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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31/12/2010.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Revenue	624,269	521,269	2,494,025	1,949,800
Cost of sales	(598,113)	(485,487)	(2,340,205)	(1,791,088)
Gross profit	26,156	35,782	153,820	158,712
Operating expenses	(19,682)	(19,907)	(82,431)	(70,605)
Other income	1,023	3,548	3,450	5,563
Finance costs	(617)	(4,859)	(8,534)	(18,423)
Share of profit of associated companies	425	64	688	1,594
Profit before tax	7,305	14,628	66,993	76,841
Income tax expense	5,218	871	2,988	(5,875)
Profit for the period	12,523	15,499	69,981	70,966
Profit attributable to :				
Equity holders of the parent	8,100	11,412	49,680	53,446
Minority interests	4,423	4,087	20,301	17,520
	12,523	15,499	69,981	70,966
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	1.86	2.61	11.38	12.25
- Diluted	na	na	na	na

The condensed consolidated income 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.

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

Quarterly report on consolidated results for the financial quarter ended 31/12/2010.
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2010 RM'000	31/12/2009 RM'000	31/12/2010 RM'000	31/12/2009 RM'000
Profit for the period	12,523	15,499	69,981	70,966
Other Comprehensive Income:				
Translation of foreign operations	(1,226)	(1,974)	(19,857)	(2,795)
Cash Flow hedges	1,185	na	(2,652)	na
(Loss)/Gain realised from cash flow hedges	(1,245)	na	3,173	na
Tax relating to components of other comprehensive income	(560)	na	(150)	na
Total comprehensive income for the year	10,677	13,525	50,495	68,171
Total comprehensive income attributable to:				
Equity holders of the parent	7,414	10,711	38,374	51,112
Minority interests	3,263	2,814	12,121	17,059
	10,677	13,525	50,495	68,171

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 31/12/2010 RM'000	As at 31/12/2009 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipment	503,040	310,314
Prepaid Land Lease Payments	4,857	45,153
Investment Properties	47,270	48,037
Land Held for Properties Development	14,552	14,543
Investment in Associated Companies	17,056	26,079
Amount due from Associated Companies	5,682	9,017
Other Investments	9,725	10,074
Deferred Tax Assets	1,728	419
Other Non Current Assets	-	650
	603,910	464,286
Current Assets		
Properties Development Cost	1,053	1,053
Inventories	290,552	252,664
Amount Due from Associated Companies	33,535	13,816
Redeemable Preference Shares	673	953
Trade and Other Receivables	294,105	298,852
Cash and Bank Balances	149,112	213,901
Forward Contract Assets	2,373	-
Tax Recoverable	4,168	6,974
	775,571	788,213
TOTAL ASSETS	1,379,481	1,252,499
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	436,459	436,459
Reserves	132,569	104,896
	569,028	541,355
Minority Interests	101,647	129,045
Total Equity	670,675	670,400
Non Current Liabilities		
Borrowings	163,895	28,814
Retirement Benefit Obligations	3,292	3,368
Deferred Tax Liabilities	6,942	15,513
Amount Payable to Lessor	1,161	-
	175,290	47,695
Current Liabilities		
Trade and Other Payables	232,934	281,367
Forward Contract Liabilities	431	-
Amount Due to Associated Companies	-	6,297
Short Term Borrowings	298,024	244,358
Taxation	2,127	2,382
	533,516	534,404
Total Liabilities	708,806	582,099
TOTAL EQUITY AND LIABILITIES	1,379,481	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)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 MONTHS ENDED 31/12/2010 RM'000	31/12/2009 RM'000
Profit for the financial period	69,981	70,966
Adjustment for:		
Non cash items	25,941	23,923
Non operating items (which are investing / financing activities)	6,291	14,867
Taxation	(1,283)	11,923
Operating profit before working capital changes	100,930	121,679
Decrease / (Increase) in working capital:		
Net changes in current assets	(59,703)	121,531
Net changes in current liabilities	(45,117)	46,651
Net cash flow from operations	(3,890)	289,861
Tax paid	(5,954)	(11,858)
Tax refund	1,463	381
Net cash flow from operating activities	(8,381)	278,384
Investing Activities		
Others	(193,567)	(41,021)
Net cash flow from investing activities	(193,567)	(41,021)
Financing Activities		
Bank borrowings	176,505	(154,107)
Interest paid	(11,124)	(19,467)
Dividend paid	(20,140)	(27,007)
Net cash flow from financing activities	145,241	(200,581)
Net changes in cash and cash equivalents	(56,707)	36,782
Cash and cash equivalents at beginning of the year	213,901	178,306
Foreign exchange differences on opening balance	(8,082)	(1,187)
Cash and cash equivalents at end of the financial period	149,112	213,901
Cash and cash equivalents comprise :		
Cash and bank balances	149,112	213,901
	149,112	213,901

