

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

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31/12/2011.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
				Audited
Revenue	794,142	624,269	3,568,766	2,494,025
Cost of sales	(766,007)	(598,113)	(3,419,287)	(2,340,205)
Gross profit	28,135	26,156	149,479	153,820
Operating expenses	(23,694)	(19,682)	(72,367)	(82,431)
Other income	4,980	1,023	14,878	3,450
Finance costs	(6,866)	(617)	(31,313)	(8,534)
Share of profit of associated companies / jointly controlled entity	(348)	425	5,761	688
Profit before tax	2,207	7,305	66,438	66,993
Income tax benefit	14,480	5,218	5,375	2,988
Profit for the period	16,687	12,523	71,813	69,981
Profit attributable to :				
Owners of the parent	12,119	8,100	50,830	49,680
Non-controlling interests	4,568	4,423	20,983	20,301
	16,687	12,523	71,813	69,981
Earnings per share attributable to owners of the parent (sen) :				
- Basic	2.78	1.86	11.65	11.38
- 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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**QUARTERLY REPORT**

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The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT (Note 1)**

	Note	3 MONTHS ENDED		12 MONTHS ENDED	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
		RM'000	RM'000	RM'000	RM'000
		After Impairment of Proposed Disposal		After Impairment of Proposed Disposal	Audited
Revenue		794,142	624,269	3,568,766	2,494,025
Cost of sales		(766,007)	(598,113)	(3,419,287)	(2,340,205)
Gross profit		28,135	26,156	149,479	153,820
Operating expenses		(23,694)	(19,682)	(72,367)	(82,431)
Other income		4,980	1,023	14,878	3,450
Finance costs		(6,866)	(617)	(31,313)	(8,534)
Share of profit of associated companies / jointly controlled entity		(348)	425	5,761	688
Profit before tax and exceptional item		2,207	7,305	66,438	66,993
Exceptional item - impairment loss on proposed disposal of LEADER Business	Part B, 2(b)	(131,787)	-	(131,787)	-
Profit before tax, after exceptional item		(129,580)	7,305	(65,349)	66,993
Income tax benefit		14,480	5,218	5,375	2,988
Profit for the period		(115,100)	12,523	(59,974)	69,981
Profit attributable to :					
Owners of the parent		(119,668)	8,100	(80,957)	49,680
Non-controlling interests		4,568	4,423	20,983	20,301
		(115,100)	12,523	(59,974)	69,981
Earnings per share attributable to owners of the parent (sen) :					
- Basic		(27.42)	1.86	(18.55)	11.38
- Diluted		na	na	na	na

**Notes:**

**Note 1 - The above Condensed Consolidated Income Statement has taken into consideration the impact pursuant to FRS136 - Impairment of Assets, arising from the Proposed Disposal of LEADER Business.**

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

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The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,687	12,523	71,813	69,981
Other Comprehensive Income:				
Translation of foreign operations	(1,406)	(1,226)	4,712	(19,857)
Cash Flow hedges	(2,069)	1,185	(3,789)	(2,652)
Loss/(Gain) realised from cash flow hedges	1,352	(1,245)	(810)	3,173
Tax relating to components of other comprehensive income	1,275	(560)	1,215	(150)
	<u>15,839</u>	<u>10,677</u>	<u>73,141</u>	<u>50,495</u>
Total comprehensive income for the period	<u>15,839</u>	<u>10,677</u>	<u>73,141</u>	<u>50,495</u>
Total comprehensive income attributable to:				
Owners of the parent	10,604	7,414	50,077	38,374
Non-controlling interests	5,235	3,263	23,064	12,121
	<u>15,839</u>	<u>10,677</u>	<u>73,141</u>	<u>50,495</u>

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

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)  
(Incorporated in Malaysia)  
**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31/12/2011.  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Note 1)**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	(115,100)	12,523	(59,974)	69,981
Other Comprehensive Income:				
Translation of foreign operations	(1,406)	(1,226)	4,712	(19,857)
Cash Flow hedges	(2,069)	1,185	(3,789)	(2,652)
Loss/(Gain) realised from cash flow hedges	1,352	(1,245)	(810)	3,173
Tax relating to components of other comprehensive income	1,275	(560)	1,215	(150)
	<u>1,275</u>	<u>(560)</u>	<u>1,215</u>	<u>(150)</u>
Total comprehensive income for the period	<u>(115,948)</u>	<u>10,677</u>	<u>(58,646)</u>	<u>50,495</u>
Total comprehensive income attributable to:				
Owners of the parent	(121,183)	7,414	(81,710)	38,374
Non-controlling interests	5,235	3,263	23,064	12,121
	<u>5,235</u>	<u>3,263</u>	<u>23,064</u>	<u>12,121</u>
	<u>(115,948)</u>	<u>10,677</u>	<u>(58,646)</u>	<u>50,495</u>

