

**LEADER UNIVERSAL HOLDINGS BERHAD** (Co. No. 172736-A)  
(Incorporated in Malaysia)  
**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31/03/2010.  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	RM'000	RM'000	RM'000	RM'000
Revenue	545,877	444,721	545,877	444,721
Cost of sales	<u>(510,092)</u>	<u>(406,861)</u>	<u>(510,092)</u>	<u>(406,861)</u>
Gross profit	35,785	37,860	35,785	37,860
Operating expenses	(16,806)	(11,827)	(16,806)	(11,827)
Other income	726	588	726	588
Finance costs	(2,871)	(5,472)	(2,871)	(5,472)
Share of profit of associated companies	<u>102</u>	<u>297</u>	<u>102</u>	<u>297</u>
Profit before tax	16,936	21,446	16,936	21,446
Income tax expense	<u>(1,122)</u>	<u>(4,222)</u>	<u>(1,122)</u>	<u>(4,222)</u>
Profit for the period	<u><u>15,814</u></u>	<u><u>17,224</u></u>	<u><u>15,814</u></u>	<u><u>17,224</u></u>
Profit attributable to :				
Equity holders of the parent	10,092	12,258	10,092	12,258
Minority interests	<u>5,722</u>	<u>4,966</u>	<u>5,722</u>	<u>4,966</u>
	<u><u>15,814</u></u>	<u><u>17,224</u></u>	<u><u>15,814</u></u>	<u><u>17,224</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	2.31	2.81	2.31	2.81
- Diluted	na	na	na	na

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	15,814	17,224	15,814	17,224
Other Comprehensive Income:				
Translation of foreign operations	(9,465)	6,259	(9,465)	6,259
Cash Flow hedges	(1,692)	na	(1,692)	na
Tax relating to components of other comprehensive income	<u>381</u>	<u>na</u>	<u>381</u>	<u>na</u>
Total comprehensive income for the year	<u><u>5,038</u></u>	<u><u>23,483</u></u>	<u><u>5,038</u></u>	<u><u>23,483</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent	2,677	14,180	2,677	14,180
Minority interests	<u>2,361</u>	<u>9,303</u>	<u>2,361</u>	<u>9,303</u>
	<u><u>5,038</u></u>	<u><u>23,483</u></u>	<u><u>5,038</u></u>	<u><u>23,483</u></u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements

**LEADER UNIVERSAL HOLDINGS BERHAD** (Co. No. 172736-A)  
(Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/03/2010 RM'000	As at 31/12/2009 RM'000 Audited
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	310,656	310,314
Prepaid Land Lease Payments	43,945	45,153
Investment Properties	67,422	48,037
Land Held for Properties Development	14,543	14,543
Investment in Associated Companies	26,178	26,079
Amount due from Associated Companies	6,334	9,017
Other Investments	9,830	10,074
Deferred Tax Assets	304	419
Other Non Current Assets	476	650
	479,688	464,286
<b>Current Assets</b>		
Properties Development Cost	1,053	1,053
Inventories	235,139	252,664
Amount Due from Associated Companies	15,962	13,816
Redeemable Preference Shares	876	953
Trade and Other Receivables	327,504	298,852
Cash and Bank Balances	150,746	213,901
Forward Contract Assets	9,930	-
Tax Recoverable	3,828	6,974
	745,038	788,213
<b>TOTAL ASSETS</b>	<b>1,224,726</b>	<b>1,252,499</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	436,459	436,459
Reserves	102,309	104,896
	538,768	541,355
<b>Minority Interests</b>	131,394	129,045
<b>Total Equity</b>	<b>670,162</b>	<b>670,400</b>
<b>Non Current Liabilities</b>		
Borrowings	89,348	28,814
Retirement Benefit Obligations	3,368	3,368
Deferred Tax Liabilities	14,123	15,513
	106,839	47,695
<b>Current Liabilities</b>		
Trade and Other Payables	247,926	281,367
Forward Contract Liabilities	10,469	-
Amount Due to Associated Companies	-	6,297
Short Term Borrowings	188,240	244,358
Taxation	1,090	2,382
	447,725	534,404
<b>Total Liabilities</b>	<b>554,564</b>	<b>582,099</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,224,726</b>	<b>1,252,499</b>

The condensed consolidated financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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**

