



LEADER STEEL HOLDINGS BERHAD
(Registration No. 199301012471 (267209-K))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEP 2021**

	NOTE	CURRENT 3 MONTHS ENDED 30 SEP		CUMULATIVE 9 MONTHS ENDED 30 SEP	
		2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	2020 RM'000 (Unaudited)
Continuing operations					
Revenue		56,723	60,729	163,596	159,975
Operating expenses		(44,569)	(55,393)	(129,587)	(149,737)
Operating profit		12,154	5,336	34,009	10,238
Depreciation		(1,363)	(1,409)	(4,093)	(4,284)
Finance costs		(525)	(773)	(1,389)	(2,572)
Profit before tax		10,266	3,154	28,527	3,382
Tax expenses	B5	(3,167)	(670)	(7,810)	(664)
PROFIT FOR THE PERIOD, REPRESENTING TOTAL COMPREHENSIVE INCOME		7,099	2,484	20,717	2,718
Net profit for the financial period attributable to:-					
Equity holders of the company		7,105	2,492	20,735	2,738
Non-controlling interests		(6)	(8)	(18)	(20)
NET PROFIT		7,099	2,484	20,717	2,718
Total comprehensive income for the financial period attributable to:-					
Equity holders of the company		7,105	2,492	20,735	2,738
Non-controlling interests		(6)	(8)	(18)	(20)
TOTAL COMPREHENSIVE INCOME		7,099	2,484	20,717	2,718
Basic and diluted earnings per share (sen)	B10	5.46	1.91	15.94	2.09

The condensed consolidated statements of profit or loss and other 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 2020.



LEADER STEEL HOLDINGS BERHAD
(Registration No. 199301012471 (267209-K))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEP 2021**

	NOTE	30 SEP 2021 RM'000 (Unaudited)	31 DEC 2020 RM'000 (Audited)
ASSETS			
Property, plant and equipment		129,749	132,591
Right-of-use assets		23,270	23,721
Goodwill		58	58
TOTAL NON-CURRENT ASSETS		153,077	156,370
Inventories		69,926	46,198
Receivables, deposits and prepayments		69,367	49,773
Current tax assets		15	2,060
Cash and cash equivalents		10,797	2,789
TOTAL CURRENT ASSETS		150,105	100,820
TOTAL ASSETS		303,182	257,190
EQUITY			
Share capital		67,218	67,218
Treasury shares		(2,210)	(1,759)
Reserves		115,217	96,500
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		180,225	161,959
Non-controlling interests		73	91
TOTAL EQUITY		180,298	162,050
LIABILITIES			
Borrowings	B8	880	1,240
Lease liabilities		75	75
Deferred tax liabilities		15,653	15,653
TOTAL NON-CURRENT LIABILITIES		16,608	16,968
Trade, other payables and accruals		15,391	14,495
Borrowings	B8	86,323	62,988
Lease liabilities		268	228
Current tax liabilities		4,294	461
TOTAL CURRENT LIABILITIES		106,276	78,172
TOTAL LIABILITIES		122,884	95,140
TOTAL EQUITY AND LIABILITIES		303,182	257,190
Net Assets Per Share (Sen)		128	115

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 2020.



LEADER STEEL HOLDINGS BERHAD
 (Registration No. 199301012471 (267209-K))
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 30 SEP 2021**

	30 SEP 2021	30 SEP 2020
	RM'000	RM'000
Profit before tax	28,527	3,382
Adjustments for:		
Depreciation of property, plant and equipment	3,415	3,420
Depreciation of right-of-use assets	678	864
Interest expenses	1,389	2,572
Unrealised (gain)/loss on foreign exchange	(364)	286
Operating profit before working capital changes	33,645	10,524
Changes in:-		
Inventories	(23,728)	21,212
Receivables, deposits and prepayments	(19,137)	4,230
Trade, other payables and accruals	803	(6,401)
Cash (used in)/generated from operations	(8,417)	29,565
Tax paid	(1,932)	(157)
Interest paid	(1,389)	(2,572)
Net cash (used in)/from operating activities	(11,738)	26,836
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(573)	(16,135)
Purchase of right-of-use assets	(30)	0
Net cash used in investing activities	(603)	(16,135)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in short-term loans and borrowings	23,335	2,330
Dividends paid	(2,018)	0
Purchase of treasury shares	(451)	(192)
Repayments of lease liabilities	(157)	(471)
Proceeds from issuance of share	0	3,198
Repayments of term loans	(360)	(360)
Net cash from financing activities	20,349	4,505
Currency translation differences	0	158
Net increase in cash and cash equivalents	8,008	15,364
Cash and cash equivalents brought forward	2,789	1,937
Cash and cash equivalents carried forward	10,797	17,301



LEADER STEEL HOLDINGS BERHAD
(Registration No. 199301012471 (267209-K))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEP 2021

