



INTEGRATED
ANNUAL REPORT
2022



COVER RATIONALE

As we enter a new milestone, market trends and economical landscapes continue to evolve. Steel, the core of our business, will always remain fundamental for any development of mankind. With the Group's knowledge in manufacturing and trading in steel product, we aim to deliver sustainable value to all of our stakeholders. Here at Leform Berhad, we hope to connect every possibility with opportunities, and move up the value chain to continuously create value to exceed our stakeholders' expectations for a striving growth beyond our limits with a mantra of repeating success.

28th ANNUAL GENERAL MEETING

Address : Sheraton Hotel, Petaling Jaya
Lorong Utara C, PJS 52,
46200 Petaling Jaya, Selangor.

Date : Tuesday, 27 June 2023

Time : 10:00 a.m.

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About This Report

Leform Berhad (“Leform” or “Company”) is pleased to present our first Integrated Annual Report 2022 (“IAR2022”). This report aims to provide a comprehensive overview of Leform’s utilisation of capitals to create long-term sustainable value, for the financial year ended 31 December 2022 (“FY2022”). The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

REPORTING SCOPE & BOUNDARY

Unless otherwise indicated, the content of this IAR2022 reflects data and activities of the Group from 1 January 2022 to 31 December 2022. Where available, data is presented for 2-4 year time frames. Kindly refer to the Four Year Financial Highlights for specific information.

The report focuses on business operations information of Leform disclosed through the impact it has on the capitals as defined by International Intergrated Reporting Council (“IIRC”). All the six capitals cover information on a consolidated basis.

RELATED INFORMATION

This IAR2022 is supplemented with additional online disclosures for our stakeholders. These include financial statements, policies and structures of governance, organisational policies and other pertinent information.

The Group’s latest corporate announcements and our corporate policies are available for viewing on our website: <https://www.leformgroup.com.my>.

The Group’s corporate governance policies and Code of Conduct and Ethics including Board Charter and its Terms of Reference, Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy can be viewed at: <https://www.leformgroup.com.my/investor-relations/corporate-governance>.

FORWARD LOOKING STATEMENTS

The report contains forward-looking statements relating to Leform’s plans, objectives, goals, strategies, future operations, and performance. These statements are subject to inherent risks and uncertainties and should not be construed as guarantees or predictions of the Group’s future performance.

Accordingly, readers are cautioned not to place undue reliance on forward-looking statements as actual results and outcomes could differ significantly from those expressed or implied.

REGULATORY FRAMEWORKS OR DISCLOSURE GUIDES

- ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad
- The Companies Act 2016 (“Act”)
- Malaysian Financial Reporting Standards (“MFRS”)
- Malaysian Code On Corporate Governance 2021 (“MCCG 2021”)
- Bursa Malaysia Sustainability Reporting Guide – Second Edition
- Global Reporting Initiative (GRI) Standards
- International Integrated Reporting Framework of IIRC

ONLINE VERSION AND FEEDBACK

This IAR2022 can be downloaded from: <https://www.leformgroup.com.my>, as well as Bursa Malaysia Securities Berhad’s website.

Feedback on this report may be channelled to:

Mr Ng Tiong Lim

Email: tling@leformgroup.com.my

REPORTING FRAMEWORK

6 CAPITALS



Natural



Manufactured



Intellectual



Human



Social & relationship



Financial

7 GUIDING PRINCIPLES

- Strategic Focus & Future Orientation
- Connectivity of Information
- Conciseness
- Reliability & Completeness
- Consistency & Comparability
- Materiality
- Stakeholder Relationships

8 CONTENT ELEMENTS

- Governance
- Business Model
- Risks & Opportunities
- Strategy & Resource Allocation
- Performance
- Outlook
- Basis of Preparation & Presentation
- Organisational Overview & External Environment

Material Topics

Environmental Stewardship

- **CCS** Climate Change Strategy
- **WEM** Waste & Effluent Management
- **WM** Water Management
- **AE** Air Emissions
- **BD** Biodiversity

Advancing People

- **OSM** Occupational Safety & Health
- **HCM** Human Capital Management
- **CE** Community Engagement
- **LS** Labour Standards
- **SCM** Supply Chain Management

Robust Governance & Ethical Practices

- **EP** Economic Performance
- **CG** Corporate Governance
- **ABC** Anti-Bribery & Corruption
- **BE** Business Ethics
- **RM** Risk Management
- **TT** Tax Transparency

Board of Directors

Datuk Seri Akhil Bin Bulat
(Independent Non-Executive Chairman)

Law Kok Thye
(Managing Director)

Chua Leng Leek
(Independent Non-Executive Director)

Lai Chin Yang
(Independent Non-Executive Director)

Lee Wee Leng
(Independent Non-Executive Director)

Phang Yew Cheong @ Phang Yew Choong
(Non-Independent Executive Director)

Esmariza Binti Ismail
(Non-Independent Executive Director)

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Audit And Risk Management Committee

Chua Leng Leek (Chairman)
Lai Chin Yang
Lee Wee Leng

Remuneration Committee

Lee Wee Leng (Chairman)
Chua Leng Leek
Lai Chin Yang

Nomination Committee

Lai Chin Yang (Chairman)
Chua Leng Leek
Lee Wee Leng

Company Secretaries

Tai Yit Chan
(MAICSA No. 7009143)
SSM PC No. 202008001023

Tan Ai Ning
(MAICSA No. 7015852)
SSM PC No. 202008000067

Auditors

Crowe Malaysia PLT
Level 16, Tower C
Megan Avenue 2
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : (03) 2788 9999
Fax : (03) 2788 9998

Principal Bankers

- OCBC Bank (Malaysia) Berhad
- Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Ambank (M) Berhad
- Citibank Berhad

Registered Office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tel : (03) 7890 4800
Fax : (03) 7890 4650

Share Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel : (03) 7890 4700
Fax : (03) 7890 4670

Sponsor

MIDF Amanah Investment Bank Berhad
Level 21, Menara MIDF,
No. 82, Jalan Raja Chulan,
50200 Kuala Lumpur
Tel : (03) 2173 8888
Fax : (03) 2173 8277

Headquarters

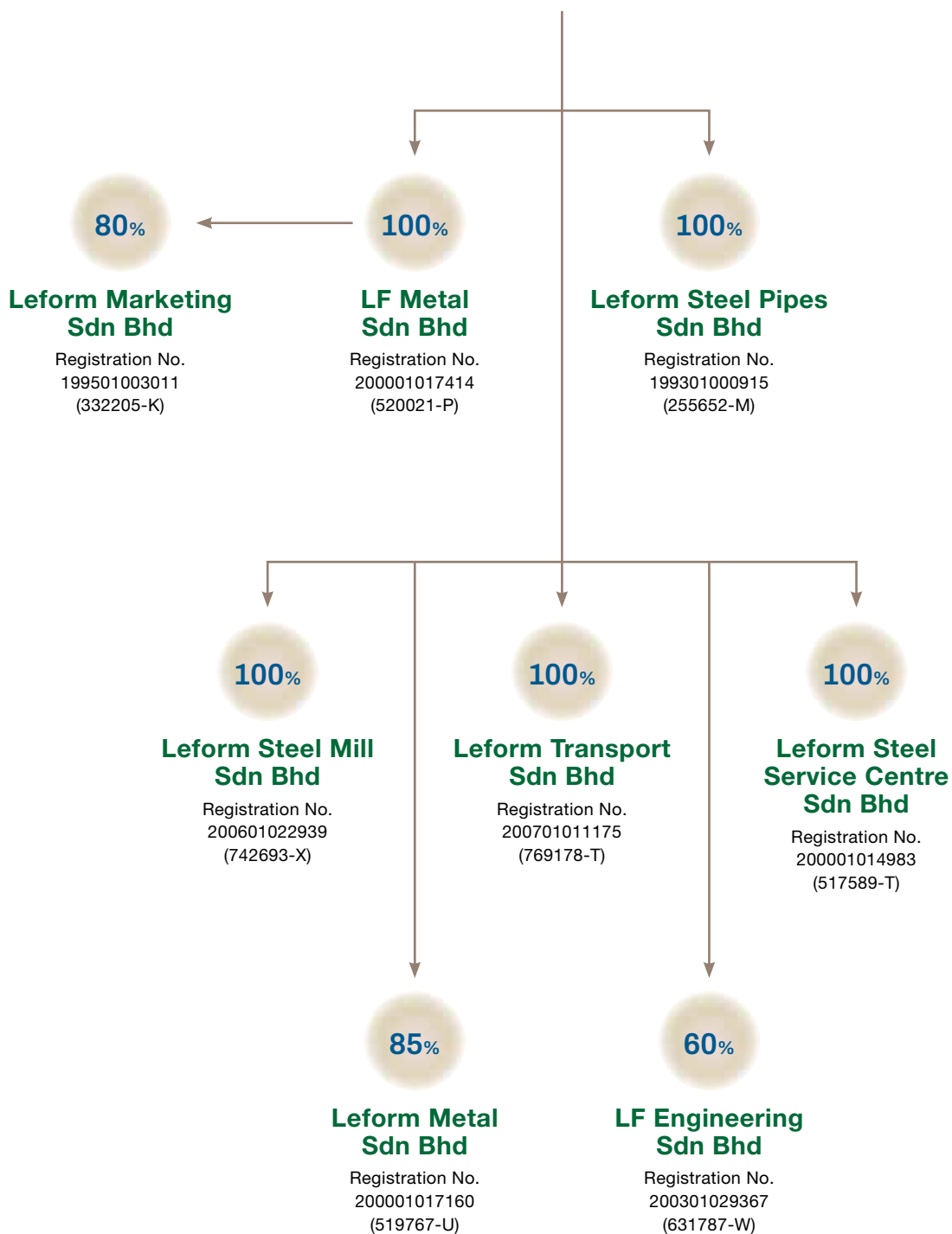
PT16077 & PT16078, Jalan Kesidang 4
Kawasan Perindustrian Sungai Choh
48200 Serendah
Selangor
Tel : (03) 6099 0666
Fax : (03) 6099 0696
Website : www.leformgroup.com.my
Email : sales@leformgroup.com.my

Stock Exchange Listing

ACE Market of Bursa Malaysia Securities Berhad

Stock name : LEFORM
Stock code : 0266
Listed on : 30 November 2022

Corporate Structure



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Group Corporate Profile

Our Group is principally involved in the following business segments:

- (i) manufacturing of steel products; and
- (ii) trading in steel products.

The following diagram illustrates our Group’s business model:

Business Model

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Our Presence



Reliable Steel Product Manufacturer

Our Group's headquarters and processing facilities are based in Malaysia and our sales are primarily generated from Malaysia. Our Group also exports our products to international markets such as New Zealand.

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Key Corporate Milestones

1995

Incorporation of Leform Berhad ▼



2003

Started with 3 pipe mills with total annual production capacity of 11,323MT ▼



2005-2008

Purchased Lot 4306 - 4312 ▼



2022

Listing on the ACE Market ▼



2019

- Guardrails were approved by Construction Industry Development Board ("CIDB")
- Commence operation in Plant 3 ▼



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Key Corporate Milestones (cont'd)

2009

Completion of Plant 1 in Lot 4306 - 4309 ▼



2010



Awarded ISO 9001:2008 by TUV Nord Cert. GmbH ▼



2018

Steel pipes were first approved by CIDB to be used as scaffolding ▼



2017

Completion of Plant 3 in Lot 858 ▼



2011



- Completion of Plant 2 in Lot 4310 - 4312.
- Annual production output of 56,937 MT ▼



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Four-Year Group Financial Highlights

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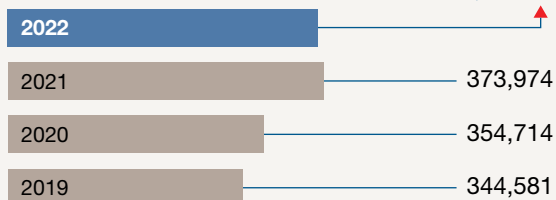
8

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Revenue

(RM'000)

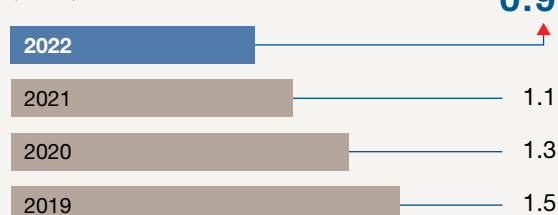
373,441



Gearing Ratios

(times)

