



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 30 SEPTEMBER 2013**

| | NOTE | CURRENT 3 MONTHS ENDED 30 SEPTEMBER | | CUMULATIVE 9 MONTHS ENDED 30 SEPTEMBER | |
|------------------------------------------------------------------------------|------|-------------------------------------------|-------------------------------|----------------------------------------------|-------------------------------|
| | | 2013 RM'000 (Unaudited) | 2012 RM'000 (Unaudited) | 2013 RM'000 (Unaudited) | 2012 RM'000 (Unaudited) |
| Continuing operations | | | | | |
| Revenue | | 90,576 | 73,130 | 211,660 | 199,855 |
| Operating expenses | | (91,225) | (72,063) | (204,326) | (193,319) |
| Operating income | | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Operating (loss)/ profit | | (649) | 1,067 | 7,334 | 6,536 |
| Finance costs | | (1,486) | (1,750) | (4,406) | (4,981) |
| Finance Income | | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (Loss)/ Profit before tax | | (2,135) | (683) | 2,928 | 1,555 |
| Tax expense | B5 | <u>(167)</u> | <u>0</u> | <u>(167)</u> | <u>(151)</u> |
| Net (loss)/ profit from continuing operations | | (2,302) | (683) | 2,761 | 1,404 |
| OTHER COMPREHENSIVE INCOME, NET OF TAX | | | | | |
| Loss on fair value of available-for-sale financial asset | | 0 | (42) | 0 | (6) |
| Foreign currency translation differences of foreign subsidiary | | <u>0</u> | <u>0</u> | <u>0</u> | <u>11</u> |
| Total comprehensive (expense)/ income for the financial period | | <u>(2,302)</u> | <u>(725)</u> | <u>2,761</u> | <u>1,409</u> |
| Net (loss)/ profit for the financial year attributable to:- | | | | | |
| Equity holders of the company | | (2,262) | (632) | 2,843 | 1,382 |
| Non-controlling interests | | <u>(40)</u> | <u>(51)</u> | <u>(82)</u> | <u>22</u> |
| NET (LOSS)/ PROFIT | | <u>(2,302)</u> | <u>(683)</u> | <u>2,761</u> | <u>1,404</u> |
| Total comprehensive (expense)/ income for the period attributable to: | | | | | |
| Equity holders fo the Company | | (2,262) | (674) | 2,843 | 1,387 |
| Non-controlling interest | | <u>(40)</u> | <u>(51)</u> | <u>(82)</u> | <u>22</u> |
| TOTAL COMPREHENSIVE (EXPENSE)/ INCOME | | <u>(2,302)</u> | <u>(725)</u> | <u>2,761</u> | <u>1,409</u> |
| Basic earnings per ordinary share (sen) | B11 | <u>(1.77)</u> | <u>(0.49)</u> | <u>2.22</u> | <u>1.08</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 30 SEPTEMBER 2013

| | NOTE | UNAUDITED 30 SEP 2013 RM'000 | AUDITED 31 DEC 2012 RM'000 |
|-------------------------------------------------------------------|------|------------------------------------|----------------------------------|
| ASSETS | | | |
| Property, plant and equipment | | 133,024 | 139,839 |
| Other investments | | 142 | 160 |
| TOTAL NON-CURRENT ASSETS | | 133,166 | 139,999 |
| Inventories | | 41,211 | 44,982 |
| Trade and other receivables | | 86,251 | 85,090 |
| Current tax assets | | 889 | 922 |
| Cash and cash equivalents | | 14,854 | 5,132 |
| TOTAL CURRENT ASSETS | | 143,205 | 136,126 |
| TOTAL ASSETS | | 276,371 | 276,125 |
| EQUITY | | | |
| Share capital | | 64,016 | 64,016 |
| Treasury Share | | (40) | (0) |
| Share premium | | 4 | 4 |
| Revaluation surplus | | 31,834 | 31,834 |
| Foreign currency translation reserve | | (15) | (15) |
| Retained earnings | | 23,513 | 20,670 |
| TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | 119,312 | 116,509 |
| Non Controlling Interest | | (257) | (175) |
| TOTAL EQUITY | | 119,055 | 116,334 |
| LIABILITIES | | | |
| Borrowings | B8 | 10,460 | 13,817 |
| Deferred tax liabilities | | 14,578 | 14,578 |
| TOTAL NON-CURRENT LIABILITIES | | 25,038 | 28,395 |
| Trade and other payables | | 9,775 | 21,953 |
| Borrowings | B8 | 122,498 | 109,443 |
| Current tax liabilities | | 5 | 0 |
| TOTAL CURRENT LIABILITIES | | 132,278 | 131,396 |
| TOTAL LIABILITIES | | 157,316 | 159,791 |
| TOTAL EQUITY AND LIABILITIES | | 276,371 | 276,125 |
| Net Assets Per Share (Sen) | | 93 | 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
(Company No. 267209 - K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 SEP 2013