	3 MONTHS ENDED	
	31/03/2010	31/03/2009
	RM'000	RM'000
Profit for the financial period	15,814	17,224
Adjustment for:		
Non cash items	3,576	8,591
Non operating items (which are investing / financing activities)	2,180	4,907
Taxation	1,123	4,222
Operating profit before working capital changes	<u>22,693</u>	<u>34,944</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(18,604)	109,213
Net changes in current liabilities	<u>(37,331)</u>	<u>(43,707)</u>
Net cash flow from operations	<u>(33,242)</u>	<u>100,450</u>
Tax paid	(2,301)	(5,518)
Tax refund	1,463	6
Net cash flow from operating activities	<u>(34,080)</u>	<u>94,938</u>
Investing Activities		
Others	<u>(27,633)</u>	<u>(6,353)</u>
Net cash flow from investing activities	<u>(27,633)</u>	<u>(6,353)</u>
Financing Activities		
Bank borrowings	4,948	(53,144)
Finance cost paid	<u>(2,871)</u>	<u>(5,472)</u>
Net cash flow from financing activities	<u>2,077</u>	<u>(58,616)</u>
Net changes in cash and cash equivalents	(59,636)	29,969
Cash and cash equivalents at beginning of the year	213,901	178,306
Foreign exchange differences on opening balance	(3,519)	3,703
Cash and cash equivalents at end of the financial period	<u><u>150,746</u></u>	<u><u>211,978</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	150,746	211,978
Bank overdrafts	-	-
	<u><u>150,746</u></u>	<u><u>211,978</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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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 2010						
As previously stated	436,459	91,059	13,837	541,355	129,045	670,400
Effects of adopting FRS 139		882	(6,146)	(5,264)	(12)	(5,276)
Restated	436,459	91,941	7,691	536,091	129,033	665,124
Movements during the period	-	(7,415)	10,092	2,677	2,361	5,038
At 31 March 2010	436,459	84,526	17,783	538,768	131,394	670,162
At 1 January 2009	436,459	93,394	(29,880)	499,973	105,309	605,282
Movements during the period	-	1,922	12,258	14,180	9,303	23,483
At 31 March 2009	436,459	95,316	(17,622)	514,153	114,612	628,765

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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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 2009. 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 2009.

**(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:

<b>FRS, Amendment to FRS and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to FRS 132: Classification of Right Issues	1 March 2010
FRS 1: First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combinations (Revised)	1 July 2010
FRS 127: Consolidated and Separate Financial Statements (Amended)	1 July 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 138: Intangible Assets	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 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
Amendments to FRS 1: Limited Exemption from Comparative FRS7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011

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.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards ("FRSs") and Issues Committee Interpretations ("IC Interpretations") effective for financial periods beginning on or after 1 January 2010.

FRS 7: Financial Instruments: Disclosures  
FRS 8: Operating Segments  
FRS101: Presentation of Financial Statements (Revised)  
FRS 123: Borrowing Costs (Revised)  
FRS 139: Financial Instruments: Recognition and Measurement  
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards  
FRS 127 Consolidated and Separate Financial Statements : Cost of Investment in a Subsidiary, Jointly Controlled Entity Controlled Entity or Associate  
Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations  
Amendments to FRS 132: Financial Instruments: Presentation  
Amendments to FRS 139: Financial Instruments: Recognition and Measurement  
IC Interpretation 9: Reassessment of Embedded Derivatives  
IC Interpretation 10: Interim Financial Reporting and Impairment  
IC Interpretation 11 FRS 2: Group Treasury Share Transactions  
IC Interpretation 13: Customer Loyalty Programmes  
IC Interpretation 14 FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group

The adoption of FRS139 gives rise to significant changes in accounting policies of the Group and the Company. The principal changes and effects are appended below.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

(I) Changes in Accounting Policies and Effects of Adoption of FRS139: Financial Instruments, Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments as well as the requirement for the application of hedge accounting.

Financial instruments are recorded initially at fair value. Subsequent measurement of these instruments at the balance sheet date reflects the designation of the financial instrument. The Group and the Company determine the classification at initial recognition and evaluate this designation and classification of the financial instruments at each year end except for financial instruments measured at fair value through profit or loss.

