



LEADER STEEL HOLDINGS BERHAD

(Company No. 267209 - K)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT

1 Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the year ended 31 December 2004.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2004.

2 Audit report

The audit report of the preceding annual financial statements ended 31 December 2004 was not subject to any qualification.

3 Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors in the first quarter ended 30 June 2005.

4 Extraordinary or exceptional items

There were no extraordinary/exceptional items for the financial period ended 30 June 2005.

5 Changes in estimates

There were no material changes in the estimates used for the preparation of this interim financial report.

6 Debts and equity or securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

7 Dividend paid

No dividend was paid for the financial period under review.

8 Segment information

No segment information by business activities has been prepared as the Group's activities involved is primarily in one sector of operations only.

9 Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

10 Events subsequent to the balance sheet date

There were no material events subsequent to the period under review.