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**Notes:**

**Note 1 - The above Condensed Consolidated Statement of Comprehensive Income has taken into consideration the impact pursuant to FRS136 - Impairment of Assets, arising from the Proposed Disposal of LEADER Business.**

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)  
(Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/12/2011 RM'000		As at 31/12/2010 RM'000
	Before Impairment of Proposed Disposal	After Impairment of Proposed Disposal	Audited
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	554,559	479,010	503,040
Prepaid Land Lease Payments	4,639	4,007	4,856
Investment Properties	44,013	38,017	47,270
Land Held for Properties Development	14,579	12,593	14,552
Investment in Associated Companies/Jointly Controlled Entity	37,735	32,594	20,600
Other Investments	4,882	4,216	5,682
Other Non Current Assets	9,851	8,509	9,726
Deferred Tax Assets	11,506	11,506	1,728
Receivables	297,104	256,629	-
	<u>978,868</u>	<u>847,081</u>	<u>607,454</u>
<b>Current Assets</b>			
Properties Development Cost	900	900	1,053
Inventories	304,357	304,357	290,552
Redeemable Preference Shares	-	-	673
Trade and Other Receivables	433,580	433,580	327,640
Cash and Bank Balances	183,363	183,363	149,112
Derivatives	2,579	2,579	2,373
Tax Recoverable	6,861	6,861	4,168
	<u>931,640</u>	<u>931,640</u>	<u>775,571</u>
<b>TOTAL ASSETS</b>	<u><u>1,910,508</u></u>	<u><u>1,778,721</u></u>	<u><u>1,383,025</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Owners of the Parent</b>			
Share Capital	436,459	436,459	436,459
Reserves	181,874	50,087	133,724
	<u>618,333</u>	<u>486,546</u>	<u>570,183</u>
<b>Non-controlling Interests</b>	<u>106,562</u>	<u>106,562</u>	<u>104,035</u>
<b>Total Equity</b>	<u>724,895</u>	<u>593,108</u>	<u>674,218</u>
<b>Non Current Liabilities</b>			
Borrowings	422,993	422,993	163,895
Retirement Benefit Obligations	1,053	1,053	3,293
Deferred Tax Liabilities	4,489	4,489	6,942
Other non current liabilities	6,651	6,651	1,161
	<u>435,186</u>	<u>435,186</u>	<u>175,291</u>
<b>Current Liabilities</b>			
Trade and Other Payables	299,281	299,281	232,934
Derivatives	5,634	5,634	431
Short Term Borrowings	442,279	442,279	298,024
Taxation	3,233	3,233	2,127
	<u>750,427</u>	<u>750,427</u>	<u>533,516</u>
<b>Total Liabilities</b>	<u>1,185,613</u>	<u>1,185,613</u>	<u>708,807</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,910,508</u></u>	<u><u>1,778,721</u></u>	<u><u>1,383,025</u></u>

The value in use is computed as the sum of the sales proceeds and the estimated cashflow from operations for the period from 1 January 2012 to 31 March 2012 (being the expected date of completion of the proposed disposal), the resulting impairment loss on proposed disposal is then allocated across the Non Current Assets.