| | Attributable to equity holders of the Company | | | | | | | Distributable | | Equity attributable to owners of the company Total RM'000 | Non-Controlling Interest RM'000 | Total Equity RM'000 |
|----------------------------------------------------------------------|-----------------------------------------------|----------------------|----------------------------|-----------------------|-----------------------------|---------------------------|-------------------------------------|------------------------|--------------------------|-----------------------------------------------------------|---------------------------------|---------------------|
| | Non-distributable | | | | | | | Capital Reserve | Retained Earnings | | | |
| | 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 | 116,509 | (175) | 116,334 |
| Profit/ (Loss) for the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,843 | 2,843 | (82) | 2,761 |
| Total comprehensive income /(expense) for the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,843 | 2,843 | (82) | 2,761 |
| Purchase of own shares (representing total transactions with owners) | 0 | 0 | 0 | (40) | 0 | 0 | 0 | 0 | 0 | (40) | 0 | (40) |
| At 30 Sep 2013 | 64,016 | 4 | 31,834 | (40) | 0 | 0 | (15) | 0 | 23,513 | 119,312 | (257) | 119,055 |

| | Attributable to equity holders of the Company | | | | | | | Distributable | | Equity attributable to owners of the company Total RM'000 | Non-Controlling Interest RM'000 | Total Equity RM'000 |
|---------------------------------------------------------------|-----------------------------------------------|----------------------|----------------------------|-----------------------|-----------------------------|---------------------------|-------------------------------------|------------------------|--------------------------|-----------------------------------------------------------|---------------------------------|---------------------|
| | Non-distributable | | | | | | | Capital Reserve | Retained Earnings | | | |
| | 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 |
| Loss on available for-sale financial assets | 0 | 0 | 0 | 0 | 0 | (6) | 0 | 0 | 0 | (6) | 0 | (6) |
| Exchange difference arising from foreign subsidiary companies | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 11 |
| Profit for the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,382 | 1,382 | 22 | 1,404 |
| Total comprehensive (expense)/ income for the year | 0 | 0 | 0 | 0 | 0 | (6) | 11 | 0 | 1,382 | 1,387 | 22 | 1,409 |
| At 30 Sep 2012 | 64,016 | 4 | 0 | 0 | 2,185 | (90) | 11 | 284 | 29,961 | 96,371 | 104 | 96,475 |

