



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 2013**

	NOTE	CURRENT		CUMULATIVE	
		3 MONTHS ENDED		12 MONTHS ENDED	
		31 MAR		31 MAR	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations					
Revenue		46,358	55,940	46,358	55,940
Operating expenses		(41,818)	(54,739)	(41,818)	(54,739)
Operating income		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating profit/(loss)		4,541	1,201	4,541	1,201
Finance costs		(1,374)	(1,485)	(1,374)	(1,485)
Finance Income		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit /(Loss)before tax		3,167	(284)	3,167	(284)
Tax income/(expense)	B5	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net loss from continuing operations		3,167	(284)	3,167	(284)
OTHER COMPREHENSIVE INCOME,NET OF TAX					
Gain/(Loss) on fair value of available-for-sale financial asset		<u>0</u>	<u>(52)</u>	<u>0</u>	<u>(52)</u>
Total comprehensive income/(expense) for the financial period		<u>3,167</u>	<u>(336)</u>	<u>3,167</u>	<u>(336)</u>
Net profit /(Loss) for the financial year attributable to:-					
Equity holders of the company		<u>3,269</u>	<u>(233)</u>	<u>3,269</u>	<u>(233)</u>
Non-controlling interests		<u>(102)</u>	<u>(51)</u>	<u>(102)</u>	<u>(51)</u>
Net profit /(Loss) for the financial year attributable to:-		<u>3,167</u>	<u>(284)</u>	<u>3,167</u>	<u>(284)</u>
Total comprehensive income for the period					
attributable to:					
Equity holders fo the Company		<u>3,269</u>	<u>(285)</u>	<u>3,269</u>	<u>(285)</u>
Non-controlling interest		<u>(102)</u>	<u>(51)</u>	<u>(102)</u>	<u>(51)</u>
TOTAL COMPREHENSIVE INCOME		<u>3,167</u>	<u>(336)</u>	<u>3,167</u>	<u>(336)</u>
Basic (loss)/earnings per ordinary share (sen)	B11	<u>2.55</u>	<u>(0.18)</u>	<u>2.55</u>	<u>(0.18)</u>
Diluted earnings per ordinary share (sen)	B11	<u>N.A</u>	<u>N.A</u>	<u>N.A</u>	<u>N.A</u>

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 2012



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAR 2013

	NOTE	UNAUDITED 31 MAR 2013 RM'000	AUDITED 31 DEC 2012 RM'000
ASSETS			
Property, plant and equipment		138,725	139,839
Other investments		156	160
TOTAL NON-CURRENT ASSETS		138,881	139,999
Inventories		56,922	44,982
Trade and other receivables		80,993	85,090
Current tax assets		997	922
Cash and cash equivalents		1,800	5,132
TOTAL CURRENT ASSETS		140,713	136,126
TOTAL ASSETS		279,593	276,125
EQUITY			
Share capital		64,016	64,016
Treasury Share		(0)	(0)
Share premium		4	4
Revaluation surplus		31,834	31,834
Capital reserve		0	0
Share option reserve		0	0
Foreign currency translation reserve		(15)	(15)
Fair value reserve		0	0
Retained earnings		23,939	20,670
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		119,777	116,508
Non Controlling Interest		(277)	(175)
TOTAL EQUITY		119,500	116,333
LIABILITIES			
Borrowings	B8	12,948	13,817
Deferred tax liabilities		14,578	14,578
TOTAL NON-CURRENT LIABILITIES		27,526	28,395
Trade and other payables		16,499	21,952
Borrowings	B8	116,062	109,443
Current tax liabilities		6	0
TOTAL CURRENT LIABILITIES		132,567	131,397
TOTAL LIABILITIES		160,093	159,792
TOTAL EQUITY AND LIABILITIES		279,593	276,125
Net Assets Per Share (Sen)		94	91

