



LEADER STEEL HOLDINGS BERHAD

(Company No. 267209 - K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009**

	NOTE	UNAUDITED 30 JUNE 2009 RM'000	AUDITED 31 DECEMBER 2008 RM'000
ASSETS			
Property, plant and equipment		72,057	70,553
Prepaid lease payments		5,892	5,965
Other investments	19	508	300
Investment property		639	644
TOTAL NON-CURRENT ASSETS		79,096	77,462
Inventories		23,479	38,589
Trade and other receivables		39,379	39,779
Current tax assets		404	347
Cash and cash equivalents		9,547	2,869
TOTAL CURRENT ASSETS		72,809	81,584
TOTAL ASSETS		151,905	159,046
EQUITY			
Share capital		64,016	64,016
Reserves		26,537	23,819
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		90,553	87,835
Minority interest		47	-
TOTAL EQUITY		90,600	87,835
LIABILITIES			
Borrowings	21	6,157	4,030
Deferred tax liabilities		7,270	7,270
TOTAL NON-CURRENT LIABILITIES		13,427	11,300
Trade and other payables		18,271	23,616
Borrowings	21	28,973	35,241
Current tax liabilities		634	1,054
TOTAL CURRENT LIABILITIES		47,878	59,911
TOTAL LIABILITIES		61,305	71,211
TOTAL EQUITY AND LIABILITIES		151,905	159,046
Net Assets Per Share (Sen)		70.73	68.60

The condensed consolidated balance sheet should be read in conjunction with the most recent annual financial statements as at 31 December 2008.



LEADER STEEL HOLDINGS BERHAD

(Company No. 267209 - K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009
(THE FIGURES HAVE NOT BEEN AUDITED)**

	NOTE	CURRENT 3 MONTHS ENDED 30 JUNE		CUMULATIVE 6 MONTHS ENDED 30 JUNE	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue		80,902	66,372	154,610	134,545
Operating expenses		(78,426)	(57,178)	(151,217)	(118,103)
Operating income		<u>120</u>	<u>263</u>	<u>462</u>	<u>679</u>
Operating profit		2,596	9,457	3,855	17,121
Interest expense		(285)	(633)	(1,011)	(1,246)
Interest income		<u>28</u>	<u>18</u>	<u>47</u>	<u>24</u>
Profit before tax		2,339	8,842	2,891	15,899
Tax expense	17	<u>(200)</u>	<u>(2,540)</u>	<u>(200)</u>	<u>(4,340)</u>
Profit for the period		<u><u>2,139</u></u>	<u><u>6,302</u></u>	<u><u>2,691</u></u>	<u><u>11,559</u></u>
Attributable to:					
Equity holders of the Company		2,141	6,302	2,693	11,559
Minority interests		<u>(2)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Profit for the period		<u><u>2,139</u></u>	<u><u>6,302</u></u>	<u><u>2,691</u></u>	<u><u>11,559</u></u>
Basic earnings per ordinary share (sen)	24	<u><u>1.67</u></u>	<u><u>4.95</u></u>	<u><u>2.10</u></u>	<u><u>9.09</u></u>
Diluted earnings per ordinary share (sen)	24	<u><u>1.67</u></u>	<u><u>4.94</u></u>	<u><u>2.10</u></u>	<u><u>9.07</u></u>

The condensed consolidated income statement should be read in conjunction with the most recent annual financial statements as at 31 December 2008.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

	← Attributable to equity holders of the Company →					Total RM'000	Minority interest RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Share option reserve RM'000	Distributable Capital reserve RM'000	Distributable Retained earnings RM'000			
At 1 January 2009	64,016	4	2,135	283	21,397	87,835	-	87,835
Profit / (loss) for the financial period	-	-	-	-	2,693	2,693	(2)	2,691
Equity settled share-based transactions	-	-	25	-	-	25	-	25
Shares issued to minority interest	-	-	-	-	-	-	49	49
At 30 June 2009	64,016	4	2,160	283	24,090	90,553	47	90,600
At 1 January 2008	63,575	-	1,932	283	23,163	88,953	-	88,953
Profit for the financial period	-	-	-	-	11,559	11,559	-	11,559
Equity settled share-based transactions	-	-	84	-	-	84	-	84
Issues of shares	441	-	-	-	-	441	-	441
Dividend	-	-	-	-	(2,368)	(2,368)	-	(2,368)
At 30 June 2008	64,016	-	2,016	283	32,354	98,669	-	98,669

The condensed consolidated statement of changes in equity should be read in conjunction with the most recent annual financial statements as at 31 December 2008.



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

	UNAUDITED 30 JUNE 2009 RM'000	UNAUDITED 30 JUNE 2008 RM'000
Profit before tax	2,891	15,899
Adjustments for :-		
Non-cash items	3,324	3,316
Non-operating items	964	1,222
Operating profit before changes in working capital	7,179	20,437
Changes in working capital		
Net changes in current assets	15,510	(56,050)
Net changes in current liabilities	(5,345)	5,049
Tax paid	(677)	(498)
Net cash inflow/(outflow) from operating activities	16,667	(31,062)
Investing Activities		
- Capital expenditure	(4,934)	(6,130)
- Other investments	-	106
- Others	46	24
- Issue of shares to minority interest	49	-
Net cash outflow from investing activities	(4,839)	(6,000)
Financing Activities		
- Bank borrowings, net	(9,352)	40,059
- Issue of share capital	-	441
- Dividend paid	-	(2,368)
- Others	(1,009)	(1,247)
Net cash (outflow)/inflow from financing activities	(10,361)	36,885
Net increase/(decrease) in cash and cash equivalents	1,467	(177)
Cash and cash equivalents at 1 January	2,869	6,195
Cash and cash equivalents at 30 June	4,336	6,018
Cash and cash equivalents consist of :-		
Short term deposits with a licenced bank	6,000	3,600
Cash and bank balances	3,547	2,418
Bank overdrafts	(5,211)	-
	4,336	6,018

The condensed consolidated cash flow statement should be read in conjunction with the most recent annual financial statements as at 31 December 2008.