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 2012



LEADER STEEL HOLDINGS BERHAD
(Company No. 267209 - K)
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| | 30-Sep-13 | 30-Sep-12 |
|-------------------------------------------------------------------------------|------------------|------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | RM'000 | RM'000 |
| Profit before tax | 2,928 | 1,555 |
| Adjustments for: | | |
| Amortisation of investments | 679 | 679 |
| Depreciation | 7,204 | 6,590 |
| Interest expenses | 4,406 | 4,981 |
| Unrealised loss on financial instruments at fair value through profit or loss | 18 | 90 |
| Operating profit before working capital changes | 15,235 | 13,895 |
| Changed in:- | | |
| Inventories | 3,771 | (18,466) |
| Receivables and prepayments | (1,161) | (36,347) |
| Payables and advance payments | (12,178) | 18,200 |
| Cash from/ (absorbed) by operations | 5,667 | (22,718) |
| Tax paid | (223) | (3,605) |
| Tax refunded | 94 | 0 |
| Interest paid | (4,406) | (4,981) |
| Net cash from/ (used) in operating activities | 1,132 | (31,304) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,068) | (12,640) |
| Net cash used in investing activities | (1,068) | (12,640) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of hire purchase and lease obligations | (853) | (718) |
| Purchase of own shares | (40) | 0 |
| Repayment of term loans | (1,005) | (927) |
| Increase in short term bank borrowings | 8,599 | 43,985 |
| Net cash from financing activities | 6,701 | 42,340 |
| Net increase/ (decrease) in cash and cash equivalents | 6,765 | (1,604) |
| Cash and cash equivalents brought forward | 5,132 | (1,409) |
| Cash and cash equivalents carried forward | 11,897 | (3,013) |
| <u>Cash and cash equivalents carried forward</u> | | |
| Cash and cash equivalents | 14,854 | 761 |
| Bank overdraft | (2,957) | (3,774) |
| | 11,897 | (3,013) |



LEADER STEEL HOLDINGS BERHAD

(Company No.267209-K)
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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.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2013.

| | |
|------------------------|------------------------------------------------------------------------------------------------------|
| MFRS 10 | Consolidated Financial Statements |
| MFRS 11 | Joint Arrangements |
| MFRS 12 | Disclosure of Interests in Other Entities |
| MFRS 13 | Fair Value Measurement |
| MFRS 119 | Employee Benefits (2011) |
| MFRS 127 | Separate Financial Statements (2011) |
| MFRS 128 | Investment in Associates and Joint Ventures (2011) |
| Amendments to MFRS 7 | Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities |
| Amendments to MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle) |
| Amendments to MFRS 101 | Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle) |
| Amendments to MFRS 116 | Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle) |
| Amendments to MFRS 132 | Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle) |
| Amendments to MFRS 134 | Interim Financial Reporting (Annual Improvements 2009-2011 Cycle) |
| Amendments to MFRS 10 | Consolidated Financial Statements: Transition Guidance |
| Amendments to MFRS 11 | Joint Arrangements: Transition Guidance |
| Amendments to MFRS 12 | Disclosure of Interests in Other Entities: Transition Guidance |

The adoption of the above standards and amendments are not expected to have any material financial impact to the current and prior periods financial statements of the Group.



A1. Basis of Preparation (Cont'd)

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group.

Amendments effective for annual periods beginning on or after 1 January 2014

| | |
|------------------------|---------------------------------------------------------------------------------------------|
| Amendments to MFRS 10 | Consolidated Financial Statements: Investment Entities |
| Amendments to MFRS 12 | Disclosure of Interests in Other Entities: Investment Entities |
| Amendments to MFRS 127 | Separate Financial Statements (2011): Investment Entities |
| Amendments to MFRS 132 | Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities |

MFRSs and Amendments effective for annual periods beginning on or after 1 January 2015

| | |
|----------------------|----------------------------------------------------------------------------------------------------|
| MFRS 9 | Financial Instruments (2009) |
| MFRS 9 | Financial Instruments (2010) |
| Amendments to MFRS 7 | Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures |

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption.

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, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review save for the following:

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 21 June 2012, approved the Company's plan to purchase its own shares. The Company had obtained its renewal of authority to buy back its own shares at the Annual General Meeting held on 27 May 2013.



A5. Debts and Equity or Securities (Cont'd)

During the quarter under review, the Company purchased a total of 100,000 ordinary shares of its issued share capital from the open market at an average cost of RM0.295 per share. The total consideration paid for the shares bought back, including transaction costs during the current quarter amounted to RM29,701 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the current financial quarter. As at 30 Sep 2013, the total number of treasury shares held was 134,200 ordinary shares.

