

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

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30/6/2009.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	474,035	678,069	918,756	1,317,973
Cost of sales	<u>(431,508)</u>	<u>(625,647)</u>	<u>(838,369)</u>	<u>(1,215,793)</u>
Gross profit	42,527	52,422	80,387	102,180
Operating expenses	(19,003)	(22,003)	(32,200)	(41,005)
Other income	723	3,321	2,681	4,976
Finance costs	(3,933)	(8,056)	(9,405)	(14,245)
Share of (loss)/profit of associated companies	<u>285</u>	<u>1,852</u>	<u>582</u>	<u>2,880</u>
Profit before tax	20,599	27,536	42,045	54,786
Income tax expense	<u>(2,438)</u>	<u>(4,206)</u>	<u>(6,660)</u>	<u>(10,970)</u>
Profit for the period	<u><u>18,161</u></u>	<u><u>23,330</u></u>	<u><u>35,385</u></u>	<u><u>43,816</u></u>
Attributable to :				
Equity holders of the parent	13,945	18,061	26,203	33,572
Minority interests	<u>4,216</u>	<u>5,269</u>	<u>9,182</u>	<u>10,244</u>
	<u><u>18,161</u></u>	<u><u>23,330</u></u>	<u><u>35,385</u></u>	<u><u>43,816</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	3.20	4.14	6.00	7.69
- 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 2008 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 30/6/2009 RM'000	As at 31/12/2008 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipment	303,807	295,726
Prepaid Land Lease Payments	21,572	21,867
Investment Properties	46,311	46,773
Land Held for Properties Development	14,543	14,543
Investment in Associated Companies	25,763	25,180
Amount due from Associated Companies	8,663	8,913
Other Investments	10,547	10,393
	<u>431,206</u>	<u>423,395</u>
Current Assets		
Properties Development Cost	1,053	1,053
Inventories	211,990	262,886
Amount Due from Associated Companies	13,224	32,382
Redeemable Preference Shares	1,311	1,311
Trade and Other Receivables	300,538	387,692
Cash and Bank Balances	204,555	178,306
Tax Recoverable	2,592	4,077
	<u>735,263</u>	<u>867,707</u>
TOTAL ASSETS	<u><u>1,166,469</u></u>	<u><u>1,291,102</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	436,459	436,459
Reserves	84,396	63,514
	<u>520,855</u>	<u>499,973</u>
Minority Interests	<u>98,377</u>	<u>105,309</u>
Total Equity	<u>619,232</u>	<u>605,282</u>
Non Current Liabilities		
Borrowings	107,340	119,067
Retirement Benefit Obligations	3,484	3,484
Deferred Tax Liabilities	18,616	17,143
	<u>129,440</u>	<u>139,694</u>
Current Liabilities		
Trade and Other Payables	218,039	234,677
Short Term Borrowings	198,745	308,361
Taxation	1,013	3,088
	<u>417,797</u>	<u>546,126</u>
Total Liabilities	<u>547,237</u>	<u>685,820</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,166,469</u></u>	<u><u>1,291,102</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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	
	30/6/2009	30/6/2008
	RM'000	RM'000
Profit for the financial period	35,385	43,816
Adjustment for:		
Non cash items	14,727	13,896
Non operating items (which are investing / financing activities)	8,016	9,985
Taxation	6,660	10,970
Operating profit before working capital changes	<u>64,788</u>	<u>78,667</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	158,100	(94,909)
Net changes in current liabilities	(16,974)	65,383
Net cash flow from operations	<u>205,914</u>	<u>49,141</u>
Tax paid	(7,907)	(9,436)
Tax refund	6	9
Net cash flow from operating activities	<u>198,013</u>	<u>39,714</u>
Investing Activities		
Others	(20,502)	(10,564)
Net cash flow from investing activities	<u>(20,502)</u>	<u>(10,564)</u>
Financing Activities		
Bank borrowings	(121,759)	(47,938)
Interest paid	(9,155)	(12,112)
Dividend paid to minority shareholders of a subsidiary	(21,005)	(21,654)
Net cash flow from financing activities	<u>(151,919)</u>	<u>(81,704)</u>
Net changes in cash and cash equivalents	25,592	(52,554)
Cash and cash equivalents at beginning of the year	178,306	213,024
Foreign exchange differences on opening balance	657	(1,534)
Cash and cash equivalents at end of the financial period	<u>204,555</u>	<u>158,936</u>
Cash and cash equivalents comprise :		
Cash and bank balances	204,555	159,227
Bank overdrafts	-	(291)
	<u>204,555</u>	<u>158,936</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009	436,459	93,394	(29,880)	499,973	105,309	605,282
Movements during the period	-	781	20,101	20,882	(6,932)	13,950
At 30 June 2009	<u>436,459</u>	<u>94,175</u>	<u>(9,779)</u>	<u>520,855</u>	<u>98,377</u>	<u>619,232</u>
At 1 January 2008 (restated)	436,459	91,616	(85,126)	442,949	98,495	541,444
Movements during the period	-	(2,156)	38,348	36,192	(6,663)	29,529
At 30 June 2008	<u>436,459</u>	<u>89,460</u>	<u>(46,778)</u>	<u>479,141</u>	<u>91,832</u>	<u>570,973</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 2008 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 2008. 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 2008.

