

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

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30/9/2009.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	509,775	703,051	1,428,531	2,021,024
Cost of sales	<u>(467,232)</u>	<u>(648,097)</u>	<u>(1,305,601)</u>	<u>(1,863,890)</u>
Gross profit	42,543	54,954	122,930	157,134
Operating expenses	(20,763)	(15,178)	(52,963)	(56,183)
Other income	1,599	1,068	4,280	6,044
Finance costs	(4,159)	(11,991)	(13,564)	(26,236)
Share of (loss)/profit of associated companies	<u>948</u>	<u>1,034</u>	<u>1,530</u>	<u>3,914</u>
Profit before tax	20,168	29,887	62,213	84,673
Income tax expense	<u>(86)</u>	<u>(4,991)</u>	<u>(6,746)</u>	<u>(15,961)</u>
Profit for the period	<u><u>20,082</u></u>	<u><u>24,896</u></u>	<u><u>55,467</u></u>	<u><u>68,712</u></u>
Attributable to :				
Equity holders of the parent	15,831	18,754	42,034	52,326
Minority interests	<u>4,251</u>	<u>6,142</u>	<u>13,433</u>	<u>16,386</u>
	<u><u>20,082</u></u>	<u><u>24,896</u></u>	<u><u>55,467</u></u>	<u><u>68,712</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	3.63	4.30	9.63	11.99
- 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 30/9/2009 RM'000	As at 31/12/2008 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipment	311,544	295,726
Prepaid Land Lease Payments	21,425	21,867
Investment Properties	48,330	46,773
Land Held for Properties Development	14,543	14,543
Investment in Associated Companies	26,710	25,180
Amount due from Associated Companies	8,588	8,913
Other Investments	10,241	10,393
	<u>441,381</u>	<u>423,395</u>
Current Assets		
Properties Development Cost	1,053	1,053
Inventories	257,733	262,886
Amount Due from Associated Companies	-	32,382
Redeemable Preference Shares	1,311	1,311
Trade and Other Receivables	323,221	387,692
Cash and Bank Balances	187,984	178,306
Tax Recoverable	4,094	4,077
	<u>775,396</u>	<u>867,707</u>
TOTAL ASSETS	<u>1,216,777</u>	<u>1,291,102</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	436,459	436,459
Reserves	98,628	63,514
	<u>535,087</u>	<u>499,973</u>
Minority Interests	<u>101,325</u>	<u>105,309</u>
Total Equity	<u>636,412</u>	<u>605,282</u>
Non Current Liabilities		
Borrowings	75,006	119,067
Retirement Benefit Obligations	3,484	3,484
Deferred Tax Liabilities	18,620	17,143
	<u>97,110</u>	<u>139,694</u>
Current Liabilities		
Trade and Other Payables	281,592	234,677
Amount Due to associated companies	2,307	-
Short Term Borrowings	197,579	308,361
Taxation	1,777	3,088
	<u>483,255</u>	<u>546,126</u>
Total Liabilities	<u>580,365</u>	<u>685,820</u>
TOTAL EQUITY AND LIABILITIES	<u>1,216,777</u>	<u>1,291,102</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)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 MONTHS ENDED	
	30/9/2009	30/9/2008
	RM'000	RM'000
Profit for the financial period	55,467	68,712
Adjustment for:		
Non cash items	22,184	20,053
Non operating items (which are investing / financing activities)	10,553	17,355
Taxation	6,747	15,961
Operating profit before working capital changes	94,951	122,081
Decrease / (Increase) in working capital:		
Net changes in current assets	104,204	(26,574)
Net changes in current liabilities	44,498	18,165
Net cash flow from operations	243,653	113,672
Tax paid	(9,885)	(11,854)
Tax refund	381	9
Net cash flow from operating activities	234,149	101,827
Investing Activities		
Others	(34,387)	(26,068)
Net cash flow from investing activities	(34,387)	(26,068)
Financing Activities		
Bank borrowings	(154,736)	(36,643)
Interest paid	(12,856)	(20,933)
Dividend paid to minority shareholders of a subsidiary	(22,324)	(22,384)
Net cash flow from financing activities	(189,916)	(79,960)
Net changes in cash and cash equivalents	9,846	(4,201)
Cash and cash equivalents at beginning of the year	178,306	213,024
Foreign exchange differences on opening balance	(168)	2,212
Cash and cash equivalents at end of the financial period	187,984	211,035
Cash and cash equivalents comprise :		
Cash and bank balances	187,984	211,035
Bank overdrafts	-	-
	187,984	211,035

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	-	(818)	35,932	35,114	(3,984)	31,130
At 30 Sept 2009	<u>436,459</u>	<u>92,576</u>	<u>6,052</u>	<u>535,087</u>	<u>101,325</u>	<u>636,412</u>
At 1 January 2008 (restated)	436,459	91,616	(85,126)	442,949	98,495	541,444
Movements during the period	-	2,181	55,933	58,114	(1,372)	56,742
At 30 September 2008	<u>436,459</u>	<u>93,797</u>	<u>(29,193)</u>	<u>501,063</u>	<u>97,123</u>	<u>598,186</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) **Significant Accounting Policies**

At the date of authorisation of these financial statements, the following New FRSs, Revised FRSs, Amendments to FRSs and the 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
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS101: Presentation of Financial Statements (Revised)	1 January 2010
FRS 123: Borrowing Costs (Revised)	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting	1 January 2010
Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 2: Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives	
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 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

MASB also issued "Improvements to FRSs (2009)" which contain Amendments to twenty two (22) FRSs and are effective for financial periods beginning on or after 1 January 2010.

