



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 JUNE 2024**

	NOTE	CURRENT 3 MONTHS ENDED 30 JUNE			CUMULATIVE 6 MONTHS ENDED 30 JUNE		
		2024	2023	Changes	2024	2023	Changes
		RM'000 (Unaudited)	RM'000 (Unaudited)	(%)	RM'000 (Unaudited)	RM'000 (Unaudited)	(%)
Continuing operations							
Revenue		41,769	44,081	-5	82,119	94,039	-13
Cost of sales		(38,893)	(37,997)		(74,329)	(82,310)	
Gross profit		2,876	6,084	-53	7,790	11,729	-34
Other income		854	1,085		14,769	3,331	
Distribution expenses		(796)	(739)		(1,579)	(1,548)	
Administrative expenses		(2,912)	(3,793)		(11,890)	(6,837)	
Finance costs		(658)	(720)		(1,383)	(1,335)	
(Loss)/Profit before tax	A7	(636)	1,917	-133	7,707	5,340	44
Taxation	B5	(134)	(904)		(800)	(1,850)	
PROFIT FOR THE PERIOD, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME		(770)	1,013	-176	6,907	3,490	98
Net (loss)/profit for the financial period attributable to:-							
Equity holders of the company		(769)	1,016		6,910	3,494	
Non-controlling interests		(1)	(3)		(3)	(4)	
NET (LOSS)/PROFIT		(770)	1,013		6,907	3,490	
Total comprehensive (loss)/income for the financial period attributable to:-							
Equity holders of the company		(769)	1,016		6,910	3,494	
Non-controlling interests		(1)	(3)		(3)	(4)	
TOTAL COMPREHENSIVE (LOSS)/INCOME		(770)	1,013		6,907	3,490	
Basic (loss)/earnings per share (sen)	B10(a)	(0.50)	0.76		4.47	2.60	
Diluted (loss)/earnings per ordinary share (sen)	B10(b)	(0.50)	0.76		4.47	2.60	

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 2023.



LEADER STEEL HOLDINGS BERHAD
(Registration No. 199301012471 (267209-K))
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	30 JUNE 2024 RM'000 (Unaudited)	31 DEC 2023 RM'000 (Audited)
ASSETS			
Property, plant and equipment		243,963	278,951
Investment properties		52,000	52,000
Right-of-use assets		37,908	38,369
Goodwill		58	58
TOTAL NON-CURRENT ASSETS		333,929	369,378
Inventories		51,986	46,754
Receivables, deposits and prepayments		41,699	43,182
Current tax assets		990	466
Cash and bank balances		31,289	5,959
TOTAL CURRENT ASSETS		125,964	96,361
TOTAL ASSETS		459,893	465,739
EQUITY			
Share capital		74,727	74,654
Treasury shares		(2,419)	(2,210)
Reserves		278,842	271,953
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		351,150	344,397
Non-controlling interests		41	44
TOTAL EQUITY		351,191	344,441
LIABILITIES			
Borrowings	B8	21,810	0
Lease liabilities		196	113
Deferred tax liabilities		32,574	32,574
TOTAL NON-CURRENT LIABILITIES		54,580	32,687
Trade, other payables and accruals		9,576	18,739
Borrowings	B8	43,844	68,777
Lease liabilities		529	632
Current tax liabilities		173	463
TOTAL CURRENT LIABILITIES		54,122	88,611
TOTAL LIABILITIES		108,702	121,298
TOTAL EQUITY AND LIABILITIES		459,893	465,739
Net Assets Per Share (Sen)		228	223

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 2023.



