

### 3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

#### 3.1 PRINCIPAL DETAILS OF THE IPO

##### 3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 923,500,000 IPO Shares (comprising up to 250,000,000 Offer Shares and 673,500,000 Issue Shares), representing approximately up to 26.0% of our enlarged issued share capital, subject to the clawback and reallocation provisions, at the Institutional Price to the following persons:

- (i) Malaysian institutional and selected investors; and
- (ii) foreign institutional and selected investors outside the United States in reliance on Regulation S.

##### 3.1.2 Retail Offering

The Retail Offering involves the offering of 76,500,000 Issue Shares (representing approximately 2.2% of our enlarged issued share capital) at the IPO Price, payable in full on application, which will be allocated in the following manner:

###### (i) Malaysian Public (via balloting)

71,000,000 Issue Shares (representing approximately 2.0% of our enlarged issued share capital) to be allocated via balloting, will be made available for application by the Malaysian Public, of which at least 50.0% will be reserved for subscription by the Bumiputera investors.

###### (ii) Eligible Persons

5,500,000 Issue Shares (representing approximately 0.2% of our enlarged issued share capital) will be reserved for application by the Eligible Persons.

##### 3.1.3 Moratorium on our Shares

In accordance with Paragraph 5.29(b) of the Equity Guidelines, our Promoters and our Substantial Shareholders whose securities are subject to moratorium have undertaken not to sell, transfer or assign any of their aggregate shareholdings of 2,550,000,000 Shares, which represents approximately 71.8% of the enlarged total number of Shares as at the date of our Listing (assuming the Over-allotment Option is not exercised). The moratorium will commence from the date of our Listing and it will be lifted immediately at the end of six months after the date of our Listing as our Utility-Scale assets have generated one full financial year of audited operating revenue ("**Moratorium Period**").

Our Public Issue and the Offer for Sale will raise gross proceeds of RM[●] million and RM[●] million respectively.

Please refer to Sections 2.2.1 and 4.3 of this Prospectus for further information relating to our IPO and the moratorium on our Shares.

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#### 3.2 BUSINESS MODEL

Leader Energy was incorporated in Malaysia under the Act on 23 June 2021 as a private company limited by shares under the name Leader Energy Holding Sdn Bhd. Leader Energy was incorporated as an investment holding company to facilitate our Listing. On 1 March 2023, Leader Energy was converted into a public limited company and assumed our present name of Leader Energy Holding Berhad (Registration No.: 202101022179 (1422479-U)).

Leader Energy is principally an investment holding company. Leader Energy together with its subsidiaries and jointly controlled entities, is an IPP that is primarily engaged in the development, ownership, O&M of power assets and projects. As at the LPD, we have 51 subsidiaries and three jointly controlled entities. The following is an overview of our business models and the corresponding power assets owned by us and their sources of energy.

Leader Energy Group					
Categories	Utility-Scale Business			C&I Solar Business	
Principal business activities	Developing, owning and operating power generation assets	Power transmission	Developing, owning and operating power generation assets	Rental and O&M services	EPC services
Business models	Build, own and operate: (i) power generation plants; and (ii) solar PV power plants and projects.  Revenue is derived from sale of capacity and electricity generated from the power generation assets.	Build, operate and transfer power transmission assets.  Revenue is derived from making available the assets for transmission of electricity.	Build, own and operate ground and rooftop solar PV power plants and projects.  Revenue is derived from sale of electricity generated from the power generation assets.	Build and own power generation assets and rent to C&I Customers.  Revenue is derived from renting of power generation assets coupled with O&M services rendered.	Build and transfer power generation assets to C&I Customers.  Revenue is derived from EPC services rendered.
Type of energy	Non-RE	RE			
Source of energy	Coal	Solar	Hydro	Solar	
Current market presence	Cambodia	Malaysia and Vietnam	Vietnam	Cambodia	Malaysia, Vietnam, Singapore, Indonesia, Thailand and Taiwan
Power assets	CEL Plant, CEL II Plant	LSE Plant, LSE II Plant, Vinh Hao 6 Plant, Phu My Plants	LNTH Plants	CTL Transmission Line Asset, CTL II Transmission Line Asset	C&I Solar Projects
Customers	Government agencies			Government agencies	C&I Customers

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We principally operate in Cambodia, Malaysia and Vietnam. Our operation in these countries in aggregate generated 100.0%, 99.0% and 96.6% of our revenue for FYE 2020, FYE 2021 and FYE 2022, respectively. We also operate in Singapore, Indonesia and Thailand as well as undertake various solar projects in Taiwan. We aim to further expand our presence in these existing markets.

