

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

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31/12/2009.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2009 RM'000	31/12/2008 RM'000	31/12/2009 RM'000	31/12/2008 RM'000 (Audited)
Revenue	521,269	519,778	1,949,800	2,540,802
Cost of sales	<u>(485,487)</u>	<u>(487,007)</u>	<u>(1,791,088)</u>	<u>(2,350,897)</u>
Gross profit	35,782	32,771	158,712	189,905
Operating expenses	(17,642)	(11,194)	(70,605)	(67,377)
Other income	1,283	5,362	5,563	11,406
Finance costs	(4,859)	(9,689)	(18,423)	(35,925)
Share of (loss)/profit of associated companies	<u>64</u>	<u>102</u>	<u>1,594</u>	<u>4,016</u>
Profit before tax	14,628	17,352	76,841	102,025
Income tax expense	<u>871</u>	<u>479</u>	<u>(5,875)</u>	<u>(15,482)</u>
Profit for the period	<u><u>15,499</u></u>	<u><u>17,831</u></u>	<u><u>70,966</u></u>	<u><u>86,543</u></u>
Attributable to :				
Equity holders of the parent	11,412	12,610	53,446	64,936
Minority interests	<u>4,087</u>	<u>5,221</u>	<u>17,520</u>	<u>21,607</u>
	<u><u>15,499</u></u>	<u><u>17,831</u></u>	<u><u>70,966</u></u>	<u><u>86,543</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	2.61	2.89	12.25	14.88
- 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 31/12/2009 RM'000	As at 31/12/2008 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipment	310,314	295,726
Prepaid Land Lease Payments	45,153	21,867
Investment Properties	48,037	46,773
Land Held for Properties Development	14,543	14,543
Investment in Associated Companies	26,079	25,180
Amount due from Associated Companies	8,517	8,913
Other Investments	10,075	10,393
Deferred Tax Assets	419	-
Other Non Current Assets	650	-
	<u>463,787</u>	<u>423,395</u>
Current Assets		
Properties Development Cost	1,053	1,053
Inventories	252,664	262,886
Amount Due from Associated Companies	14,316	32,382
Redeemable Preference Shares	953	1,311
Trade and Other Receivables	303,874	387,692
Cash and Bank Balances	213,901	178,306
Tax Recoverable	6,974	4,077
	<u>793,735</u>	<u>867,707</u>
TOTAL ASSETS	<u><u>1,257,522</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	104,896	63,514
	<u>541,355</u>	<u>499,973</u>
Minority Interests	<u>129,046</u>	<u>105,309</u>
Total Equity	<u>670,401</u>	<u>605,282</u>
Non Current Liabilities		
Borrowings	78,814	119,067
Retirement Benefit Obligations	3,368	3,484
Deferred Tax Liabilities	15,513	17,143
	<u>97,695</u>	<u>139,694</u>
Current Liabilities		
Trade and Other Payables	286,389	234,677
Amount Due to associated companies	6,297	-
Short Term Borrowings	194,358	308,361
Taxation	2,382	3,088
	<u>489,426</u>	<u>546,126</u>
Total Liabilities	<u>587,121</u>	<u>685,820</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,257,522</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)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 MONTHS ENDED	
	31/12/2009	31/12/2008
	RM'000	RM'000
Profit for the financial period	70,966	86,543
Adjustment for:		
Non cash items	23,768	9,592
Non operating items (which are investing / financing activities)	14,874	31,336
Taxation	5,875	15,482
Operating profit before working capital changes	<u>115,483</u>	<u>142,953</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	115,618	40,783
Net changes in current liabilities	57,724	7,787
Net cash flow from operations	<u>288,825</u>	<u>191,523</u>
Tax paid	(11,858)	(14,188)
Tax refund	381	9
Net cash flow from operating activities	<u>277,348</u>	<u>177,344</u>
Investing Activities		
Others	(65,242)	(29,345)
Net cash flow from investing activities	<u>(65,242)</u>	<u>(29,345)</u>
Financing Activities		
Bank borrowings	(153,848)	(119,199)
Finance cost paid	(18,423)	(34,847)
Dividend paid	(9,820)	(9,690)
Dividend paid to minority shareholders of a subsidiary	(17,187)	(17,085)
Contribution from MI	23,954	-
Net cash flow from financing activities	<u>(175,324)</u>	<u>(180,821)</u>
Net changes in cash and cash equivalents	36,782	(32,822)
Cash and cash equivalents at beginning of the year	178,306	208,245
Foreign exchange differences on opening balance	(1,187)	2,883
Cash and cash equivalents at end of the financial period	<u><u>213,901</u></u>	<u><u>178,306</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	213,901	178,306
Bank overdrafts	-	-
	<u><u>213,901</u></u>	<u><u>178,306</u></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	-	(2,335)	43,717	41,382	23,737	65,119
At 31 Dec 2009	<u>436,459</u>	<u>91,059</u>	<u>13,837</u>	<u>541,355</u>	<u>129,046</u>	<u>670,401</u>
At 1 January 2008 (restated)	436,459	91,616	(85,126)	442,949	98,495	541,444
Movements during the period	-	1,778	55,246	57,024	6,814	63,838
At 31 Dec 2008	<u>436,459</u>	<u>93,394</u>	<u>(29,880)</u>	<u>499,973</u>	<u>105,309</u>	<u>605,282</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)
(Incorporated in Malaysia)
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 FRSSs, Revised FRSSs, Amendments to FRSSs 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 1: First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combinations	1 July 2010
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 127: Consolidated and Separate Financial Statements	1 July 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Share-based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to 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 Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 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
IC Interpretation 15: Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010

