

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

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30/09/2010.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
Revenue	645,021	509,775	1,869,756	1,428,531
Cost of sales	<u>(601,579)</u>	<u>(467,232)</u>	<u>(1,742,092)</u>	<u>(1,305,601)</u>
Gross profit	43,442	42,543	127,664	122,930
Operating expenses	(23,738)	(20,060)	(62,749)	(50,698)
Other income	958	896	2,427	2,015
Finance costs	(1,562)	(4,159)	(7,917)	(13,564)
Share of profit of associated companies	<u>215</u>	<u>948</u>	<u>263</u>	<u>1,530</u>
Profit before tax	19,315	20,168	59,688	62,213
Income tax expense	<u>1,472</u>	<u>(86)</u>	<u>(2,230)</u>	<u>(6,746)</u>
Profit for the period	<u>20,787</u>	<u>20,082</u>	<u>57,458</u>	<u>55,467</u>
Profit attributable to :				
Equity holders of the parent	16,480	15,831	41,580	42,034
Minority interests	<u>4,307</u>	<u>4,251</u>	<u>15,878</u>	<u>13,433</u>
	<u>20,787</u>	<u>20,082</u>	<u>57,458</u>	<u>55,467</u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	3.78	3.63	9.53	9.63
- Diluted	na	na	na	na

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QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30/09/2010.
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	20,787	20,082	57,458	55,467
Other Comprehensive Income:				
Translation of foreign operations	(7,376)	(1,583)	(18,631)	(821)
Cash Flow hedges	1,285	na	(3,837)	na
Loss realised from cash flow hedges	4,159	na	4,418	na
Tax relating to components of other comprehensive income	<u>(1,001)</u>	<u>na</u>	<u>410</u>	<u>na</u>
Total comprehensive income for the year	<u><u>17,854</u></u>	<u><u>18,499</u></u>	<u><u>39,818</u></u>	<u><u>54,646</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent	16,194	16,876	30,960	40,401
Minority interests	<u>1,660</u>	<u>1,623</u>	<u>8,858</u>	<u>14,245</u>
	<u><u>17,854</u></u>	<u><u>18,499</u></u>	<u><u>39,818</u></u>	<u><u>54,646</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)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/09/2010 RM'000	As at 31/12/2009 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipment	410,391	310,314
Prepaid Land Lease Payments	16,530	45,153
Investment Properties	66,675	48,037
Land Held for Properties Development	14,384	14,543
Investment in Associated Companies	20,120	26,079
Amount due from Associated Companies	6,371	9,017
Other Investments	9,291	10,074
Deferred Tax Assets	300	419
Other Non Current Assets	-	650
	544,062	464,286
Current Assets		
Properties Development Cost	1,053	1,053
Inventories	260,228	252,664
Amount Due from Associated Companies	26,109	13,816
Redeemable Preference Shares	876	953
Trade and Other Receivables	380,207	298,852
Cash and Bank Balances	134,216	213,901
Forward Contract Assets	8,101	-
Tax Recoverable	3,090	6,974
	813,880	788,213
TOTAL ASSETS	1,357,942	1,252,499
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	436,459	436,459
Reserves	125,156	104,896
	561,615	541,355
Minority Interests	98,311	129,045
Total Equity	659,926	670,400
Non Current Liabilities		
Borrowings	134,069	28,814
Retirement Benefit Obligations	3,368	3,368
Deferred Tax Liabilities	10,596	15,513
	148,033	47,695
Current Liabilities		
Trade and Other Payables	284,103	281,367
Forward Contract Liabilities	6,265	-
Amount Due to Associated Companies	-	6,297
Short Term Borrowings	257,036	244,358
Taxation	2,579	2,382
	549,983	534,404
Total Liabilities	698,016	582,099
TOTAL EQUITY AND LIABILITIES	1,357,942	1,252,499

