



LEADER STEEL HOLDINGS BERHAD
(Company No. 267209 - K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MAR 2012**

	NOTE	CURRENT 3 MONTHS ENDED 31 MAR		CUMULATIVE 3 MONTHS ENDED 31 MAR	
		2012 RM'000 (Unaudited)	2011 RM'000 (Unaudited)	2012 RM'000 (Unaudited)	2011 RM'000 (Unaudited)
Continuing operations					
Revenue		55,940	60,292	55,940	60,292
Operating expenses		(54,739)	(64,084)	(54,739)	(64,084)
Operating income		0	6,140	0	6,140
Operating profit		1,201	2,348	1,201	2,348
Finance costs		(1,485)	(1,029)	(1,485)	(1,029)
Finance Income		0	0	0	0
Profit /(Loss) before tax		(284)	1,319	(284)	1,319
Tax expense	B5	0	(115)	0	(115)
Net (Loss)/Profit from continuing operations		(284)	1,204	(284)	1,204
Other comprehensive income / (expense)					
Fair value of available-for-sale financial asset		(52)	0	(52)	0
Foreign currency translation differences of foreign subsidiary		0	(229)	0	(229)
Total comprehensive income / (expense) for the financial period		(336)	975	(336)	975
Net (Loss) / Profit attributable to:					
Equity holders of the Company		(233)	1,204	(233)	1,204
Non-controlling interests		(51)	0	(51)	0
		(284)	1,204	(284)	1,204
Total comprehensive income or the period attributable to:					
Equity holders of the Company		(285)	975	(285)	975
Non-controlling interests		(51)	0	(51)	0
		(336)	975	(336)	975
Basic (loss)/earnings per ordinary share (sen)	B11	(0.18)	0.94	(0.18)	0.94
Diluted earnings per ordinary share (sen)	B11	N.A	N.A	N.A	N.A

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011



LEADER STEEL HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAR 2012

	NOTE	UNAUDITED 31 MAR 2012 RM'000	AUDITED 31 DEC 2011 RM'000
ASSETS			
Property, plant and equipment		104,769	100,761
Other investments		264	316
TOTAL NON-CURRENT ASSETS		105,033	101,077
Inventories		58,467	53,924
Trade and other receivables		67,176	76,997
Current tax assets		869	381
Cash and cash equivalents		2,449	2,614
TOTAL CURRENT ASSETS		128,961	133,916
TOTAL ASSETS		233,994	234,993
EQUITY			
Share capital		64,016	64,016
Share premium		4	4
Capital reserve		284	284
Share option reserve		2,185	2,185
Fair value reserve		(136)	(84)
Retained earnings		28,346	28,579
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		94,699	94,983
Non Controlling Interest		31	82
TOTAL EQUITY		94,730	95,065
LIABILITIES			
Borrowings	B8	20,487	19,296
Deferred tax liabilities		6,725	6,725
TOTAL NON-CURRENT LIABILITIES		27,212	26,021
Trade and other payables		14,947	23,212
Borrowings	B8	95,734	87,736
Current tax liabilities		1,371	2,960
TOTAL CURRENT LIABILITIES		112,052	113,907
TOTAL LIABILITIES		139,264	139,928
TOTAL EQUITY AND LIABILITIES		233,994	234,993
Net Assets Per Share (Sen)		74	74

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011



LEADER STEEL HOLDINGS BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	← Attributable to equity holders of the Company →						→ Distributable →				Total Equity RM'000
	← Non-distributable →										
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Fair Value Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non Controlling Interest RM'000		
At 1 January 2012	64,016	4	2,185	(84)	-	284	28,579	94,984	82	95,066	
Fair value of available for-sale financial assets	-	-	-	(52)	-	-	-	(52)	-	(52)	
(Loss) / Profit for the year	-	-	-	-	-	-	(233)	(233)	(51)	(284)	
Total comprehensive (expenses)/income for the year	-	-	-	(52)	-	-	(233)	(285)	(51)	(336)	
At 31 March 2012	64,016	4	2,185	(136)	-	284	28,346	94,699	31	94,730	
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Fair Value Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000	
At 1 January 2011	64,016	4	2,185	-	41	284	32,552	99,082	-	99,082	
Fair value of available for-sale financial assets	-	-	-	-	-	-	-	-	-	-	
Exchange difference arising from foreign subsidiary companies	-	-	-	-	(229)	-	-	(229)	-	(229)	
Profit / (Loss) for the year	-	-	-	-	-	-	1,204	1,204	-	1,204	
Total comprehensive (expenses)/income for the year	-	-	-	-	(229)	-	1,204	975	-	975	
At 31 March 2011	64,016	4	2,185	-	(188)	284	33,756	100,057	-	100,057	