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)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12 MONTHS ENDED	
	31/12/2011	31/12/2010
	RM'000	RM'000
		(Audited)
Profit for the financial year	71,813	69,981
Adjustments for:		
Non cash items	25,412	30,015
Non operating items (which are investing / financing activities)	(14,169)	(4,612)
Payment of finance cost	25,106	11,376
Taxation	(5,375)	(2,988)
Operating profit before working capital changes	<u>102,787</u>	<u>103,772</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(105,652)	(59,714)
Net changes in current liabilities	<u>60,242</u>	<u>(45,117)</u>
Net cash flow used in operations	<u>57,377</u>	<u>(1,059)</u>
Tax paid	(7,376)	(5,955)
Tax refund		<u>1,463</u>
Net cash flow used in operating activities	<u>50,001</u>	<u>(5,551)</u>
Investing Activities		
Purchase of property, plant and equipment	(191,285)	(184,404)
Disposal of property, plant and equipment	2,969	554
Acquisition of investment in associate company	(11,550)	-
Others	<u>(167,953)</u>	<u>(9,718)</u>
Net cash flow used in investing activities	<u>(367,819)</u>	<u>(193,568)</u>
Financing Activities		
Proceeds from borrowings	1,812,394	315,637
Repayment of borrowings	(1,415,179)	(139,132)
Interest paid	(25,106)	(13,966)
Dividend paid	(22,208)	(20,140)
Net cash flow from financing activities	<u>349,901</u>	<u>142,399</u>
Net changes in cash and cash equivalents	32,083	(56,720)
Cash and cash equivalents at beginning of the year	149,112	213,378
Foreign exchange differences on opening balance	2,168	(8,082)
Cash and cash equivalents at end of the financial period	<u><u>183,363</u></u>	<u><u>148,576</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	<u>183,363</u>	<u>148,576</u>
	<u><u>183,363</u></u>	<u><u>148,576</u></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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Note 1)**

	12 MONTHS ENDED	
	31/12/2011 RM'000	31/12/2010 RM'000 (Audited)
Profit for the financial year	(59,974)	69,981
Adjustments for:		
Impairment loss on disposal of LEADER Business	131,787	-
Non cash items	25,412	30,015
Non operating items (which are investing / financing activities)	(14,169)	(4,612)
Payment of finance cost	25,106	11,376
Taxation	(5,375)	(2,988)
Operating profit before working capital changes	102,787	103,772
Decrease / (Increase) in working capital:		
Net changes in current assets	(105,652)	(59,714)
Net changes in current liabilities	60,242	(45,117)
Net cash flow used in operations	57,377	(1,059)
Tax paid	(7,376)	(5,955)
Tax refund	-	1,463
Net cash flow used in operating activities	50,001	(5,551)
Investing Activities		
Purchase of property, plant and equipment	(191,285)	(184,404)
Disposal of property, plant and equipment	2,969	554
Acquisition of investment in associate company	(11,550)	-
Others	(167,953)	(9,718)
Net cash flow used in investing activities	(367,819)	(193,568)
Financing Activities		
Proceeds from borrowings	1,812,394	315,637
Repayment of borrowings	(1,415,179)	(139,132)
Interest paid	(25,106)	(13,966)
Dividend paid	(22,208)	(20,140)
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Cash and cash equivalents at end of the financial period	183,363	148,576
Cash and cash equivalents comprise :		
Cash and bank balances	183,363	148,576
	183,363	148,576

**Notes:**

**Note 1 - The above Condensed Consolidated Statement of Cash Flows has taken into consideration the impact pursuant to FRS136 - Impairment of Assets, arising from the Proposed Disposal of LEADER Business.**

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	-	(537)	(1,392)	(1,929)	(48)	(1,977)
Restated	436,459	80,913	50,882	568,254	103,987	672,241
Movements during the year	-	(751)	50,830	50,079	2,575	52,654
At 31 December 2011	436,459	80,162	101,712	618,333	106,562	724,895
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	-	(340)	(99)	(439)	(421)	(860)
Restated	436,459	91,601	7,592	535,652	128,612	664,264
Movements during the period	-	(10,151)	44,682	34,531	(24,577)	9,954
At 31 Dec 2010	436,459	81,450	52,274	570,183	104,035	674,218

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Note 1)**

	← Attributable to Owners of the Parent →			→	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	-	(537)	(1,392)	(1,929)	(48)	(1,977)
Restated	436,459	80,913	50,882	568,254	103,987	672,241
Movements during the year	-	(751)	(80,957)	(81,708)	2,575	(79,133)
At 31 December 2011	436,459	80,162	(30,075)	486,546	106,562	593,108
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)
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Restated	436,459	91,601	7,592	535,652	128,612	664,264
Movements during the period	-	(10,151)	44,682	34,531	(24,577)	9,954
At 31 Dec 2010	436,459	81,450	52,274	570,183	104,035	674,218

**Notes:**

**Note 1 - The above Condensed Consolidated Statement of Changes in Equity has taken into consideration the impact pursuant to FRS136 - Impairment of Assets, arising from the Proposed Disposal of LEADER Business.**



**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**

- (i) 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.

