

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		9 MONTHS ENDED	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	703,051	815,905	2,021,024	2,110,827
Cost of sales	<u>(648,097)</u>	<u>(747,496)</u>	<u>(1,863,890)</u>	<u>(1,945,996)</u>
Gross profit	54,954	68,409	157,134	164,831
Operating expenses	(15,178)	(32,538)	(56,183)	(76,847)
Other income	1,068	4,821	6,044	10,420
Finance costs	(11,991)	(8,784)	(26,236)	(25,670)
Share of (loss)/profit of associated companies	<u>1,034</u>	<u>1,247</u>	<u>3,914</u>	<u>4,114</u>
Profit before tax	29,887	33,155	84,673	76,848
Income tax expense	<u>(4,991)</u>	<u>(4,619)</u>	<u>(15,961)</u>	<u>(10,746)</u>
Profit for the period	<u><u>24,896</u></u>	<u><u>28,536</u></u>	<u><u>68,712</u></u>	<u><u>66,102</u></u>
Attributable to :				
Equity holders of the parent	18,754	22,550	52,326	50,648
Minority interests	<u>6,142</u>	<u>5,986</u>	<u>16,386</u>	<u>15,454</u>
	<u><u>24,896</u></u>	<u><u>28,536</u></u>	<u><u>68,712</u></u>	<u><u>66,102</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	4.30	5.17	11.99	11.60
- 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 30/09/2008 RM'000	As at 31/12/2007 RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	279,603	279,147
Prepaid Lease Payments	15,235	15,568
Investment Properties	59,027	46,833
Properties Held for Future Development	14,543	14,543
Investment in Associated Companies	28,009	24,088
Other Investments	8,904	9,655
Deferred Tax Assets	-	74
	<u>405,321</u>	<u>389,908</u>
Current Assets		
Properties Under Development	13,338	23,723
Inventories	289,657	239,351
Amount Due from Associated Companies	22,766	21,281
Trade and Other Receivables	431,990	448,464
Cash, Bank Balances and Deposits	211,035	208,277
	<u>968,786</u>	<u>941,096</u>
Assets held for sale	8,595	9,888
	<u>977,381</u>	<u>950,984</u>
TOTAL ASSETS	<u><u>1,382,702</u></u>	<u><u>1,340,892</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	436,459	436,459
Reserves	55,008	(3,106)
	<u>491,467</u>	<u>433,353</u>
Minority Interests	97,123	98,495
Total Equity	<u>588,590</u>	<u>531,848</u>
Non Current Liabilities		
Term Loans	139,541	141,218
Deferred Tax Liabilities	17,698	22,684
	<u>157,239</u>	<u>163,902</u>
Current Liabilities		
Trade and Other Payables	292,461	267,216
Progress Payments Received and Receivable	236	79
Short Term Borrowings	342,417	375,401
Taxation	1,759	2,446
	<u>636,873</u>	<u>645,142</u>
Total Liabilities	<u>794,112</u>	<u>809,044</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,382,702</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

	9 MONTHS ENDED	
	30/09/2008	30/09/2007
	RM'000	RM'000
Profit for the financial period	68,712	66,102
Adjustment for:		
Non cash items	20,053	25,005
Non operating items (which are investing / financing activities)	17,355	21,755
Taxation	15,961	10,746
Operating profit before working capital changes	<u>122,081</u>	<u>123,608</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(26,574)	(138,130)
Net changes in current liabilities	18,165	121,657
Net cash flow from operations	<u>113,672</u>	<u>107,135</u>
Tax paid	(11,854)	(6,383)
Tax refund	9	181
Net cash flow from operating activities	<u>101,827</u>	<u>100,933</u>
Investing Activities		
Others	(26,068)	(9,283)
Net cash flow from investing activities	<u>(26,068)</u>	<u>(9,283)</u>
Financing Activities		
Bank borrowings	(36,643)	19,307
Euroconvertible Bonds	-	(39,195)
Interest paid	(20,933)	(24,932)
Dividend paid to minority shareholders of a subsidiary	(22,384)	(21,331)
Net cash flow from financing activities	<u>(79,960)</u>	<u>(66,151)</u>
Net changes in cash and cash equivalents	(4,201)	25,499
Cash and cash equivalents at beginning of the year	213,024	144,327
Foreign exchange differences on opening balance	2,212	(912)
Cash and cash equivalents at end of the financial period	<u>211,035</u>	<u>168,914</u>
Cash and cash equivalents comprise :		
Cash and bank balances	211,035	168,914
Bank overdrafts	-	-
	<u>211,035</u>	<u>168,914</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

	← Attributable to Equity Holders of the Parent →				Minority Interests	Total Equity
	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	-	2,181	55,933	58,114	(1,372)	56,742
At 30 September 2008	436,459	93,797	(38,789)	491,467	97,123	588,590
At 1 January 2007	436,459	87,737	(152,969)	371,227	113,341	484,568
Movements during the period	-	(1,269)	45,905	44,636	(15,637)	28,999
At 30 September 2007	436,459	86,468	(107,064)	415,863	97,704	513,567

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 September 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.