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011



LEADER STEEL HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAR 2012**

<i>In thousands of RM</i>	NOTE	31-Mar-12 RM	31-Mar-11 RM
Cash flows from operating activities			
(Loss)/Profit before tax from continuing operations		(284)	1,319
Adjustments for:-			
Depreciation - Property, plant and equipment		2,141	2,097
Interest expense		1,485	1,029
Operating profit before working capital changes		3,342	4,445
Changes in working capital:			
Inventories		(4,544)	8,219
Trade and other receivables		9,823	(4,124)
Trade and other payables		(8,234)	13,108
Cash used in operating activities		387	21,648
Income tax paid		(2,077)	(254)
Interest paid		(1,485)	(1,029)
Net cash (used in) / operating activities		(3,175)	20,365
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(5,887)	(4,221)
Others		(29)	8
Net cash used in investing activities		(5,916)	(4,213)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loans		(304)	(469)
Repayment of hire purchase and lease obligations		(317)	(331)
Bank borrowings, net		9,534	(19,828)
Net cash generated from financing activities		8,913	(20,628)
Net (decrease)/increase in cash and cash equivalents		(178)	(4,476)
Effect of exchange rate fluctuation on cash held		0	(228)
Cash and Cash Equivalents at Beginning of The Period		(1,408)	(983)
Cash and Cash Equivalents at End of The Period	A	(1,586)	(5,687)

(A) Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:

<i>In thousands of RM</i>	31-Mar-12 RM	31-Mar-11 RM
Fixed deposit with a licensed bank	1	1
Cash and bank balances	2,448	647
Bank overdrafts	(4,035)	(6,335)
	(1,586)	(5,687)



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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards 134 (MFRS134): “Interim Financial Reporting” and paragraph 9.22 of the Listing requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board. For the period up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

These are the Group’s interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The adoption of the MFRSs and Amendments do not have any material impact on the financial statements of the Group.

A2. Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors.

A3. Unusual Items

There were no items of unusual nature, size or incidence which affect assets, liabilities, equity, net income or cash flows during the current period under review.

A4. Changes in Accounting Estimates

There were no changes in accounting estimates of amounts reported in prior year that have a material effect in the current period under review.



A5. Debts and Equity or Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellation held as treasury shares and resale of treasury shares for the current period under review.

A6. Dividend

No dividend was paid or declared for the current quarter under review

A7. Profit for The Period

	Current Quarter 31 March		Cumulative period ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax is arrived at after charging / (crediting)				
Depreciation of property, plant and equipment	2,141	2,097	2,141	2,097
Interest expense	1,485	1,029	1,485	1,029
Foreign exchange loss / (gain)	507	(201)	507	(201)

A8. Segment Information

Segmental reporting for the financial period ended 31 March 2012:

	Trading & Processing Of Iron Ore RM'000	Manufacturing & Trading of Steel Pipe RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
- External	24,815	31,125	-	55,940
- Inter-segment	1,559	1,025	(2,584)	-
Total Revenue	26,374	32,150	(2,584)	55,940
Results				
Operating profit/(loss)	1,463	(262)	-	1,201
Finance cost	(954)	(531)		(1,485)
Tax expense	-	-		-
Segment profit/(loss)	509	(793)		(284)



A9. Events after the Interim Period

There is no event subsequent to the interim period.

A10. Changes In The Composition of The Group

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

A11. Changes In Contingent Liabilities

There is no contingent liabilities for current quarter

A12. Related Party Transactions

Companies in which certain directors are deemed to have substantial financial interests	3 months ended 31 Mar 2012 RM'000
Eonmetall Group Berhad and its subsidiaries	
Sales of goods	2,858
Purchase of goods	8,849
Purchase of machinery parts	2,799
Rental expense	129



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Current quarter compared to the corresponding quarter of last year

During the current quarter under review, the Group recorded total revenue of RM 56 million, a decrease of 7.13% or RM 4.3 million as compared to RM 60.3 million recorded in the preceding year's corresponding quarter. Loss before tax for current quarter recorded at RM 0.28 million, a decrease of 121.53 % from RM 1.32 million profit in the preceding year corresponding quarter. The decline was mainly due to lower revenue in steel manufacturing segment

The substantial decline in profit before tax for current quarter was mainly attributed to the fluctuations in the cost of raw material. In addition the selling prices of our manufacturing of cold rolled steel tubes and pipes was also effected in view of the state of the uncertainty of the economy in the first quarter of the financial year under review.