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

The other new FRSSs, Revised FRS, Amendments to FRSSs 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.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(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 2009 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**

The Company had repaid RM10 million of Murabahah Medium Term Notes (“MMTN”) in December 2009 and the total amount outstanding as at 31 December 2009 is RM80 million. The company had further repaid RM30 million on 15 January 2010 and further reduced the amount outstanding to RM50 million as at the date of issuance of this quarterly report.

Other than the above stated, 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.

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power generation RM'000	Others RM'000	Total RM'000
Sales				
Total sales	1,818,249	127,623	5,068	1,950,940
Intersegment sales	-	-	(1,140)	(1,140)
External sales	1,818,249	127,623	3,928	1,949,800
Results				
Operating profit/(loss) / Segment results	58,605	37,605	(2,540)	93,670
Finance costs				(18,423)
Share of profit of associated companies	1,594	-	-	1,594
Profit before taxation				76,841
Income tax expense				(5,875)
Profit for the period				70,966
Attributable to :				
Equity holders of the parent				53,446
Minority interests				17,520
				70,966

(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.

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NOTES TO QUARTERLY 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 Limited had transferred its entire equity interest in Leader (Cambodia) Limited ("LCL") to Leader Infrastructure (Labuan) Limited ("LILL"). LILL now holds the shares directly in LCL.

(m) **Contingent Liabilities**

As at 17 February 2010, guarantees extended by the Company as security for the Group's banking facilities amounted to RM 788.45million (31 December 2008 : RM733.35 million).

1. **Review of Performance**

The Group registered a revenue of RM521.27 million for the current reporting quarter ended 31 December 2009, a marginal increase of 0.29% as compared to RM519.78 million for the corresponding quarter ended 31 December 2008.

The Group's profit before taxation for the current reporting quarter was lower as there were reversal of provisions in the corresponding quarter ended 31 December 2008.

The year-to-date lower revenue due to lower sales volume coupled with lower metal prices had resulted in the Group registering both lower gross profit and profit before tax of RM158.71 million and RM76.84 million respectively.

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

The Group's profit before taxation for the current reporting quarter ended 31 December 2009 was 27.47% lower at RM14.63 million as compared to RM20.17 million for the preceding quarter due to less favourable sales mix.

3. **Prospects for Next Financial Year**

With the improving economic conditions, the directors expect the financial year ending 31 December 2010 to remain 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 31/12/2009 RM'000	Interim Period To Date 31/12/2009 RM'000
Income tax	(1,460)	(9,155)
Deferred tax	2,332	2,047
	872	(7,108)
(Under)/Over provision in previous year	(1)	1,233
	871	(5,875)

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 31 December 2009 is primarily due to the lower tax rate of an overseas subsidiary company and the availability of tax incentives being used to offset against statutory income of a subsidiary company. Some of the non-taxable income, the availability of unabsorbed losses cum the tax incentives granted to the subsidiary companies, have also contributed to lowering the effective tax rate of the Group for the current financial year under review.

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 31/12/2009 RM'000	Interim Period To Date 31/12/2009 RM'000
Total purchase consideration	-	-
Total sale proceeds	-	210
Total gain on disposal	-	19

(b) Investments in quoted securities as at 31 December 2009

	RM'000
(i) Total investments at cost	470
(ii) Total investments at carrying value/book value	438
(iii) Total investments at market value at 31 December 2009	438

8. Corporate Proposals

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

9. Projects Undertaken

100MW Coal-fired Power Project in Cambodia

A Facility Agreement was signed with OCBC Bank (Malaysia) Berhad, Malayan Banking Berhad, Ambank (M) Berhad and Bank of China (Malaysia) Berhad on 10 February 2010 for a Syndicated Term Loan Facility amounting to USD140 million to partly finance the project. A Groundbreaking Ceremony was held on 11 February 2010 to commence construction of the power plant in Sihanoukville, Cambodia.

230 kV Power Transmission System from North Phnom Penh to Kampong Cham in Cambodia

A Facility Agreement was signed with Export-Import Bank of Malaysia Berhad on 5 February 2010 for Islamic Financing under Overseas Project Financing-i of USD65 million to partly finance the project.

10. Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31 December 2009

	RM'000
(a) Secured	27,784
Unsecured	245,388
Total	273,172
(b) Short term	194,358
Long term	78,814
Total	273,172
(c) Ringgit Malaysia	251,784
Foreign currency (USD6,250,000)	21,388
Total	273,172

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

11 Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

As at 17 February 2010, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	9,969	25.02.10 - 07.04.10
Singapore Dollar	369	25.02.10 - 31.03.10

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.

12 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 reporting quarter up to the date of issuance of this quarterly report.

13 Earnings Per Share

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	11,412	12,610	53,446	64,936
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	<u>2.61</u>	<u>2.89</u>	<u>12.25</u>	<u>14.88</u>

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
23/02/2010