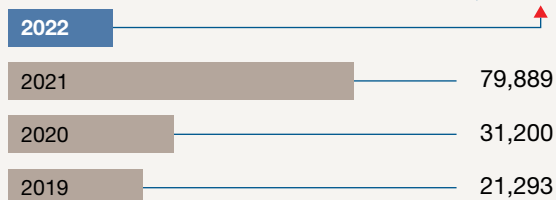
0.9



Gross Profit ("GP")

(RM'000)

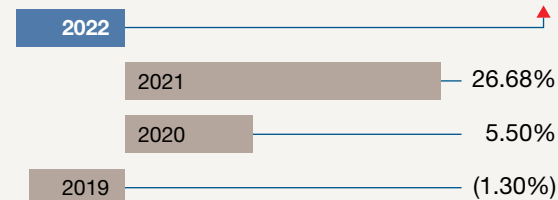
14,452



Return on equity

(%)

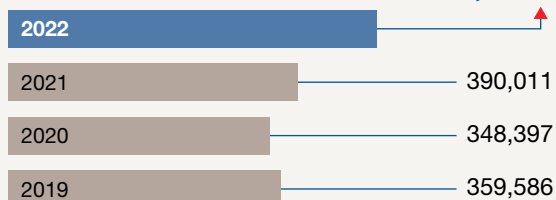
(3.13%)



Total Assets

(RM'000)

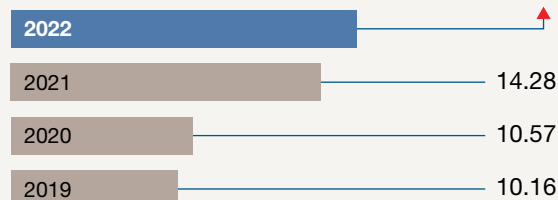
516,158



Net Assets Per Share

(sen)

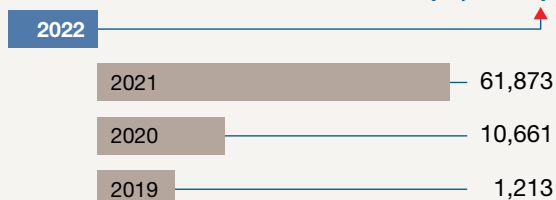
19.39



Profit/(Loss) Before Taxation

(RM'000)

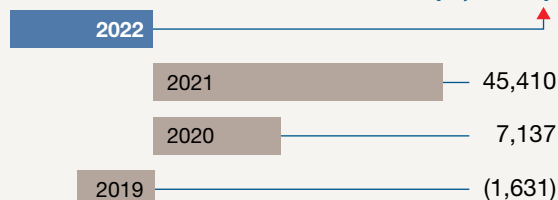
(3,295)



(Loss)/Profit After Taxation

(RM'000)

(7,281)



Four-Year Group Financial Highlights (cont'd)

	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Operating Results				
Revenue	344,581	354,714	373,974	373,441
Gross Profit ("GP")	21,293	31,200	79,889	14,452
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	19,225	27,434	76,252	13,042
Profit/(Loss) Before Taxation	1,213	10,661	61,873	(3,295)
(Loss)/Profit After Taxation	(1,631)	7,137	45,410	(7,281)
Key Financial Position Data				
Total Assets	359,586	348,397	390,011	516,158
Total Equity	120,599	125,758	169,810	234,430
Total Liabilities	238,987	222,639	220,201	281,728
Financial Ratios				
GP Margin (%)	6.2	8.8	21.4	3.9
Profit/(Loss) Before Taxation Margin (%)	0.4	3.0	16.5	(0.9)
(Loss)/Profit After Taxation Margin (%)	(0.5)	2.0	12.1	(1.9)
Weighted Average Number of Ordinary Shares in Issue ('000)	1,170,000	1,170,000	1,170,000	1,197,267
Basic (Loss)/Earnings Per Share (sen)	(0.1)	0.6	3.8	(0.6)

2022 Event Highlights

► Underwriting Agreement Signing Ceremony



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2022 Event Highlights (cont'd)



► Prospectus Launch



IPO Listing ◀



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Leform In The News

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THE EDGE MARKETS
MAKE BETTER DECISIONS

Leform to raise RM71.5m for strategic expansion through ACE Market IPO

PROSPECTUS LAUNCH
IN COMBINATION WITH ITS INITIAL PUBLIC OFFERING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERKAD
PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT
26 OCTOBER 2022

(From left) Leform's independent executive director and group adviser Phang Yew Cheong & Phang Yew Cheong, Leform independent non-executive chairman Datuk Seri Akhil Balal, Leform MD Law Rok Thye, MIDF Amanah Investment Bank executive director and Malaysian Industrial Development Finance Bhd group MD Dutuk Charin Werdiri

KUALA LUMPUR (Dec 20) Leform Bhd is seeking to raise RM71.5 million via an initial public offering (IPO) exercise on the ACE Market of Bursa Malaysia, with the bulk or some 80% of the proceeds to be used to reconstruct its new headquarters, wastewater storage facility and wastewater treatment plant.

Apart from the expansion expenses, another RM20.20 million or 28.1% of the proceeds are earmarked for working capital purposes to purchase raw materials to support its growing business activities, while RM14.30 million or 20.1% will be used for payment of bank borrowings. The balance RM37.0 million or 51.8% is for uncommitted future expenses.

Leform is scheduled to be listed on Nasd. The company and its subsidiaries are principally involved in the manufacturing and trading of steel pipes, pipefittings and flat steel products such as skid steel pipe and sheets.

Based in Seremban, Selangor, the group has integrated operations in producing steel pipes, from the production of materials to the delivery of finished products.

In a statement following its prospectus launch on Wednesday (Dec 20), Leform managing director Law Rok Thye said the IPO presents an opportunity to enhance the group's growth trajectory.

"The present new facility will be a new step towards that would allow for higher operational efficiency. In addition, our storage capacity will increase by 50%, allowing us to cater for the anticipated increase in production volume and widen our product range."

"With the launch of our prospectus, Leform is now one step closer to being a publicly listed company. We believe this is an opportune time to be listed."

"Despite the challenges we see group as a result of the recent fall of global steel prices, we are still excited on the outlook of our business starting ahead with the expected rising steel consumption as the lack of inventory in manufacturing and construction industries," he said.

Leform executive director and group adviser Robert Phang Yew Cheong, who was present at a press conference after the prospectus launch, said the group is expected to see its market share gradually improve over the next few years riding on the back of its plans to expand its existing facility.

"Currently, because of the lack of open steel in our hands, we are constrained. Even if we want to produce more, we cannot. We are capable of producing but we can't because of all the lack of open steel we have. But once this is over, yes, we are encouraged to grow," Phang Yew Cheong said.

Additionally, Leform shall endeavour to maintain a dividend payout ratio of not less than 20% of its annual net profit.

Following the prospectus launch, applications for the public issue are open from Dec 26 and will close on Dec 31 at 5pm.

Leform's IPO entails a public issue of 60 million new ordinary shares, representing approximately 20% of the enlarged share capital, along with an offer for sale of 10 million existing shares, representing 3% of the enlarged share capital.

Of the 60 million new public issue shares, 14.3 million new shares are available for the Malaysian public, 28.8 million shares are available for eligible investors and employees of the group and persons who have contributed to the success of the group.

Another 17.2 million new shares are available by way of private placements to identified institutional and retail investors and 18.2 million new shares are available by way of private placements to selective foreign investors approved by the Ministry of International Trade and Culture.

THE EDGE MARKETS
MAKE BETTER DECISIONS

Leform rises to all-time high of 26 sen after bagging West Coast Expressway subcontract

KUALA LUMPUR (Dec 20): Shares in Leform Bhd rose in active trade on Tuesday morning (Dec 20), after its 60%-owned subsidiary LF Engineering Sdn Bhd received a letter of acceptance from Ganda Imbuan Sdn Bhd as a subcontractor for the supply and installation of guard rails for a portion of the West Coast Expressway.

At 9.39am, Leform had risen 13.95% or three sen to 24.5 sen a share, with 105 million shares done. The stock earlier jumped to an all-time high of 26 sen.

The subcontract is valued at RM10.05 million, and is expected to be completed on June 30, 2023.

Leform In The News (cont'd)



Leform accepts RM10m West Coast Expressway job



KUALA LUMPUR (Dec 20) Leform Bhd, through its 60%-owned subsidiary LF Engineering Sdn Bhd, has received a letter of acceptance from Ganda Imbunan Sdn Bhd, as a subcontractor for the supply and installation of guard rails for a portion of the West Coast Expressway.

According to a statement on Monday (Dec 19), the subcontract is valued at RM10.05 million and is expected to be completed on June 30, 2023.

The project includes Section 6 between the Kluang interchange and the Assam Jawa interchange in Selangor.

The subcontract is also expected to contribute positively to the revenue, earnings and net assets of Leform up to the financial year ending Dec 31, 2023.


Once completed, the expressway will be the third longest highway in Peninsular Malaysia, spanning 233 kilometres, after the North-South Expressway at 966 kilometres and the East Coast Highway (380 kilometres).

According to Leform managing director Law Kok Thye, the subcontract is the first contract secured by the group since becoming a listed entity.

"Given our technical expertise and long track record in the steel industry, we are confident we stand a good chance to clinch more projects in the coming days," said Law in a press statement.

"As we move forward, our capabilities to cater for higher production volume certainly bodes well with the optimistic backdrop of the expected rising steel consumption driven by the recovery in manufacturing and construction industries."

■ "As we move forward, our capabilities to cater for higher production volume certainly bodes well with the optimistic backdrop of the expected rising steel consumption driven by the recovery in manufacturing and construction industries."



LEFORM BERHAD
(Registration No. 1995010015827 (330776-K))
(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF LEFORM BERHAD ("LEFORM") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(A) A PUBLIC ISSUE OF 311,013,000 NEW ORDINARY SHARES IN LEFORM ("SHARE(S)" OR "ISSUE SHARE(S)") IN THE FOLLOWING MANNER:

- (i) 74,051,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (ii) 29,620,000 ISSUE SHARES RESERVED FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP;
- (iii) 22,215,000 ISSUE SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INSTITUTIONAL AND/OR SELECTED INVESTORS;
- (iv) 185,127,000 ISSUE SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA;

AND


(B) AN OFFER FOR SALE OF 74,051,000 EXISTING ORDINARY SHARES IN LEFORM ("OFFER SHARE(S)") BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INSTITUTIONAL AND/OR SELECTED INVESTORS;

AT AN ISSUE PRICE/OFFER PRICE OF RM0.23 PER ISSUE SHARE/OFFER SHARE, PAYABLE IN FULL UPON APPLICATION

NOTICE OF REVISED DATES OF THE IPO

The tentative timetable for the IPO has been revised as set out below:

EVENTS	INITIAL DATE	REVISED DATE
Balloting of applications for the Issue Shares	15 November 2022	24 November 2022
Allotment/transfer of the IPO Shares to successful applicants	21 November 2022	29 November 2022
Listing	22 November 2022	30 November 2022



LEFORM BERHAD
(No. Pendaftaran 1995010015827 (330776-K))
(Diperbadankan di Malaysia di bawah Akta Syarikat 1965 dan dianggap didaftarkan di bawah Akta Syarikat 2016)

PENAWARAN AWAM AWAL ("IPO") SEHUBUNGAN DENGAN PENYENARAAN DAN SEBUT HARGA BAGI KESELURUHAN MODAL SAHAM LEFORM BERHAD ("LEFORM") YANG DITERBITKAN YANG DIPERBESARKAN PADA PASARAN ACE BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") TERDIRI DARIPADA:

(A) TERBITAN AWAM 311,013,000 SAHAM BIASA BARU DALAM LEFORM ("SAHAM(SAHAM-SAHAM)") ATAU ("SAHAM(SAHAM-SAHAM) TERBITAN") DALAM CARA YANG BERIKUT:

- (i) 74,051,000 SAHAM TERBITAN YANG DISEDIAKAN UNTUK PERMOHONAN OLEH ORANG AWAM MALAYSIA;
- (ii) 29,620,000 SAHAM TERBITAN YANG DIRIZABKAN UNTUK PERMOHONAN OLEH PARA PENGARAH DAN KAKITANGAN YANG LAYAK SERTA ORANG-ORANG YANG TELAH MENYUMBANG KEPADA KEJAYAAN KUMPULAN;
- (iii) 22,215,000 SAHAM TERBITAN MELALUI PENEMPATAN PERSENDIRIAN KEPADA PELABUR-PELABUR INSTITUSI DAN/ATAU TERPILIH YANG DIKENAL PASTI;
- (iv) 185,127,000 SAHAM TERBITAN MELALUI PENEMPATAN PERSENDIRIAN KEPADA PELABUR-PELABUR BUMIPUTERA YANG DIKENAL PASTI YANG DILULUSKAN OLEH KEMENTERIAN PERDAGANGAN ANTARABANGSA DAN INDUSTRI, MALAYSIA;

DAN

(B) TAWARAN UNTUK JUALAN SEBANYAK 74,051,000 SAHAM BIASA SEDIA ADA DALAM LEFORM ("SAHAM(SAHAM-SAHAM) TAWARAN") MELALUI PENEMPATAN PERSENDIRIAN KEPADA PELABUR-PELABUR INSTITUSI DAN/ATAU TERPILIH YANG DIKENAL PASTI;

PADA HARGA TERBITAN/HARGA TAWARAN SEBANYAK RM0.23 SETIAP SAHAM TERBITAN/SAHAM TAWARAN, PERLU DIBAYAR PENUH SEMASA PERMOHONAN.