The Board of Directors has declared a second interim dividend of 1.5 sen per share less 26% tax (2007 : 3.00 sen per share less 27% tax) which will be paid on 17 December 2008 to shareholders whose names appear on the Record of Depositors as at 10 December 2008. A depositor shall qualify for dividend entitlement only in respect of :

- a) shares deposited into the Depositor's Securities Account before 12.30 p.m. on 5 December 2008 (in respect of shares which are exempted from Mandatory Deposit);
- b) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 10 December 2008 in respect of ordinary transfers; and
- c) shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

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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
Sales				
Total sales	1,840,424	163,930	17,135	2,021,489
Intersegment sales	-	-	(465)	(465)
External sales	1,840,424	163,930	16,670	2,021,024
Results				
Operating profit/(loss) / Segment results	70,119	36,235	641	106,995
Finance costs				(26,236)
Share of profit of associated companies	3,914	-	-	3,914
Profit before taxation				84,673
Income tax expense				(15,961)
Profit for the period				68,712
Attributable to :				
Equity holders of the parent				52,326
Minority interests				16,386
				68,712

(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**

A dormant wholly-owned subsidiary namely, Leader Power International (Pakistan) Incorporated ("LPIPI"), has been struck off from the companies register on 30 September 2008 following an application by LPIPI to the Registrar of Companies of the Cayman Islands.

With effect from 1 July 2008, all the issued and paid up share capital in Leader Universal Aluminium Sdn Bhd (formerly known as Chong Shing Cables Sdn Bhd), Universal Cable Engineering Sdn Bhd and Leader Engineering Sdn Bhd are held directly by the Company.

(m) **Contingent Liabilities**

As at 14 November 2008, guarantees extended by the Group as security for the bank facilities amounted to RM713.4 million (31 December 2007 : RM571.9 million).

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

1. **Review of Performance**

The Group registered a revenue of RM703.1 million for the current quarter ended 30 September 2008, a decrease of 13.8% as compared to RM815.9 million for the corresponding quarter ended 30 September 2007. The decrease is mainly due to lower volume achieved by its Cable & Wire business as a result of the softening of the local and worldwide economies. For the nine months period ended 30 September 2008, the Group registered a revenue of RM2,021 million as compared to RM2,111 million achieved in the corresponding period ended 30 September 2007.

Despite a lower revenue, the Group managed to achieve a slightly higher operating profit of RM40.8million for the current quarter ended 30 September 2008 as compared to RM40.7 million achieved in the corresponding quarter ended 30 September 2007. Operating profit for the nine months period ended 30 September 2008 was also 8.7% higher at RM107.0 million as compared to RM98.4 million for the corresponding period ended 30 September 2007.

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

The Group's profit before taxation for the current quarter ended 30 September 2008 was 8.7% higher at RM29.9 million as compared to RM27.5 million for the preceding quarter. This is in line with the higher revenue achieved.

3. **Current Year Prospects**

Amidst the slowdown in the global economy and prevailing high energy costs, the directors expect the business environment to remain challenging for the remaining part of the year. In addition, the recent downward trend of aluminium and copper prices, will have a bearing on the Group's revenue. Nevertheless, the directors expect the Group's earnings for the current financial year to be in line with that of the last financial year.

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 30/09/2008 RM'000	Interim Period To Date 30/09/2008 RM'000
Income tax	(4,048)	(11,470)
Deferred tax	(1,353)	(4,901)
	<u>(5,401)</u>	<u>(16,371)</u>
Under/(Over) provision in previous years	410	410
	<u>(4,991)</u>	<u>(15,961)</u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 30 September 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 30/09/2008 RM'000	Interim Period To Date 30/09/2008 RM'000
Profit on sale of unquoted investment	-	1,626

7. Purchase or Disposal of Quoted Securities

(a) Purchase or disposal

	Current Quarter 30/09/2008 RM'000	Interim Period To Date 30/09/2008 RM'000
Total purchase consideration	Nil	Nil
Total sale proceeds	Nil	417
Total loss on disposal	Nil	(203)

(b) Investments in quoted securities as at 30 September 2008

	RM'000
(i) Total investments at cost	919
(ii) Total investments at carrying value/book value	622
(iii) Total investments at market value at 30 September 2008	622

8. Corporate Proposals**200MW Coal-fired Power Project in Cambodia**

The development works pertaining to this project are still ongoing.

There were no other corporate proposals announced during the current quarter and up to the date of issuance 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 September 2008

(a)		RM'000
	Secured	10,606
	Unsecured	471,352
(b)	Total	481,958
	Short term	342,417
	Long term	139,541
(c)	Total	481,958
	Ringgit Malaysia	438,864
	Foreign currency (USD12,500,000)	43,094
	Total	481,958

10. **Off Balance Sheet Financial Instruments**

Forward Foreign Exchange Contracts

As at 14 November 2008, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	38,781	20 November 2008 - 30 January 2009
Singapore Dollar	1,240	18 November 2008 - 30 January 2009

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 issuance of this quarterly report.

12. Earnings Per Share

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	18,754	22,550	52,326	50,648
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	4.30	5.17	11.99	11.60

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
21 November 2008