(b) **Changes in Accounting Policies**

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:

FRS, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2: Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 123: Borrowing Costs (Replaces FRS 123 ²⁰⁰⁴)	1 January 2010
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
IC Interpretation 11 FRS 2: Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The new and amended 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 7 and FRS 139.

The other significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

(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 2009 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**

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 reporting quarter up to date of issue of this quarterly report.

(h) **Dividend Payment**

No interim dividend payment was recommended for the current reporting quarter. An interim dividend of 1.5 sen per share less 25% tax was declared on 29 May 2009 and paid on 26 June 2009.

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power generation RM'000	Others RM'000	Total RM'000
Sales				
Total sales	843,812	72,899	2,615	919,326
Intersegment sales	-	-	(570)	(570)
External sales	843,812	72,899	2,045	918,756
Results				
Operating profit/(loss) / Segment results	33,353	18,090	(575)	50,868
Finance costs				(9,405)
Share of profit of associated companies	582	-	-	582
Profit before taxation				42,045
Income tax expense				(6,660)
Profit for the period				35,385
Attributable to :				
Equity holders of the parent				26,203
Minority interests				9,182
				35,385

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(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 reporting quarter that have not been reflected in the financial statements.

(l) Changes in the Composition of the Group

There were no changes in the composition of the Group for the current reporting quarter.

(m) Contingent Liabilities

As at 14 August 2009, guarantees extended by the Company as security for the Group's banking facilities amounted to RM783.20 million (31 December 2008 : RM733.35 million).

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

1. Review of Performance

The Group registered a revenue of RM474.04 million for the current reporting quarter ended 30 June 2009, a decrease of 30% as compared to RM678.07 million for the corresponding quarter ended 30 June 2008.

The drop was mainly due to a 30% decline in revenue from the cable & wire business from RM622.2 million to RM436.14 million due to a steep decline in commodity metal prices. The average London Metal Exchange ("LME") price for copper for the current reporting quarter was USD4,663 per metric ton as compared to USD8,443 per metric ton for the corresponding quarter, a decline of 45%, while the average LME price for aluminium for the current reporting quarter was USD1,485 per metric ton as compared to USD2,940 per metric ton for the corresponding quarter, a decline of 49.5%.

The lower revenue has resulted in the Group registering both lower gross profit and profit before tax of RM42.53 million and RM20.60 million respectively.

2. Material Change in Profit Before Taxation

The Group's profit before taxation for the current reporting quarter ended 30 June 2009 was 4% lower at RM20.60 million as compared to RM21.45 million for the preceding quarter.

3. Prospects for Financial Year Ending 31 December 2009

With the continuing global financial crisis and economic slowdown, the directors expect the balance of the year to remain challenging.

The Group will continue to address the challenges to maintain a satisfactory level of operating performance for this 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 30/6/2009 RM'000	Interim Period To Date 30/6/2009 RM'000
Income tax	(782)	(6,379)
Deferred tax	(1,656)	(281)
	<u>(2,438)</u>	<u>(6,660)</u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 30 June 2009 is primarily due to the lower tax rate of an overseas subsidiary company. Some of the non-taxable income of subsidiaries, the availability of unabsorbed losses cum the tax incentives being used to offset against statutory income of subsidiary companies, have also contributed to lowering the effective tax rate.

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

There was no sale of unquoted investments or properties for the current reporting quarter.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

7. Purchase or Disposal of Quoted Securities

(a) Purchase or disposal

There was no purchase or disposal of quoted securities for the current reporting quarter.

(b) Investments in quoted securities as at 30 June 2009

	RM'000
(i) Total investments at cost	919
(ii) Total investments at carrying value/book value	610
(iii) Total investments at market value at 30 June 2009	610

8. Corporate Proposals

100MW Coal-fired Power Project in Cambodia

The development works on the project are still on-going.

There were no corporate proposals announced during the current reporting 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 30 June 2009

	RM'000
(a) Secured	8,305
Unsecured	297,780
Total	306,085
(b) Short term	198,745
Long term	107,340
Total	306,085
(c) Ringgit Malaysia	284,082
Foreign currency (USD6,250,000)	22,003
Total	306,085

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NOTES TO QUARTERLY FINANCIAL STATEMENTS**10. Off Balance Sheet Financial Instruments**Forward Foreign Exchange Contracts

As at 14 August 2009, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	8,484	25.08.09 - 07.10.09
Singapore Dollar	2,424	28.08.09 - 31.12.09

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.

12. Earnings Per Share

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	13,945	18,061	26,203	33,572
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	3.20	4.14	6.00	7.69

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
21/08/2009