NOTIS TARIKH DIUBAH IPO

Jadual waktu indikatif bagi IPO telah diubah seperti yang dikemukakan di bawah:

PERISTIWA-PERISTIWA	TARIKH AWAL	TARIKH DIUBAH
Pengundian permohonan bagi Saham Terbitan	15 November 2022	24 November 2022
Peruntukan/permindahan Saham-saham IPO kepada pemohon-pemohon yang berjaya	21 November 2022	29 November 2022
Penyenaaran	22 November 2022	30 November 2022

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Chairman's Statement

Dear Valued Shareholders,

With your support, Leform Berhad (“Leform”, “the Company”, or “the Group”) has achieved a major milestone through our successful listing on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 30 November 2022. The status as a listed entity will not only enhance our credentials and reputation in the steel industry, it also marks a new beginning of our corporate journey.

With the RM71.5 million gross proceeds raised through the Initial Public Offering (“IPO”), we are confident in expediting the Group’s expansion plans, charting many more milestones along the way.

On that note, it is my honour to present you our maiden annual report as a public-listed company for the financial year ended 31 December 2022 (“FY2022”).

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KEY MESSAGES



Chairman's Statement (cont'd)

A bright spark in tough times

Although Leform's begin as a listed entity came during a challenging period for the global economy, we were optimistic of our long-term prospects and forged ahead with our plans.

Inflationary pressures, the threat of recession, supply chain issues, and the ongoing geopolitical risks e.g., the China lockdown due to zero covid policy, Russia-Ukraine conflict, loomed over the global economy throughout FY2022. However, we expect China's recent reopening of its borders to ease several supply chain bottleneck issues in the coming months.

Domestically, the business environment proved to be challenging as well. As the central bank of Malaysia continued to raise the Overnight Policy Rate, we found our operating costs are increasing as well. Through prudent management of our inventory, skilled procurement practices, and passing on the increase in cost, we were able to

navigate the situation and mitigate any negative impact, led by our experienced senior management. The Group also diversified our core customer base to include automotive parts manufacturers and furniture makers.

Notwithstanding the challenges, Malaysia's Gross Domestic Product (GDP) is still projected to grow, albeit at a slower rate of 4.0%-5.0%⁽¹⁾ in 2023. This growth is driven by firm domestic demand, underpinned by further improvement in employment and income levels, continued implementation of multiyear investment projects and higher tourism activity.

After peaking in mid-June 2021, steel prices moderated for the better part of 2022, and we expect this to work in our favour as our customers will capitalise on lower prices to replenish their inventory. Demand will also be bolstered by the roll-out of infrastructure projects.

Globally, the demand trend is expected to be positive as China lifts its pandemic restrictions and the US moderates its interest rate hikes.

Our performance

For FY2022, Leform posted a revenue of RM373.44 million, a slight decrease from RM373.97 million in the previous financial year mainly due to the decline in the global steel prices. The lower margins resulted in a loss after tax of RM7.28 million, compared to a profit after tax of RM45.41 million, which was achieved in the previous financial year.

In addition to the lower average selling price ("ASP") for steel, our margins for our Manufacturing segment were also impacted by the higher cost of raw materials, although the increase in volume for our Trading segment was able to partially offset the decline in contribution.

Dividends

To thank our shareholders for their tremendous support both during and after our IPO, we declared a special dividend of 0.9 sen per ordinary share which was paid on 17 February 2023.

Sustainability for value creation

The Group is cognisant of its responsibilities in ensuring sustainability practices are implemented throughout its operations. The Board appreciates the importance of ensuring sustainability for the business, surrounding communities, and the environment. As such, we have initiated the transition of our approach to include Environmental, Social and Governance ("ESG") matters in the core of our business strategies to create long-term shared value for all our stakeholders.

For more information on our sustainability initiatives, kindly refer to our Sustainability Statement on pages 26 to 31 of this Integrated Annual Report.

Expanding for the future

Given the positive outlook for the construction industry driven by various government initiatives, it is expected to bring a positive impact to our bottom line in the near future.

To meet the anticipated increase in demand for steel products and growth in production output, the Group intends to nearly double our warehouse storage space. Along with the larger warehouse, we will also be relocating our headquarters and workers' accommodation to a new facility in Serendah, Selangor, to enable seamless expansion of our operations.

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¹ Bank Negara Malaysia, *Economic and Monetary Review 2022*, 29 March 2023.

Chairman's Statement (cont'd)

Expanding for the future (cont'd)

The facility will serve as a “one-stop” centre, consolidating our manufacturing, warehousing, and transportation operations. With the additional warehouse storage space, we will be able to increase the utilisation rates of our machineries and operate at full capacity of 290,813MT per year, effectively reducing lead time. The new facility will provide the necessary storage area to cater for the manufacturing of thicker gauge steel pipes, thus expanding our product offerings and customer base. With more efficient management of our inventory, the new facility will also help Leform to cater for any unexpected surge in demand or selling prices. The new facility is expected to be completed in the second quarter of 2025.

While the construction, automotive parts manufacturing, and furniture manufacturing industries form the base of our clientele, Leform remains open to explore other industries.

We remain cautiously optimistic that these plans will materialise, barring unforeseen circumstances. To date, we have secured our first contract as a listed entity in December 2022. The contract, valued at RM10.1 million, is to supply and install guardrails for Section 6 (Kapar Interchange to Assam Jawa Interchange) of the West Coast Expressway (“WCE”). This serves as a testament to the Group’s track record in producing high-quality steel products and is the start to many more successes.

Acknowledgements

As Chairman, I would like to express my pride in everything Leform has accomplished thus far. My sincerest gratitude goes to my fellow Board members, senior management team, and of course, Leform personnel for their resolute dedication and efforts in guiding the Group through such challenging time. Together, we will continue to chart milestone after milestone, reaching new heights and greater success. I’m honoured to be working side by side with you.

I would like to convey my profound appreciation to all our external stakeholders, including but not limited to our valued shareholders, customers, business partners, suppliers and bankers. My thanks also go to the relevant authorities for their guidance.

Thank you.

Datuk Seri Akhil bin Bulat
Chairman



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Management Discussion and Analysis


Leform is primarily involved in the manufacturing and trading of steel products. The Group manufactures steel pipes, guardrails, and flat steel products which include slitted steel coil and sheets. These are used in various end-user industries including furniture, construction, and industrial product manufacturing industries, such as automotive parts and telecommunication tower pole parts manufacturing.

The Group began operations on 14 January 1995 as a private limited company, Leform Sdn Bhd. Exactly 27 years later, on 14 January 2022, we took on the name Leform Berhad, following our conversion into a public company.

While we primarily serve the domestic market, in 2021 and 2022 a small portion of our revenue comes from the international markets such as New Zealand and Cambodia. Our customer base mainly includes building material and steel trading companies, manufacturers, and contractors.

Our wide range of steel pipes, guardrails and flat steel products can cater to various end-user industry applications and we have integrated operations from production to delivery of finished products.

Our range of steel products are as follows:

	1 Round Steel Pipes Cylindrical-shaped steel pipes made from hot rolled steel pipes and cold rolled steel pipes, generally without coatings. We offer pre-coated products for protection against corrosion. Usage ranges from furniture manufacturing to industrial product manufacturing such as automotive parts and telecommunication pole parts.		4 Gate Channel, Trolley Track and U-Channel Rolled steel products formed into U or C shape with unwelded ends. Gate channels are used as tracks for collapsible gates in construction sites, while trolley tracks are used to guide trolleys and carts at construction sites. The u-channels are typically used as railings for stairs and escalators.
	2 Steel Hollow Sections Square or rectangular shaped steel pipes. Typically used in furniture, construction of structures, lightweight industrial structures and hand railings for construction.		5 Guardrails Formed from slitted steel coils. Used in construction of a boundary means to prevent or deter access from one side of the road or bridge to another.
	3 Oval Steel Pipes and ellipse Steel Pipes These have a slightly flatter shape compared to round steel pipes and conform to design preference for aesthetic purposes. Usage includes furniture manufacturing and industrial product manufacturing such as automotive parts.		

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Management Discussion and Analysis (cont'd)

Our range of flat steel products are as follows:



1 Slitted Steel Coils

The above products is a finished steel sheets that have been slitted, rolled and wounded up. The usages for these slitted steel coils are wide including for furniture manufacturing, construction and industrial products manufacturing (such as automotive parts).



2 Steel Sheets

The above products include electro galvanised and galvanised steel sheets, hot-rolled pickled and oiled steel sheets and cold-rolled steel sheets that have been re-rolled at room temperature to achieve exact dimensions and better surface qualities. The usages for these steel sheets are wide including in furniture, construction, and industrial products manufacturing (such as automotive parts).

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The FY2022 was Leform's first as a listed entity, following the Group's successful IPO on the ACE Market of Bursa Securities on 30 November 2022.

The IPO raised RM71.5 million towards Leform's expansion plans, which include the construction of a new headquarters, new workers' accommodation, and the expansion of our warehouse storage facilities.



Details of the utilisation of IPO proceeds are as below:

Details of use	Estimated timeframe for use upon Listing	(RM'000)	Percentage of gross proceeds (%)
Construction of new headquarters, warehouse storage facility and workers' accommodation	Within 18 months	30,038	42.0
Repayment of bank borrowings	Within 10 months	14,385	20.1
Working capital	Within 12 months	21,910	30.6
Estimated listing expenses	Within 3 months	5,200	7.3
		71,533	100.0

The utilisation of the IPO proceeds as of 31 December 2022 are as below:

Details of use	RM'000/ Percentage of gross proceeds (%)	RM'000/ Percentage of gross proceeds utilised (%)	Estimated timeframe for use upon listing
Construction of new headquarters, warehouse storage facility and workers' accommodation	30,038 (42.0%)	-	Within 18 months
Repayment of bank borrowings	14,385 (20.1%)	742 (3.5%)	Within 10 months
Working capital	21,910 (30.6%)	16,387 (76.5%)	Within 12 months
Estimated listing expenses	5,200 (7.3%)	4,287 (20.0%)	Within 3 months
	71,533 (100.0%)	21,416 (100.0%)	

Management Discussion and Analysis (cont'd)

Being a conscientious company aligned with the Malaysian Government's sustainability initiatives and the rising green steel movement, as we expand, the Group intends to lower our carbon output throughout our operations. We are also looking into increasing the use of renewable energy in place of fossil fuels.

Following a peak in global steel prices in June 2021, the subsequent decline in global steel prices proved to be detrimental to the industry's margins, with many global companies affected by the historical lows.¹

Although we are mindful of the current economic climate and ongoing geopolitical uncertainties, the Group remains optimistic in achieving sustainable long-term growth through prudent cost management, efficient use of resources, use of technology, and continued investment in human capital.

Segmental Review

	Revenue (RM'000)			Profit/(Loss) before tax (RM'000)		
	FY2022	FY2021	Variance	FY2022	FY2021	Variance
Manufacturing	344,165	369,622	(25,457)	(34)	64,115	(64,149)
Trading	90,306	81,235	9,071	(101)	5,094	(5,195)
Transportation	2,430	2,422	8	(306)	(594)	288
Elimination	(63,460)	(79,305)	15,845	(2,854)	(6,742)	3,888
Total	373,441	373,974	(533)	(3,295)	61,873	(65,168)

► Manufacturing

The Group is principally involved in the manufacture of steel products, comprising steel pipes, guardrails, and flat steel products.

Manufacturing revenue declined by RM25.46 million, or 6.89% to RM344.17 million due to lower demand. These factors, along with the higher average cost of materials and several one-off expenditures, mainly on write-down of inventories, resulted in a loss before tax of RM0.03 million in FY2022.