Financial Assets

a. Loan and Receivables

Prior to 1 January 2010, loan and receivables were carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amount as of balance sheet date. Under FRS139, loan and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated comprehensive income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

b. Available-for-sale

Prior to 1 January 2010, financial assets available-for-sale were accounted for at cost less impairment losses. Under FRS139, available-for-sale financial assets are measured at fair value initially and subsequently with unrealised gains or losses recognised directly in equity. In the event that fair value cannot be measured reliably, it shall be measured at cost.

c. Held-to-Maturity

Prior to 1 January 2010, held-to-maturity financial assets such as non-derivative financial assets with fixed or determinable payments and fixed maturities were accounted for at cost less impairment losses. Under FRS139, held-to-maturity financial assets are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated comprehensive income statements when the investments are derecognised, impaired or through the amortisation process.

d. Financial Assets at Fair Value through Profit or Loss (FAFVPL)

FAFVPL financial assets are initially recognised at fair value, subsequent changes in fair value are recognised as gains or losses in income statements. The class would include (1) Financial assets and financial liabilities held for trading (mandatory classification) and (2) financial assets that, on initial recognition and subject to certain conditions, the entity designates to be at fair value through profit and loss (optional classification). Once an instrument is designated at FAFVPL, any subsequent reclassification into and out of this category is not allowed until it satisfies the derecognition test.

Financial Liabilities

a. Borrowings

Prior to 1 January 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS139, borrowings are initially recognised at the fair value of the consideration received plus direct attributable transaction cost and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated comprehensive income statement when liabilities are derecognised or through the amortisation process.

b. Derivative Financial Instruments

Prior to 1 January 2010, derivatives were off-balance-sheet instruments and were not recognised in the financial statements. Under FRS139, derivatives are required to be initially recognised at fair value on the contract date and subsequently remeasured its fair value at the balance sheet date. Derivatives that are not qualified for hedge accounting are classified as Financial Assets at fair value through profit and loss with any gain or loss arising from changes in fair value on these derivatives being recognised in the comprehensive income statement.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**Hedge Accounting**

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

**a. Fair Value Hedge**

The change in the fair value of an interest rate hedging derivative is recognised in the profit or loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in profit or loss as finance costs.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Fair value hedge accounting is discontinued if the hedging instrument expires or sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

**b. Cash Flow Hedge**

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

Amounts recognised in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale occurs. Where the hedged item is a non-financial asset or a non-financial liability, the amounts recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

**c) Derivatives that are not designated or do not qualify for hedge accounting**

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are directly recognised in profit or loss.



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**NOTES TO QUARTERLY FINANCIAL STATEMENTS****(II) Effect of Adoption of FRS 139**

In accordance with the transitional provisions of FRS139, the changes are applied prospectively and the comparatives as of 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the opening retained earnings and reserves in the balance sheet as of 1 January 2010.

	As at 1 January 2010	
	Retained Earnings (RM'000)	Other Reserve (RM'000)
Previously stated at	13,837	91,059
<u>Effect under FRS 139:</u>		
Impairment on derivative assets	(12)	-
Impairment of trade and sundry receivables	(5,709)	-
Impairment of redeemable preference shares	(77)	-
Amortisation of term loan	(407)	-
Gains on forward contract	14	1,176
Deferred Tax Assets on impairment losses	45	(294)
Restated at	<u>7,691</u>	<u>91,941</u>

**(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 March 2010 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 fully repaid its balance of RM50 million of Murabahah Medium Term Notes ("MMTN") on 25 February 2010.

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**

The Board of Directors has declared a first interim dividend of 1.5 sen per share less 25% (1st Quarter 2009: first interim dividend of 1.5 sen per share less 25% tax) which will be paid on 30 June 2010 to shareholders whose names appear on the Record of Depositors as at 8 June 2010. A depositor shall qualify for dividend entitlement only in respect of:

- shares transferred into the Depositors Securities Account before 4.00 p.m. on 8 June 2010 in respect of ordinary transfers;
- shares deposited into the Depositors Securities Account before 12.30 p.m. on 4 June 2010 in respect of shares exempted from mandatory deposit.
- shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

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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
<b>Sales</b>				
Total sales	515,757	29,518	1,137	546,412
Intersegment sales	-	-	(535)	(535)
External sales	515,757	29,518	602	545,877
<b>Results</b>				
Operating profit/(loss) / Segment results	11,466	10,089	(1,850)	19,705
Finance costs				(2,871)
Share of profit of associated companies	102	-	-	102
Profit before taxation				16,936
Income tax expense				(1,122)
Profit for the period				15,814
Attributable to :				
Equity holders of the parent				10,092
Minority interests				5,722
				15,814

(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 Limited, a wholly-owned subsidiary, has issued 18,999,999 new shares to the Company and increased its issued and paid up share capital from USD1 to USD19,000,000.