Please refer to Sections 6 and 7 of this Prospectus for further information on our history, group structure and business, our subsidiaries and jointly controlled entities.

#### 3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

**(i) Our proven track record, diverse portfolio of power assets and projects as well as extensive geographic presence provide us with a competitive edge in undertaking new RE projects**

We have a track record of about 29 years in the power industry, which dates back to early 1994 when Leader Universal Holdings Group, a predecessor of our Group, was awarded a concession to a diesel-fired power plant with a GIC of 37.1MW in Phnom Penh, Cambodia. Over the years, we have expanded our portfolio of power assets and projects primarily through government concessions and acquisitions. Up to the LPD, we have been awarded government concessions of two coal-fired power plants and one power transmission system in Cambodia, and two solar PV power plants in Malaysia, and we have acquired five small hydropower plants and four solar PV power plants in Vietnam, and one power transmission system in Cambodia. In addition, we have acquired companies that own a variety of C&I Solar Projects and continued to develop new C&I Solar Projects after the acquisitions. The total GIC of power generation assets owned by our Group and our jointly controlled entities increased by 112.3% from 31 December 2020 up to the LPD.

Our development history and current operation of such a diverse portfolio of power assets and projects, together with the steady increase of our revenue, have demonstrated and further improved our ability to identify, develop, acquire and operate viable projects.

**(ii) We are able to leverage on our established presence and experience in undertaking various power projects along with our customer relations in Southeast Asia and Taiwan to undertake new RE projects as we continue to expand our portfolio and deepen our presence in these countries**

We are one of the leading power companies in Cambodia according to the IMR Report. We also have a presence in various Southeast Asian countries and Taiwan, with competitive advantage in some of them.

- (a) We are one of the pioneer IPPs in Cambodia, and we had a market share by GIC of 9.0% and thus ranked the fifth in Cambodia's power generation industry in 2021.
- (b) Our market share by GIC in Vietnam's power generation industry was estimated to be 0.4% in 2020 for assets that we have equity participation, according to the IMR Report. Our acquisition of a 49.0% equity interest in the Phu My Plants in December 2021 and our acquisition of the Vinh Hao 6 Plant in April 2023 would further strengthen our market position in Vietnam.
- (c) Our market share in Malaysia's power generation industry by GIC of the LSE Plant and LSE II Plant was estimated to be 0.2% in 2020 according to the IMR Report.

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(d) We established our presence in Singapore, Indonesia, Thailand and Taiwan primarily through the C&I Solar Projects, and are also developing multiple Utility-Scale projects in Taiwan.

- (iii) **Our Utility-Scale Business, which contributed more than 95.0% of our revenue during the Period Under Review, is backed by long-term concession agreements signed with government-owned or government-linked utility companies and provides predictable and stable cash flows for our operations and ability to undertake new financing for new RE projects**

Our operating power assets in the Utility-Scale Business benefit from long-term concession agreements that range from 20 to 30 years. For our current operating power assets in Malaysia, Cambodia, and Vietnam, the expiry dates of the PPAs and PTA range from 2027 to 2050. Backed by the long-term concession agreements with government-owned or government-linked utility companies, our Utility-Scale Business provides predictable and stable cash flows for our operations and also supports our expansion in undertaking new RE power assets and projects.

- (iv) **We have an experienced and skilled team of senior management and key employees, supported by seasoned shareholders**

Our senior management members and key employees have a wealth of experience in the power industry and skills in their respective roles.

Please refer to Section 7.4 of this Prospectus for further information on our competitive strengths.

### 3.4 FUTURE PLANS AND BUSINESS STRATEGIES

Our business strategies and future plans are as follows:

- (i) **Pursue our long-term climate goal of net-zero GHG emissions by 2050 in support of climate goals set under the Paris Agreement**

We are pursuing our long-term climate goal of net-zero GHG emissions by 2050 in support of the climate goals set under the Paris Agreement, i.e., to limit global warming to below 2°C and preferably below 1.5°C, compared to pre-industrial levels. To achieve this goal, we have identified a two-pronged approach, i.e. (a) we plan to reduce our GHG emissions via our emission reduction strategies primarily through the retirement of our two coal-fired power plants following the expiry of their PPAs in 2043 (for the CEL Plant) and 2050 (for the CEL II Plant), and (b) increase our contribution to avoided emissions primarily through the continuous expansion of our portfolio of RE power assets.