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 STATEMENT OF CASH FLOWS

	9 MONTHS ENDED	
	30/09/2010	30/09/2009
	RM'000	RM'000
Profit for the financial period	57,458	55,467
Adjustment for:		
Non cash items	22,840	22,184
Non operating items (which are investing / financing activities)	6,792	10,553
Taxation	2,230	6,747
Operating profit before working capital changes	<u>89,320</u>	<u>94,951</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(96,012)	104,204
Net changes in current liabilities	<u>(11,400)</u>	<u>44,498</u>
Net cash flow from operations	(18,092)	243,653
Tax paid	(3,608)	(9,885)
Tax refund	691	381
Net cash flow from operating activities	<u>(21,009)</u>	<u>234,149</u>
Investing Activities		
Others	<u>(127,076)</u>	<u>(34,387)</u>
Net cash flow from investing activities	<u>(127,076)</u>	<u>(34,387)</u>
Financing Activities		
Bank borrowings	108,216	(154,736)
Interest paid	(9,172)	(12,856)
Dividend paid	<u>(20,212)</u>	<u>(22,324)</u>
Net cash flow from financing activities	<u>78,832</u>	<u>(189,916)</u>
Net changes in cash and cash equivalents	(69,253)	9,846
Cash and cash equivalents at beginning of the year	213,901	178,306
Foreign exchange differences on opening balance	(10,432)	(168)
Cash and cash equivalents at end of the financial period	<u>134,216</u>	<u>187,984</u>
Cash and cash equivalents comprise :		
Cash and bank balances	134,216	187,984
	<u>134,216</u>	<u>187,984</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 profits/(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)
Effects of adopting Amendments of FRS 117	-	-	(99)	(99)	(95)	(194)
Restated	436,459	91,941	7,592	535,992	128,938	664,930
Movements during the period	-	(10,959)	36,582	25,623	(30,627)	(5,004)
At 30 Sept 2010	436,459	80,982	44,174	561,615	98,311	659,926
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	436,459	92,576	6,052	535,087	101,325	636,412

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:

FRS, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
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
Amendments to FRS 127: Consolidated and Separate Financial Statements	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 and Additional Exemption for First-time Adopters	1 January 2011
Amendments to FRS 2: Share-based Payment	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Technical Release 3 Guidance on Disclosures of Transition to IFRSs	1 January 2011
Technical Release i-4 Shariah Compliant Sale Contracts	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 for the current year 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 and FRS127 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 FRS117:Leases
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and
IC Interpretation 9: Reassessment of Embedded Derivatives
Improvement to FRSs issued in 2009
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

(A) 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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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.

(B) FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are expanded and more informative as the business segments previously identified under FRS114. The Group has adopted FRS 8 retrospectively.

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(C) Effect of Adoption of FRS 139 & Amendments of FRS117

In accordance with the transitional provisions of FRS139 and Amendments of FRS117, 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)
<u>Effect under Amendments of FRS117 :</u>		
Deferred tax effect on reclass of leasehold land to property plant and equipment	(99)	-
Restated at	7,592	91,941

(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 unusual items affecting assets, liabilities, equity, net income or cash flow due to their nature, size or incidence for the interim period ended 30 Sept 2010, other than that disclosed in this interim condensed financial statements.

(f) **Changes in Estimates**

There were no changes in estimates of amounts reported in the interim period of the current financial year or in prior financial years that have a material effect on 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 issuance of this quarterly report.

(h) **Dividend Payment**

No interim dividend was declared for the current reporting quarter. (3rd Quarter 2009 : second interim dividend of 1.5 sen per share less 25% tax). A first interim dividend of 1.5 sen per share less 25% tax was declared on 21 May 2010 and paid on 30 June 2010 for the current financial year.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power		Others RM'000	Total RM'000
		Revenue Generating RM'000	Non-Revenue Generating RM'000		
Sales					
Total sales	1,778,041	86,916	-	6,652	1,871,609
Intersegment sales	-	-	-	(1,853)	(1,853)
External sales	1,778,041	86,916	-	4,799	1,869,756
Results					
Operating profit/(loss) /Segment results	49,264	29,087	(3,659)	(7,350)	67,342
Finance costs					(7,917)
Share of profit of associated companies	263	-	-	-	263
Profit before taxation					59,688
Income tax expense					(2,230)
Profit for the period					57,458
Attributable to :					
Equity holders of the parent					41,580
Minority interests					15,878
					57,458

(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 to the composition of the Group for the current reporting quarter.