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 2012



LEADER STEEL HOLDINGS BERHAD

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CASH FLOW FROM OPERATING ACTIVITIES	31-Mar-13 RM'000	31-Mar-12 RM'000
Loss before tax	3,167	(284)
Adjustments for:		
Amortisation of prepaid lease payments	0	0
(Gain)/loss on disposal of PPE	0	0
(Gain)/loss on disposal of asset held for sale	0	0
Depreciation	2,622	2,141
Impairment loss on AFS	4	0
Impairment loss on loan & receivables	0	0
Impairment of PPE	0	0
Interest expenses	1,374	1,485
Interest income	0	0
Investment written-off	0	0
PPE written-off	0	0
Retirement benefits	0	0
Reversal of impairment loss on loan & receivables	0	0
Share of loss/(profit) of associate	0	0
Unrealised (gain)/loss on foreign exchange	0	0
Unrealised gain on financial instruments at fair value through P/L	0	0
Gain on disposal of a subsidiary	0	0
Operating profit before working capital changes	7,166	3,342
Changed in:-		
Inventories	(11,940)	(4,544)
Receivables and prepayments	4,097	9,823
Payables and advance payments	(5,453)	(8,234)
Cash generated from/(absorbed by) operations	(6,130)	388
Tax paid	(75)	(2,077)
Tax refunded	6	0
Interest paid	(1,374)	(1,485)
Interest received	0	0
Net cash from operating activities	(7,573)	(3,174)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of PPE	0	0
Proceeds from disposal of asset held for sale	0	0
Proceeds from disposal of subsidiary, net of cash and cash equivalents	0	0
Purchase of PPE	(1,507)	(5,916)
Net cash (used in)/ from investing activities	(1,507)	(5,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease obligations	(433)	(317)
Purchase of own shares	0	0
Term loans raised	0	0
Dividend paid to owners of the Company	0	0
Repayment of term loans	(331)	(304)
Increase/(Decrease) in short term bank borrowings	2,762	9,534
Net cash (used in)/ from financing activities	1,999	8,912
Effect of foreign exchange translation	0	0
Net increase/(decrease) in cash and cash equivalents	(7,082)	(178)
Cash and cash equivalents brought forward	5,132	(1,408)
Cash and cash equivalents carried forward	(1,950)	(1,587)
<u>Cash and cash equivalents carried forward</u>		
Cash and cash equivalents	1,800	2,449
Bank overdraft	(3,750)	(4,035)
	(1,950)	(1,587)



LEADER STEEL HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 MAR 2013

	Attributable to equity holders of the Company Non-distributable							Distributable		Equity attributable to owners of the company Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Surplus RM'000	Treasury Share RM'000	Share Option Reserve RM'000	Fair Value Reserve RM'000	Currency Translation Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000			
At 1 January 2013	64,016	4	31,834	(0)	0	0	(15)	0	20,670	116,508	(175)	116,333
Loss on fair value of available for-sale financial assets	0	0	0	0	0	0	0	0	0	0	0	0
(Loss) / Profit for the year	0	0	0	0	0	0	0	0	3,269	3,269	(102)	3,167
Total comprehensive income for the year	0	0	0	0	0	0	0	0	3,269	3,269	(102)	3,167
At 31 Mar 2013	64,016	4	31,834	(0)	0	0	(15)	0	23,939	119,777	(277)	119,500

	Attributable to equity holders of the Company Non-distributable							Distributable		Equity attributable to owners of the company Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Surplus RM'000	Treasury Share RM'000	Share Option Reserve RM'000	Fair Value Reserve RM'000	Currency Translation Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000			
At 1 January 2012	64,016	4	0	0	2,185	(84)	0	284	28,579	94,984	82	95,066
Fair value of available for-sale financial assets	0	0	0	0	0	(52)	0	0	0	(52)	0	(52)
Profit / (Loss) for the year	0	0	0	0	0	0	0	0	(233)	(233)	(51)	(284)
Total comprehensive income for the year	0	0	0	0	0	(52)	0	0	(233)	(285)	(51)	(336)
At 31 Mar 2012	64,016	4	0	0	2,185	(136)	0	284	28,346	94,699	31	94,730

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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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 2012, 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 2012.

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		Cumulative period ended	
	31-Mar 2013 RM'000	31-Mar 2012 RM'000	31-Mar 2013 RM'000	31-Mar 2012 RM'000
Profit before tax is arrived at after charging / (crediting)				
Depreciation of property, plant and equipment	2,622	2,141	2,622	2,141
Interest expense	1,374	1,485	1,374	1,485
Foreign exchange loss / (gain)	(48)	507	(48)	507

A8. Segment Information

Segmental reporting for the cumulative period ended 31 Mar 2013:

	Trading & Processing Of Iron Ore RM'000	Manufacturing & Trading of Steel Pipe RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
- External	18,245	28,113	0	46,358
- Inter-segment	0	6,444	(6,444)	0
Total Revenue	18,245	34,557	(6,444)	46,358
Results				
Operating profit/(loss)	3,233	1,308	0	4,541
Finance cost	(620)	(754)	0	(1,374)
Tax expense	0	0	0	0
Segment profit/(loss)	2,613	554	0	3,167

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

The 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 2013
Eonmetall Group Berhad and its subsidiaries	RM'000
Sales of goods	13
Purchase of goods	355
Purchase of machinery parts	392
Rental Expenses	129
	889

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

The Group achieved total revenue of RM46.4 million for current quarter under review, a decrease of RM9.6 million or 17.1% from RM56 million recorded in the preceding year's corresponding quarter.