A6. Dividend

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

A7. (Loss)/ Profit for The Period

| | Current Quarter | | Cumulative period ended | |
|---------------------------------------------------------------------|-----------------|----------------|-------------------------|----------------|
| | 30-Sep 2013 | 30-Sep 2012 | 30-Sep 2013 | 30-Sep 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax is arrived at after charging / (crediting) | | | | |
| Depreciation of property, plant and equipment | 2,417 | 2,237 | 7,204 | 6,590 |
| Interest expense | 1,485 | 1,750 | 4,406 | 4,981 |
| Foreign exchange gain | (246) | (494) | (415) | (370) |

A8. Segment Information

Segmental reporting for the cumulative period ended 30 Sep 2013:

| | Trading & Processing Of Iron Ore | Manufacturing & Trading of Steel Pipe | Eliminations | Consolidated |
|-----------------------|----------------------------------|---------------------------------------|-----------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| - External | 120,202 | 91,458 | 0 | 211,660 |
| - Inter-segment | 0 | 10,557 | (10,557) | 0 |
| Total Revenue | 120,202 | 102,015 | (10,557) | 211,660 |
| Results | | | | |
| Operating profit | 4,443 | 2,891 | 0 | 7,334 |
| Finance cost | (1,891) | (2,515) | 0 | (4,406) |
| Tax expense | 0 | (167) | 0 | (167) |
| Segment profit | 2,552 | 209 | 0 | 2,761 |



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 save for the followings:

Wholly owned subsidiaries of the Group, Leader Steel Technology Sdn Bhd (“LST”) and Leader Integrated Steel Mills Sdn Bhd (“LISM”) has on 22 July 2013 commenced winding up proceedings. LST and LISM are wholly owned subsidiaries of the Company.

The members’ voluntary liquidation of LST and LISM will not have any material impact on the earnings, net assets and gearing, on consolidated basis, of the Company for the current financial year ending 31 December 2013. It will also not have any effect on the share capital and substantial shareholders’ shareholding of the Company.

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 | 9 months ended 30 Sep 2013 |
|------------------------------------------------------------------------------------------------|---------------------------------------|
| Eonmetall Group Berhad and its subsidiaries | RM'000 |
| Sales of goods | 79 |
| Purchase of goods | 3,448 |
| Purchase of machinery parts | 392 |
| Rental Expenses | 387 |
| | <hr/> |
| | 4,306 |



LEADER STEEL

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 a total revenue of RM90.6 million for current quarter under review, an increase of RM17.5 million or 23.9% from RM73.1 million recorded in the preceding year's corresponding quarter.

It was mainly attributed to the increase in the trading and processing of iron ore segment which registered an increase of RM12.8 million or 27.4% from RM46.7 million to RM59.5 million in its revenue.

Revenue from manufacturing and trading of steel pipe segment for current quarter compared to preceding year corresponding quarter recorded an increase of RM4.63 million or 17.5% from RM26.48 million to RM31.11 million.

However, for the current quarter ended 30 Sep 2013, the group posted a loss before taxation of RM2.1 million as compared to the preceding year's corresponding loss before taxation of RM0.68 million, representing an increase of RM1.42 million or 209% loss before tax inspite of an increase in volume. It was due to lower profit margin in both segments and year end writing off of idle stocks..

B2. Current quarter versus the preceding quarter

For the quarter under review, the Group recorded a total revenue of RM90.6 million as compared to RM74.7 millions in the preceding quarter.

The group revenue during the current quarter increased by RM15.9 million or 21.3%. It was mainly attributed to the increase in trading and processing of iron ore segment for current quarter compared to preceding quarter of which an increase of RM15.1 million or 34% from RM44.4 million to RM59.5 million was recorded.

Revenue from manufacturing and trading of steel pipe segment, which registered an increase of RM0.8 million or 2.6% from RM30.3 million to RM31.1 million in its revenue.