	<b>Effective for financial periods beginning on or after</b>
<b>FRS, Amendment to FRS and Interpretations</b>	
Amendments to FRS 132: Classification of Right Issues	1 March 2010
FRS 1: First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combinations (Revised)	1 July 2010
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 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.

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

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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 1 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.

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

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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:	(537)	(1,391)
Restated at	(537)	(1,391)

**(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

**(b) Significant Accounting Policies****(ii) Significant accounting judgements and estimates**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgement made in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the quarterly financial statements.

**Exceptional item – impairment loss on proposed disposal of LEADER Business**

As disclosed in Note 6 Corporate Proposals below, the Company has 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 ("LEADER Business").

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. This requires management to estimate the value in use and the key assumption applied is that the management expects that all the conditions precedent as stipulated in the Sale of Business Arrangement with HNGC will be fulfilled by 31 March 2012.

Thus, for the financial year ended 31 December 2011, the Group has recognised impairment losses of RM131.787million arising from the Proposed Disposal of LEADER Business.

The Proposed Disposal has thus resulted in the reduction of the earnings of LEADER Group for the financial year ended 31 December 2011 by RM131.787million due to the effects of impairment losses arising from the Proposed Disposal. Should the key assumption change, the amount of impairment losses recognised may differ materially.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

(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 31 December 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		
<b>Sales</b>		#	*		
Total sales	3,257,556	131,445	176,498	5,362	3,570,861
Intersegment sales	-	-	-	(2,095)	(2,095)
External sales	3,257,556	131,445	176,498	3,267	3,568,766
<b>Results</b>					
Operating profit/(loss) / Segment results	56,774	47,813	(4,280)	(8,317)	91,990
Finance costs					(31,313)
Share of profit of associated companies/jointly controlled entity	5,761	-	-	-	5,761
Profit before taxation					66,438
Income tax benefit					5,375
Profit for the period					71,813
Attributable to :					
Owners of the parent					50,830
Non-controlling interests					20,983
					71,813

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**The following Segmental Reporting has taken into consideration the impact pursuant to FRS136 - Impairment of Assets, arising from the Proposed Disposal of LEADER Business.**

Analysis by activity	Cable and wire RM'000	Power		Others RM'000	Total RM'000
		In Operation RM'000	Under Construction RM'000		
<b>Sales</b>		#	*		
Total sales	3,257,556	131,445	176,498	5,362	3,570,861
Intersegment sales	-	-	-	(2,095)	(2,095)
External sales	3,257,556	131,445	176,498	3,267	3,568,766
<b>Results</b>					
Operating profit/(loss) / Segment results	56,774	47,813	(4,280)	(8,317)	91,990
Finance costs					(31,313)
Writeback of Redemption Premium Payable					
Share of profit of associated companies/jointly controlled entity	5,761	-	-	-	5,761
Profit before taxation and before exceptional item					66,438
Exceptional item - impairment loss on proposed disposal of LEADER Business					(131,787)
Profit before taxation, after exceptional item					(65,349)
Income tax benefit					5,375
Profit for the period					(59,974)
Attributable to :					
Owners of the parent					(80,957)
Non-controlling interests					20,983
					(59,974)

Note :

# The Commencement of Operation of the first phase of the concession transmission project undertaken by a subsidiary in the Power, Cambodian Transmission Limited, was effected in November 2011. The related operational revenue and the profitability have been segregated from Power - Under Construction and included in Power - In Operation.

\* Despite the remaining 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.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**(k) Subsequent Material Events**

Please refer to Note 6 on Corporate Proposal.

**(l) Changes in the Composition of the Group**

Further to our announcement on 28 October 2011 on the members' voluntary winding up of two (2) dormant wholly-owned subsidiaries, namely Leader Copper Products Sdn Bhd and Universal Cable Engineering Sdn Bhd, the two subsidiaries had on 17 February 2012 held its Final Meeting. The Form 69 had been lodged with the Companies Commission Malaysia and the two subsidiaries shall be dissolved three (3) months thereafter.

**(m) Contingent Liabilities**

As at 21 February 2012, 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).

**1. Review of Performance**

The Group registered a revenue of RM794.14 million for the current reporting quarter ended 31 December 2011, an increase of 27.21% as compared to RM624.27 million for the corresponding quarter ended 31 December 2010. The performances are segregated into the following.

Cable & Wire

The Cable and Wire division registered a revenue of RM720.99 million for the current reporting quarter ended 31 December 2011, an increase of 20.50% as compared to RM598.37 million for the corresponding quarter ended 31 December 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.