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.

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

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent				Minority Interests	Total Equity
	Share capital	Other reserves	Accumulated profits/(losses)	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	(339)	(99)	(438)	(421)	(859)
Restated	436,459	91,602	7,592	535,653	128,612	664,265
Movements during the period	-	(11,307)	44,682	33,375	(26,965)	6,410
At 31 Dec 2010	436,459	80,295	52,274	569,028	101,647	670,675
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	23,736	65,118
At 31 Dec 2009	436,459	91,059	13,837	541,355	129,045	670,400

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

(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.

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 infiormative as the business segments previously identified under FRS114. The Group has adopted FRS 8 retrospectively.

(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
Effect under FRS 139:		
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)
Effect under Amendments of FRS117 :		
Deferred tax effect on reclass of leasehold land to property, plant and equipement	(99)	(339)
Restated at	7,592	91,602

(c) **Audit Report**

The audit report of the Company's preceding annual financial statements was not qualified.

(d) **Seasonality or Cyclicality 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 31 December 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. (4th Quarter 2009 - nil). As at todate for financial year 2010, an interim dividend of 1.5 sen per share less 25% tax was declared on 21 May 2010 and paid on 30 June 2010.

LEADER UNIVERSAL HOLDINGS BERHAD (Co. No. 172736-A)
(Incorporated in Malaysia)
NOTES TO QUARTERLY FINANCIAL STATEMENTS

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power: Revenue Generating RM'000	Power: Non-Revenue Generating RM'000	Others RM'000	Total RM'000
Sales					
Total sales	2,376,411	111,794	-	8,330	2,496,535
Intersegment sales	-	-	-	(2,510)	(2,510)
External sales	2,376,411	111,794	-	5,820	2,494,025
Results					
Operating profit/(loss) /Segment results	56,777	38,435	(6,296)	(14,077)	74,839
Finance costs					(8,534)
Share of profit of associated companies	688	-	-	-	688
Profit before taxation					66,993
Income tax expense					2,988
Profit for the period					69,981
Attributable to :					
Equity holders of the parent					49,680
Minority interests					20,301
					69,981

(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**
The Company had on 10 February 2011 and 22 December 2010 announced the acquisition of Clarion Power Sdn Bhd and incorporation of Leader Universal Aluminium (Sarawak) Sdn Bhd respectively. Both are wholly-owned subsidiaries of the Company.

On 3 January 2011, Leader Holdings Sdn Bhd ("LH") transferred all its shares in Exogold Sdn Bhd (Exogold) to be held directly by Leader Universal Properties Sdn Bhd ("LUP") and LCI Property Sdn Bhd ("LCIP") transferred all its shares in Million Crest Sdn Bhd ("MC") to be held directly by LUP. On even date, MC and Leader Properties ("LP") further increased its paid up capital by RM5 million and RM500,000 respectively. LH, Exogold, LUP, LCIP, MC and LP are all subsidiaries of the Group.

(m) **Contingent Liabilities**
As at 21 Febraury 2010, guarantees extended by the Company as security for the Group's banking facilities amounted to RM1,043.40 million (31 December 2009 : RM788.45 million).

1. **Review of Performance**

The Group registered a revenue of RM 624.27 million for the current reporting quarter ended 31 December 2010, an increase of 19.76% as compared to RM521.27 million for the corresponding quarter ended 31 December 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.

The Group recorded a lower profit before taxation of RM7.31 million in the current reporting quarter as compared to RM14.63 million for the corresponding quarter ended 31 December 2009.

