



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 MARCH 2015**

	NOTE	CURRENT		CUMULATIVE	
		3 MONTHS ENDED		3 MONTHS ENDED	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Continuing operations					
Revenue		55,014	84,383	55,014	84,383
Operating expenses		(51,097)	(78,989)	(51,097)	(78,989)
Operating profit/(loss)		3,917	5,394	3,917	5,394
Depreciation		(2,039)	(2,415)	(2,039)	(2,415)
Finance costs		(1,364)	(1,477)	(1,364)	(1,477)
Profit /(Loss) before tax		514	1,502	514	1,502
Tax expense	B5	36	(1)	36	(1)
Net profit/(loss) from continuing operations		550	1,501	550	1,501
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Items that will not be reclassified to profit or loss:-					
- Gross revaluation increase of properties		0	0	0	0
- Deferred tax relating to revalued properties		0	0	0	0
Items that may be reclassified subsequently to profit or loss:-					
Foreign currency translations		0	0	0	0
Other comprehensive (expenses)/income for the financial period		0	0	0	0
TOTAL COMPREHENSIVE INCOME/(EXPENSES)		550	1,501	550	1,501
Net profit/(loss) for the financial year attributable to:-					
Equity holders of the company		599	1,528	599	1,528
Non-controlling interests		(49)	(27)	(49)	(27)
NET PROFIT/(LOSS)		550	1,501	550	1,501
Total comprehensive income/(expenses) for the financial year attributable to:-					
Equity holders of the company		599	1,528	599	1,528
Non-controlling interests		(49)	(27)	(49)	(27)
TOTAL COMPREHENSIVE INCOME/(EXPENSES)		550	1,501	550	1,501
Basic earnings per ordinary share (sen)	B11	0.47	1.19	0.47	1.19
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 2014



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	NOTE	UNAUDITED 31 MAR 2015 RM'000	AUDITED 31 DEC 2014 RM'000
ASSETS			
Property, plant and equipment		152,429	148,490
Other investments		32	20
TOTAL NON-CURRENT ASSETS		152,461	148,510
Inventories		55,390	60,175
Trade and other receivables		52,784	43,193
Current tax assets		1,360	1,153
Cash and cash equivalents		964	1,561
TOTAL CURRENT ASSETS		110,498	106,082
TOTAL ASSETS		262,959	254,592
EQUITY			
Share capital		64,016	64,016
Treasury shares		(308)	(308)
Share premium		4	4
Revaluation surplus		47,613	47,613
Foreign currency translation reserve		3	3
Retained earnings		9,276	8,677
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		120,604	120,005
Non-controlling interest		269	318
TOTAL EQUITY		120,873	120,323
LIABILITIES			
Borrowings	B8	8,507	10,360
Deferred tax liabilities		14,369	14,369
TOTAL NON-CURRENT LIABILITIES		22,876	24,729
Trade and other payables		9,866	12,896
Borrowings	B8	109,344	96,644
TOTAL CURRENT LIABILITIES		119,210	109,540
TOTAL LIABILITIES		142,086	134,269
TOTAL EQUITY AND LIABILITIES		262,959	254,592
Net Assets Per Share (Sen)		94	94

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 2014



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	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 Shares 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			
Balance as at 1 January 2015	64,016	4	47,613	(308)	0	0	3	0	8,677	120,005	318	120,323
Gross revaluation increase of properties	0	0	0	0	0	0	0	0	0	0	0	0
Profit/(Loss) for the year	0	0	0	0	0	0	0	0	599	599	(49)	550
Total comprehensive income for the year	0	0	0	0	0	0	0	0	599	599	(49)	550
Transactions with owners												
Purchase of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2015	64,016	4	47,613	(308)	0	0	3	0	9,276	120,604	269	120,873

	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 Shares 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			
Balance as at 1 January 2014	64,016	4	31,528	(55)	0	0	3	0	21,533	117,029	(530)	116,499
Gross revaluation increase of properties	0	0	0	0	0	0	0	0	0	0	0	0
Profit/(Loss) for the year	0	0	0	0	0	0	0	0	1,528	1,528	(27)	1,501
Total comprehensive income for the year	0	0	0	0	0	0	0	0	1,528	1,528	(27)	1,501
Transactions with owners												
Purchase of treasury shares	0	0	0	(63)	0	0	0	0	0	(63)	0	(63)
Total transactions with owners	0	0	0	(63)	0	0	0	0	0	(63)	0	(63)
Balance as at 31 March 2014	64,016	4	31,528	(118)	0	0	3	0	23,061	118,494	(557)	117,937

