

PRESS RELEASE

FOR IMMEDIATE RELEASE

LEFORM RETURNS TO THE BLACK FOR Q1 FPE 31 MARCH 2023

Manufacturing segment records 7.9% growth in year-on-year revenue

KUALA LUMPUR, 22 MAY 2023 – Leform Berhad (“Leform” or “the Group”) (“0266”) has today announced its financial results for the first quarter (“Q1”) Financial Period Ended 31 March 2023 (“FPE 31 March 2023”).

For the Q1 FPE 31 March 2023, the Group posted **RM102.60 million in revenue, an increase of approximately RM15.68 million or 18.0% as compared to the immediate preceding quarter (“Q4 FYE 31 December 2022”)**. Leform also recorded a **Profit After Tax of RM1.48 million for the reporting quarter** as compared to a **Loss After Tax of RM15.72 million, an increase of approximately RM17.20 million or 109.41%**.

The adverse result in Q4 FYE 31 December 2022 was due to lower margin as global steel prices trended downwards. In addition, there were several one-off expenses in Q4 FYE 31 December 2022 such as the unrealised loss on derivatives and write-down of inventories.

Meanwhile, Leform’s Q1 FPE 31 March 2023 performance also reflected an increase in its year-on-year revenue by 1.5% or RM1.51 million from RM101.09 million to RM102.6 million in Q1 FPE 31 March 2023. However, the PAT decreased by 76.9% or RM4.93 million from RM6.41 million in Q1 FPE 31 March 2022 to RM1.48 million in Q1 FPE 31 March 2023. This is due to the additional finance expenses due to higher OPR rate and more bank facilities were drawn down for purchase of inventories and higher administrative expenses.

The Group’s manufacturing segment continues to be the largest contributor to its topline, contributing RM99.23 million in Q1 FPE 31 March 2023 which translates to approximately 79.1% of its total revenue (before consolidation adjustment), reflecting

an increase of RM7.23 million or 7.9% as compared to the corresponding period of the previous year.

The Group's trading segment generated RM25.65 million of revenue in Q1 FPE 31 March 2023, an increase of approximately RM0.97 million or 3.9%, as compared to RM24.68 million in Q1 FPE 31 March 2022.

Meanwhile, the Group's Other segment which is involved in the provision of transport and carrier services of the Group's finished steel products contributed RM0.65 million to the Group's topline, a slight increase by RM0.05 million or 8.2% from the corresponding period of the previous year.

Managing Director of Leform, Mr. Law Kok Thye said, "Without a doubt it had been a tough ride for us with the waning recovery pace of the global economy with inflation and rising raw material costs. With our strategies in place, we have managed to brave through these challenges with the Group charting positive performance this quarter as we return to the black."

"With the optimistic backdrop of the expected rising steel consumption driven by the recovery in construction industry, we have no doubts in executing our expansion plan, which includes the construction of a new warehouse storage facility to scale up our storage area and operational efficiency while allowing us to expand our product variety to include thicker gauge steel pipes."

Barring any unforeseen circumstances, the Group is cautiously optimistic that it will continue to generate satisfactory performance for the rest of the financial year.

#END#

About Leform Berhad

Leform Berhad ("Leform" or "the Group") was incorporated in Malaysia under the Companies Act on 14 January 1995 and successfully listed on the ACE Market of Bursa Malaysia Securities Berhad in November 2022.

The Group is principally involved in the manufacturing of and trading in steel products. The Group's products are used in various end-user industries including furniture, construction as well as industrial product manufacturing industries.

Leform's headquarters and processing facilities are based in Malaysia with sales are primarily generated from Malaysia. The Group also exports its products to international markets such as New Zealand, Singapore and Cambodia. The Group's customer base encompasses building material or steel trading companies as well as manufacturers and contractors.

Issued by: Glow Communications on behalf of **Leform Berhad**
Date: **22 May 2023**

For further media enquiries, please contact:

Effie Hanan
Email: effiehanan@glowcomms.com.my

Syahira Zakaria
Email: syahira@glowcomms.com.my

Forward-Looking Statements

The statement included in this press release, other than statements of historical facts, are forward-looking statements. Forward-looking statement generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "seek," or "believe." These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations about future event. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statement, including, but not limited to our ability to win additional business. Although we believe the expectations reflected in the forward- looking statements are reasonable, we cannot guarantee future result, level of activity, performance, or achievements. You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements apply only as of the date of this press release; as such, they should not be unduly relied upon as circumstances change. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this release or those that might reflect the occurrence of unanticipated events.