LEADER STEEL HOLDINGS BERHAD

(Company No.267209-K)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the year ended 31 December 2008. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31 December 2008.

2. Audit Report

The audit report of the preceding annual financial statements ended 31 December 2008 was not subject to any qualification.

3. Seasonal or cyclical factors

The business of the Group was not be affected by any significant seasonal or cyclical factors during the current financial period under review.

4. Extraordinary or exceptional items

There were no extraordinary or exceptional items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review.



5. Changes in estimates

There were no material changes in estimated amounts reported during the current financial period under review.

6. Debts and equity or securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations held as treasury shares and resale of treasury shares for the current financial period under review.

7. Dividend paid

No dividend was paid during the current financial period under review.

8. Segment information

No segment information by business activities has been prepared as the Group's activities involved are primarily in one sector of operations only.

9. Property, plant and equipment

The valuations of land and buildings have brought forward, without amendment from the previous annual report.

10. Events subsequent to the balance sheet date

There were no material events during the period from the end of the quarter under review to the date of this report.

11. Changes in contingent liabilities

	30 June 2009 RM'000
Amount of corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	227,825



12. Review of the performance

The Group achieved turnover of RM154.61million for the six months ended 30 June 2009, an increase of 14.9% as compared to RM134.55million in the preceding year's corresponding period. It was mainly due to higher sales volume of trading activity. However, profit before tax for the current six months of RM2.89million was lower than profit before tax of RM15.9million in the preceding year's corresponding period. The decrease in profit before tax was mainly due to drop in selling price of steel products during the current six months under review.

13. Variation of results against preceding quarter

For the current quarter under review, the Group recorded 9.76% increase in turnover to RM80.90million as compared to RM73.71million in the preceding quarter. The current quarter profit before tax was at RM2.34million as compared to profit before tax of RM0.55million in the preceding quarter due to lower raw materials cost in this quarter.

14. Prospects for the next financial quarter

The performance of the group is expected to improve for the next financial quarter.

15. Profit forecast

Not applicable as no profits forecast was issued.



16. Tax expense

	Current Year Quarter Ended 30 June		Current Year-to-date Ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax expense				
Malaysian - Current period	200	1,800	200	1,800
- Prior years	-	-	-	-
	200	1,800	200	1,800
Deferred tax expense				
Malaysian - Current period	-	-	-	-
- Prior years	-	-	-	-
	-	-	-	-
Total tax expense	200	1,800	200	1,800

The Group's effective tax rate for the current quarter was lower than the statutory tax rate mainly due to tax incentives available to certain subsidiaries.

17. Unquoted investment and properties

There were no disposal of unquoted investment and properties during the current quarter and financial period under review.

18. Quoted securities

There are no purchases or disposals of quoted securities for the current quarter and financial period under review.

Movement of investment in quoted securities as at 30 June 2009 is shown below:

	RM'000
Balance at 1 January 2009	300
Add: Reversal of diminution in value of quoted shares	208
Balance at 30 June 2009	508



19. Status of corporate proposal announced

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

20. Borrowings

	As at 30 June 2009 RM'000
Short term borrowings	
Secured	7,330
Unsecured	21,643
	<hr/>
	28,973
	<hr/>
Long term borrowings	
Secured	6,157
	<hr/> <hr/>

All borrowings are denominated in Ringgit Malaysia.

21. Changes in material litigation

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

22. Dividend

- i) A first interim tax exempt dividend of 2.5 sen per ordinary share of RM0.50, totaling RM32,008,000 in respect of financial year ending 31 December 2009 has been declared on 27 August 2009, based on the share capital of 128,032,000 ordinary shares.

- ii) In respect of deposited securities, entitlements to the interim dividend will be determined based on shareholders registered in the record of depositors as at 23 September 2009. The payment date is 30 September 2009.



23. Earnings per ordinary share

Basic earnings per ordinary share

	Current Quarter	Current Year-To-Date
Profit for the financial period attributable to ordinary shareholders of the Company (RM'000)	2,141	2,693
Weighted average number of ordinary shares ('000)	128,032	128,032
Basic earnings per share (sen)	1.67	2.10

Diluted earnings per ordinary share

	Current Quarter	Current Year-To-Date
Profit for the financial period attributable to ordinary shareholders of the Company (RM'000)	2,141	2,693
Weighted average number of ordinary shares ('000)	128,032	128,032
Effect of share options ('000)	-	-
Weighted average number of ordinary shares ('000)	128,032	128,032
Diluted earnings per share (sen)	1.67	2.10

24. Inventories

There is no write-down of inventories during the financial period under review.

25. Capital commitments

There were no capital commitments during the financial year under review.



26. Related party transactions

		6 months ended 30 June 2009 RM'000
Eonmetall Group Berhad and its subsidiaries	Companies in which the director is deemed to have substantial financial interests	
Sales of goods		37
Purchase of goods		2,045
Purchase of machinery parts		24
Rental expense		210

By the order of the Board

Lam Voon Kean (MIA 4793)
Company Secretary
Penang
27 August 2009