In December 2022, LF Engineering Sdn. Bhd., a 60% owned subsidiaries of Leform was appointed as a subcontractor to supply and install guardrails for Section 6 (Kapar Interchange to Assam Jawa Interchange) of the WCE. This contract, which is valued at RM10.1 million, is the first contract secured by Leform as a listed entity. The WCE is a 233km expressway that is being built on the West Coast of Peninsula Malaysia, connecting Taiping, Perak to Banting, Selangor. It will be the third longest highway in peninsular Malaysia after the 966km North-South Expressway and the 330km East Coast Highway.

► Trading

Leform is also involved in the trading of steel products, which is complementary to the Group's core business activity of manufacturing. We purchase and resell selected steel products that we do not manufacture to provide a broader range of products for our customers.

Revenue increased by 11.17% to RM90.31 million mainly due to higher ASP. However, the segment posted a loss before tax of RM0.1 millions due to lower margins as a result of higher average cost of materials.

► Transportation

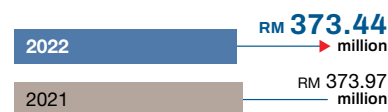
Leform is involved in the provision of transport and carrier services of the Group's finished steel products.

Revenue in FY2022 remained relatively similar, with a slight increase of 0.33% to RM2.43 million. Loss before tax narrowed to RM0.31 million on the back of lower interest expenses resulting from the maturity of certain hire purchase facilities and some of the lorries are fully depreciated.

Review of Financial Performance

Leform recorded a revenue of RM373.44 million for FY2022, 0.14% lower than the RM373.97 million achieved in the preceding year, largely attributed to a lower contribution from the Manufacturing segment, which was partially offset with an increase in volume for our Trading segment.

Revenue earned for FY2021 & FY2022



The Group recorded a lower gross profit margin of 3.9% for the financial year under review, mainly due to the higher cost of materials.

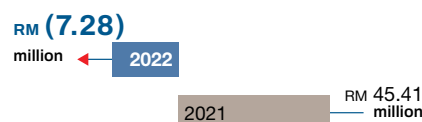
¹ Organisation for Economic Co-operation and Development (OECD), *Steel Market Development report Q4 2022*, February 2023.

Management Discussion and Analysis (cont'd)

Review of Financial Performance

Loss after tax for FY2022 was RM7.28 million, from a profit after tax of RM45.41 million in FY2021, mainly due to lower margin as material cost had risen, written down of inventories amounting to RM6.76 million, one off IPO expenses of RM1.80 million inclusive of non audit fee of RM0.39 million, increased in interest expense of RM2.74 million due to higher drawdown of facilities to purchase raw materials and acquisition of land.

Profit/(Loss) for FY2021 & FY2022



As at 31 December 2022, Leform's total assets stood at RM516.16 million, while total liabilities stood at RM281.73 million. Total borrowings (excl. lease liabilities) for the Group stood at RM209.57 million.

Current ratio had slightly improved from 1.4 times to 1.5 times mainly due to higher inventories which outweigh the cost of financial.

The increase in inventories had led to net cash used in operating activities of RM88.08 million for the financial year. This was partly offset by the increase in trade and other payables from inventories purchased yet to due.

Net cash used in investing activities of RM21.66 million was mainly from a 12-month placement of fixed deposit, purchase of a piece of land in Serendah and was partially offset with the proceeds from disposal of unused building materials. Cash generated from financing activities increased from RM5.4 million to RM85.67 million mainly from the IPO and drawing down of facilities to finance our purchase of inventory and acquisition of land.

Dividends

Leform declared a special dividend of 0.9 sen per ordinary share in respect of the financial year ending 31 December 2022.

The Group will endeavour to maintain a dividend payout ratio of not less than 20% of annual audited net earnings. Any dividends declared will be subject to the recommendation of the Board and any final dividends declared will be subject to the approval of our shareholders at our Annual General Meeting ("AGM").

Review by geographical location

The Group largely serves the steel products demands of the local market. However, we also exports our steel products to the international market. For FY2022 and FY2021, our Group's revenue by geographical location is as follows:

Country/Revenue (RM'000)	FY2022	FY2021
Malaysia	369,931	362,796
New Zealand	3,510	9,856
Cambodia	-	162
Others	-	1,160
	373,441	373,974



Group Capital Structure

	FY2022 (RM'000)	FY2021 (RM'000)
Total interest bearing borrowings ⁽¹⁾	212,276	178,625
Total shareholders equity	232,108	167,066
Gearing ratio (times)	0.9	1.1

Note:

⁽¹⁾ Total interest bearing borrowing include banker's acceptance, bank overdrafts, term loans, trust receipts and lease liabilities owing to financial institution for the purchase of motor vehicle

The gearing ratio had slightly improved from 1.1 times to 0.9 times mainly due to increase in equity outweigh the increase in borrowings.

The increase in borrowings was as a result of higher purchase of inventories while the increase in equity was from issuance of new shares from our IPO.

The Group remains prudent in maintaining the capital structure in order to maintain a sustainable growth and to create long-term shareholder value.

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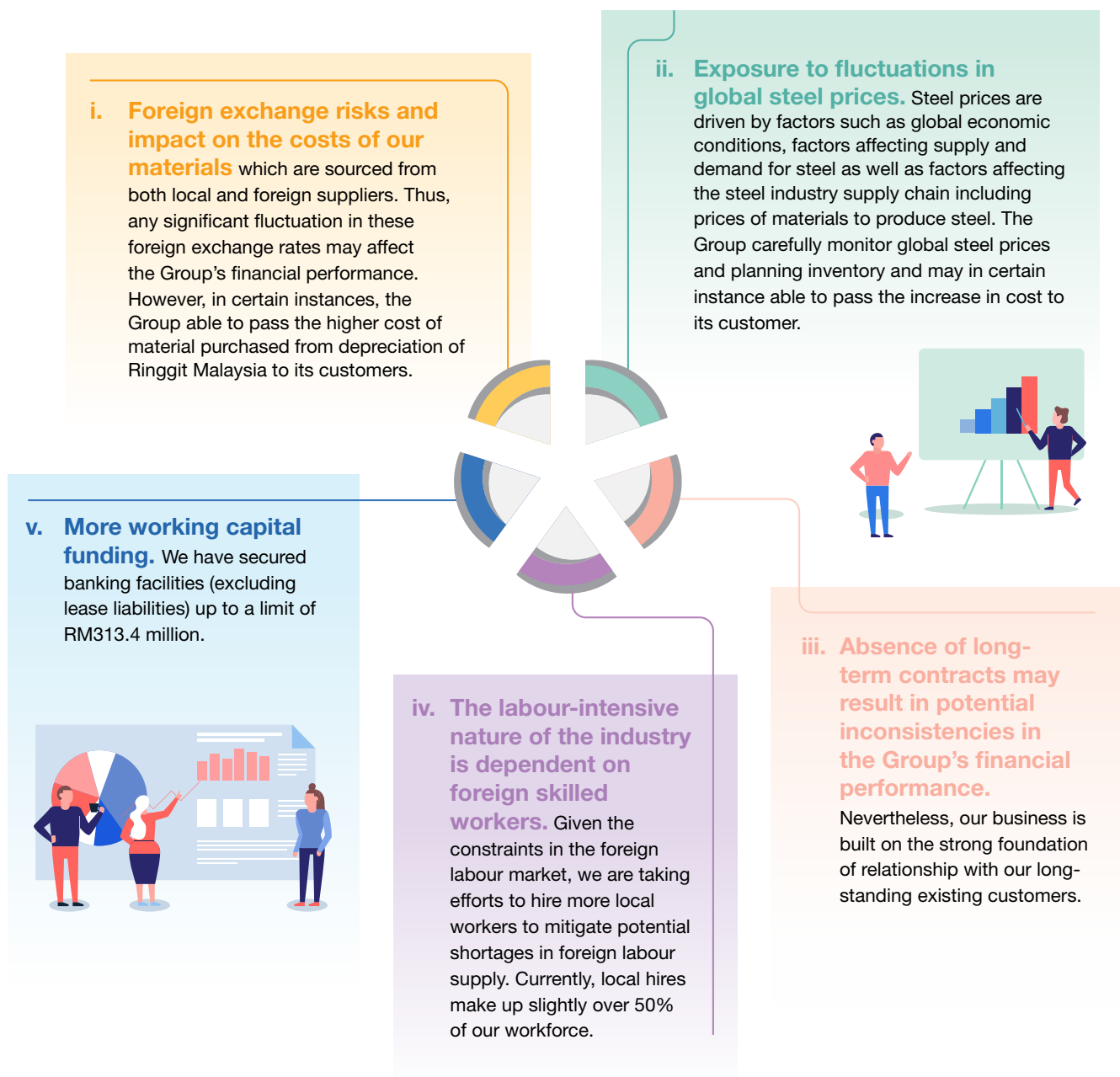
Management Discussion and Analysis (cont'd)

Capital Commitment

In conjunction with our listing, our capital commitments are for the construction of new headquarters, warehouse storage facility and workers' accommodation amounting to RM30.0 million.

Risk Management

We are cognisant that our core business operations can be affected by adverse economic indicators in the local economy and the global marketplace. In addition, we are also mindful that our business is reliant on the economy of Malaysia and the other countries in which we operate in and/or supply our products to. A downturn in the economies we serve could adversely affect the demand for our products.



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Management Discussion and Analysis (cont'd)

Review of Operating Environment

The Group's exposure is largely in the local market, originating from domestic buyers. As we embark on expansionary strategies, we are cognisant that the health of the local economy strongly correlates with our success. We will continue to focus on growing our market share of the domestic market, as there are many opportunities to capitalise on.

The Malaysian economy is anticipated to grow at a rate of 4.0%-5.0%² in 2023, driven by firm domestic demand, including the revival and launch of infrastructure and development projects, which will stimulate demand for steel products. Most building materials costs including steel peaked in the second quarter of 2022, easing off as supply chains resumed.³ Barring labour shortages, manufacturing and construction activity is likely to take

off in 2023.⁴ About two thirds of our products consist of steel pipes and flat products, which are primarily used in construction and manufacturing. Other uses include furniture making, an industry that is expected to see growth. Malaysia is among the world's 10 largest exporters of furniture.⁵ On the local front, the total furniture consumer market is estimated to reach US\$4.51 billion in 2023 and grow at a CAGR of 8.21% until 2027.⁵

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Sustainability

As a responsible employer, we adhere to all laws and regulations where we provide fair treatment, competitive remuneration and a safe workplace. We are also building our own hostel to further enhance the well-being of our employees.

The Group takes measures in our manufacturing process to ensure minimal impact on the environment. Liquid/coolant used to cool down heated pipes is reused, and any by-products or scrap materials are sold to licensed third-party scrap collectors to be recycled/upcycled. To

further support on our sustainability initiatives, we are currently accessing the feasibility of renewable energy to power our plant.

More information on sustainability is available on page 26 of this Integrated Annual Report .

² Bank Negara Malaysia, *Economic and Monetary Review 2022*, 29 March 2023.
³ Department of Statistics Malaysia, *Building Cost Materials Index*.
⁴ 2023 MIFF, Informa Markets, *Malaysian Furniture Industry*.
⁵ Statista, *Consumer Market Insights, Furniture - Malaysia*.

Management Discussion and Analysis (cont'd)

Industry Prospects and Outlook

Following the onslaught of the pandemic, the global economy has undergone tremendous upheavals leading markets to experience macroeconomic challenges of rising inflation, high interest rates and disruptions in the supply chain. Escalating conflicts between major powers of Russia-Ukraine and US-China put further strains on the global economy, resulting in uncertainties surrounding growth forecasts.

While steel plays a pertinent role as a key ingredient in engineering and construction, its highly carbon intensive production jars against a world rapidly racing towards zero carbon.

The rising call for decarbonisation is expected to intensify the green steel movement, and companies which are quick to decarbonise will be better placed to capture new market opportunities. However, switching to lower-carbon steel production will raise production costs, exposing the industry to potential shifts in pricing structure, and supply disruptions.

Meanwhile, although global markets are in turmoil, Asia's scale and growth sustains demand for steel. The earlier than anticipated reopening of China's borders signal demand potential for steel products, albeit at a slower pace as China is likely to reduce its carbon intensive activities.

Steel prices fluctuate based on several external factors, most of which are beyond our control. In addition, it is an industry norm not to have long-term contracts. To mitigate these risks,

the Group has built longstanding relationships with our customers, based on the quality of our offerings, high service level, and competitive pricing, resulting in repeat orders. The Malaysian Government's import duty exemptions for our raw materials have been helpful in reducing our costs. With more infrastructure projects in the Government's pipeline, we remain cautiously optimistic of our prospects.

Our Group intends to relocate our headquarters and workers' accommodation and expand the warehouse storage facility. The proposed new facility will expand our storage capacity by 93.2% to 311,720 MT from 161,372 MT.