We also established our sustainability management process to perform sustainability assessment, set sustainability policies, measure and monitor relevant performance and facilitate the implementation of sustainability strategies and plans.

- (ii) **Focus on profitable and sustainable RE projects and acquire projects with proven track records or potential for profitability through competitive bidding of brownfield and/or greenfield projects that meet our investment criteria**

We will expand our portfolio of RE power assets and projects through competitive bidding for concessions and acquisitions, and we will focus on profitable and sustainable RE projects, both brownfield and greenfield, with proven track records or potential for profitability that meet our investment criteria with the focus on the Southeast Asian countries and Taiwan.

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(iii) **Implement our operational excellence plan with focus on people, processes and technologies and optimise our costs to support our business growth**

We are in a business that requires strong technical competency and operational capabilities. To grow through acquisitions and new concessions and manage our expansion, we will keep investing in our people, processes and technology. We also continue to look for ways to improve our cost structures by optimising our capital structure and funding cost and implementing the shared services for business support functions such as finance and accounting, procurement, human resource and IT.

Please refer to Section 7.5 of this Prospectus for further information on our business strategies and future plans.

### 3.5 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares. Set out below are the key risks faced by us in our business and operations:

- (i) **Our business could be materially and adversely affected in the event of disruption of operations at our power assets.** The ability and/or availability of our power assets to generate and transmit power to our customers can be disrupted by a number of events, including, among others, breakdown or failure of power generation and/or transmission systems and plant equipment, extension of shutdowns due to repair and maintenance delay and overhauls, imposition of control measures to curb spreading of infectious disease, and force majeure events.
- (ii) **Our future plans and business strategies are subject to various risks and challenges** including the political, economic, social, technological factors, competition from competitors with better financial capabilities and project experience, performance of business partners and changes to the laws and regulations in jurisdiction where we have operational presence.
- (iii) **We are dependent on the uninterrupted coal supply to maintain the operations of our coal-fired plants** as our revenue from our coal-fired power plants (i.e., the CEL Plant and the CEL II Plant) is derived from the selling of available capacity and electricity generated for our customer. Any interruption of coal supplies to the coal-fired plants may result in disruption of operations affecting the availability of capacity for power generation.
- (iv) **Our business and financial performance may be materially and adversely affected if our construction projects experience cost overrun and/or delays in project completion or are not in compliance with the required specifications.** Our business, financial condition, results of operation, cash flow and prospects could be materially and adversely affected if we fail to meet the timelines and other specifications required under the agreements with our customers or to efficiently manage our costs.
- (v) **We may incur impairment losses arising from acquisitions of power assets and projects and development of power projects.** Acquisitions may be prolonged or cancelled, and upon completion of acquisitions, the acquired power assets and projects may fail our expectations. In respect of power project development, we may face delay, cost overrun or even cancellation at various stages. Adverse changes in power project development and acquisitions may result in impairment loss. In addition, any significant changes in the assumptions for the computation of the value of our Group's investment (whether through project development or acquisitions) may also result in impairment loss.

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- (vi) **We are exposed to inherent risks in procurement activities that could have a material adverse effect on our business performance.** We rely on our procurement management team to source and purchase major items for our O&M activities such as coal, limestone, diesel, spare parts, contract services for major overhaul of plant and machineries. Failure to obtain quality and stable supplies at favourable prices may be caused by market competition, price fluctuation and other factors which may adversely affect the relevant supply chains.
- (vii) **We are dependent on outsourced service providers (contractors, subcontractors and/or engineering consultants) to perform certain O&M work.** We are exposed to risks associated with failure by contractors, subcontractors and/or engineering consultants to perform their contractual obligations.
- (viii) **Our power assets and projects are located across Southeast Asia and Taiwan and are subject to catastrophic risk arising from potential events,** such as: (a) natural disasters, including droughts, typhoons, floods, tsunamis, landslides and dense haze pollution; and (b) man-made disasters, such as fires and explosions resulting from act of war, terrorism or sabotage and accidents.
- (ix) **The performance of RE business segment is subject to seasonal and weather fluctuations, and climate change.** Our hydropower generation assets' ability to generate power are dependent upon the prevailing hydrological conditions at their respective locations and our solar PV power assets' power generation is directly affected the prevailing solar irradiation conditions at their respective locations. Such hydrological and solar irradiation conditions may be subject to substantial variations due to seasonal and weather fluctuations and such variations may be exacerbated by climate change.

