

**LEADER UNIVERSAL HOLDINGS BERHAD** (Co. No. 172736-A)

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 30/06/2008.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	678,069	709,142	1,317,973	1,294,922
Cost of sales	<u>(625,647)</u>	<u>(651,190)</u>	<u>(1,215,793)</u>	<u>(1,198,500)</u>
Gross profit	52,422	57,952	102,180	96,422
Operating expenses	(22,003)	(25,962)	(41,005)	(44,309)
Other income	3,321	22	4,976	5,599
Finance costs	(8,056)	(7,944)	(14,245)	(16,886)
Share of (loss)/profit of associated companies	<u>1,852</u>	<u>1,677</u>	<u>2,880</u>	<u>2,867</u>
Profit before tax	27,536	25,745	54,786	43,693
Income tax expense	<u>(4,206)</u>	<u>(4,040)</u>	<u>(10,970)</u>	<u>(6,127)</u>
Profit for the period	<u><u>23,330</u></u>	<u><u>21,705</u></u>	<u><u>43,816</u></u>	<u><u>37,566</u></u>
Attributable to :				
Equity holders of the parent	18,061	15,852	33,572	28,098
Minority interests	<u>5,269</u>	<u>5,853</u>	<u>10,244</u>	<u>9,468</u>
	<u><u>23,330</u></u>	<u><u>21,705</u></u>	<u><u>43,816</u></u>	<u><u>37,566</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	4.14	3.63	7.69	6.44
- Diluted	na	na	na	na

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**LEADER UNIVERSAL HOLDINGS BERHAD** (Co. No. 172736-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	As at 30/06/2008 RM'000	As at 31/12/2007 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	274,444	279,147
Prepaid Lease Payments	15,346	15,568
Investment Properties	51,371	46,833
Properties Held for Future Development	14,543	14,543
Investment in Associated Companies	26,967	24,088
Other Investments	8,674	9,655
Deferred Tax Assets	-	74
	<u>391,345</u>	<u>389,908</u>
<b>Current Assets</b>		
Properties Under Development	19,388	23,723
Inventories	280,310	239,351
Amount Due from Associated Companies	18,800	21,281
Trade and Other Receivables	505,107	448,464
Cash, Bank Balances and Deposits	159,227	208,277
	<u>982,832</u>	<u>941,096</u>
Assets held for sale	8,534	9,888
	<u>991,366</u>	<u>950,984</u>
<b>TOTAL ASSETS</b>	<u><u>1,382,711</u></u>	<u><u>1,340,892</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	436,459	436,459
Reserves	33,086	(3,106)
	<u>469,545</u>	<u>433,353</u>
<b>Minority Interests</b>	91,832	98,495
<b>Total Equity</b>	<u>561,377</u>	<u>531,848</u>
<b>Non Current Liabilities</b>		
Term Loans	118,231	141,218
Deferred Tax Liabilities	16,344	22,684
	<u>134,575</u>	<u>163,902</u>
<b>Current Liabilities</b>		
Trade and Other Payables	336,159	267,216
Progress Payments Received and Receivable	612	79
Short Term Borrowings	349,311	375,401
Taxation	677	2,446
	<u>686,759</u>	<u>645,142</u>
<b>Total Liabilities</b>	<u>821,334</u>	<u>809,044</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,382,711</u></u>	<u><u>1,340,892</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**LEADER UNIVERSAL HOLDINGS BERHAD** (Co. No. 172736-A)  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	6 MONTHS ENDED	
	30/06/2008	30/06/2007
	RM'000	RM'000
Profit for the financial period	43,816	37,566
Adjustment for:		
Non cash items	13,896	8,313
Non operating items (which are investing / financing activities)	9,985	15,580
Taxation	10,970	6,127
Operating profit before working capital changes	<u>78,667</u>	<u>67,586</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(94,909)	(49,792)
Net changes in current liabilities	65,383	90,232
Net cash flow from operations	<u>49,141</u>	<u>108,026</u>
Tax paid	(9,436)	(4,191)
Tax refund	9	181
Net cash flow from operating activities	<u>39,714</u>	<u>104,016</u>
Investing Activities		
Others	(10,564)	(15,988)
Net cash flow from investing activities	<u>(10,564)</u>	<u>(15,988)</u>
Financing Activities		
Bank borrowings	(47,938)	4,580
Euroconvertible Bonds	-	(39,195)
Interest paid	(12,112)	(17,267)
Dividend paid to minority shareholders of a subsidiary	(21,654)	(21,027)
Net cash flow from financing activities	<u>(81,704)</u>	<u>(72,909)</u>
Net changes in cash and cash equivalents	(52,554)	15,119
Cash and cash equivalents at beginning of the year	213,024	144,327
Foreign exchange differences on opening balance	(1,534)	(932)
Cash and cash equivalents at end of the financial period	<u>158,936</u>	<u>158,514</u>
Cash and cash equivalents comprise :		
Cash and bank balances	159,227	158,514
Bank overdrafts	(291)	-
	<u>158,936</u>	<u>158,514</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**LEADER UNIVERSAL HOLDINGS BERHAD** (Co. No. 172736-A)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← <b>Attributable to Equity Holders of the Parent</b> →				<b>Minority Interests</b>	<b>Total Equity</b>
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
At 1 January 2008	436,459	91,616	(94,722)	433,353	98,495	531,848
Movements during the period	-	(2,156)	38,348	36,192	(6,663)	29,529
At 30 June 2008	436,459	89,460	(56,374)	469,545	91,832	561,377
At 1 January 2007	436,459	87,737	(152,969)	371,227	113,341	484,568
Movements during the period	-	(1,259)	23,354	22,095	(7,220)	14,875
At 30 June 2007	436,459	86,478	(129,615)	393,322	106,121	499,443