It was mainly attributed by the decrease in the trading and processing of iron ore segment which registered a decrease of RM6.7 million or 26.8% from RM25 million to RM18.3 million in its revenue.

Revenue from manufacturing and trading of steel pipe segment for current quarter compared to preceding year corresponding quarter also recorded a decrease of RM2.9 million or 9.4% from RM31 million to RM28.1 million.

Profit before tax for current quarter recorded at RM3.2 million, an increase of RM3.48 million from RM0.28 million loss in the preceding year corresponding quarter due to increase in profit margin.

B2. Current quarter versus the preceding quarter

For the quarter under review, the Group recorded total revenue of RM46.4 million as compared to RM84 million in the preceding quarter.

The group revenue during the current quarter decreased by RM37.6 million or 44.8%. It was mainly due to the decrease in the manufacturing and trading of steel pipe segment, which registered the decrease of RM10.9 million or 27.9% from RM39 million to RM28.1 million in its revenue.

Revenue from trading and processing of iron ore segment for current quarter compared to preceding quarter had recorded a decrease of RM26.8 million or 59.6% from RM45 million to RM18.2 million.

Despite slowing down in revenue, our group profit before tax improved by RM15.9 million from RM12.7 million loss to RM3.2 million profit. The substantial increase in profit when compared with previous quarter was mainly attributed to the increase in world iron ore price during 1st quarter of 2013 and also better profit margin for manufacturing and trading of steel pipe segment.



B3. Prospects

Inspite of the challenging environment, due to the ongoing uncertainty of the global economy, volatility of foreign currency and the steel price, we expect the business environment for the manufacturing of steel products segment is to remain stable.

The demand in minerals trade and processing segment remains encouraging and vibrant, hence management is positive that this segment will contribute promising results. On the assumption that this environment is to persist, the board is optimistic that the performance for the group for the quarter 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 12 months ended 31 Mar	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysian tax				
- Current tax	0	0	0	0
- Deferred tax	0	0	0	0
Total tax expense	0	0	0	0

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 2012 was not subject to any qualification.

B7. Status of Corporate Proposal Announced

Other than the below, there are no other corporate proposals announced but not completed as at the date of issue of this announcement:-

- a) At the Extraordinary General Meeting of the Company held on 28 December 2012, the shareholders of the Company had approved the acquisition by Leader Steel Sdn Bhd ("LSSB"), a wholly owned subsidiary of the Company from Eonmetall Systems Sdn Bhd ("ESSB"), of a parcel of industrial land together with an almost completed single-storey detached factory with an office erected thereon held under Title No. GM 77765, Lot No. 1596, Mukim 12, Daerah Seberang Perai Selatan, Pulau Pinang, for a cash consideration of RM12,100,000.00 ("Acquisition").



The Company had on 5 April 2013 announced that LSSB had on even date, reached an understanding with ESSB, to further extend the Extended Completion Period for the Acquisition by three (3) months commencing from the expiry of the Extended Completion Date of 27 April 2013, subject to LSSB paying an interest at the rate of 6% per annum on the unpaid balance purchase price calculated on a daily basis.

Following the above, the last date for settlement of the balance purchase price pursuant to the Acquisition will be on 27 July 2013.

B8. Borrowings

	31-Mar-13
	RM'000
Short term borrowings	
Secured	4,537
Unsecured	110,751
Finance lease liabilities	774
	<u>116,062</u>
Long term borrowings	
Secured	12,726
Finance lease liabilities	222
	<u>12,948</u>
Total Borrowings	<u>129,010</u>

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.

	31-Mar-13	31-Dec-12
	RM'000	RM'000
Total retained profits of Leader Steel Holdings Berhad and its subsidiaries:		
- Realized	28,409	24,792
- Unrealized	(6,105)	(6,105)
Add: Consolidation adjustments	1,635	1,983
Total group retained profits as per consolidation accounts	<u>23,939</u>	<u>20,670</u>



B11. Earnings Per Ordinary Share

	Quarter Ended		Cumulative Period Ended	
	31-Mar		31-Mar	
	2013	2012	2013	2012
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net loss /earnings attributable to ordinary equity holders of the Company (RM'000)	3,269	(233)	3,269	(233)
Weighted average number of ordinary shares ('000)	128,032	128,032	128,032	128,032
Basic (loss) /earnings per share (sen)	2.55	(0.18)	2.55	(0.18)

Diluted earnings per ordinary share

For current quarter ended 31 Mar 2013, 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
28 May 2013