	-	-	-	6,000	Within 3 Years
Working capital	7,786	(7,655)	(131) ⁽²⁾⁽³⁾	(1.7%)	-	Within 1 year
Estimated listing expenses	2,800	(3,254) ⁽³⁾	454 ⁽³⁾	16.2%	-	Upon listing
Total gross proceeds	35,586	(23,586)	-	-	12,000	

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Status of Corporate Proposals (Cont'd)

(iii) Listing and Quotation on Bursa Securities (Cont'd)

Note:

- (1) *The proposed utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2013.*
- (2) *In respect of excess of proposed utilisation over the actual early settlement sum (including a one-off fee of RM0.15 million levied by the bank for early settlement) for a term loan facility used to fund the purchase of the new industrial land with building. In accordance to the Prospectus dated 13 May 2013, any variation to the actual term loan and overdraft facility repayment shall be adjusted against the proposed utilisation for working capital.*
- (3) *Actual listing expenses incurred were more than the estimated listing expenses by RM0.45 million mainly due to higher printing and advertisement costs as well as other incidental costs incurred in connection to the listing exercise. In accordance to the Prospectus dated 13 May 2013, the excess of listing expenses shall be adjusted against the proposed utilisation for working capital.*

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 December 2013 were as follows:-

	As at 31.12.2013 RM'000	As at 31.12.2012⁽¹⁾ RM'000
<u>Current</u>		
Secured:		
ABBA financing facilities	544	N/A
Bankers' acceptances	64,062	N/A
Hire purchase payables	1,705	N/A
Term loans	283	N/A
Bank overdrafts	16,971	N/A
	<hr/> 83,565	<hr/> N/A
Unsecured		
Bankers' acceptances	53,190	N/A
Bank overdrafts	314	N/A
	<hr/> 53,504	<hr/> N/A
	<hr/> 137,069	<hr/> N/A
<u>Non-current</u>		
Secured:		
Hire purchase payables	514	N/A
Term loans	174	N/A
	<hr/> 688	<hr/> N/A
Total Borrowings	<hr/> <hr/> 137,757	<hr/> <hr/> N/A

The above Group borrowings are denominated in Ringgit Malaysia.

Note:

N/A Not applicable

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

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

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

The Board of Directors is recommending a final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2013 for approval by the shareholders at the forthcoming Annual General Meeting. The total dividend declared for the current financial year is 3.0 sen per ordinary share.

Subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, the final dividend will be paid on 5 August 2014 and the entitlement date for the payment is 18 July 2014.

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 31.12.2013 RM'000	Preceding Year Quarter 31.12.2012 ⁽¹⁾ RM'000	Current Year-To-Date 31.12.2013 RM'000	Preceding Year-To-Date 31.12.2012 ⁽¹⁾ RM'000
Profit attributable to owners of the parent	7,237	N/A	25,774	N/A
Weighted average number of ordinary shares of RM0.50 each in issue ('000) *	310,000	N/A	285,626	N/A
Basic Earnings Per Share (sen)	2.33	N/A	9.02	N/A

Note:

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

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

(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 current financial year-to-date.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

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:-

	As at 31.12.2013 RM'000	As at 31.12.2012⁽¹⁾ RM'000
Total retained earnings of the Group		
(a) Realised	158,769	N/A
(b) Unrealised	(3,959)	N/A
	<hr/> 154,810	<hr/> N/A
Less: consolidated adjustments	(2,816)	N/A
Total retained earnings	<hr/> 151,994	<hr/> N/A

Note:

N/A Not applicable

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

By order of the Board
Kuala Lumpur
26 February 2014