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**LEADER UNIVERSAL HOLDINGS BERHAD (Co. No. 172736-A)**

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

(a) **Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

(b) **Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007.

(c) **Audit Report**

The audit report of the Company's preceding annual financial statements was not qualified.

(d) **Seasonality or Cyclicity of Interim Operations**

The operations of the Group are not affected by seasonal or cyclical factors.

(e) **Unusual Items**

There were no items affecting assets, liabilities, equity, net income or cash flow for the interim period ended 30 June 2008 that were unusual because of their nature, size or incidence other than disclosed in this interim condensed financial statements.

(f) **Changes in Estimates**

There were no changes in estimates of amounts reported in interim period of the current financial year or in prior financial years that have a material effect in the current interim period.

(g) **Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter up to date of issue of this quarterly report.

(h) **Dividend Payment**

An interim dividend of 1.5 sen per share less 26% tax was declared on 23 April 2008 and paid on 22 May 2008.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power generation RM'000	Others RM'000	Total RM'000
<b>Sales</b>				
Total sales	1,212,688	96,171	9,294	1,318,153
Intersegment sales	-	-	(180)	(180)
External sales	1,212,688	96,171	9,114	1,317,973
<b>Results</b>				
Operating profit/(loss) / Segment results	46,181	20,249	(279)	66,151
Finance costs				(14,245)
Share of profit of associated companies	2,880	-	-	2,880
Profit before taxation				54,786
Income tax expense				(10,970)
Profit for the period				43,816
Attributable to :				
Equity holders of the parent				33,572
Minority interests				10,244
				43,816

(j) **Valuation of Property, Plant and Equipment**

The valuation of plant and equipment have been brought forward, without amendment, from the previous annual financial statements.

(k) **Subsequent Material Events**

There were no material events subsequent to the end of the current interim period that have not been reflected in the financial statements.

(l) **Changes in the Composition of the Group**

The Company had on 16 June 2008 announced the incorporation of a wholly-owned subsidiary namely Leader (Cambodia) Ltd. in Cambodia. On 1 July 2008, the Company announced that several wholly-owned sub subsidiaries namely, Leader Universal Aluminium Sdn Bhd (formerly known as Chong Shing Cables Sdn Bhd), Universal Cable Engineering Sdn Bhd and Leader Engineering Sdn Bhd had been transferred to be held directly by the Company.

(m) **Contingent Liabilities**

As at 15 August 2008, guarantees extended by the Group as security for the bank facilities amounted to RM693.4 million (31 December 2007 : RM571.9 million).

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

1. **Review of Performance**

The Group's revenue for the current quarter ended 30 June 2008 of RM678.1 million was lower compared to RM709.1 million for the corresponding quarter ended 30 June 2007. Without considering the revenue of RM42.2 million contributed by a joint venture subsidiary namely Leader LS Magnet Wire Sdn. Bhd. (LLSMW) in the corresponding quarter ended 30 June 2007, the Group's revenue for the current quarter ended 30 June 2008 was actually higher. The Group had disposed its interest in LLSMW effective 1 July 2007.

