

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

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31/12/2008.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	519,778	710,908	2,540,802	2,821,735
Cost of sales	<u>(485,612)</u>	<u>(672,663)</u>	<u>(2,349,502)</u>	<u>(2,618,659)</u>
Gross profit	34,166	38,245	191,300	203,076
Operating expenses	(21,922)	(17,893)	(78,105)	(94,741)
Other income	14,629	5,100	20,673	15,520
Finance costs	(9,624)	(8,306)	(35,860)	(33,976)
Share of (loss)/profit of associated companies	<u>102</u>	<u>540</u>	<u>4,016</u>	<u>4,654</u>
Profit before tax	17,351	17,686	102,024	94,533
Income tax expense	<u>479</u>	<u>(10,620)</u>	<u>(15,482)</u>	<u>(21,366)</u>
Profit for the period	<u><u>17,830</u></u>	<u><u>7,066</u></u>	<u><u>86,542</u></u>	<u><u>73,167</u></u>
Attributable to :				
Equity holders of the parent	12,609	3,599	64,935	54,246
Minority interests	<u>5,221</u>	<u>3,467</u>	<u>21,607</u>	<u>18,921</u>
	<u><u>17,830</u></u>	<u><u>7,066</u></u>	<u><u>86,542</u></u>	<u><u>73,167</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	2.89	0.82	14.88	12.43
- 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 31/12/2008 RM'000	As at 31/12/2007 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	295,726	279,147
Prepaid Lease Payments	21,868	15,568
Investment Properties	46,773	46,833
Properties Held for Future Development	14,543	14,543
Investment in Associated Companies	28,402	24,088
Amount due from Associated Companies	8,713	10,065
Other Investments	7,022	7,767
Deferred Tax Assets	-	74
	<u>423,047</u>	<u>398,085</u>
<b>Current Assets</b>		
Properties Under Development	1,053	23,723
Inventories	262,886	239,351
Amount Due from Associated Companies	32,583	11,216
Redeemable preference shares	1,312	1,888
Trade and Other Receivables	388,276	448,464
Cash, Bank Balances and Deposits	178,306	208,277
	<u>864,416</u>	<u>932,919</u>
Assets held for sale	-	9,888
	<u>864,416</u>	<u>942,807</u>
<b>TOTAL ASSETS</b>	<u><u>1,287,463</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	63,367	6,490
	<u>499,826</u>	<u>442,949</u>
<b>Minority Interests</b>	<u>105,309</u>	<u>98,495</u>
<b>Total Equity</b>	<u>605,135</u>	<u>541,444</u>
<b>Non Current Liabilities</b>		
Term Loans	119,067	141,218
Retirement benefit obligations	3,484	4,222
Deferred Tax Liabilities	17,143	13,088
	<u>139,694</u>	<u>158,528</u>
<b>Current Liabilities</b>		
Trade and Other Payables	234,666	262,994
Progress Payments Received and Receivable	11	79
Short Term Borrowings	308,361	375,401
Taxation	(404)	2,446
	<u>542,634</u>	<u>640,920</u>
<b>Total Liabilities</b>	<u>682,328</u>	<u>799,448</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,287,463</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**

	12 MONTHS ENDED	
	31/12/2008	31/12/2007
	RM'000	RM'000
Profit for the financial period	86,542	73,167
Adjustment for:		
Non cash items	23,370	43,844
Non operating items (which are investing / financing activities)	23,922	30,466
Taxation	15,482	21,366
Operating profit before working capital changes	<u>149,316</u>	<u>168,843</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	32,843	(19,838)
Net changes in current liabilities	(30,951)	21,155
Net cash flow from operations	<u>151,208</u>	<u>170,160</u>
Tax paid	(14,190)	(13,934)
Tax refund	9	181
Net cash flow from operating activities	<u>137,027</u>	<u>156,407</u>
Investing Activities		
Others	(22,177)	(14,752)
Net cash flow from investing activities	<u>(22,177)</u>	<u>(14,752)</u>
Financing Activities		
Bank borrowings	(91,917)	16,947
Euroconvertible Bonds	-	(39,195)
Interest paid	(28,511)	(35,931)
Dividend paid to minority shareholders of a subsidiary	(27,386)	(16,402)
Net cash flow from financing activities	<u>(147,814)</u>	<u>(74,581)</u>
Net changes in cash and cash equivalents	(32,964)	67,074
Cash and cash equivalents at beginning of the year	208,245	144,327
Foreign exchange differences on opening balance	3,025	(3,156)
Cash and cash equivalents at end of the financial period	<u><u>178,306</u></u>	<u><u>208,245</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	178,306	208,277
Bank overdrafts	-	(32)
	<u><u>178,306</u></u>	<u><u>208,245</u></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	(85,126)	442,949	98,495	541,444
Movements during the period	-	1,631	55,246	56,877	6,814	63,691
At 31 December 2008	<u>436,459</u>	<u>93,247</u>	<u>(29,880)</u>	<u>499,826</u>	<u>105,309</u>	<u>605,135</u>
At 1 January 2007						
As previously stated	436,459	87,737	(152,969)	371,227	113,341	484,568
Effects of adopting FRS 112	-	-	21,331	21,331	-	21,331
	<u>436,459</u>	<u>87,737</u>	<u>(131,638)</u>	<u>392,558</u>	<u>113,341</u>	<u>505,899</u>
Movements during the period	-	3,879	46,512	50,391	(14,846)	35,545
At 31 December 2007	<u>436,459</u>	<u>91,616</u>	<u>(85,126)</u>	<u>442,949</u>	<u>98,495</u>	<u>541,444</u>