	Attributable to equity holders of the Company				Equity attributable to owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
Balance as at 1 January 2021	67,218	68,882	(1,759)	27,618	161,959	91	162,050
Profit/(Loss) for the financial period	0	0	0	20,735	20,735	(18)	20,717
Total comprehensive income/(loss) for the period	0	0	0	20,735	20,735	(18)	20,717
Transactions with owners							
Dividends paid	0	0	0	(2,018)	(2,018)	0	(2,018)
Purchase of treasury shares	0	0	(451)	0	(451)	0	(451)
Total transactions with owners	0	0	(451)	(2,018)	(2,469)	0	(2,469)
Balance as at 30 September 2021	67,218	68,882	(2,210)	46,335	180,225	73	180,298

	Attributable to equity holders of the Company				Equity attributable to owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
Balance as at 1 January 2020	64,020	68,882	(1,567)	21,378	152,713	118	152,831
Profit/(Loss) for the financial period	0	0	0	2,738	2,738	(20)	2,718
Total comprehensive income/(loss) for the period	0	0	0	2,738	2,738	(20)	2,718
Transactions with owners							
Issue of shares	3,198	0	0	0	3,198	0	3,198
Purchase of treasury shares	0	0	(192)	0	(192)	0	(192)
Total transactions with owners	3,198	0	(192)	0	3,006	0	3,006
Balance as at 30 September 2020	67,218	68,882	(1,759)	24,116	158,457	98	158,555

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 2020.

LEADER STEEL HOLDINGS BERHAD

(Registration No. 199301012471 (267209-K))

(Incorporated in Malaysia)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has 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 financial year ended 31 December 2020.

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 2020.

Adoption of Standards, Amendments and Issues Committee (“IC”) Interpretations and changes in accounting policies

During the financial period, the Group has adopted the following Standards, Amendments and IC Interpretations:

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

Standards issued but not yet effective

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been earlier adopted by the Group:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds Before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023

A1. Basis of Preparation (Continued)

Standards issued but not yet effective (Continued)

Title	Effective Date
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

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 quarter 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 quarter under review.

A5. Debts and Equity or Securities

Save as disclosed below, there were no issuance, cancellations, resale and repayment of debt and equity securities for the current quarter and period under review:-

As at to-date, the Company had bought back 800,000 of its own shares at a total cash consideration of RM451,408.50. The highest and the lowest price per share purchased were at RM0.575 and RM0.550 respectively.

A6. Dividend

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

A7. Profit for the Period

Current Quarter ended		Cumulative Period ended	
30-Sep 2021	30-Sep 2020	30-Sep 2021	30-Sep 2020
RM'000	RM'000	RM'000	RM'000

Profit before tax is arrived at after charging

Depreciation of property, plant and equipment	1,134	1,181	3,415	3,420
Depreciation of right-of-use assets	229	228	678	864
Interest expense	525	773	1,389	2,572
Foreign exchange (gain)/loss	(10)	407	55	119
Unrealised foreign exchange loss/(gain)	31	(76)	(364)	286

A8. Segment Information

Segmental reporting for the financial period-to-date is as below:

Period-to-date ended 30 September 2021	Trading & Processing of Minerals RM'000	Manufacturing & Trading of Steel Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
- External	15,584	150,086	0	165,670
- Inter-segment	0	0	(2,074)	(2,074)
Total Revenue	15,584	150,086	(2,074)	163,596
Results				
Operating profit	3,234	31,775	(1,000)	34,009
Depreciation of - property, plant and equipment	(122)	(3,293)	0	(3,415)
- right-of-use assets	(60)	(618)	0	(678)
Finance cost	(98)	(1,291)	0	(1,389)
Tax expenses	(490)	(7,320)	0	(7,810)
Segment profit	2,464	19,253	(1,000)	20,717

A8. Segment Information (Continued)

Segmental reporting for the financial period-to-date is as below: (Continued)

Period-to-date ended 30 September 2020	Trading & Processing of Minerals RM'000	Manufacturing & Trading of Steel Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
- External	56,455	105,291	0	161,746
- Inter-segment	0	0	(1,771)	(1,771)
Total Revenue	56,455	105,291	(1,771)	159,975
Results				
Operating profit	2,451	7,787	0	10,238
Depreciation of				
- property, plant and equipment	(95)	(3,325)	0	(3,420)
- right-of-use assets	(74)	(790)	0	(864)
Finance cost	(658)	(1,914)	0	(2,572)
Tax expenses	(664)	0	0	(664)
Segment profit	960	1,758	0	2,718

A9. Events after the Interim Period

There is no event subsequent to the interim period.

A10. Changes in the Composition of the Group

Golden Infratech Sdn. Bhd. and Leader Smelting (Sarawak) Sdn. Bhd., two wholly-owned subsidiaries of the Company had been struck off from the Register of Companies. The strike-off of these dormant subsidiaries has no material impact to the Group.