(m) **Contingent Liabilities**

As at 14 May 2010, guarantees extended by the Company as security for the Group's banking facilities amounted to RM867.45 million (31 December 2009 : RM788.45 million).

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

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**1. Review of Performance**

The Group registered a revenue of RM545.88 million for the current reporting quarter ended 31 March 2010, an increase of 22.7% as compared to RM444.72 million for the corresponding quarter ended 31 March 2009. The increase in revenue was mainly due to the increase in metal prices in current quarter.

The Group recorded a lower profit before tax at RM16.94 million in current reporting quarter as compared to RM21.45 million for the corresponding quarter ended 31 March 2009 as a result of the higher operating expenses in current quarter.

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

The Group's profit before taxation for the current reporting quarter ended 31 March 2010 was 15.8% higher at RM16.94 million as compared to RM14.63 million for the preceding quarter.

**3. Prospects for Financial Year Ending 31 December 2010**

With the improving economic conditions, the directors expect the remaining part of the financial year 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 31/03/2010 RM'000	Interim Period To Date 31/03/2010 RM'000
Income tax	(2,277)	(2,277)
Deferred tax	1,158	1,158
	<u>(1,119)</u>	<u>(1,119)</u>
(Under)/Over provision in previous year	(3)	(3)
	<u><u>(1,122)</u></u>	<u><u>(1,122)</u></u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 31 March 2010 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 the subsidiary companies. Some of the non-taxable income and the availability of unabsorbed losses of 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 except for a subsidiary company which had sold a property at net book value, hence no profit nor loss arose from the disposal in 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 31 March 2010**

	RM'000
(i) Total investments at cost	470
(ii) Total investments at carrying value/book value	472
(iii) Total investments at market value at 31 March 2010	472

**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**

Works are in progress to fulfill the condition precedents for the loan drawdown and commencement of construction.

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

The construction works have commenced as planned.

**10. Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 March 2010

	RM'000
(a) Secured	36,879
Unsecured	240,709
Total	277,588
(b) Short term	188,240
Long term	89,348
Total	277,588
(c) Ringgit Malaysia	257,141
Foreign currency (USD6,250,000)	20,447
Total	277,588

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**11 Financial Instruments**

(a) Contract Value and Fair Value of Forward Contracts as of 31.3.2010

As at 31 Mar 2010, the Group has the following forward contracts :

Type of Forward Contract	Contract / Notional Value (RM ' 000)	Fair Value (RM ' 000)
i. Commodity Contract -Buy		
- Less than 1 year	59,498	68,037
- 1-3 years	14,860	15,880
- More than 3 years	-	-
Total	74,358	83,917
ii. Commodity Contract - Sell		
- Less than 1 year	58,848	70,207
- 1-3 years	-	-
- More than 3 years	-	-
Total	58,848	70,207
iii. Foreign Exchange Contract - Buy		
- Less than 1 year	6,660	6,492
- 1-3 years	-	-
- More than 3 years	-	-
Total	6,660	6,492
ii. Foreign Exchange Contract - Sell		
- Less than 1 year	7,936	7,825
- 1-3 years	-	-
- More than 3 years	-	-
	7,936	7,825

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

(b) Gain/(Loss) Arising from Fair Value changes of Forward Contract Liabilities/Forward Contract Assets

Type of Forward Contract Assets/Forward Contract Liabilities	Current quarter 31.3.2010 (RM ' 000)	Interim Period to Date 31.3.2010 (RM ' 000)
Forward Commodity Contract	(1,633)	(1,633)
Forward Foreign Exchange Contract	(57)	(57)
Total gain (loss)	(1,690)	(1,690)

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies except those changes which have been disclosed under Note (b) (Significant Accounting Policies) of this quarterly report. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 31 December 2009.

**Reason and Basis in arriving at fair value changes**

**Forward Commodity and Forward Foreign Exchange Contract**

Gains or loss is the difference between the fair value of the forward contract at the balance sheet date and the fair value that was last used for the contract. The fair value is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward rate at the balance sheet date applied to a contract of similar quantum and maturity profile.

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

(Incorporated in Malaysia)

**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**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		3 MONTHS ENDED	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	10,092	12,258	10,092	12,258
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	2.31	2.81	2.31	2.81

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  
21/05/2010