LEADER STEEL HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	30 JUNE 2024	30 JUNE 2023
	RM'000	RM'000
Profit before tax	7,707	5,340
Adjustments for:		
Depreciation and amortisation	2,949	2,789
Employees' share options expenses	0	1,172
Interest expenses	1,383	1,335
Impairment losses on inventories	1,000	0
Impairment losses on property, plant and equipment	5,000	0
Unrealised loss/(gain) on foreign exchange	6	(648)
Gain on disposal of property, plant and equipment	(12,759)	0
Operating profit before working capital changes	<u>5,286</u>	<u>9,988</u>
Changes in:-		
Inventories	(6,232)	(10,629)
Receivables, deposits and prepayments	1,485	(13,344)
Trade, other payables and accruals	(9,170)	(7,235)
Cash used in operations	<u>(8,631)</u>	<u>(21,220)</u>
Tax paid	(1,616)	(967)
Interest paid	(1,383)	(1,335)
Net cash used in operating activities	<u>(11,630)</u>	<u>(23,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	42,560	0
Purchase of property, plant and equipment	(1,898)	(510)
Purchase of right-of-use assets	(38)	0
Net cash from/(used in) investing activities	<u>40,624</u>	<u>(510)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in short-term loans and borrowings	(27,478)	16,084
Purchase of treasury shares	(209)	0
Payments of lease liabilities	(384)	(539)
Proceeds from issuance of share	52	0
Repayments of term loans	(652)	(240)
Proceed from term loans	24,690	0
Net cash (used in)/from financing activities	<u>(3,981)</u>	<u>15,305</u>
Currency translation differences	0	819
Net increase/(decrease) in cash and cash equivalents	<u>25,013</u>	<u>(7,908)</u>
Cash and cash equivalents brought forward	5,959	30,567
Cash and cash equivalents carried forward	<u>30,972</u>	<u>22,659</u>
<u>Cash and cash equivalents carried forward</u>		
Cash and cash equivalents	31,289	22,893
Bank overdrafts	(317)	(234)
	<u>30,972</u>	<u>22,659</u>



LEADER STEEL HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Attributable to equity holders of the Company							Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Employee share option reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interests RM'000	
Balance as at 1 January 2024	74,654	197,358	1,153	(2,210)	73,442	344,397	44	344,441
Profit/(Loss) for the financial period	0	0	0	0	6,910	6,910	(3)	6,907
Realisation of revaluation reserve	0	(23,358)	0	0	23,358	0	0	0
Total comprehensive income/(loss) for the period	0	(23,358)	0	0	30,268	6,910	(3)	6,907
Transactions with owners								
Purchase of treasury shares	0	0	0	(209)	0	(209)	0	(209)
Issuance of ordinary shares pursuant to ESOS	73	0	(21)	0	0	52	0	52
Total transactions with owners	73	0	(21)	(209)	0	(157)	0	(157)
Balance as at 30 June 2024	74,727	174,000	1,132	(2,419)	103,710	351,150	41	351,191

	Attributable to equity holders of the Company							Total Equity RM'000
	Share Capital RM'000	Revaluation Surplus RM'000	Employee share option reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interests RM'000	
Balance as at 1 January 2023	67,218	68,882	0	(2,210)	56,478	190,368	51	190,419
Profit/(Loss) for the financial period	0	0	0	0	3,494	3,494	(4)	3,490
Total comprehensive income/(loss) for the period	0	0	0	0	3,494	3,494	(4)	3,490
Transactions with owners								
Purchase of treasury shares	0	0	0	0	0	0	0	0
Employees' share options expenses	0	0	1,172	0	0	1,172	0	1,172
Total transactions with owners	0	0	1,172	0	0	1,172	0	1,172
Balance as at 30 June 2023	67,218	68,882	1,172	(2,210)	59,972	195,034	47	195,081

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 2023.

LEADER STEEL HOLDINGS BERHAD

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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 2023.

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 2023.

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:

Amendments to MFRS 16 *Lease – Lease liability in a Sale and Leaseback*
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
Amendments to MFRS 101 *Non-current Liabilities with Covenants*
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

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
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>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

There were no issuances, resales, repayments of debt and equity securities, or share cancellations for the year up to the date of this announcement, save for the following:

During the period, the Company has bought back 393,000 of its own shares for a total cash consideration of RM209,254. The highest and lowest prices per share purchased were RM0.535 and RM0.523, respectively.

During the period, the Company issued 115,000 new ordinary shares at an exercise price of RM0.4510 per share for cash pursuant to the Employees' Share Option Scheme ("ESOS") of the Company.

Subsequent to the reporting period, the Company further issued 477,900 new ordinary shares under ESOS.

A6. Dividend

A first single-tier interim dividend of 2.0 sen per ordinary share amounting to RM3,094,237 in respect of the financial year ending 31 December 2024 was paid on 8 August 2024.