At present, our production volume is constrained by limited storage space. The additional warehouse space will allow machineries utilisation rates to reach full capacity of 290,813MT per year. With a wider storage area and expansion of our fleet of machineries and equipment, the Group's manufacturing capacity can be increased to meet a larger order book. To date, we have begun clearing land for construction.

To support the increase in production and to enable one-stop services for our clients, the Group is consolidating our delivery operations.

We have invested in various automated machineries and equipment to support our operations, comprising seventeen (17) pipe mill machines, three (3) guardrail machines, three (3) slitting machines and four (4) shearing machines.

Our integrated operations in producing steel pipes allows us to provide a wide range of in-house manufacturing capabilities to support scale procurement of supplies with a better price structure and quick turnaround time to meet customer requirements. We have 25 trucks and a delivery team comprising nine (9) personnel to provide prompt deliveries to our customers.

The Group also intends to expand our range of steel pipes to include thicker gauge steel pipes (for applications such as infrastructure pipes or large structure poles in construction), which will allow us to serve a wider customer base and provide us with a new revenue stream. We will begin manufacturing the new products following completion of our new facility, slated for the second quarter of 2025.

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Sustainability Statement

Our Sustainability Journey

Leform believes in promoting sustainability practices throughout our organisation and has undertaken various efforts in embedding these values within our operations, business strategy, and organisational goals. We are fully committed to ensuring consistent efforts and initiatives towards reducing our carbon footprint, utilising green resources, and contributing to society and the environment.

We recognise our responsibility in balancing our economic goals with positive contributions to the environment and to society. As the Group acknowledges the importance of the ESG impacts on our business strategy, we are currently in the preliminary stages of transitioning our approach to include ESG in the core of our business operations and reporting. The Group acknowledges that we are still in the preliminary stages of implementing sustainability initiatives throughout our operations and have implemented measures to improve on our disclosure in phases for the coming financial years.



As part of a phased approach to stepping up our sustainability initiatives, we have identified three goals for FY2022:

- Goal 1:** Sustainable manufacturing

- Goal 2:** Creating a conducive workplace

- Goal 3:** Ensuring compliance and transparency

Governance Structure

The Board strives to ensure fair and transparent remuneration, promoting positive outcomes in tandem with the achievement of ESG-linked targets. In line with the Securities Commissions Malaysia (“SC”) update in April 2021 to the Malaysian Corporate Code of Governance (“MCCG”), the Board has direct oversight of ESG matters, related risks and opportunities over the short, medium, and long-term.



The Group views sustainability governance as part of business management by monitoring and managing sustainability matters as part of our daily operations. As part of our commitment to sustainability, we have established a clear governance structure to ensure compliance and optimal performance across our business operations.

The Board of Directors has the overall responsibility of overseeing the Group’s sustainability matters, its direction and performance. The Sustainability Committee, led by the Managing Director and Executive Director, is responsible for implementing, managing, monitoring, and reviewing the Group’s sustainability initiatives and matters, in accordance with the established policies and practices.

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Sustainability Statement (cont'd)

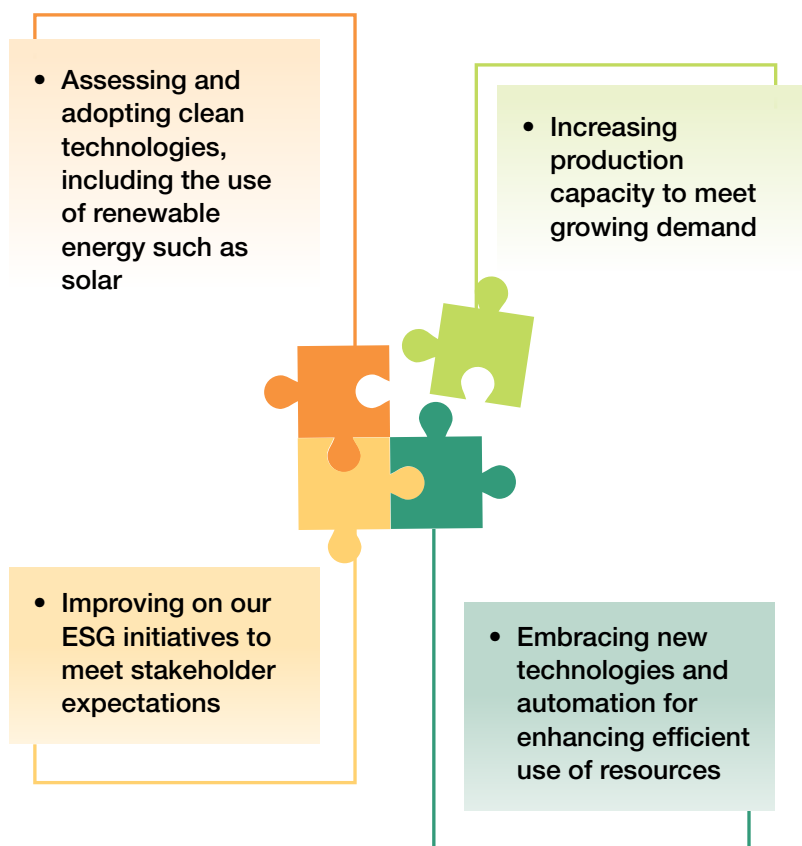
Sustainable Manufacturing

The Group acknowledges that climate change has a significant impact on businesses, society, and individuals, and a shift towards a low-carbon economy is needed. While our operations are fully compliant with all environmental laws and regulations, we are committed to addressing challenges and opportunities in our surroundings where we conduct our business and actively participate in the sustainable practices of the steel industry. This will enable us to contribute to environmental value and minimise damage to the environment.

Steel is a crucial material in the continued economic development of the country. The steel industry has made significant strides toward reducing its greenhouse gas emissions and overall pollution. It has also set a standard for wide-scale sustainable practices thanks to its incredible recycling rate.

To create long-term value while accounting for short-term commercial imperatives, Leform must balance risk, cost, quality, and decarbonisation. Aligning investments with cyclical gains can mitigate financial risks by ensuring that higher initial capital costs are offset by the long-term benefits of more sustainable operations and improved ESG performance.

We have identified several key areas in improving the sustainability of our own operations:



Steel is 100% recyclable and can be recycled continuously, at any point of its lifecycle, without losing any of its strength or durability. Scrap material from our manufacturing facility, if any, is collected by licensed recyclers.

Our steel manufacturing facility utilises water throughout the various processing and cooling stages, but little to none of that is consumed as it is recycled and reused in a continuous loop, minimising our actual water requirements. Besides minimising water consumption, no wastewater is produced and released into the environment.

We are responsible in our waste management processes, which includes responsible handling and disposal. The waste produced by our daily operations is collected by an authorised Department of Environment (DOE) contractor, and the amount collected is updated in the DOE portal.

We are in the process of engaging with external consultants from the Department of Occupational Safety and Health (DOSH) for emissions monitoring, while planning our own initiatives to be implemented in stages.

Energy constitutes a significant portion of the cost of manufacturing steel products, and we are actively assessing improvement in energy efficiency to lower our production costs and our carbon footprint. We are currently evaluating our options to install solar PV panels at our manufacturing facilities.

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Sustainability Statement (cont'd)

Sustainable Manufacturing (cont'd)

We are compliant with ISO requirements for steel pipes manufacturing. At the same time, we engage our suppliers in discussing and identifying areas to enhance our ESG commitments. Our steel pipes require the use of slitted steel coils and sheets which we slit and shear to size, and these slitted steel coils and sheets can be utilised in the manufacturing of our steel pipes, reducing our reliance on external suppliers, while maintaining control over the quality of our products. As at FY2022, 34.5% of our material is sourced locally, and we are evaluating our options for increasing local procurement to support the economy.

The proceeds from our IPO will be used in constructing a new storage facility to improve our production efficiency and capacity. Currently, our warehouse storage facility with a total built-up area of 157,776 sq ft can fit up to 161,372 MT of steel products. The proposed new facility, which will comprise our new headquarters, workers' accommodation and additional warehousing facility, will have a total built-up area of 285,547 sq ft. With the increased storage space, our maximum storage capacity will increase from 161,372 MT to 311,720 MT and our machineries will be able to operate at a full capacity of 290,813 MT per year. The new facility will also enable us to consolidate our delivery operations as a "one stop centre", effectively reducing the emissions from our logistics process.

Existing headquarters, production facilities and warehouse		Proposed new facility (based on preliminary assessments with design consultants)	
Area	Size (sq ft)	Area	Size (sq ft)
Office space	10,800	Office space	59,814
Warehouse storage facilities	157,776	Warehouse storage facilities	194,173
Processing facilities	147,883	-	-
		Workers' accommodation	31,560
Total Size (sq ft)	316,459	Total Size (sq ft)	285,547

Part of advancing the sustainability of our operations is identifying and mitigating risk. Risk management has increased in prominence as the marketplace has become more global, interconnected, and scrutinised by regulators and a more demanding public and investor community.

Risk	Description	Mitigation actions
Cost of raw material	Raw material cost fluctuates as it is subject to global steel prices, driven by global economic conditions, supply and demand, and other factors affecting the steel industry supply chain.	Factoring any increase in cost based on market rates into our final selling price.
Labour shortage	A shortage in skilled labour will impact our ability to produce at optimal capacity and cause delays in production.	<ul style="list-style-type: none"> Regularly joining career fairs organised by PERKESO and Selangor Invest to attract young talent. Offering competitive remuneration to position Leform as an attractive place to work.
Working capital fundings	The industry is highly capital intensive. To ensure continuous supply of products to our customers, we need to keep sufficient inventories.	Conducting fund raising initiatives. Excluding our lease liabilities, we have secured RM313.4 million in banking facilities to meet our working capital requirements.
Disruption in our processing facilities	Our processing facilities are subject to the risks of unanticipated failures, damages and/or other circumstances.	Preparing backup machinery and equipment located at three different factories to ensure continuity in operations in the event of equipment failure or breakdown.

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Sustainability Statement (cont'd)

Sustainable Manufacturing (cont'd)

Risk	Description	Mitigation actions
The absence of long-term contracts	Relying on shorter-term contracts may result in fluctuations in the Group's financial performance and overall business performance.	<ul style="list-style-type: none"> Continuously maintaining and strengthening existing business relationships. Establishing relationships with new customers to expand our network.
Credit risks	Our trade receivables are exposed to circumstances or events which are beyond our control and/or are difficult to anticipate or detect.	<ul style="list-style-type: none"> Keeping regular contact with customers to better understand their situation. Monitoring collection on a weekly basis.
Foreign exchange fluctuations	Our overseas purchases are dominated in USD. A depreciation in MYR against USD will lead to higher costs of raw materials.	Factoring any increase in cost based on market and exchange rates into our final selling price.

Creating a Conducive Workplace

Leform's employees are amongst our most valuable assets and are the key drivers of our organisational goals. We are committed in providing a safe and conducive working environment that encourages development, recognises achievements, and facilitates communication.

The Group welcomes talented employees from diverse backgrounds as we believe that the skill, expertise, and work ethic of the employees are the key attributes that will determine their success, and ultimately, the success of the organisation.

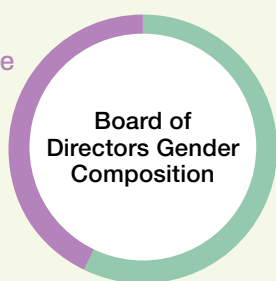
Workplace diversity

We do not discriminate based on age, race, gender, or any other factor. Our hiring and career advancement processes are based on merit, and we strive to create a working environment that provides equal opportunities.

	Male	Female
Managerial and Professional	24	10
Executive	6	6
Non-executive	175	40
Total	205	56

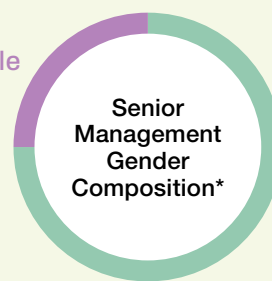
Our Board of Directors comprises seven (7) members, of which 43% are female, exceeding the national target of 30% female board representation.

43%
3 Female



57%
4 Male

25%
1 Female



75%
3 Male

* Excluding key senior management who are directors.

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Sustainability Statement (cont'd)

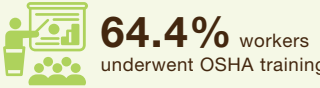
Creating a Conducive Workplace (cont'd)

Supporting the development of our people

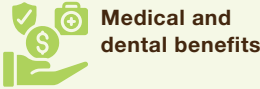
We recognise the importance of our workers to our operations and strive to provide accommodations that fulfill their needs. Our current facility houses 107 workers in 48 units of 2-storey container accommodations comprising, among other facilities to meet their needs, a guard house, an open garage, and a canteen. We have obtained Certificate for Accommodation issued by the Department of Labour for our current facilities.