A11. Capital Commitment

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	15,333	15,333

A12. Changes in Contingent Liabilities

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Unsecured		
Corporate guarantees given to banks for credit facilities granted to		
- subsidiaries	160,951	158,691
- a third party	14,900	14,900
	<hr/>	<hr/>
Amount utilised		
- subsidiaries	87,203	64,228
- a third party	14,900	14,900
	<hr/>	<hr/>

A13. Related Party Transactions

Companies in which certain directors are deemed to have substantial financial interests	9 months ended 30 Sep 2021
Eonmetall Group Berhad and its subsidiaries	RM'000
Sales of goods	1,353
Purchase of goods	1
Sales of machinery	320
Purchase of machinery	320
	<hr/>
	1,994
	<hr/>

(The remaining of this page is intentionally left blank)

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 recorded a revenue of RM56.72 million for the current quarter under review as compared to RM60.73 million for the preceding year corresponding quarter, representing a decrease of RM4.01 million or 6.60%. The decrease in revenue was mainly due to lower sales generated by trading of mineral segment.

The manufacturing of steel products segment recorded a revenue of RM51.92 million for the current quarter compared to RM44.65 million for the preceding year corresponding quarter, representing an increase of RM7.27 million or 16.28%. The increase in revenue was attributed to higher selling price during the current quarter.

The trading of minerals segment recorded revenue of RM4.80 million for the current quarter compared to RM16.08 million for the preceding year corresponding quarter, representing a decrease of RM11.28 million or 70.15%. The decrease in revenue was mainly due to disruption in the supply chain attributed to pandemic during the current quarter.

The Group recorded profit before tax of RM10.27 million in current quarter as compared to the profit before tax of RM3.15 million in preceding year corresponding quarter, representing an increase of RM7.12 million or 226.03%. The significant increase was contributed by higher revenue growth and better profit margin in the steel segment during the current quarter.

B2. Current quarter compared to the preceding quarter

The Group reported a revenue of RM56.72 million as compared to RM54.19 million in the preceding quarter, representing an increase of RM2.53 million or 4.67%. This was mainly due to higher sales generated by steel segment.

The manufacturing of steel products segment recorded a revenue of RM51.92 million for the current quarter compared to RM47.46 million for the preceding quarter, representing an increase of RM4.46 million or 9.40%. The increase in revenue was attributed to higher selling price during the current quarter.

During the current quarter, the trading of minerals segment reported revenue of RM4.80 million compared to RM6.73 million in the preceding quarter. This represents a decrease of RM1.93 million or 28.68%. The decrease in revenue was attributed to lower sales quantity during the current quarter.

The Group reported profit before tax amounting to RM10.27 million in the current quarter as compared to profit before tax of RM8.80 million in the preceding quarter. This represents an increase of RM1.47 million or 16.70% in the current quarter. The increase in profit was attributed to better profit margin during the current quarter.

B3. Prospects

The steel sector's outlook remains positive with the gradual reopening of the economy. Steel prices remain volatile, mainly due to supply chain disruption in steel industry. Meanwhile, the Group's minerals segment's operations are affected by disruptions caused by COVID-19 pandemic.

The Group will continue to closely monitor the macro factors that may affect the Group in the financial year 2021 and adjust its business strategy accordingly.

Barring unforeseen circumstances, the Board remain optimistic about the Group's prospects and will exercise caution whilst striving to achieve a positive performance for the last quarter of 2021.

B4. Profit Forecast

Not applicable as no profit forecast was issued.

B5. Tax expenses

	Current Quarter		Cumulative Period	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
- Current tax	(3,167)	(670)	(7,810)	(675)
- Prior year tax	0	0	0	11
Total tax expenses	(3,167)	(670)	(7,810)	(664)

Income tax is calculated at the Malaysia statutory tax rate of 24% of the estimated assessable profit for the year.

B6. Audit Report

The audited report of the preceding annual financial statements ended 31 December 2020 was not subject to any qualification.

B7. Status of Corporate Proposal Announced

There was no corporate proposal announced and not completed as at the date of this announcement.

B8. Borrowings

	30-Sep-21	31-Dec-20
	RM'000	RM'000
Current		
<i>Secured</i>		
Bankers' acceptances	80,860	57,592
Revolving credit	4,983	4,916
Term loans	480	480
	<u>86,323</u>	<u>62,988</u>
Non-current		
<i>Secured</i>		
Term loans	880	1,240
	<u>880</u>	<u>1,240</u>

Borrowings are subject to floating interest rate.

B9. Changes in Material Litigation

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

B10. Basic and Diluted Earnings per Share

	Current Quarter		Cumulative Period	
	Ended 30-Sep		Ended 30-Sep	
	2021	2020	2021	2020
Net earnings attributable to ordinary equity holders of the Company (RM'000)	7,105	2,492	20,735	2,738
Weighted average number of ordinary shares ('000)	130,118	130,731	130,118	130,731
Basic earnings per share (sen)	5.46	1.91	15.94	2.09

Diluted earnings per ordinary share is the same as basic earnings per ordinary share as there is no dilutive potential ordinary share outstanding during the period.

By the order of the Board

Datin Tan Pak Say
Managing Director
Penang

25 November 2021