

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

Quarterly report on consolidated results for the financial quarter ended 30/09/2011.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	875,128	645,021	2,774,624	1,869,756
Cost of sales	<u>(841,247)</u>	<u>(601,579)</u>	<u>(2,653,280)</u>	<u>(1,742,092)</u>
Gross profit	33,881	43,442	121,344	127,664
Operating expenses	(5,407)	(23,738)	(48,673)	(62,749)
Other income	4,106	958	9,898	2,427
Finance costs	(16,076)	(1,562)	(24,447)	(7,917)
Share of profit of associated companies	<u>1,904</u>	<u>215</u>	<u>6,109</u>	<u>263</u>
Profit before tax	18,408	19,315	64,231	59,688
Income tax expense	<u>(2,026)</u>	<u>1,472</u>	<u>(9,105)</u>	<u>(2,230)</u>
Profit for the period	<u><u>16,382</u></u>	<u><u>20,787</u></u>	<u><u>55,126</u></u>	<u><u>57,458</u></u>
Profit attributable to :				
Owners of the parent	10,795	16,480	38,711	41,580
Non-controlling interests	<u>5,587</u>	<u>4,307</u>	<u>16,415</u>	<u>15,878</u>
	<u><u>16,382</u></u>	<u><u>20,787</u></u>	<u><u>55,126</u></u>	<u><u>57,458</u></u>
Earnings per share attributable to owners of the parent (sen) :				
- Basic	2.47	3.78	8.87	9.53
- 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 2010 and the accompanying explanatory notes attached to the interim financial statements.

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(Incorporated in Malaysia)
QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30/09/2011.
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,382	20,787	55,126	57,458
Other Comprehensive Income:				
Translation of foreign operations	8,493	(7,376)	6,118	(18,631)
Cash Flow hedges	(1,951)	1,285	(1,720)	(3,837)
Gain realised from cash flow hedges	(1,992)	4,159	(2,162)	4,418
Tax relating to components of other comprehensive income	86	(1,001)	(60)	410
	<u>86</u>	<u>(1,001)</u>	<u>(60)</u>	<u>410</u>
Total comprehensive income for the period	<u>21,018</u>	<u>17,854</u>	<u>57,302</u>	<u>39,818</u>
Total comprehensive income attributable to:				
Owners of the parent	13,067	16,194	39,473	30,960
Non-controlling interests	7,951	1,660	17,829	8,858
	<u>7,951</u>	<u>1,660</u>	<u>17,829</u>	<u>8,858</u>
	<u>21,018</u>	<u>17,854</u>	<u>57,302</u>	<u>39,818</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 30/09/2011 RM'000	As at 31/12/2010 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipment	485,148	503,040
Prepaid Land Lease Payments	4,693	4,856
Investment Properties	44,303	47,270
Land Held for Properties Development	14,591	14,552
Investment in Associated Companies	35,881	20,600
Other Investments	9,801	9,726
Deferred Tax Assets	3,146	1,728
Other Non Current Assets	5,207	5,682
Receivables	265,115	-
	<u>867,885</u>	<u>607,454</u>
Current Assets		
Properties Development Cost	-	1,053
Inventories	342,190	290,552
Redeemable Preference Shares	-	673
Trade and Other Receivables	471,689	327,640
Cash and Bank Balances	178,856	149,112
Derivatives	43,172	2,373
Tax Recoverable	4,433	4,168
	<u>1,040,340</u>	<u>775,571</u>
TOTAL ASSETS	<u><u>1,908,225</u></u>	<u><u>1,383,025</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share Capital	436,459	436,459
Reserves	170,774	133,724
	<u>607,233</u>	<u>570,183</u>
Non-controlling Interests	<u>101,452</u>	<u>104,035</u>
Total Equity	<u>708,685</u>	<u>674,218</u>
Non Current Liabilities		
Borrowings	357,697	163,895
Retirement Benefit Obligations	3,293	3,293
Deferred Tax Liabilities	7,748	6,942
Other non current liabilities	8,805	1,161
	<u>377,543</u>	<u>175,291</u>
Current Liabilities		
Trade and Other Payables	329,552	232,934
Derivatives	46,515	2
Firm Commitment	-	429
Short Term Borrowings	440,899	298,024
Taxation	5,031	2,127
	<u>821,997</u>	<u>533,516</u>
Total Liabilities	<u>1,199,540</u>	<u>708,807</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,908,225</u></u>	<u><u>1,383,025</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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	
	30/09/2011	30/09/2010
	RM'000	RM'000
Profit for the financial period	55,126	57,458
Adjustments for:		
Non cash items	22,309	22,840
Non operating items (which are investing / financing activities)	5,041	6,792
Taxation	9,105	2,230
Operating profit before working capital changes	<u>91,581</u>	<u>89,320</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(176,384)	(96,012)
Net changes in current liabilities	95,070	(11,400)
Net cash flow used in operations	<u>10,267</u>	<u>(18,092)</u>
Tax paid	(5,592)	(3,608)
Tax refund	169	691
Net cash flow used in operating activities	<u>4,844</u>	<u>(21,009)</u>
Investing Activities		
Others	<u>(263,495)</u>	<u>(127,076)</u>
Net cash flow used in investing activities	<u>(263,495)</u>	<u>(127,076)</u>
Financing Activities		
Bank borrowings	326,664	108,216
Interest paid	(16,386)	(9,172)
Dividend paid	(20,693)	(20,212)
Net cash flow from financing activities	<u>289,585</u>	<u>78,832</u>
Net changes in cash and cash equivalents	30,934	(69,253)
Cash and cash equivalents at beginning of the year	149,112	213,901
Foreign exchange differences on opening balance	(1,190)	(10,432)
Cash and cash equivalents at end of the financial period	<u>178,856</u>	<u>134,216</u>
Cash and cash equivalents comprise :		
Cash and bank balances	178,856	134,216
	<u>178,856</u>	<u>134,216</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