The development of our employees is central to their job satisfaction and productivity. To encourage skill-building and career development, Leform allocates an annual budget for training activities that cover technical, safety and soft skills required for career development. For FY2022 64.4% of workers underwent Occupational Safety and Health Administration (“OSHA”) training.



As our employees develop their abilities and build their experience, the Group has determined clear career progression paths to ensure our employees have sufficient opportunities to achieve their career goals. To support them in their work, the Group provides adequate medical and dental benefits.



Workplace health and safety

We are fully compliant with all safety and health regulations and labour laws. The Group prioritises the safety and health of our employees and contract workers. In addition to conducting regular safety training at our facility and office premises and providing adequate safety equipment, the Group has established a Safety Committee to monitor compliance.

The role of the Safety Committee is to:

- 1 Conduct inspections and record results to identify risks and implement preventative measures
- 2 Investigate any accident, near-misses, occupational health hazards and issues, and implement mitigation measures
- 3 Establish and review/update the Safety & Health Plan
- 4 Act as a communication channel between employers and workers



Noise-induced hearing loss (NIHL) is a public health concern, and it is the foremost preventable cause of hearing loss in the workplace. In compliance with OSH (Noise Exposure) Regulations 2019, employees are sent for annual audiometric testing.

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Sustainability Statement (cont'd)

Creating a Conducive Workplace (cont'd)

► Facilitating communication

We engage our employees in our decision-making processes and provide them with adequate channels and clear processes to enable them to voice their concerns.

The Group's employees are encouraged to voice their concerns and suggestions directly to management, with no fear of bias or repercussion. We have a Whistle Blowing Policy in place to protect our employees should they wish to inform management of any incidences of bribery, corruption, or wrongdoing that goes against our policies and laws. Our employees are provided with a handbook upon induction that outlines our code of conduct and ethics.



Ensuring Compliance and Transparency

The Board of Directors of the Company is fully committed to upholding high standards of corporate governance throughout the Group's operations with the ultimate objective of safeguarding the interests of all stakeholders and enhancing shareholder's value. More information is available in the Corporate Governance Overview section on pages 49 to 62 of this report.

The Group's Anti-Bribery and Corruption Policy requires that all our employees conduct business in a legal and ethical manner and to act in good faith. The policy demonstrates our zero-tolerance approach to corruption and bribery in all forms, implied or direct, and our commitment to acting professionally, fairly and with integrity in all its business dealings and relationships wherever we operate. We are currently assessing our options to advance our efforts in this area.

In addition, the Group complies with Personal Data Protection Act (PDPA) in protecting our employees' and customers' information.

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Board of Directors' Profile

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OUR LEADERSHIP



Datuk Seri Akhil Bin Bulat is our Independent Non-Executive Chairman. He was appointed to our Board on 6 December 2021.

He graduated from University Kebangsaan Malaysia with a Diploma in Police Science in 1998. He also graduated from University Malaya with a Diploma in Strategic Studies in 1993.

He worked with the Royal Malaysia Police for 26 years, since he began his career in 1989 as Sabah Research Staff Officer. Throughout the years, he worked across various branches in the Royal Malaysia Police. In 2015, he retired from his role as Director of Special Branches of the Royal Malaysia Police.

Datuk Seri Akhil Bin Bulat has attended two (2) out of three (3) Board of Directors' Meetings held during the financial year 2022.

DATUK SERI AKHIL BIN BULAT

Independent Non-Executive Chairman

Gender / Age / Nationality

Male / 70 / Malaysian

Date of Appointment

6 December 2021

Membership of Board Committees

None

Directorship in Public Companies and Listed Corporations

Edaran Pekemas Bhd

Board of Directors' Profile (cont'd)



LAW KOK THYE

Managing Director

Gender / Age / Nationality

Male / 57 / Malaysian

Date of Appointment

17 January 2003

Membership of Board Committees

None

Directorship in Public Companies and Listed Corporations

None

Law Kok Thye is our Managing Director. He is responsible for the strategic direction and business development of our Group.

He completed his Sijil Tinggi Persekolahan Malaysia (STPM) at Sekolah Menengah Kebangsaan Mat Salleh, Sabah in 1986.

He began his career in 1986 with Product Manufacturing Sdn Bhd as Production Executive where he was involved in manufacturing of personal and household products. In 1990, he left Product Manufacturing Sdn Bhd to join Bright Steel Sdn Bhd, part of Lion Group, in the same year as a Sales Representative where he was involved in the sales and marketing of flat steel products. In 1991, he left Bright Steel Sdn Bhd to join Kanzen Kagu Sdn Bhd (currently part of FACB Group) as Sales Executive. During his tenure with Kanzen Kagu Sdn Bhd, he was responsible for sales and marketing of steel pipes. In 1993, he was promoted to Sales Manager where he was in charge of leading a team in the sale of steel pipes. In 1996, he resigned from Kanzen Kagu Sdn Bhd to join Prestar Steel Pipes Sdn Bhd as Executive Director. During his tenure with Prestar Steel Pipes Sdn Bhd, he was in charge of expanding the company's steel pipe business. He resigned from Prestar Steel Pipes Sdn Bhd in 2001.

He later acquired the equity shareholding of Leform Steel Pipes (then known as Tianwen Steel Pipes Sdn Bhd) in 2001 and equity shareholding in Leform in 2003, and assumed the position as Managing Director in both companies. Since then, he has been, and continues to be in charge of the strategic direction and business development of our Group as Managing Director of our Group.

Law Kok Thye is currently on the Board of Directors for Tianwen Holdings.

Law Kok Thye has attended all three (3) Board of Directors' Meetings held during the financial year 2022.

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OUR LEADERSHIP

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Board of Directors' Profile (cont'd)

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OUR LEADERSHIP



PHANG YEW CHEONG @ PHANG YEW CHOONG

Non-Independent Executive Director

Gender / Age / Nationality	Male / 64 / Malaysian
Date of Appointment	6 December 2021
Membership of Board Committees	None
Directorship in Public Companies and Listed Corporations	None

Phang Yew Cheong is our Non-Independent Executive Director and our Group Adviser. He is in charge of all matters pertaining to corporate finance and legal, as well as overseeing our production and quality management system. He was appointed to our Board on 6 December 2021.

He graduated from the Institute of Chartered Secretaries and Administrators (“ICSA”), London and the Institute of Chartered Management Accountant in 1982 and 1983, respectively. In 1989, he obtained his Bachelors of Laws from the University of London, United Kingdom. In 1990, he received his Certificate of Legal Practice (“CLP”). In 1991, he was called to the Malaysian Bar.

He began his career in 1980 with Fraser and Neave Malaysia Sdn Bhd as an Internal Auditor where he was responsible for the internal auditing of Fraser and Neave Malaysia Sdn Bhd and its group of companies. In 1982, he was seconded to Malayan Breweries Ltd (a subsidiary of F&N Ltd) and promoted as Management Accountant. During his tenure there, he was in charge of the cost operation, management information system development and treasury functions of the company. In 1984, he left Malayan Breweries Ltd to join Lim Boon Wan & Son Sdn Bhd in the same year as Financial Controller where he was in charge of handling the company’s corporate finances. In 1987, he was promoted to General Manager where he was responsible for the general management and business development of the company. In 1990, he took a sabbatical leave to undertake his pupillage under Shinmun & Associates Chambers where he was called to the Malaysian Bar in 1991. In 1991, he left Shinmun & Associates to resume his career with Lim Boon Wan & Son Sdn Bhd.

In 1995, he left Lim Boon Wan & Son Sdn Bhd to join Khaw & Hussein (now known as Khaw & Partners) as Senior Associate. During his tenure there, he practised in the area of corporate law. He resigned from Khaw & Hussein in 1997. Following his resignation, he took a break from his career. He resumed his career in 2001, with Kanzen Kagu Sdn Bhd as General Manager. During his tenure there, he was in charge of the general management and the restructuring of operations of the company. In 2004, he left Kanzen Kagu Sdn Bhd to join Prestar Precision Tube Sdn Bhd as General Manager where he was involved in the general management of the company as well as leading the business development of the company in the automotive market. In 2008, he resigned from Prestar Precision Tube Sdn Bhd to take a career break. In the same year, he assumed his current position in our Group as the Group Adviser where he is responsible for all matters pertaining to corporate finance and legal, as well as overseeing production and quality management system.

Phang Yew Cheong @ Phang Yew Choong has attended all three (3) Board of Directors’ Meetings held during the financial year 2022.

Board of Directors' Profile (cont'd)



Esmariza Binti Ismail is our Non-Independent Executive Director and our Group's Human Resource Manager. She is responsible for handling our Group's administrative and human resource related activities. She was appointed to our Board on 6 December 2021.

She graduated from Universiti Teknologi MARA with a Bachelor of Accountancy in 1999.

Upon graduation, she began her career with Fast Airfreight Forwarding (M) Sdn Bhd in 1998 as Account Assistant cum Customer Service Coordinator. During her tenure there, she was in charge of assisting the Account Executive with accounting related matters, and the Admin Manager in preparing documentation to customs, MITI and MIDA. In 2002, she resigned from Fast Airfreight Forwarding (M) Sdn Bhd to join our Group as Account Assistant, where she was involved in accounting and admin related matters. In 2008, she was promoted to Human Resource Manager, where she was in charge of admin and human resources related matters. In 2019, she was transferred to LF Engineering to assume the role of Human Resource Manager. In 2020, she was also appointed as Human Resource Manager for Leform Steel Pipes.

Esmariza Binti Ismail has attended all three (3) Board of Directors' Meetings held during the financial year 2022.

ESMARIZA BINTI ISMAIL

Non-Independent Executive Director

Gender / Age / Nationality

Female / 48 / Malaysian

Date of Appointment

6 December 2021

Membership of Board Committees

None

Directorship in Public Companies and Listed Corporations

None

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Board of Directors' Profile (cont'd)

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OUR LEADERSHIP



CHUA LENG LEEK

Independent Non-Executive Director

Gender / Age / Nationality
 Female / 43 / Malaysian

Date of Appointment
 6 December 2021

Membership of Board Committees

- Chairman of Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee

Directorship in Public Companies and Listed Corporations
 None

Chua Leng Leek is our Independent Non-Executive Director. She was appointed to our Board on 6 December 2021.

She graduated from Tunku Abdul Rahman University College with an Advanced Diploma in Commerce Financial Accounting in 2002. She was admitted as a Chartered Accountant of the Malaysian Institute of Accountants in 2009. She has also been a professional member of the Institute of Internal Auditors Malaysia since 2015.

She began her career in 2002, with MM Consultant as Accounts Assistant where she was involved in the preparation of accounts. In 2003, she left MM Consultant to complete her ACCA accreditation. In 2004, she continued her career with KHM Corporate Service Sdn Bhd as Accounts, Audit and Tax Assistant where she was involved in the preparation of accounts, audit working papers and tax working papers. In 2005, she left KHM Corporate Service Sdn Bhd to join Audex Governance Sdn Bhd in the same year as Internal Auditor where she handled the internal audits of various industries. In 2008, she left Audex Governance Sdn Bhd to join Sanki Kigyo Sdn Bhd as Assistant Financial Controller. During her tenure, she was responsible for preparation of accounts, analysing financial information and budgeting for the company. In 2009, she left Sanki Kigyo Sdn Bhd to start her own firm known as Boon Consulting and assumed her role as Director in 2010. However, in 2011 she left the firm and continued her career with Décor Trend Industries Sdn Bhd in the same year as Group Finance Manager. During her tenure there, she was in charge of handling the finance, human resources, marketing and administrative functions for its group of companies. In 2015, she resigned from Décor Trend Industries Sdn Bhd to assume her current position as Director of Pro Affluence Management (M) Sdn Bhd in the same year.

Chua Leng Leek has attended two (2) out of three (3) Board of Directors' Meetings held during the financial year 2022.

Board of Directors' Profile (cont'd)



LAI CHIN YANG

Independent Non-Executive Director

Gender / Age / Nationality

Male / 70 / Malaysian

Date of Appointment

6 December 2021

Membership of Board Committees

- Chairman of Nomination Committee
- Member of Remuneration Committee
- Member of Audit and Risk Management Committee

Directorship in Public Companies and Listed Corporations

None

Lai Chin Yang is our Independent Non-Executive Director. He was appointed to our Board on 6 December 2021.

Lai Chin Yang graduated from University of Malaya with a Bachelor of Science majoring in Physics in 1977. He also obtained his Chartered Diploma in Marketing from Chartered Institute of Marketing, United Kingdom in 1992.