The other new FRSs, Revised FRS, Amendments to FRSs 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 8, FRS 101 and Amendments to FRS 132.

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 and Amendments to FRS 139, FRS 7 and IC Interpretation 9.

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 September 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**

The Board of directors has declared a second interim dividend of 1.5 sen per share less 25% tax (3rd Quarter 2008 : second interim dividend of 1.5 sen per share less 26% tax) which will be paid on 23 December 2009 to shareholders whose names appear on the Record of Depositors as at 15 December 2009. A depositors shall qualify for dividend entitlement only in respect of :

a) shares transferred into the Depositors Securities Account before 4.00 p.m. on 15 December 2009 in respect of ordinary transfers;

b) shares deposited into the Depositors Securities Account before 12.30 p.m. on 11 December 2009 in respect of shares exempted from mandatory deposit;

c) shares bought on the Bursa Securities Account on a cum entitlement basis according to the rules of the Bursa Securities.

A first interim dividend of 1.5 sen per share less 25% tax for the current financial year 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	1,322,556	102,919	3,911	1,429,386
Intersegment sales	-	-	(855)	(855)
External sales	1,322,556	102,919	3,056	1,428,531
Results				
Operating profit/(loss) / Segment results	47,373	27,690	(816)	74,247
Finance costs				(13,564)
Share of profit of associated companies	1,530	-	-	1,530
Profit before taxation				62,213
Income tax expense				(6,746)
Profit for the period				55,467
Attributable to :				
Equity holders of the parent				42,034
Minority interests				13,433
				55,467

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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**

Leader Infrastructure (Labuan) Limited, a 100% owned subsidiary was incorporated in Labuan on 29 September 2009. Leader Agency Sdn Bhd held its Final Meeting on 6 October 2009 and concluded its members' voluntary winding up process.

(m) **Contingent Liabilities**

As at 23 November 2009, guarantees extended by the Company as security for the Group's banking facilities amounted to RM788.45 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 RM509.78 million for the current reporting quarter ended 30 September 2009, a decrease of 27% as compared to RM703.05 million for the corresponding quarter ended 30 September 2008.

The drop was mainly due to a 24% decline in revenue from the cable & wire business from RM627.74 million to RM478.74 million due to a steep decline in commodity metal prices.

The lower revenue has resulted in the Group registering both lower gross profit and profit before tax of RM42.54 million and RM20.17 million respectively.

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

The Group's profit before taxation for the current reporting quarter ended 30 September 2009 was 2% lower at RM20.17 million as compared to RM20.60 million for the preceding quarter.

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

With the improving economic conditions, the directors expect the balance of the year to be profitable.

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 30/9/2009 RM'000	Interim Period To Date 30/9/2009 RM'000
Income tax	(1,316)	(7,695)
Deferred tax	(4)	(285)
	<u>(1,320)</u>	<u>(7,980)</u>
(Under)/Over provision in previous year	1,234	1,234
	<u>(86)</u>	<u>(6,746)</u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 30 September 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 except the following:

	Current Quarter 30/9/2009 RM'000	Interim Period To Date 30/9/2009 RM'000
Total purchase consideration	-	-
Total sale proceeds	210	210
Total gain on disposal	19	19

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

	RM'000
(i) Total investments at cost	470
(ii) Total investments at carrying value/book value	422
(iii) Total investments at market value at 30 September 2009	422

8. Corporate Proposals

100MW Coal-fired Power Project in Cambodia

The development works on the project are still on-going. On 10 November 2009 the Company announced the signing of the Novation Agreements with the the authorities in Cambodia to novate the project to Cambodian Energy Limited (CEL) to undertake the project. CEL is a joint venture company between the Company and Cambodia International Investment Development Group Co. Ltd. with percentage shareholding of 80% and 20% respectively.

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 September 2009

	RM'000
(a) Secured	7,358
Unsecured	265,227
Total	272,585
(b) Short term	197,579
Long term	75,006
Total	272,585
(c) Ringgit Malaysia	250,844
Foreign currency (USD6,250,000)	21,741
Total	272,585

10. Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

As at 23 November 2009, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	12,050	4 December 2009 - 4 January 2010
Euro Dollar	1,065	30 November 2009
Australian Dollar	721	31 December 2009
Singapore Dollar	2,677	30 November 2009 - 31 March 2010

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.

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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	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	15,831	18,754	42,034	52,326
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	3.63	4.30	9.63	11.99

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
30/11/2009