B2. Current quarter versus the preceding quarter

For current quarter under review, the group recorded total revenue of RM 56 million as compared to RM 44 millions in the preceding quarter. Current quarter loss recorded at RM 0.28 million.

The group revenue during the current quarter increased by 27% or RM 12 million. It was mainly attributed by the increased in the Iron Ore trading & processing segment, which registered an increase of 108% from RM 12 million to RM 25 million in its revenue.

Revenue from steel manufacturing segment had decreased slightly by 3.22% or RM 1 million from RM 32 million to RM 31 million.

Our group loss before tax reduce by 56.9 % from RM 0.65 million loss to RM 0.28 million loss. The substantial decline in losses when compared with previous quarter was mainly attributed to the higher revenue in Iron Ore segment.

B3. Prospects

Despite of the challenging environment in view of the ongoing uncertainty of the global economy, volatility of foreign currency and level of steel price conditions, we expect the business environment for the manufacturing of steel products segment is remain constant and stable.

In minerals trade and processing segment, the demand remains encouraging and vibrant, management is positive that this segment will contribute promising results.



Barring unforeseen circumstances, the Board is optimistic that the performance for the group for the year ahead will be satisfactory.

B4. Profit Forecast

Not applicable as no profits forecast was issued.

B5. Tax Expense

	Current Quarter 3 months ended 31 Mar		Cumulative Quarter 3 months ended 31 Mar	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysian tax				
- Current tax	-	115	-	115
- Deferred tax	-	-	-	-
Total tax expense	-	115	-	115

Income tax is calculated at the Malaysia statutory tax rate of 25% of the estimated assessable profit for the year.

The effective tax rate is lower than the statutory tax rate due to the tax incentive of certain subsidiaries.

B6. Audit Report

The audited report of the preceding annual financial statements ended 31 December 2011 was not subject to any qualification.

B7. Status of Corporate Proposal Announced

There were no corporate proposals announced but not completed as at the date of issue of this announcement.



B8. Borrowings

	As at 31 Mar 2012 RM'000
Short term borrowings	
Secured	1,001
Unsecured	93,489
Finance lease liabilities	1,244
	<hr/> 95,734 <hr/>
Long term borrowings	
Secured	19,296
Finance lease liabilities	1,191
	<hr/> 20,487 <hr/>

All borrowings are denominated in Ringgit Malaysia.

B9. Changes In Material Litigation

There were no outstanding material litigations as at the date of this announcement.

B10. Realized and Unrealized Profits/Losses

The following analysis of realized and unrealized retained profits/(accumulated losses) is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realized and Unrealized Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31 Mar 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained profits of Leader Steel Holdings Berhad and its subsidiaries:		
- Realized	34,291	34,454
- Unrealized	(6,725)	(6,725)
 Add: Consolidation adjustments	 780	 850



Total group retained profits as per consolidation accounts 28,346 28,579

B11. Earnings Per Ordinary Share

	<i>Basic earnings per ordinary share</i>			
	Quarter ended 31 Mar		Cumulative Period ended 31 Mar	
	2012 (RM'000)	2011 (RM'000)	2012 (RM'000)	2011 (RM'000)
Net loss /earnings attributable to ordinary equity holders of the Company (RM'000)	(233)	1,204	(233)	1,204
Weighted average number of ordinary shares ('000)	128,032	128,032	128,032	128,032
Basic (loss) /earnings per share (sen)	(0.18)	0.94	(0.18)	0.94

Diluted earnings per ordinary share

For current quarter ended 31 Mar 2012, diluted earnings per ordinary share was not computed and presented as the effect of the Employees' Share Option is anti-dilutive

By the order of the Board

Datin Tan Pak Say
 Managing Director
 Penang
 31 May 2012