His initial work experience was in sales when he began working as a sales executive in 1978 at Associated Steel Industries (M) Sdn Bhd, a manufacturer of galvanized steel roofing sheets.

In 1980, he left Associated Steel Industries (M) Sdn Bhd to join the steel division of Hume Industries Berhad, a manufacturer of cement lined steel pipes. In 1982, he resigned from Hume Industries Berhad and assumed the position of Sales Manager at Wing Tiek Hardware Sdn Bhd, a stockist of steel engineering and construction materials.

In 1985, he left Wing Tiek Sdn Bhd to join a foundation contractor, Franki Piling Sdn Bhd as a Contracts Manager. In 1988, he resigned from Franki Piling Sdn Bhd to join PC Holdings Group as General Manager. In 1991, he resigned from his position in PC Holdings Group to join the Steel Division of the Lion Group as Marketing Manager. In 2017, he retired as the Marketing Director of the Steel Division of the Lion Group. During his tenure as the Marketing Director, he was responsible for the sales and marketing of long and flat steel products manufactured by the Lion Group's respective steel mills.

In the course of his employment with the Lion Group for more than 26 years, he had assumed management responsibilities and directorships in various companies under the Steel Division, notably in Bright Steel Sdn Bhd, Bright Steel Service Centre Sdn Bhd, Bright Enterprise Sdn Bhd, Lion Plate Mills Sdn Bhd, Lion Tooling Sdn Bhd, Amsteel Mills Bhd and Megasteel Sdn Bhd.

Lai Chin Yang has attended all three (3) Board of Directors' Meetings held during the financial year 2022.

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Board of Directors' Profile (cont'd)

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OUR LEADERSHIP



LEE WEE LENG

Independent Non-Executive Director

Gender / Age / Nationality	Female / 42 / Malaysian
Date of Appointment	21 February 2022
Membership of Board Committees	<ul style="list-style-type: none"> - Chairman of Remuneration Committee - Member of Audit and Risk Management Committee - Member of Nomination Committee
Directorship in Public Companies and Listed Corporations	None

Lee Wee Leng is our Independent Non-Executive Director. She was appointed to the Board on 21 February 2022.

She graduated from University of Technology Sydney, Australia with a Bachelor of Business in 2003. In 2005, she became a member of CPA Australia. She is also a member of the Malaysian Institute of Accountants since 2009.

She began her career in 2004 with Yeng & Co. as an Audit Associate and was subsequently promoted to Audit Senior in 2006. During her tenure there, she was responsible for preparing audit reports for companies involved in the manufacturing and trading industries. In 2006, she resigned from Yeng & Co. to join Deloitte & Touche as an Audit Associate. She was promoted to Senior Audit in 2007, to Audit Assistant Manager in 2008, and Audit Manager in 2010. During her tenure in Deloitte & Touche, she audited various private and public listed companies involved in the manufacturing, trading, financial services as well as property development industries. In 2012, she resigned from Deloitte & Touche to join Barry Callebaut Malaysia Sdn Bhd as Senior Accountant. Her role in Barry Callebaut Malaysia Sdn Bhd involved the preparation of the financial statements and statutory reports for the company. She resigned from Barry Callebaut Malaysia Sdn Bhd in 2013.

In 2013, she joined F&N Beverages Marketing Sdn Bhd, a subsidiary of Fraser & Neave Holdings Berhad as Financial Reporting Manager, where she was in charge of financial planning and analysis for the company's beverage division. She was later transferred to another subsidiary of Fraser & Neave Holdings Berhad, namely Fraser & Neave (Malaya) Sdn Bhd in 2015, and was promoted to Group Management Accountant where she was responsible for reviewing the group's financial statements and overseeing the financial planning and analysis to assess the group's financial performance, brand profitability, forecasting and budgeting. In 2016, she resigned from Fraser & Neave (Malaya) Sdn Bhd.

She joined AEON Big (M) Sdn Bhd as General Manager, Accounting in 2017, where she was in charge of preparation of financial statements and statutory reports. In 2020, she was transferred to AEON Co. (M) Bhd as Head of Business Services, where she was involved in preparation of financial statements and statutory reports for submission to Bursa Securities. In June 2021, she was transferred to the Business Finance division of AEON Co. (M) Bhd and assumed the role of Head of Business Finance, where she was responsible for providing business insights, and analysing the business performance of the group.

In December 2021, she resigned from AEON Co. (M) Bhd and assumed her present position in Luxasia (M) Sdn Bhd as Country Finance Head in January 2022. She is responsible for overseeing the finance related functions of the company.

Lee Wee Leng has attended all three (3) Board of Directors' Meetings held during the financial year 2022.

Additional Information for Board of Directors' Profile :

Conflict of Interest
None of the Directors have any conflict of interest with the Company.

Family Relationship with any Director and/or Major Shareholder of the Company
None of the Directors have any family relationship with any of the Directors and/or Major Shareholders of the Company.

Conviction of Offence
None of the Directors have been convicted of any offence within the past 5 years other than traffic offences, if any nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

Key Senior Management's Profile



HONG KA HOCK

General Manager

Gender / Age / Nationality

Male / 59 / Malaysian

Date of Appointment

2007

Hong Ka Hock is our General Manager. He is responsible for our Group's project development, monitoring, managing the setting-up of machineries, factory planning and related matters.

He graduated from Sekolah Menengah Kebangsaan Dato' Syed Omar, Kedah with a Sijil Tinggi Persekolahan Malaysia (STPM) certificate in 1984.

He began his career in 1988 with Matsushita Refrigeration Industries (S) Pte Ltd as Quality Assurance Technician, and was later promoted to Quality Assurance Supervisor later in the same year. During his tenure there, he was involved in overseeing the quality assurance procedures for refrigeration products. In 1989, he resigned from Matsushita Refrigeration Industries (S) Pte Ltd to join Bright Steel Sdn Bhd as Production Executive where he was involved in the production process control as well as planning and scheduling for the company's production of steel. In 1996, he resigned from Bright Steel Sdn Bhd to join Prestar Storage System Sdn Bhd in 1997 as Plant Manager. During his tenure there, he was in charge of monitoring and controlling production activities, planning and scheduling local and overseas orders as well as monitoring shipments of products. In 2007, he resigned from Prestar Storage System Sdn Bhd. He then joined Deluxe Forum Sdn Bhd in 2007 as Group General Manager. During his tenure there, he was responsible for the sales and production activities for Deluxe Forum Sdn Bhd and its group of companies.

In the same year, he resigned from Deluxe Forum Sdn Bhd to join Leform as General Manager where he was responsible for our Group's project development, monitoring, managing the setting-up of machineries, factory planning and related matters.

Hong Ka Hock does not have any family relationship with any of our Directors and/or major shareholders.



NG TIONG LIM

Chief Financial Officer

Gender / Age / Nationality

Male / 39 / Malaysian

Ng Tiong Lim is our Chief Financial Officer. He is in charge of handling all accounting and finance related matters for our Group.

He graduated from Sunway University College in 2005 with an Association of Chartered Certified Accountants certificate.

He began his career in 2006 with Deloitte Kassim Chan & Co as Staff Assistant where he was responsible for carrying out statutory audits and taxation for clients. In 2007, he was promoted to Staff Assistant II where he was in charge of conducting statutory audit and taxation for clients. In 2008, he left Deloitte Kassim Chan & Co to join Malayan Flour Mills Berhad as Internal Audit Executive where he was in charge of conducting audit processes for Malayan Flour Mills Berhad and its group of companies. In 2010, he was promoted to Assistant Accountant where he was responsible for performing consolidation of accounts and reporting to Bursa Securities. In 2012, he left Malayan Flour Mills Berhad and took a short career break.

In 2013, he resumed his career with Schlumberger (M) Sdn Bhd as Statutory Accountant. During his tenure there, he handled the tax matters for oil and gas companies located in France and Algeria. In 2014, he left Schlumberger (M) Sdn Bhd to join Pestech International Berhad in the same year as Associate Manager

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OUR LEADERSHIP

Key Senior Management's Profile (cont'd)

Date of Appointment
July 2021

where he was responsible for performing consolidation of accounts and preparing financial reports in compliance with the requirements set out by Bursa Securities. In 2016, he resigned from Pestech International Berhad to join APM Automotive Holdings Berhad as Finance Manager. During his tenure there, he was in charge of performing consolidation of accounts and preparing financial reports in compliance with the requirements set out by Bursa Securities for the group. In 2018, he was promoted to Senior Finance Manager where he was assisting the company's Chief Financial Officer to review consolidation of accounts, budgeting and management of accounts of the company's subsidiaries located in international markets.

In June 2021, he resigned from APM Automotive Holdings Berhad to assume his current position as Chief Financial Officer of our Group from July 2021 where he is responsible for handling all accounting and finance related matters of our Group. Prior to July 2021, our Senior Accounts Manager, Surian A/L Krishnan and Non-Independent Executive Director and Group Adviser, Phang Yew Cheong @ Phang Yew Choong oversaw all accounting and finance related matters of our Group.

Ng Tiong Lim does not have any family relationship with any of our Directors and/or major shareholders.

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LEE LI WAH

Plant Manager

Gender / Age / Nationality
Female / 43 / Malaysian

Date of Appointment
2014

Lee Li Wah is our Group's Plant Manager. She is in charge of overseeing the overall production, planning, quality assurance and quality control processes, quality management system as well as product development activities.

She graduated from Universiti Kebangsaan Malaysia with a Bachelor's Degree in Applied Physics in 2004.

She began her career in 2004, with Wenhup Engineering Sdn Bhd as Project Engineer. During her tenure there, she was responsible for planning, budgeting, overseeing all technical points of contact for projects as well as the implementation of ISO 9001. In 2006, she left Wenhup Engineering Sdn Bhd to join Sena Diecasting Industries Sdn Bhd as Product Development Engineer, where she was in charge of managing designs, prototyping, testing, scheduling product development plans, as well as acting as a technical expert in products and processes. In 2007, she resigned from Sena Diecasting Industries Sdn Bhd. In 2007, she joined Prestar Precision Tube Sdn Bhd as Production Executive. During her tenure there, she was in charge of the company's pipe manufacturing operation. In 2008, she left Prestar Precision Tube Sdn Bhd.

In 2008, she joined LF Metal as Production Executive where she assisted in the setting-up of pipe mills used for the manufacturing of steel pipes used in the automotive industry. In 2012, she was assigned as a Personal Assistant (Sales and Planning) to the Managing Director in Leform. During her tenure, she was responsible for assisting the Managing Director in managing, controlling and monitoring the sales and planning activities of Leform.

In 2014, she was promoted to her current position in Leform as Plant Manager where she oversees the overall production, planning, quality assurance and quality control, as well as new product development.

Lee Li Wah does not have any family relationship with any of our Directors and/or major shareholders.

Key Senior Management's Profile (cont'd)



SURIAN A/L KRISHNAN

Senior Accounts Manager

Gender / Age / Nationality

Male / 51 / Malaysian

Date of Appointment

2016

Surian A/L Krishnan is our Senior Accounts Manager. He is responsible for supporting our CFO in the preparation of financial statements.

He graduated from Systemic College in 1992 with a London Chamber of Commerce Industry (LCCI) Higher in Accounting. In 2001, he completed the Professional Banking and Finance Course from the Institute of Banker Malaysia. He is an affiliate with the Chartered Institute of Management (CIMA) since 2002. He is also an associate member of the Institute of Banker Malaysia (presently known as the Asian Institute of Chartered Bankers).

He began his career in 1992 with JS Noronha & Co as an Audit Junior where he was responsible for assisting the Audit Manager in the field audit. In 1993, he resigned from JS Noronha & Co to join Standard Chartered Bank (Malaysia) Berhad as Senior Tax Assistant. During his tenure there, he performed tax related reporting functions while reporting to the Group Area Tax Controller. He left Standard Chartered Bank (Malaysia) Berhad in 2000. In 2001, he joined Gas Malaysia Berhad as Assistant Accountant where he was in charge of performing accounting and tax related functions for Gas Malaysia Berhad and its group of companies. In 2002, he resigned from Gas Malaysia Berhad to join Amalgamated Industrial Steel Berhad as Accountant where he was in charge of managing accounting reporting functions of the Group. In 2012, he left Amalgamated Industrial Steel Berhad.

In 2012, he joined Leform as Corporate Finance Manager where he was in charge of corporate matters related to banking facilities of our Group. In 2016, he was promoted to his current position in Leform as Senior Accounts Manager. He was in charge of accounting and finance matters prior to the appointment of Ng Tiong Lim as the Chief Finance Officer of our Group.

Surian A/L Krishnan does not have any family relationship with any of our Directors and/or major shareholders.