LEADER UNIVERSAL HOLDINGS BERHAD (Co. No. 172736-A)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Parent →			→	Non-controlling Interests	Total Equity
	Share capital RM'000	Other reserves RM'000	Retained Earnings/ (Accumulated losses) RM'000	Total RM'000	RM'000	RM'000
At 1 January 2011						
As previously stated	436,459	81,450	52,274	570,183	104,035	674,218
Effects of adopting IC Interpretation 12	-	(541)	(1,329)	(1,870)	-	(1,870)
Restated	436,459	80,909	50,945	568,313	104,035	672,348
Movements during the period	-	209	38,711	38,920	(2,583)	36,337
At 30 September 2011	436,459	81,118	89,656	607,233	101,452	708,685
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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(a) **Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 2010.

(b) **Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, 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 2011.

	Effective for financial periods beginning on or after
FRS, Amendment to FRS and Interpretations	
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 5: Non-current Assets Held for Sale and	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 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 2: Share-based Payment	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 FRS2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 3 : Business Combinations	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 i-4 Shariah Compliant Sale Contracts	1 January 2011
Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirements	1 July 2011
IC Interpretation 19 extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS124 : Related Party Disclosures	1 January 2012

On 19 November 2011, Malaysian Accounting Standards Board ("MASB") has given notice of issuance of a list of MASB approved accounting standards, interpretations and amendments to MASB approved accounting standards ("MFRSs") for application in relation to financial statements effective on 1 January 2012.

The Group is currently assessing the financial impact to the financial statements upon the adoption.

The adoption of IC Interpretation 12 Service Concession Arrangements ("IC Interpretation 12"), gives rise to significant changes in accounting policies of the Group. 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 IC Interpretation 12

This interpretation applies to both:

(a) infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement; and

(b) existing infrastructure to which the grantor gives the operator access for the purpose of the service arrangement.

Infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.

The operator shall recognise and measure revenue in accordance with FRS111 Construction Contracts and FRS118 Revenue, for the services it performs. If the operator performs more than one service under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair value of the services delivered, when the amounts are separately identifiable. The nature of the consideration determines its subsequent accounting treatment. The subsequent accounting for consideration received as a financial asset and intangible assets are accounted for in accordance with FRS139 Financial Instruments: Recognition and Measurement and FRS138 Intangible Assets respectively.

The interpretation has an impact on the Group since some of the subsidiaries have signed a Power Transmission Agreement ("PTA") for 25 years and a Power Purchase Agreement ("PPA") for 18 years respectively with Electricite Du Cambodge ("EDC") to build, operate and maintain substations and a power transmission line as well as installing, operating and maintaining a power plant. The substations, transmission line and power plant will be transferred to EDC at the end of the term of the PTA and PPA respectively. Adoption of this interpretation has resulted in a change in accounting policy for concession consideration components of construction services ("FRS111") and operation services ("FRS118") generated from Service Concession Agreements. Construction in progress and generators were derecognised as property, plant and equipment and such expenditure have been recognised as financial assets receivable. The Group has adopted this interpretation with effect from 01 January 2011.