Please refer to Section 9 of this Prospectus for further information and the full list of risk factors affecting our industry, our business and our Shares.

### 3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows:

<u>Name</u>	<u>Designation</u>
<b><u>Directors</u></b>	
Dato' N. Sadasivan A/L N.N. Pillay	Independent Non-Executive Chairman
Tan Sri Dato' Seri H'ng Bok San	Non-Independent Non-Executive Director
Dato' H'ng Chun Hsiang	Non-Independent Executive Deputy Chairman
Gan Boon Hean	Non-Independent Executive Director and Group CEO
Datin Seri H'ng Hsieh Ling	Non-Independent Non-Executive Director
Dato' Ho Peng Choong	Independent Non-Executive Director
Ruswati Binti Othman	Independent Non-Executive Director
Cheryl Khor Hui Peng	Independent Non-Executive Director
Dato Sri Fong Joo Chung	Independent Non-Executive Director
<b><u>Key Senior Management</u></b>	
Gan Boon Hean	Non-Independent Executive Director and Group CEO
Ng Seoh Koon	Group CFO
Koo Shuang Chyuan	Group COO
Liew Ken Loong	CEO of LYS Energy Group
Ng Siew Yen	Human Resources Director
Vinie Chong Pui Ling	Chief Investment Officer cum Head of Investor Relations
Mohd Tawfique Hidayat Bin Roseli	Head of Business Development
Evelyn Chee Siew Poh	Chief Sustainability Office

Please refer to Sections 5.2 and 5.3 of this Prospectus respectively for further information on our Directors and Key Senior Management.

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#### 3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The following table sets out the direct and indirect shareholding of our Promoters and Substantial Shareholders before our IPO (after completion of the Pre-IPO Restructuring and Subdivision of Shares) and after our IPO:

Name of Promoter and Substantial Shareholder	Nationality/ Country of incorporation	Before our IPO				After our IPO (assuming the Over-Allotment Option is not exercised)				After our IPO (assuming the Over-Allotment Option is exercised)			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares ('000)	% <sup>(1)</sup>	No. of Shares ('000)	% <sup>(1)</sup>	No. of Shares ('000)	% <sup>(2)</sup>	No. of Shares ('000)	% <sup>(2)</sup>	No. of Shares ('000)	% <sup>(2)</sup>	No. of Shares ('000)	% <sup>(2)</sup>
HNG Capital <sup>(3)</sup>	Malaysia	2,800,000	100.00	-	-	2,550,000	71.83	-	-	2,400,000	67.61	-	-
Tan Sri Dato' Seri H'ng Bok San	Malaysian	-	-	2,800,000	100.00 <sup>(4)</sup>	-	-	2,550,000	71.83 <sup>(4)</sup>	-	-	2,400,000	67.61 <sup>(4)</sup>
Dato' H'ng Chun Hsiang	Malaysian	-	-	2,800,000	100.00 <sup>(4)</sup>	-	-	2,550,000	71.83 <sup>(4)</sup>	-	-	2,400,000	67.61 <sup>(4)</sup>
Datin Seri H'ng Hsieh Ling	Malaysian	-	-	2,800,000	100.00 <sup>(5)</sup>	-	-	2,550,000	71.83 <sup>(5)</sup>	-	-	2,400,000	67.61 <sup>(5)</sup>

Note:

(1) Based on the total number of 2,800,000,000 Shares after completion of our Pre-IPO Restructuring and Subdivision of Shares.

(2) Based on the enlarged total number of 3,550,000,000 Shares after our IPO.

(3) As at the LPD, the ultimate beneficial owners of HNG Capital are Tan Sri Dato' Seri H'ng Bok San, Dato' H'ng Chun Hsiang and Datin Seri H'ng Hsieh Ling who holds 30%, 40% and 30% equity interest in HNG Capital respectively.

(4) Deemed interested by virtue of his shareholding in HNG Capital pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of her shareholding in HNG Capital pursuant to Section 8 of the Act.

Please refer to Section 5.1 of this Prospectus for further information on our Promoters and Substantial Shareholders.