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**

I) At the date of authorisation of these financial statements, the following new FRS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

<b>FRS, Amendment to FRS and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The new FRS and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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

II) The following comparative amounts for year 2007 have been restated as a result of adopting the new and revised FRSs and to conform with current year's presentation:

	Previously stated as at 31.12.07	Increase/ (Decrease)	Restated as at 31.12.07
Description of change	RM'000	RM'000	RM'000
<i>Group</i>			
<u>Balance sheet as at 31.12.07</u>			
Deferred tax liabilities	22,684	(9,596)	13,088
Retained earnings			
At 1 January 2007	(152,969)	21,331	(131,638)
At 31 December 2007	(94,722)	9,596	(85,126)
<u>Income statement for financial year ended 31.12.07</u>			
Income tax expenses	(9,631)	(11,735)	(21,366)
Profit for the year	84,902	(11,735)	73,167

**(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 31 December 2008 that were unusual because of their nature, size or incidence other than disclosed in this interim condensed financial statements.

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**NOTES TO QUARTERLY 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**

On 10 & 17 November and 17 December 2008, the Company effected scheduled repayments of its MMTN amounting to RM20 million, RM5 million and RM5 million respectively. The total amount of MMTN outstanding to date after the aforesaid payment is RM90 million. Beside the above, there were no other 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**

A first interim dividend of 1.5 sen per share less 26% tax was declared on 23 April 2008 and paid on 22 May 2008. A second interim dividend of 1.5 sen per share less 26% tax was declared on 21 November 2008 and paid on 17 December 2008 for the financial year ended 31 December 2008 (2007 : 3 sen per share less tax). No dividend has been proposed for the current quarter.

(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	2,305,200	205,879	30,473	2,541,552
Intersegment sales	-	-	(750)	(750)
External sales	2,305,200	205,879	29,723	2,540,802
<b>Results</b>				
Operating profit/(loss) / Segment results	80,810	50,445	2,613	133,868
Finance costs				(35,860)
Share of profit of associated companies	4,016	-	-	4,016
Profit before taxation				102,024
Income tax expense				(15,482)
Profit for the period				86,542
Attributable to :				
Equity holders of the parent				64,935
Minority interests				21,607
				86,542

(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.

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

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

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

On 22 January 2009, the Company announced the incorporation of two wholly-owned subsidiaries namely, Cambodian Energy Limited and Cambodian Transmission Limited in Cambodia.

On 10 December 2008, the Company announced the disposal of its entire 5,250,000 ordinary shares of RM1.00 each in Universal Cable Sarawak Sdn Bhd to UCS Holdings Sdn Bhd (UCS Holdings) in exchange for 18,304,999 ordinary shares of RM1.00 each in UCS Holdings. Subsequent to the disposal, UCS Holdings effected a subdivision of the par value of the shares from RM 1.00 to RM0.50 each. The Company then held a total of 36,609,998 ordinary shares of RM 0.50 each out of which 10,850,000 shares were disposed to Dato Sri Haji Mahmud Abu Bekir Taib. Subsequent to this, Central Paragon Sdn Bhd offered and the Company accepted the offer and paid for an additional 1,500,000 shares in UCS Holdings. The aforesaid steps were implemented as part of a restructuring scheme undertaken pursuant to the proposed initial public offering of UCS Holdings.

On 26 November 2008, the Company announced the commencement of Members' Voluntary Winding up of two dormant wholly-owned subsidiaries namely, Northern Wire & Cable Sdn Bhd and Leader Agency Sdn Bhd.

**(m) Contingent Liabilities**

As at 12 February 2009, guarantees extended by the Group as security for the bank facilities amounted to RM732.9 million (31 December 2007 : RM571.9 million).

**1. Review of Performance**

The Group registered a revenue of RM519.8 million for the current reporting quarter ended 31 December 2008, a decrease of 27% as compared to RM710.9 million for the corresponding quarter ended 31 December 2007.