The Group's revenue for the six months period ended 30 June 2008 was higher at RM1,318 million compared to RM1,295 million for the corresponding six months period ended 30 June 2007.

Operating profit of the Group for the current quarter ended 30 June 2008 increased to RM33.7 million compared to RM32.0 million for the corresponding quarter ended 30 June 2007. Operating profit for the six months period ended 30 June 2008 also increased to RM66.2 million compared to RM57.7 million for the corresponding six months period ended 30 June 2007.

2. **Material Change in Profit Before Taxation**

The Group's profit before taxation for the current quarter ended 30 June 2008 was RM27.5 million compared to RM27.3 million for the preceding quarter.

3. **Current Year Prospects**

As a consequence of high energy cost and slow down in the global and domestic economy, the business environment for the second half of the year will remain challenging. Nevertheless, the government's initiative to increase infrastructure spending under the 9th Malaysian Plan, the Group's strong exports and stable income from its power generation business will have a positive impact on the Group's performance.

4. **Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee**

There are no forecast profit and profit guarantee.

5. **Taxation**

The Group tax charge comprises:

	Current Quarter 30/06/2008 RM'000	Interim Period To Date 30/06/2008 RM'000
Income tax	(370)	(7,422)
Deferred tax	(3,836)	(3,548)
	<u>(4,206)</u>	<u>(10,970)</u>
Under/(Over) provision in previous years	-	-
	<u><u>(4,206)</u></u>	<u><u>(10,970)</u></u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 30 June 2008 is primarily due to lower tax rate of an overseas subsidiary company, coupled with the utilisation of unabsorbed losses to offset against statutory income of subsidiary company.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS****6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties for the Current Quarter and Financial Year to date**

	Current Quarter 30/06/2008 RM'000	Interim Period To Date 30/06/2008 RM'000
Profit on sale of unquoted investment	1,626	1,626

**7. Purchase or Disposal of Quoted Securities****(a) Purchase or disposal**

	Current Quarter 30/06/2008 RM'000	Interim Period To Date 30/06/2008 RM'000
Total purchase consideration	Nil	Nil
Total sale proceeds	417	417
Total loss on disposal	(203)	(203)

**(b) Investments in quoted securities as at 30 June 2008**

	RM'000
(i) Total investments at cost	919
(ii) Total investments at carrying value/book value	728
(iii) Total investments at market value at 30 June 2008	728

**8. Corporate Proposals**

There were no corporate proposals announced during the current quarter and up to the date of issue of this quarterly report.



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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

9. **Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 30 June 2008

(a)		RM'000
	Secured	11,501
	Unsecured	456,041
(b)	Total	467,542
	Short term	349,311
	Long term	118,231
(c)	Total	467,542
	Ringgit Malaysia	426,723
	Foreign currency (USD12,500,000)	40,819
	Total	467,542

10. **Off Balance Sheet Financial Instruments**

Forward Foreign Exchange Contracts

As at 15 August 2008, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	5,036	29 August 2008 - 5 November 2008
Singapore Dollar	1,433	26 August 2008 - 16 September 2008

The Group enters into forward foreign exchange contracts to hedge its foreign currency receivables and payables from specific transactions against fluctuations in foreign exchange rates.

Market and Credit Risks

The Group is not exposed to any market risk as the exchange rates are pre-determined under such contracts.

We are of the view that credit risk is minimal given that the above contracts were entered into with reputable and credit worthy financial institutions.

Related Accounting Policy

Outstanding foreign exchange related contracts at the balance sheet date are valued based on the applicable spot rates ruling at the date adjusted for the applicable premium or discount to maturity. Gains or losses are recognised in the period/year they arise.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**11. Material Litigation**

The Group has not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group for the current quarter up to the date of issue of this quarterly report.

**12. Earnings Per Share**

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	18,061	15,852	33,572	28,098
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	4.14	3.63	7.69	6.44

Diluted earnings per share

The Group has no dilution in its earnings per share.

BY ORDER OF THE BOARD  
JOANNA LIM LAY GUAT  
COMPANY SECRETARY  
22 August 2008