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#### 3.8 USE OF PROCEEDS

We intend to use the estimated gross proceeds arising from our Public Issue of RM[●] million<sup>(1)</sup> in the following manner:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM'000	% of total proceeds from the Public Issue
(i) Funding for acquisition of brownfield RE projects and development cost of greenfield RE projects	Within 36 months	[●]	[●]
(ii) Repayment of borrowings	Within 6 months	[●]	[●]
- <i>Repayment of bridging loan for the acquisition of CTL II Transmission Line Asset which was completed on 22 March 2023</i>	<i>Within 6 months</i>	[●]	[●]
- <i>Repayment of other loans</i>	<i>Within 6 months</i>	[●]	[●]
(iii) Working capital	Within 24 months	[●]	[●]
(iv) Estimated listing expenses	Within 3 months	[●]	[●]
<b>Total</b>		<u>[●]</u>	<u>[●]</u>

Note:

(1) The Institutional Price and the Final Retail Price are assumed to be equal to the Retail Price.

Please refer to Section 4.6 of this Prospectus for further information relating to the use of proceeds arising from our Public Issue.

#### 3.9 SUMMARY OF FINANCIAL AND OPERATIONAL INFORMATION

The following table sets out our selected historical consolidated financial information for the Period Under Review:

	Audited		
	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000
Revenue	545,583	679,339	910,613
Cost of sales	(289,263)	(365,534)	(526,924)
GP	256,320	313,805	383,689
Share of results of jointly controlled entities	-	543	(28,303)
PBT	152,113	190,776	192,351
PAT	166,084	175,357	177,197
<b>Profit attributable to:</b>			
Owners of the Company	163,122	172,704	173,551
Non-controlling interests	2,962	2,653	3,646
	<b>166,084</b>	<b>175,357</b>	<b>177,197</b>



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	Audited		
	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000
GP margin (%) <sup>(1)</sup>	47.0	46.2	42.1
PBT margin (%) <sup>(2)</sup>	27.9	28.1	21.1
PAT margin (%) <sup>(3)</sup>	30.4	25.8	19.5
Basic and diluted EPS (sen) <sup>(4)</sup>	4.6	4.9	4.9
Total non-current assets	2,881,179	3,039,927	3,110,294
Total current assets	820,738	559,173	690,310
Total assets	3,701,917	3,599,100	3,800,604
Total current liabilities	1,001,908	458,932	617,466
Total non-current liabilities	2,007,339	2,312,367	2,159,566
Total liabilities	3,009,247	2,771,299	2,777,032
Total equity attributable to owners of the Company	657,798	786,042	975,999
Total equity	692,670	827,801	1,023,572
Total borrowings	2,368,429	2,047,341	2,170,367
Net borrowings	2,168,330	1,790,121	1,856,444
Gearing ratio (times) <sup>(5)</sup>	3.4	2.5	2.1
Net gearing ratio (times) <sup>(6)</sup>	3.1	2.2	1.8

Note:

(1) GP margin is computed based on GP divided by revenue.

(2) PBT margin is computed based on PBT divided by revenue.

(3) PAT margin is computed based on PAT divided by revenue.

(4) Basic and diluted EPS is calculated as PATNCl for the financial year divided by the enlarged share capital of 3,550,000,000 Shares upon Listing. There were no dilutive securities issued during the FYEs 2020, 2021 and 2022.

(5) Computed based on total interest-bearing borrowings, amount due to related companies and lease liabilities divided by total equity as at the end of each financial year.

(6) Computed based on the net borrowings (i.e: total borrowings less cash and bank balances) divided by total equity as at each financial year. The net gearing ratios are presented to demonstrate the net indebtedness and the financial position of our Group at each financial year.

Please refer to Section 12 of this Prospectus for the detailed financial information of Leader Energy.

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Our Group presently does not have any formal dividend policy and the declaration of dividends and other distribution are subject to the discretion of our Board. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Our Group intends to have a fixed dividend policy with a targeted payout ratio of 20.0% of our annual PAT attributable to the owners of the Company from financial year ending 2024 onwards.

However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business. As we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors as set out in Section 12.4 of this Prospectus.

For the Period Under Review, our Group declared and paid the following dividends to shareholders of the respective subsidiaries:

	<b>Audited</b>		
	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividends declared and paid to shareholders	25,100	77,821	24,180
PAT attributable to the owner of the parent	163,122	172,704	173,551
Dividend payout ratio (%) <sup>(1)</sup>	15.4	45.1	13.9

*Note:*

(1) *Computed as dividends paid to shareholders (excluding dividend paid to non-controlling interest) divided by PAT attributable to the owner of the parent.*

Please refer to Section 12.4 of this Prospectus for further information on our dividend policy.

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