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 2014



LEADER STEEL HOLDINGS BERHAD

(Company No. 267209 - K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	31-Mar-15 RM'000	31-Mar-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	514	1,502
Adjustments for:		
Depreciation	2,039	2,415
Impairment loss on available-for-sale financial assets	(12)	(16)
Interest expenses	1,364	1,477
Operating profit before working capital changes	3,905	5,378
Changes in:-		
Inventories	4,785	7,959
Trade and other receivables	(9,592)	(32,770)
Trade and other payables	(3,030)	5,718
Cash generated from operations	(3,932)	(13,715)
Tax paid	(269)	(482)
Tax refunded	99	0
Interest paid	(1,364)	(1,477)
Net cash from operating activities	(5,466)	(15,674)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,978)	(1,302)
Net cash used in investing activities	(5,978)	(1,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase obligations	(100)	(60)
Purchase of own shares	(0)	(63)
Repayment of term loans	(784)	(727)
Repayment of commodity financing	(992)	(740)
Increase in short term loans and borrowings	13,458	20,838
Net cash used in financing activities	11,582	19,248
Currency translation differences	0	0
Net increase/(decrease) in cash and cash equivalents	138	2,272
Cash and cash equivalents brought forward	(2,779)	8,816
Cash and cash equivalents carried forward	(2,641)	11,088
<u>Cash and cash equivalents carried forward</u>		
Cash and cash equivalents	964	12,148
Bank overdrafts	(3,605)	(1,060)
	(2,641)	11,088



LEADER STEEL HOLDINGS BERHAD

(Company No.267209-K)

(Incorporated in Malaysia)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report are unaudited and have been prepared in accordance with Malaysian 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 2014.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2014.

Adoption of Amendments to Standards and IC Interpretations

The Group had adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2014.

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interest in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements(2011): Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.



New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2015

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Description	Effective for financial periods beginning on or after
MFRS 14	<i>Regulatory Deferral Accounts</i> 1 January 2016
MFRS 15	<i>Revenue from Contracts with Customers</i> 1 January 2017
MFRS 9	<i>Financial Instruments (IFRS as issued by International Accounting Standards Board ("IASB") in July 2014)</i> 1 January 2018
Amendments to MFRS 119	<i>Defined Benefit Plans: Employee Contributions</i> 1 July 2014
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i> 1 January 2016
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> 1 January 2016
Amendments to MFRS 116 and MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> 1 January 2016
Amendments to MFRS 116 and MFRS 141	<i>Agriculture: Bearer Plants</i> 1 January 2016
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i> 1 January 2016
Amendments to MFRS 101	<i>Disclosure Initiative</i> 1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	<i>Investment Entities: Applying the Consolidation Exception</i> 1 January 2016
Amendments to MFRSs Annual Improvements 2010 – 2012 Cycle	1 July 2014
Amendments to MFRSs Annual Improvements 2011 – 2013 Cycle	1 July 2014
Amendments to MFRSs Annual Improvements 2012 – 2014 Cycle	1 January 2016

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

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	31-Mar	31-Mar	31-Mar
2015	2014	2015	2014
RM'000	RM'000	RM'000	RM'000

Profit before tax is arrived at after charging / (crediting)

Depreciation of property, plant and equipment	2,039	2,415	2,039	2,415
Interest expense	1,364	1,477	1,364	1,477
Foreign exchange (gain)/loss	631	(16)	631	(16)

A8. Segment Information

Segmental reporting for the cumulative period ended 31 Mar 2015:

	Trading of Minerals RM'000	Manufacturing & Trading of Steel Pipe RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
- External	23,027	32,619	0	55,646
- Inter-segment	0	0	(632)	(632)
Total Revenue	23,027	32,619	(632)	55,014
Results				
Operating profit/(loss)	1,551	(2,400)	(1)	(850)
Finance cost	238	1,126	0	1,364
Tax expense	(1)	37	0	36
Segment profit/(loss)	1,788	(1,237)	(1)	550



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 during the financial period-to-date.

A11. Capital Commitment

There is no commitments in respect of capital expenditure on property, plant and equipment for current quarter.

A12. Changes In Contingent Liabilities

There is no contingent liabilities for current quarter.