A7. Profit for the Period

Current Quarter Ended		Cumulative Period Ended	
30-June 2024	30-June 2023	30-June 2024	30-June 2023
RM'000	RM'000	RM'000	RM'000

Profit before tax is arrived at after charging

Depreciation and amortisation	1,477	1,391	2,949	2,789
Interest expense	658	720	1,383	1,335
Foreign exchange loss/(gain)	23	(30)	29	347
Unrealised foreign exchange loss/(gain)	70	143	6	(648)
Gain on disposal of property, plant and equipment	0	0	(12,759)	0
Impairment losses on inventories	0	0	1,000	0
Impairment losses on property, plant and equipment	0	0	5,000	0

A8. Segment Information

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

Year-to-date ended	Manufacturing & Trading of Steel Products ("Steel Segment")	Trading & Processing of Minerals ("Mineral Segment")	Eliminations	Consolidated
30 June 2024	RM'000	RM'000	RM'000	RM'000
Revenue				
- External	74,314	7,805	0	82,119
Total Revenue	74,314	7,805	0	82,119
Results				
Operating profit	4,485	795	0	5,280
Depreciation and amortisation	(2,824)	(125)	0	(2,949)
Gain on disposal of property, plant and equipment	12,759	0	0	12,759
Impairment losses on				
- inventories	0	(1,000)	0	(1,000)
- property, plant and equipment	(5,000)	0	0	(5,000)
Finance cost	(1,361)	(22)	0	(1,383)
Tax expenses	(638)	(162)	0	(800)
Segment profit/(loss)	7,421	(514)	0	6,907
Year-to-date ended				
31 June 2023				
Revenue				
- External	80,981	13,058	0	94,039
Total Revenue	80,981	13,058	0	94,039
Results				
Operating profit	8,630	834	0	9,464
Depreciation and amortisation	(2,673)	(116)	0	(2,789)
Finance cost	(1,073)	(262)	0	(1,335)
Tax expenses	(1,731)	(119)	0	(1,850)
Segment profit	3,153	337	0	3,490

A9. Events after the Interim Period

There is no event subsequent to the interim period except as stated in A5.

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A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year.

A11. Capital Commitment

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Capital expenditure in respect of purchase of property, plant and equipment: Contracted but not provided for	10,485	10,485

A12. Changes in Contingent Liabilities

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Unsecured		
Corporate guarantees given to banks for credit facilities granted to - subsidiaries	212,270	212,270
Amount utilised - subsidiaries	65,654	68,777

A13. Related Party Transactions

Companies in which certain directors are deemed to have substantial financial interests	6 months ended 30 June 2024
Eonmetall Group Berhad and its subsidiaries	RM'000
Sales of goods	195
Rental income	878
Purchase of plant, property and equipment	35
Supply of materials and labour	13

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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

For the Quarter

The Group recorded revenue of RM41.77 million for the current quarter under review, compared to RM44.08 million for the corresponding quarter of the preceding year, representing a decrease of RM2.31 million or 5.24%. This decline in revenue was primarily attributed to lower sales generated from both the Steel and Mineral Segments.

The Steel Segment recorded revenue of RM35.09 million for the current quarter, down from RM37.36 million for the corresponding quarter of the preceding year, marking a decrease of RM2.27 million or 6.08%. This decline in revenue was attributed to a decrease in the average selling price.

In the Minerals Segment, revenue for the current quarter amounted to RM6.68 million, compared to RM6.72 million recorded in the corresponding quarter of the preceding year, representing a decrease of RM0.04 million or 0.60%. This decline in revenue was primarily attributed to a slight decrease in the average selling price during the current quarter.

The Group's loss before tax for the current quarter was RM0.64 million, compared to a profit before tax of RM1.92 million in the corresponding quarter of the preceding year, representing a decrease of RM2.56 million or 133.33%. This decrease in profit before tax was mainly due to lower profit margins during the current quarter.

For year to date

The Group recorded a revenue of RM82.12 million for the financial year-to-date ended 30.06.2024, compared to RM94.04 million for the financial year-to-date ended 30.06.2023, representing a decrease of RM11.92 million or 12.68%. This decrease in revenue was mainly due to lower revenue generated in both the Steel and Mineral segments.

The Group recorded a profit before tax of RM7.71 million for the financial year-to-date ended 30 June 2024, compared to RM5.34 million for the same period ended 30 June 2023, representing an increase of RM2.37 million or 44.38%. This increase in profit before tax was primarily attributed to a gain of RM12.76 million from the disposal of part of the Kapar Land, which was offset by impairment losses on inventories and property, plant, and equipment, as well as a lower profit margin.

B2. Current quarter compared to the preceding quarter

	Current Quarter	Immediate	
	30/06/2024	Preceding Quarter	Changes
	RM'000	31/03/2024	
		RM'000	(%)
Revenue	41,769	40,350	3.52
Gross Profit	2,876	4,914	-41.47
(Loss)/Profit Before Tax	(636)	8,343	-107.62

B2. Current quarter compared to the preceding quarter (Continued)

The Group recorded a revenue of RM41.77 million for the current quarter under review, compared to RM40.35 million for the corresponding quarter of the preceding year, representing an increase of RM1.42 million or 3.52%. This increase in revenue was primarily attributed to higher sales generated from Mineral Segments.