Prior to the adoption of this IC Interpretation 12, no construction revenue and cost were recognised from the PTA and the infrastructure assets were recognised as property, plant and equipment of the Group. This change in accounting policy requires that the fair value of construction revenue be recognised as financial assets and the effect has been accounted for retrospectively in accordance with requirements of FRS 108 – Accounting policies, Changes in Accounting Estimates and Errors. However, a subsidiary of the Group has concluded that it is impracticable to apply this Interpretation to its PPA retrospectively at the start of earliest period presented, it has thus, in accordance with the transitional provision of IC Interpretation 12, recognised the financial assets that existed at the earliest period presented and used the previous carrying amounts of these financial assets as their carrying amounts as at that date.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS**(B) Effect of Adoption of IC Interpretation 12**

There is no significant impact on the Group's current quarter profit before tax with adoption of IC Interpretation 12 and the prior year's effects are as follows:

(i) Restatement of other reserves and retained earnings

	As at 1 January 2011	
	Other Reserves (RM'000)	Retained Earnings (RM'000)
Previously stated at	-	-
Effect of adopting IC Interpretation 12:	(541)	(1,329)
Restated at	<u>(541)</u>	<u>(1,329)</u>

(ii) Reclassification of property, plant and equipment

	As at 1 January 2011		
	As previously stated	Effect of adopting IC Interpretation 12	Restated at
	(RM'000)	(RM'000)	(RM'000)
Property, plant & equipment	-	(117,251)	(117,251)
Trade and Other Receivables - Non Current	-	107,023	107,023
Trade and Other Receivables - Current	-	8,437	8,437

(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 September 2011, 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.

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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
		In Operation RM'000	Under Construction RM'000		
Sales			*		
Total sales	2,536,561	96,594	138,737	4,709	2,776,601
Intersegment sales	-	-	-	(1,977)	(1,977)
External sales	2,536,561	96,594	138,737	2,732	2,774,624
Results					
Operating profit/(loss) / Segment results	52,177	33,510	(2,479)	(639)	82,569
Finance costs					(24,447)
Share of profit of associated companies	6,109	-	-	-	6,109
Profit before taxation					64,231
Income tax expense					(9,105)
Profit for the period					55,126
Attributable to :					
Owners of the parent					38,711
Non-controlling interests					16,415
					55,126

* Note : Despite the project is still under construction, in accordance with the adoption of IC Interpretation 12, a subsidiary in the Power - Under Construction division has recognised its Construction Revenue and its corresponding Construction cost with effect from 1 Jan 2011. There is no significant impact on the Group's current quarter profit before tax with the adoption of IC Interpretation 12.

(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**

On 28 October 2011, the Company announced that its two wholly-owned subsidiaries which are dormant namely Leader Copper Products Sdn Bhd and Universal Cable Engineering Sdn Bhd have commenced with members' voluntary winding up proceedings in accordance with Section 254(1)(b) of the Companies Act, 1965.

(m) **Contingent Liabilities**

As at 15 November 2011, guarantees extended by the Company as securities for the Group's banking facilities amounted to RM1,502.40 million (31 December 2010 : RM 1,477.40 million).

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NOTES TO QUARTERLY FINANCIAL STATEMENTS**1. Review of Performance**

The Group registered a revenue of RM875.13 million for the current reporting quarter ended 30 September 2011, an increase of 35.67% as compared to RM645.02 million for the corresponding quarter ended 30 September 2010. The Cable and Wire division marked a higher revenue mainly due to the increase of sale volume coupled with the surge in metal prices in the current reporting quarter. And with the adoption of IC Interpretation 12, a subsidiary in the Power - Under Construction division has also recognised higher Construction Revenue.

The Group recorded a lower profit before taxation of RM18.41 million in the current reporting quarter as compared to RM19.32 million for the corresponding quarter ended 30 September 2010.

2. Material Change in Profit Before Taxation

The Group's profit before taxation for the current reporting quarter ended 30 September 2011 was lower at RM18.41 million as compared to RM24.56 million for the preceding quarter mainly due to the product sale mix and lower profit margin.

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's tax charge comprises:

	Current Quarter 30/09/2011 RM'000	Interim Period To Date 30/09/2011 RM'000
Income tax	(3,225)	(9,378)
Deferred tax	1,199	273
	<u>(2,026)</u>	<u>(9,105)</u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 30 September 2011 is primarily due to the lower tax rate of an overseas subsidiary company and availability of tax incentives which have been used to offset against statutory income of the subsidiary companies. Some of the non-taxable income and the utilisation of unabsorbed losses of the subsidiary companies, have also contributed to lowering the effective tax rate of the Group for the current financial quarter 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 in the current reporting quarter.

7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the current reporting quarter.