Despite the increase in revenue, our group profit before tax reduced by RM4 million or 211% from RM1.9 million profit to RM2.1 million loss in current quarter. The reduction in profit before tax was primarily due to the lower profit margin in both manufacturing and trading of steel pipe as well as in the trading and processing of iron ore segment.

B3. Prospects

Inspite of the challenging environment arising from the ongoing uncertainty of the global economy, volatility of foreign currency and steel prices, we expect the business environment for the manufacturing and trading of steel products to remain stable and the profit margin to remain under pressure.

The demand for minerals and iron ore remain encouraging and vibrant, hence the management is positive that the trading and processing of iron ore segment will contribute promising results. On the assumption that this environment will persist, the Board is hoping to maintain positive performance of the Group for the quarter ahead.



B4. Profit Forecast

Not applicable as no profit forecast was issued.

B5. Tax Expense

| | Current Quarter | | Cumulative Quarter | |
|----------------------|-----------------------|--------|-----------------------|--------|
| | 3 months ended 30 Sep | | 9 months ended 30 Sep | |
| | 2013 | 2012 | 2013 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysian tax | | | | |
| - Current tax | 0 | 0 | 0 | (151) |
| - Prior year tax | (167) | 0 | (167) | 0 |
| - Deferred tax | 0 | 0 | 0 | 0 |
| | (167) | 0 | (167) | (151) |

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:-

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 which was further extended to by another three (3) months to 27 October 2013



B7. Status of Corporate Proposal Announced (Cont'd)

Further to the above, LSSB had on 25 October 2013, reached an understanding with ESSB, to further extend the Extended Completion Period for the Acquisition by an additional one (1) month commencing from the Extended Completion Date of 28 October 2013 to 27 November 2013, subject to the Company paying an interest at the rate of 6% per annum on the unpaid balance purchase price calculated on a daily basis.

However, where ESSB takes more than fourteen (14) business days from the date of request by the Company's Solicitors to deliver the redemption statement and letter of undertaking to the Company's Solicitors and / or where ESSB takes more than fourteen (14) business days from the date of receipt of the redemption amount to deliver to the Company or the Company's Solicitors the Issue Document of Title, duly executed discharge of charge and all other relevant documents, the Company shall be entitled to such extension of time which corresponds with any delay in time on the part of ESSB in delivering the above said documents free of interest.

B8. Borrowings

| | 30-Sep-13 |
|------------------------------|----------------------------|
| Short term borrowings | RM'000 |
| Secured | 4,537 |
| Unsecured | 117,554 |
| Finance lease liabilities | 407 |
| | <hr/> 122,498 <hr/> |
| Long term borrowings | |
| Secured | 10,290 |
| Finance lease liabilities | 170 |
| | <hr/> 10,460 <hr/> |
| Total Borrowings | <hr/> 132,958 <hr/> |

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.

| | 30-Sep-13 | 31-Dec-12 |
|-------------------------------------------------------------------------------------|------------------|------------------|
| | RM'000 | RM'000 |
| Total retained profits of Leader Steel Holdings Berhad and its subsidiaries: | | |
| - Realized | 27,552 | 24,792 |
| - Unrealized | (6,105) | (6,105) |
| Add: Consolidation adjustments | 2,066 | 1,983 |
| Total group retained profits as per consolidation accounts | 23,513 | 20,670 |

B11. Earnings Per Ordinary Share

| | Quarter Ended | | Cumulative Period Ended | |
|------------------------------------------------------------------------------|----------------------|-----------------|--------------------------------|-----------------|
| | 30- Sep | | 30- Sep | |
| | 2013 | 2012 | 2013 | 2012 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Net earnings attributable to ordinary equity holders of the Company (RM'000) | (2,262) | (632) | 2,843 | 1,382 |
| Weighted average number of ordinary shares ('000) | 128,032 | 128,032 | 128,032 | 128,032 |
| Basic earnings per share (sen) | (1.77) | (0.49) | 2.22 | 1.08 |

By the order of the Board

Datin Tan Pak Say
 Managing Director
 Penang
 28 Nov 2013