A13. Related Party Transactions

Companies in which certain directors are deemed to have substantial financial interests	3 months ended 31 Mar 2015
Eonmetall Group Berhad and its subsidiaries	RM'000
Sale of goods	133
Purchase of goods	50
Purchase of machinery parts	1,800
Rental expense	75
	<hr/>
	2,058



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 RM55 million for the current quarter under review representing a decrease of RM29 million or 34.52% from RM84 million recorded in the preceding year's corresponding quarter.

It was mainly attributed to the decrease of revenue in the trading of minerals which registered a decrease in revenue of RM32 million or 58.18% from RM55 million to RM23 million in its revenue.

Revenue from manufacturing and trading of steel pipe segment for the current quarter compared to preceding year corresponding quarter recorded an increase of RM3 million or 10.35% from RM29 million to RM32 million.

For the current quarter ended 31 March 2015, the Group posted a profit before taxation of RM0.5 million as compared to the preceding year's corresponding profit before taxation of RM1.5 million, representing a decrease of RM1 million in profit before tax. The decrease in profit before tax was impacted by weak minerals pricing in the international market. Hence, resulting in lower export sales in the current quarter.

B2. Current quarter versus the preceding quarter

For the quarter under review, the Group recorded a total revenue of RM55 million as compared to RM51.8 million in the preceding quarter.

The Group's revenue during the current quarter had increased by RM3.2 million or 6.18%. It was mainly contributed by the increase in trading of minerals for current quarter compared to preceding quarter which recorded an increase of RM7.4 million or 47.44% from RM15.6 million to RM23 million in its revenue.

Revenue from manufacturing and trading of steel pipe segment registered a decrease of RM4.2 million or 11.6% from RM36.2 million to RM32 million.

Our Group's profit before tax improved from a loss position of RM10.7 million to a profit of RM0.5 million in the current quarter. The group's improved performance was mainly due to higher revenue generated as a result of higher selling prices for the products from the manufacturing and trading of minerals segments.



B3. Prospects

In view 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 be challenging.

The demand for minerals remain encouraging and vibrant, hence the management is positive that the trading of minerals segment will contribute positive results albeit depressed margin. On the assumption that this environment will persist, the Board is optimistic of achieving a slight improvement in the performance of the Group for the quarter ahead. However, in view of the pricing pressure, the Group does not expect to record exceptional results.

B4. Profit Forecast

Not applicable as no profit forecast was issued.

B5. Tax Expense

	Current Quarter 3 months ended 31 Mar		Cumulative Quarter 3 months ended 31 Mar	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysian tax				
- Current tax	(1)	(1)	(1)	(1)
- Prior year tax	37	0	37	0
- Deferred tax	0	0	0	0
Total tax expense	36	(1)	36	(1)

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.

The Budget 2014 announced on October 25, 2013 reduces the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. The real property gains tax ("RPGT") is also revised to 30% for disposal within the first three years, 20% within the fourth year, 15% within the fifth year and 5% from sixth year onwards, on gains from the disposal of real property effective January 1, 2014. Following these, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the respective expected rates.

B6. Audit Report

The audited report of the preceding annual financial statements ended 31 December 2014 was not subject to any qualification.



B7. Status of Corporate Proposal Announced

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

B8. Borrowings

	31-Mar-15
	RM'000
Short term borrowings	
Secured	7,712
Unsecured	101,309
Finance lease liabilities	323
	<u>109,344</u>
Long term borrowings	
Secured	8,044
Finance lease liabilities	463
	<u>8,507</u>

B9. Changes in Material Litigation

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

B10. Realised and Unrealised Profits/Losses

The following analysis of realised and unrealised 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 Realised and Unrealised 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-15	31-Dec-14
	RM'000	RM'000
Total retained profits of Leader Steel Holdings Berhad and its subsidiaries:		
- Realized	4,407	3,706
- Unrealized	(2,310)	(2,310)
Add: Consolidation adjustments	7,179	7,281
Total group retained profits as per consolidation accounts	<u>9,276</u>	<u>8,677</u>



B11. Earnings Per Ordinary Share

	Quarter Ended		Cumulative Period Ended	
	31-Mar		31-Mar	
	2015	2014	2015	2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings /loss attributable to ordinary equity holders of the Company (RM'000)	599	1,528	599	1,528
Weighted average number of ordinary shares ('000)	127,514	128,032	127,514	128,032
Basic earnings /(loss) per share (sen)	0.47	1.19	0.47	1.19

By the order of the Board

Datin Tan Pak Say
Managing Director
Penang