The Steel Segment recorded a revenue of RM35.09 million for the current quarter, down from RM39.23 million for the corresponding quarter of the preceding year, marking a decrease of RM4.14 million or 10.55%. This decline in revenue was driven by lower demand and a decrease in the average selling price.

In the Minerals Segment, revenue for the current quarter amounted to RM6.68 million, compared to the RM1.12 million recorded in the corresponding quarter of the preceding year, representing an increase of RM5.56 million or 496.43%. This increase in revenue was primarily attributed to an increase in the average selling price during the current quarter.

The Group's loss before tax for the current quarter was RM0.64 million, compared to a profit before tax of RM8.34 million in the corresponding quarter of the previous year, representing a decrease of RM8.98 million or 107.67%. This decrease in profit before tax was mainly due to lower profit margins during the current quarter and the gain of RM12.76 million from the disposal of part of the Kapar Land, which was offset by impairment losses on inventories and property, plant, and equipment recorded in the previous quarter.

B3. Prospects

The Board is mindful of the ongoing complexities in the steel market, including fluctuations in global steel prices and a softening market demand. The Group will prioritize prudent management to navigate these challenges to secure a positive result for the financial year 2024.

B4. Profit Forecast

Not applicable as no profit forecast was issued.

B5. Tax expenses

	Current Quarter		Cumulative Period	
	3 months ended 30 June		6 months ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
- Current tax	(134)	(904)	(800)	(1,850)
- Prior year tax	0	0	0	0
Total tax expenses	(134)	(904)	(800)	(1,850)

Income tax is calculated at the Malaysia statutory tax rate of 24%.

B6. Audit Report

The audited report of the preceding annual financial statements ended 31 December 2023 was not subject to any qualification.

B7. Status of Corporate Proposal Announced

Save as disclosed below, there was no corporate proposal announced and not completed as at the date of this announcement: -

- (a) On 10 January 2024, the Company announced that its wholly owned subsidiary, Ferronet Asia Sdn. Bhd. had, on 10 January 2024, received and accepted a Notis Award dan Tawaran Pampasan (“Borang H”) from the Pentadbir Tanah Klang invoking compulsory acquisition under Land Acquisition Act, 1960 (“Act 486”) to acquire approximately 28,903 square meter in area of land forming part of H.S.(D) 166444, No. PT85119 Mukim Kapar, Daerah Klang, Negeri Selangor for a cash consideration of RM42,558,626.99. The disposal was completed on 25 March 2024.

B8. Borrowings

	30-June-24	31-Dec-23
	RM'000	RM'000
Current		
<i>Secured</i>		
Banker overdraft	317	0
Bankers’ acceptances	41,018	63,593
Revolving credit	0	4,904
Term loans	2,509	280
	<u>43,844</u>	<u>68,777</u>
Non-current		
<i>Secured</i>		
Term loans	21,810	0
	<u>21,810</u>	<u>0</u>

Borrowings which are denominated in RM are subject to floating interest rate.

Interest expenses amounting to RM256,631 were capitalized under property, plant, and equipment during the financial period ended 30 June 2024.

B9. Changes in Material Litigation

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

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B10. Earnings per Share (“EPS”)**(a) Basic EPS**

	Current Quarter Ended 30-June		Cumulative Period Ended 30-June	
	2024	2023	2024	2023
Net (loss)/ earnings attributable to ordinary equity holders of the Company (RM'000)	(769)	1,016	6,910	3,494
Weighted average number of ordinary shares ('000)	154,453	134,533	154,493	134,533
Basic EPS (sen)	(0.50)	0.76	4.47	2.60

(b) Diluted EPS

	Current Quarter Ended 30-June		Cumulative Period Ended 30-June	
	2024	2023	2024	2023
Net (loss)/ earnings attributable to ordinary equity holders of the Company (RM'000)	(769)	1,016	6,910	3,494
Weighted average number of ordinary shares ('000)	154,453	134,533	154,493	134,533
Adjustment for dilutive effect of ESOS ('000)	265	0	265	0
	154,718	134,533	154,758	134,533
Diluted EPS (sen)	(0.50)	0.76	4.47	2.60

By the order of the Board

Datin Tan Pak Say
Managing Director
Penang

28 August 2024