The decrease was mainly due to a 29.7% decline in revenue for the Cable & Wire business from RM661.3 million to RM464.8 million. Overall volume for the cable & wire business was lower by 8.0% while material price variance accounted for a reduction of 25.6%. Material price variation was due to the steep decline in copper and aluminium prices during the current reporting quarter. The prices of copper and aluminium as at 31 December 2008 was USD3,072/mt and USD1,490/mt respectively as compared to USD6,588/mt and USD2,382/mt respectively as at 31 December 2007.

For the twelve months period ended 31 December 2008, the Group registered a revenue of RM2,541 million as compared to RM2,822 million achieved in the corresponding period ended 31 December 2007, a decrease of approximately 10%. The decrease is mainly due to a 12.6% decline in revenue from its Cable & Wire business as a result of lower volume and negative variation in material prices. However, other businesses of the Group namely Power Generation and Others, both registered growth of 29.5% and 22% respectively.

Despite the lower revenue, the Group recorded a profit before tax of RM17.4 million for the current reporting quarter ended 31 December 2008 as compared to RM17.7 million achieved in the corresponding quarter ended 31 December 2007.

The profit before tax for the twelve months period ended 31 December 2008 was RM 102.0 million, an increase of 8% as compared to RM94.5 million for the corresponding period ended 31 December 2007.

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

The Group's profit before taxation for the current quarter ended 31 December 2008 was 41.9% lower at RM17.4million as compared to RM29.9 million for the preceding quarter which is in line with the lower revenue generated by the Group in the current reporting quarter.

**3. Prospects for Financial Year Ending 31 December 2009**

With the uncertain outlook of the global and local economies, the directors expect the year 2009 to remain challenging. The Group's Cable & Wire business is expected to soften due to the flagging global economies, whereas the Power Generation business is expected to remain stable. Revenue from the Cable & Wire business is expected to be lower given the continuing low pricing trend of copper and aluminium. However, the economic stimulus packages introduced by the Malaysian Government could spur the demand of the Group's cable & wire products. The recent easing of the monetary policy and reduction in energy prices are also expected to contribute positively towards the Group's operations.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**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 31/12/2008 RM'000	Interim Period To Date 31/12/2008 RM'000
Income tax	(100)	(11,570)
Deferred tax	579	(4,322)
	479	(15,892)
Under/(Over) provision in previous years	-	410
	479	(15,482)

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 31 December 2008 is primarily due to lower tax rate of an overseas subsidiary company, some income of the subsidiaries are not taxable, coupled with the utilisation of unabsorbed losses and tax incentives to offset against statutory income of subsidiary company.

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

	Current Quarter 31/12/2008 RM'000	Interim Period To Date 31/12/2008 RM'000
Profit on sale of unquoted investment	5,086	6,712

**7. Purchase or Disposal of Quoted Securities**

(a) Purchase or disposal

	Current Quarter 31/12/2008 RM'000	Interim Period To Date 31/12/2008 RM'000
Total purchase consideration	Nil	Nil
Total sale proceeds	Nil	417
Total gain on disposal	Nil	53

(b) Investments in quoted securities as at 31 December 2008

	RM'000
(i) Total investments at cost	919
(ii) Total investments at carrying value/book value	550
(iii) Total investments at market value at 31 December 2008	550

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

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS****8. Corporate Proposals**200MW Coal-fired Power Project in Cambodia

On 1 February 2009, the Company (or "LEADER") announced the approval from the Council of Ministers of the Royal Kingdom of Cambodia for the split of the above said 200MW coal-fired power project, awarded by the Ministry of Mines & Energy of the Royal Kingdom of Cambodia to LEADER and MKCSS Holdings Co. Ltd of Cambodia ("MKCSS"), into two equal parts. LEADER now has the full concession rights to develop 100MW and MKCSS an equivalent 100MW. The development works on the 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.

**9. Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2008

(a)		RM'000
	Secured	9,960
	Unsecured	417,468
(b)	Total	427,428
	Short term	308,361
	Long term	119,067
(c)	Total	427,428
	Ringgit Malaysia	383,840
	Foreign currency (USD12,500,000)	43,588
	Total	427,428

**10. Off Balance Sheet Financial Instruments**Forward Foreign Exchange Contracts

As at 12 February 2009, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	14,413	13 February 2009 - 27 February 2009
Singapore Dollar	647	26 March 2009 - 27 April 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.

**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.

**LEADER UNIVERSAL HOLDINGS BERHAD (Co. No. 172736-A)**  
(Incorporated in Malaysia)  
**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

12. **Earnings Per Share**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	12,609	3,599	64,935	54,246
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	2.89	0.82	14.88	12.43

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  
20/02/2009