Additional Information for Key Senior Management's Profile:

Conflict of Interest

None of the Key Senior Management have any conflict of interest with the Company.

Directorship in Public Companies and Listed Corporations

None of the Key Senior Management have any directorships in public companies and/or listed corporations.

Conviction of Offence

None of the Key Senior Management have been convicted of any offence within the past 5 years other than traffic offences, if any.

None of the Key Senior Management were penalised or sanctioned by any regulatory bodies during the financial year.

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OUR LEADERSHIP

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Value Creation Strategic Review

Our Value Creation Story

Leform’s integrated approach to value creation is shaped by our vision of sustainable value for our stakeholders, guided by the Environmental, Social and Governance (ESG) factors and referenced to the United Nations Sustainable Development Goals (UNSDGs).

To prioritise our business strategies, we use a systematic yet flexible approach. We begin by considering trends in the broader market environment, cross-analysing them with our stakeholders’ needs, material matters and risks and opportunities. This enables us to identify areas for improvement which we then use to guide the formulation of business strategies.

Taking into consideration our capital resources, we have crafted business strategies that meet the immediate needs of our business while supporting long-term development and growth. These strategies are implemented through established business processes.

For more details on how sustainability has been integrated within our business processes and internal structures, kindly refer to the Sustainability Statement on page 26 of this report.

Our Group Business Model

PRINCIPAL ACTIVITY	MANUFACTURING		TRADING
PRODUCTS	Steel pipes and guardrails	Flat steel products (slitted steel coil and sheets)	Various steel products (including slitted steel coils and sheets)
CUSTOMER SEGMENTS	<ul style="list-style-type: none"> • Building material or steel trading companies • End-customers (Manufacturers and contractors) 		
MANUFACTURING PROCESS	Electric Resistance Welded	Steel slitting and shearing	-

Our Business Strengths

Our Business Model enables the development of our business strengths, which are:



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Value Creation Strategic Review (cont'd)

Our Value Creation Model



VALUE CREATION STRATEGIC REVIEW

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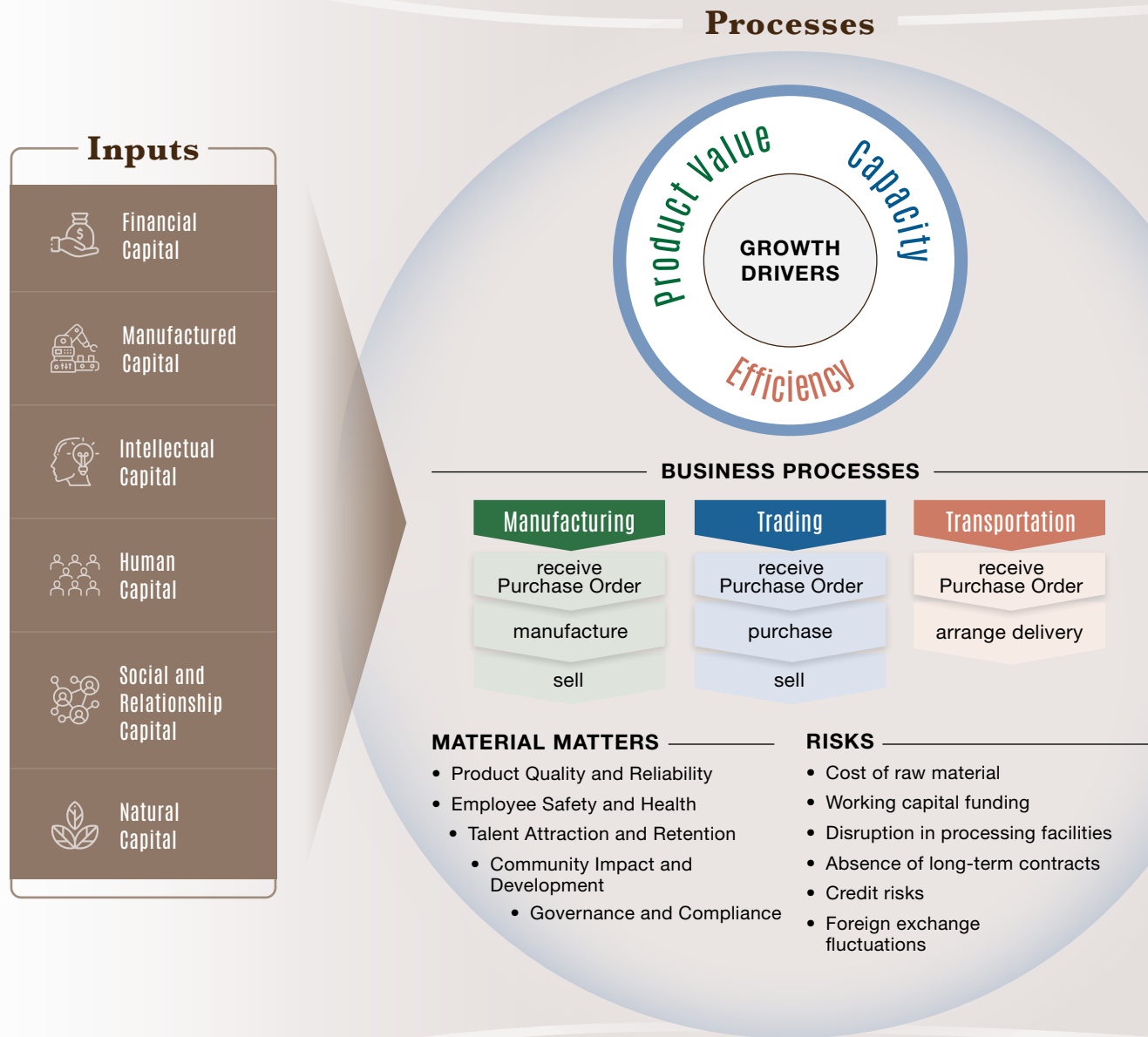
Value Creation

Strategic Review (cont'd)

Our Value Creation Business Model

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VALUE CREATION STRATEGIC REVIEW



Value Creation

Strategic Review (cont'd)

Outputs

FINANCIAL CAPITAL

- Proceeds from IPO: **RM71.5** million
- Revenue: **RM373.44** million
- Net loss: **RM7.28** million
- Loss per share (sen): **0.61**
- Special dividend (sen): **0.9** per ordinary share

MANUFACTURED CAPITAL

- Construction of new headquarters, accommodations and storage facility
- Acquisition of land

INTELLECTUAL CAPITAL

- **ISO 9001: 2015** certification
- Compliance with Japanese Industrial Standards (JIS)

HUMAN CAPITAL

- **64.4%** of workers underwent OSHA training
- Comprehensive training for all staff based on roles
- **160** total training hours
- **RM12.6** million in total remuneration for employees and senior management

SOCIAL AND RELATIONSHIP CAPITAL

- **34.5%** locally sourced materials
- Construction of accommodation for workers
- Income tax total of **RM13.56** million for cumulative year

NATURAL CAPITAL

- All scrap steel is collected by licensed recyclers
- All water used in production is recycled – zero discharge of wastewater

Outcomes

CUSTOMERS

- Strong relationships to meet their requirements
- Expansion of our customer base leveraging our good reputation

INVESTORS/SHAREHOLDERS

- Building relationships with our shareholders
- Creating long term value

SUPPLIERS AND VENDORS

- Growing our supply chain to include more local suppliers
- Building trust for long term relationships

GOVERNMENT AND REGULATORS

- Continued contribution to the economy
- Support of policies
- Strong corporate governance

SENIOR MANAGEMENT

- Meeting strategic goals
- Continuous process improvement
- Producing quality products

EMPLOYEES

- Providing a safe and conducive working environment that meets standards
- Ensuring their needs are met by providing accommodation
- Attracting and retaining talent

LOCAL COMMUNITIES

- Sustained employment
- Ensuring no waste is disposed by recycling water and scrap

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VALUE CREATION
STRATEGIC REVIEW

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Value Creation

Strategic Review (cont'd)

Growth Drivers

Based on Leform's experience in manufacturing and trading of steel products, we have identified **three** factors that impact our organisational goals and value creation.

Product Value

Aim: Enhancing the value of our products for our customers

- Continual monitoring of consumer and market trends to drive product innovation
- Rigorous product testing methodologies
- Continued process innovation to develop value added and sustainable products

Capacity

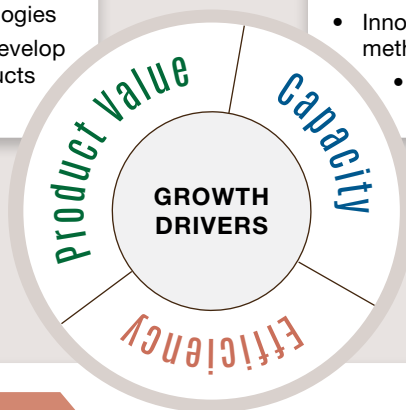
Aim: Increasing capacity and sales volume

- Strategic investments in equipment and facilities
- Enhancing technology
- Innovative and advanced production methods
- Increasing storage capacity to enable fulfilment of urgent orders

Efficiency

Aim: Improving production capacity and reducing redundancies in our processes

- Efficient factory layouts and effective production planning
- Standardisation and streamlining of processes for increased efficiency
- Sustainable production and construction methods that reduce waste and raw material usage, improve occupational safety and health standards, and enhance energy efficiency



Stakeholder Engagement

Stakeholder engagement is an essential component of the value creation process. This process entails identifying, mapping and prioritising stakeholders to determine the best method of engagement.

Through regular and constructive engagements with stakeholders, we develop a deeper understanding of their needs, enabling us to develop sustainable business strategies that create shared value. In addition, we can mitigate potential risks and conflicts with stakeholders that can have a negative impact on our business.

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Value Creation

Strategic Review (cont'd)

Stakeholder Engagement (cont'd)

STAKEHOLDER	WHY WE ENGAGE THEM	HOW WE ENGAGE THEM	HOW WE ADDRESS THEIR EXPECTATION
Customers	The customer is our primary focus for our business segments. Their satisfaction is a key driver for the sustainable growth of our organisation. By understanding their needs, in the context of current market trends and other external factors, we can offer products with greater value.	<p>Feedback channels</p> <p>Regular meetings between customers and sales and/or technical personnel</p>	<ul style="list-style-type: none"> Raising their feedback to management for consideration and potential implementation.
Investors/ shareholders	Our investors and shareholders are central to our capital base.	<p>Analyst briefings</p> <p>Annual/ Extraordinary General Meetings</p> <p>Road shows</p> <p>Bursa Malaysia announcements</p> <p>Media</p>	<ul style="list-style-type: none"> Adopting integrated reporting for communication of our company goals, strategic direction, sustainability efforts and governance policies, with a focus on long-term value creation Engaging an Investor Relations team to manage communications
Suppliers and Vendors	Our suppliers and vendors are essential to the continuity of our operations for sourcing of materials, services etc.	<p>Regular supplier and vendor meetings</p> <p>Site visits</p>	<ul style="list-style-type: none"> Regular meetings with suppliers enable effective production planning and cost efficiency Periodic reviews ensure timely delivery and better quality
Government and regulatory authorities	Engaging with governmental and regulatory authorities helps us to drive compliance and formulate strategies that serve our business objectives.	<p>Meetings and consultations</p> <p>Site visits and audits</p>	<ul style="list-style-type: none"> Consistently staying abreast of legal and regulatory changes through an internal team and the engagement of external advisors Contributing to the Malaysian economy through taxes and employer contributions

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VALUE CREATION STRATEGIC REVIEW

Value Creation

Strategic Review (cont'd)

Stakeholder Engagement (cont'd)

STAKEHOLDER	WHY WE ENGAGE THEM	HOW WE ENGAGE THEM	HOW WE ADDRESS THEIR EXPECTATION
Senior Management	Our Senior Management team are the key decision makers, determining the organisation's goals and formulating strategies	Regular meetings with management teams of our segments Periodic reports on performance, KPIs etc	<ul style="list-style-type: none"> Aligning the Group's performance with the overall strategies and goals of the organisation
Employee	To create a conducive working environment that reduces turnover, increases productivity, builds better work and customer relationships, and contributes positively to profit generation.	Memos, meetings, announcements, messaging groups	<ul style="list-style-type: none"> Providing a safe and conducive work environment that supports their development
Local Communities	The community surrounding our manufacturing facilities are directly impacted through employment by the Group.	Members of the communities can contact the Group directly via phone or email	<ul style="list-style-type: none"> Enhancing our understanding of their needs Improving our sustainability initiatives Engaging their input on business matters involving the surrounding and environment

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VALUE CREATION STRATEGIC REVIEW