Power (In Operation and Under Construction)

The Power division registered a revenue of RM72.61 million for the current reporting quarter ended 31 December 2011, an increase of more than 100% as compared to RM24.88 million for the corresponding quarter ended 31 December 2010. The major increase is in accordance with the adoption of IC Interpretation 12, which a subsidiary in the Power - Under Construction has started recognising Construction Revenue with effect from 1 January 2011.

Others

The Others division registered a revenue of RM0.54 million for the current reporting quarter ended 31 December 2011, a decrease of 47.54% as compared to RM1.02 million for the corresponding quarter ended 31 December 2010. The difference mainly contributed to timing of dividend received from a simple investment.

The Group recorded a lower profit before taxation of RM2.21 million in the current reporting quarter as compared to RM7.31 million for the corresponding quarter ended 31 December 2010 mainly due to product sale mix coupled with squeezed profit margin.

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS****2. Material Change in Profit Before Taxation****(a) Profit before tax**

The Group's profit before taxation for the current reporting quarter ended 31 December 2011 was lower at RM2.21 million as compared to RM18.41 million for the preceding quarter mainly due to the product sale mix and lower profit margin coupled with weakening of MYR against USD.

**(b) Exceptional item - Impairment loss on Proposed Disposal of LEADER Business**

The Impairment loss on proposed disposal of LEADER Business was derived as follows:

	<u>RM'000</u>
Net disposal proceeds	480,105
<u>Add/(Less)</u>	
Estimated balance expenses for proposed exercise	1,414
Net Assets @ 31 December 2011	(618,333)
Realisation of exchange fluctuation reserve	(6,978)
Realisation of hedging reserve	(2,218)
	<u>(146,010)</u>
Estimated Operating cashflow till 31 March 2012	14,223
Impairment loss on proposed disposal of LEADER Business	<u>(131,787)</u>

**3. Prospects for Financial Year Ending 31 December 2012**

The directors are optimistic that the Group will remain profitable for the financial year ending 31 December 2012 despite the competitive business environment. However, the proposed disposal of the Group's entire business including all assets and liabilities to HNG Capital Sdn Bhd will have an impact on the Company. Upon completion of the proposed disposal and proposed capital reduction and repayment, the Company will apply to Bursa Malaysia Securities Berhad ("Bursa Securities") for delisting of the Company on the Main Market of Bursa Securities.

**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 31/12/2011 RM'000	Interim Period To Date 31/12/2011 RM'000
Income tax	3,767	(5,611)
Deferred tax	10,713	10,986
	<u>14,480</u>	<u>5,375</u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current reporting quarter ended 31 December 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.



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**NOTES TO QUARTERLY FINANCIAL STATEMENTS****6. Corporate Proposal**

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 (collectively referred to as "the proposals") are subject to all requisite approvals being obtained, fulfilment of all the conditions precedent and approval of shareholders at an Extraordinary General Meeting ("EGM") to be convened. On 6 January 2012, the Company announced the date of the EGM on 31 January 2012. The Circular to Shareholders on the proposals was issued on 9 January 2012. On 31 January 2012, the Company announced that the two (2) special resolutions on the proposals as set out in the Notice of the EGM were duly approved by shareholders at the EGM held. On 15 February 2012, the Company announced the extension of the cut-off date from 16 February 2012 to 16 April 2012 to facilitate the fulfilment of the conditions precedent. Details of the Company's announcements are available in Bursa Malaysia Securities Berhad's website [www.bursamalaysia.com](http://www.bursamalaysia.com).

**7. Projects Undertaken**100MW 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.

**8. Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2011

	RM'000
(a) Secured	320,691
Unsecured	544,581
Total	865,272
(b) Short term	442,279
Long term	422,993
Total	865,272
(c) Foreign Currency (USD123.50 million)	389,220
Ringgit Malaysia	476,052
Total	865,272

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS****9. 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.

**10. Earnings Per Share**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to owners of the parent	12,119	8,100	50,830	49,680
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	2.78	1.86	11.65	11.38

Diluted earnings per share

The Group has no dilution in its earnings per share.

**The following basic Earnings per share has taken into consideration the impact pursuant to FRS136 - Impairment of Assets, arising from the Proposed Disposal of LEADER Business.**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to owners of the parent	(119,668)	8,100	(80,957)	49,680
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	(27.42)	1.86	(18.55)	11.38

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  
28/02/2012