(m) **Contingent Liabilities**

As at 19 November 2010, guarantees extended by the Company as security for the Group's banking facilities amounted to RM1,027.70 million (31 December 2009 : RM788.45 million).

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

1. Review of Performance

The Group registered a revenue of RM 645.02 million for the current reporting quarter ended 30 September 2010, an increase of 26.53% as compared to RM509.78 million for the corresponding quarter ended 30 September 2009. The Cable and Wire division recorded a higher revenue mainly due to increased in sales quantity and surge in metal prices in the current reporting quarter.

Despite the higher revenue, the Group recorded a lower profit before taxation of RM19.32 million in the current reporting quarter as compared to RM20.17 million for the corresponding quarter ended 30 September 2009 due mainly to lower share of profit from the associated companies in the current quarter.

2. Material Change in Profit Before Taxation

The Group's profit before taxation for the current reporting quarter ended 30 September 2010 was 17.58% lower at RM19.32 million as compared to RM23.44 million for the preceding quarter.

3. Prospects for Financial Year Ending 31 December 2010

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 30/09/2010 RM'000	Interim Period To Date 30/09/2010 RM'000
Income tax	(2,952)	(6,918)
Deferred tax	4,400	4,667
	1,448	(2,251)
Over provision in previous year	24	21
	1,472	(2,230)

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 30 September 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 two units of its properties at net book value in first quarter 2010, hence no profit nor loss arose from the disposal in the current reporting financial year.

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7. Purchase or Disposal of Quoted Securities

(a) Disposal

There was no purchase or other disposal of quoted securities for the current reporting quarter except the following disposal:

	Current Quarter 30/09/2010 RM'000	Interim Period To Date 30/09/2010 RM'000
Total investment at cost	-	1,347
Total investment at carrying value/book value	-	5,602
Total sale proceeds	-	4,540
Total loss on disposal	-	1,062

(b) Investments in quoted securities as at 30 September 2010

	RM'000
(i) Total investments at cost	4,716
(ii) Total investments at carrying value/book value	18,215
(iii) Total investments at market value at 30 September 2010	22,053

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

As announced on 4 October 2010, all the conditions precedent to the Supplemental & Collaboration Agreement (SCA) dated 2 July 2010 have been fulfilled and the SCA has become effective from 1 October 2010. Construction works are ongoing.

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

Construction works are ongoing.

10. Group Borrowings and Debt Securities

Group borrowings and debt securities as at 30 September 2010

	RM'000
(a) Secured	14,195
Unsecured	376,910
Total	391,105
(b) Short term	257,036
Long term	134,069
Total	391,105
(c) Foreign Currency (USD18,372k)	56,906
Ringgit Malaysia	334,199
Total	391,105

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11 Financial Instruments

(a) Contract Value and Fair Value of Forward Contracts as of 30.9.2010

As at 30 September 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	180,088	191,778
- 1-3 years	1,984	2,059
- More than 3 years	-	-
Total	182,072	193,837
ii. Commodity Contract - Sell		
- Less than 1 year	161,175	174,962
- 1-3 years	-	-
- More than 3 years	-	-
Total	161,175	174,962
iii. Foreign Exchange Contract - Buy		
- Less than 1 year	2,240	2,258
- 1-3 years	-	-
- More than 3 years	-	-
Total	2,240	2,258
iv. Foreign Exchange Contract - Sell		
- Less than 1 year	44,433	41,880
- 1-3 years	-	-
- More than 3 years	-	-
Total	44,433	41,880

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 30.9.2010 (RM ' 000)	Interim Period to Date 30.9.2010 (RM ' 000)
Forward Commodity Contract	4,107	(1,529)
Forward Foreign Exchange Contract	1,130	2,384
Total gain (loss)	5,237	855

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

Gain 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.

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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		9 MONTHS ENDED	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	16,480	15,831	41,580	42,034
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	3.78	3.63	9.53	9.63

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
26/11/2010