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

The Group's profit before taxation for the current reporting quarter ended 31 December 2010 was 62.16% lower at RM7.31 million as compared to RM19.32 million for the preceding quarter.

3. **Prospects for Financial Year Ending 31 December 2011**

The directors expect the financial year ending 31 December 2011 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 31/12/2010 RM'000	Interim Period To Date 31/12/2010 RM'000
Income tax	(878)	(7,796)
Deferred tax	5,626	10,293
	4,748	2,497
Over provision in previous year	470	491
	5,218	2,988

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 31 December 2010 is primarily due to the lower tax rate of an overseas subsidiary company, substantial amount of tax incentive claim and 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.

7. **Purchase or Disposal of Quoted Securities**

(a) Purchase

There were purchases of 40,000 shares of Petronas Chemical Group Bhd in the current reporting quarter amounting to RM201,600 at cost.

	Current Quarter 31/12/2010 RM'000	Interim Period To Date 31/12/2010 RM'000
Total investment at cost	202	202
Total investment at carrying value/book value	211	211

(b) Disposal

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

	Current Quarter 31/12/2010 RM'000	Interim Period To Date 31/12/2010 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

(c) Investments in quoted securities as at 31 December 2010

		RM'000
(i)	Total investments at cost	4,918
(ii)	Total investments at carrying value/book value	15,283
(iii)	Total investments at market value at 31 December 2010	25,821

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**

<u>100MW Coal-fired Power Project in Cambodia</u>
Construction works are ongoing.

<u>230 kV Power Transmission System from North Phnom Penh to Kampong Cham in Cambodia</u>
Construction works are ongoing.

10 **Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2010

		RM'000
(a)	Secured	103,868
	Unsecured	358,051
	Total	461,919
(b)	Short term	298,024
	Long term	163,895
	Total	461,919
(c)	Foreign Currency (USD35.49m)	109,550
	Ringgit Malaysia	352,369
	Total	461,919

11 **Financial Instruments**

(a) Contract Value and Fair Value of Forward Contracts as of 31.12.2010

As at 31 December 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	401,777	449,673
- 1-3 years		
- More than 3 years	-	-
Total	401,777	449,673
ii. Commodity Contract - Sell		
- Less than 1 year	(388,386)	(435,838)
- 1-3 years	-	-
- More than 3 years	-	-
Total	(388,386)	(435,838)
iii. Foreign Exchange Contract - Buy		
- Less than 1 year	14,892	14,813
- 1-3 years	-	-
- More than 3 years	-	-
Total	14,892	14,813
iv. Foreign Exchange Contract - Sell		
- Less than 1 year	(1,348)	(1,350)
- 1-3 years	-	-
- More than 3 years	-	-
	(1,348)	(1,350)
Total Commodity Contract (Net Position)	13,391	13,835
Total Foreign Exchange Contract (Net Position)	13,544	13,463

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 31.12.2010 (RM ' 000)	Interim Period to Date 31.12.2010 (RM ' 000)
Forward Commodity Contract	2,369	840
Forward Foreign Exchange Contract	(2,465)	(81)
Total gain (loss)	(96)	759

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.

12 Disclosure of Realised and Unrealised Profits/(Losses)

Breakdown of the Group's unappropriated profits into realised and unrealised profits are as below:

	Interim Period To Date 30/9/2010	Interim Period To Date 31/12/2010
Total retained profits/(losses) of the Group		
Realised	(192,391)	(185,202)
Unrealised	(10,509)	(6,734)
	(202,900)	(191,936)
Total share of retained profits/(losses) from associated companies:		
Realised	(186)	(155)
Unrealised	36	(107)
	(203,050)	(192,198)
Add/(Less) Consolidation adjustments	247,224	244,472
Total Group retained profits as per consolidation accounts	44,174	52,274

13 **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.

14 **Earnings Per Share**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2010 RM'000	31/12/2009 RM'000	31/12/2010 RM'000	31/12/2009 RM'000
Basic earnings per share				
Profit attributable to equity holders of the parent	8,100	11,412	49,680	53,446
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	1.86	2.61	11.38	12.25

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
28/02/2011