Investments in quoted securities as at 30 September 2011

	RM'000
(i) Total investments at cost	4,918
(ii) Total investments at carrying value/book value	20,053
(iii) Total investments at market value at 30 September 2011	39,213

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NOTES TO QUARTERLY FINANCIAL STATEMENTS**8. Corporate Proposals**

The Company had on 17 October 2011 announced that it had received an offer from HNG Capital Sdn. Bhd. (formerly known as Vector Dimension Sdn. Bhd.) ("HNGC") to acquire the entire business and undertakings (including all assets and liabilities) of the Company. On 2 November 2011, the Company announced the acceptance of the Offer subject to the execution of a definitive conditional sale and purchase agreement and all the requisite approvals being obtained. The Company had appointed AmInvestment Bank Berhad as Main Adviser, OCBC Advisers (Malaysia) Sdn Bhd as Financial Adviser and Kenanga Investment Bank Berhad as Independent Adviser in view of the major disposal pursuant to paragraph 10.11A of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (the "Listing Requirements") and is a related party transaction pursuant to paragraph 10.08 of the Listing Requirements. On 17 November 2011, the Company announced that it had entered into a conditional Sale of Business Agreement with HNGC for the proposed disposal of the the entire business and undertakings (including all assets and liabilities) of the Company and proposed distribution of the proceeds arising from the proposed disposal to all entitled shareholders of the Company. The proposed disposal and proposed distribution are subject to all requisite approvals being obtained, fulfilment of all the conditions precedent and approval of shareholders at an Extraordinary General Meeting to be convened. Details of the announcements are available in Bursa Malaysia Securities Berhad's website www.bursamalaysia.com

The Proposed Disposal will result in the reduction of the earnings of LEADER Group for the financial year ending 31 December 2011 due to the effects of impairment losses arising from the Proposed Disposal. The acceptance of the offer by the Board on 2 November 2011 has given rise to an indication of impairment as a result of which LEADER is required to make a formal estimate of the recoverable amount pursuant to FRS136 Impairment of Assets. The actual amount of impairment losses will depend on the Net Assets of the LEADER Group at the time of completion of the Proposed Disposal.

9 Projects Undertaken100MW Coal-fired Power Project in Cambodia

Construction works are ongoing.

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

The construction of Kampong Cham substation has been completed. The remaining construction works are ongoing.

10 Group Borrowings and Debt Securities

Group borrowings and debt securities as at 30 September 2011

	RM'000
(a) Secured	219,981
Unsecured	578,615
Total	798,596
(b) Short term	440,899
Long term	357,697
Total	798,596
(c) Foreign Currency (USD94.30 million)	299,343
Ringgit Malaysia	499,252
Total	798,596

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

11 Financial Instruments

(a) Contract Value and Fair Value of Forward Contracts as at 30.09.2011

As at 30 September 2011, 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	480,528	404,875
	- 1-3 years	780	717
	- More than 3 years	-	-
	Total	481,308	405,592
ii.	Commodity Contract - Sell		
	- Less than 1 year	(451,920)	(378,773)
	- 1-3 years	-	-
	- More than 3 years	-	-
	Total	(451,920)	(378,773)
iii.	Foreign Exchange Contract - Buy		
	- Less than 1 year	75,006	75,501
	- 1-3 years	-	-
	- More than 3 years	-	-
	Total	75,006	75,501
iv.	Foreign Exchange Contract - Sell		
	- Less than 1 year	(16,865)	(17,164)
	- 1-3 years	-	-
	- More than 3 years	-	-
	Total	(16,865)	(17,164)
	Total Commodity Contract (Net Position)	29,388	26,819
	Total Foreign Exchange Contract (Net Position)	58,141	58,337

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 significant risks areas in interest rate, credit, liquidity, commodity price and foreign currency.

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(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 30.9.2011 (RM '000)	Interim Period to Date 30.9.2011 (RM '000)
Forward Commodity Contract	4,428	4,591
Forward Foreign Exchange Contract	(218)	(297)
Total gain/(loss)	4,210	4,294

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk, foreign currency risk and commodity price risk for the Group nor the related accounting policies for the financial period ended 30 September 2011.

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 financial reporting 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 financial reporting 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 30/09/2011 RM'000	As of 31/12/2010 RM'000
Total retained profits/(losses) of the Group		
Realised	97,094	(185,202)
Unrealised	(7,438)	(6,734)
	89,656	(191,936)
Total share of retained profits from associated companies:		
Realised	4,351	(155)
Unrealised	(66)	(107)
	93,941	(192,198)
Add/(Less) Consolidation adjustments	(4,285)	244,472
Total Group retained profits as per consolidation accounts	89,656	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.

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

(Incorporated in Malaysia)

NOTES TO QUARTERLY FINANCIAL STATEMENTS**14 Earnings Per Share**

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to owners of the parent	10,795	16,480	38,711	41,580
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	2.47	3.78	8.87	9.53

Diluted earnings per share

The Group has no dilution in its earnings per share.

BY ORDER OF THE BOARD
JOANNA LIM LAY GUAT
COMPANY SECRETARY
23/11/2011