

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

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31/12/2006.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	RM'000	RM'000	RM'000	RM'000
Revenue	601,089	435,837	2,365,016	1,602,761
Cost of sales	<u>(564,537)</u>	<u>(397,577)</u>	<u>(2,204,538)</u>	<u>(1,458,262)</u>
Gross profit	36,552	38,260	160,478	144,499
Operating expenses	(18,669)	(24,867)	(75,190)	(79,853)
Other income	6,680	6,084	14,761	9,813
Finance costs	(10,522)	(8,138)	(38,323)	(30,686)
Redemption premium written back arising from cancellation of Euroconvertible bonds	-	-	-	378
Share of (loss)/profit of associated companies	<u>(37)</u>	<u>479</u>	<u>5,419</u>	<u>2,818</u>
Profit before taxation	14,004	11,818	67,145	46,969
Taxation	<u>(2,081)</u>	<u>(1,501)</u>	<u>(11,485)</u>	<u>(6,315)</u>
Net profit for the period	<u><u>11,923</u></u>	<u><u>10,317</u></u>	<u><u>55,660</u></u>	<u><u>40,654</u></u>
Attributable to :				
Equity holders of the parent	8,679	4,600	35,313	21,883
Minority interests	<u>3,244</u>	<u>5,717</u>	<u>20,347</u>	<u>18,771</u>
Net profit for the period	<u><u>11,923</u></u>	<u><u>10,317</u></u>	<u><u>55,660</u></u>	<u><u>40,654</u></u>
Earnings per share (sen)				
- Basic	1.99	1.05	8.09	5.01
- Diluted	na	na	na	na

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	As at 31/12/2006 RM'000	As at 31/12/2005 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	302,821	341,190
Prepaid Lease Payments	18,890	19,465
Investment Properties	25,039	25,431
Properties Held for Future Development	14,713	15,187
Investment in Associated Companies	19,943	16,177
Other Investments	10,039	11,578
Deferred Tax Assets	1,269	2,632
	<u>392,714</u>	<u>431,660</u>
<b>Current Assets</b>		
Properties Under Development	35,696	37,835
Inventories	270,621	240,556
Amount Due from Associated Companies	49,102	51,737
Trade and Other Receivables	450,076	395,836
Cash, Bank Balances and Deposits	144,480	94,164
	<u>949,975</u>	<u>820,128</u>
Assets held for sale	8,648	-
	<u>958,623</u>	<u>820,128</u>
<b>TOTAL ASSETS</b>	<u><u>1,351,337</u></u>	<u><u>1,251,788</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	436,459	436,459
Reserves	(64,759)	(90,974)
	<u>371,700</u>	<u>345,485</u>
<b>Minority Interests</b>	<u>118,750</u>	<u>118,438</u>
<b>Total Equity</b>	<u>490,450</u>	<u>463,923</u>
<b>Non Current Liabilities</b>		
Euroconvertible Bonds	-	167,530
Term Loans	186,849	70,282
Deferred Tax Liabilities	33,650	31,570
	<u>220,499</u>	<u>269,382</u>
<b>Current Liabilities</b>		
Trade and Other Payables	277,149	232,606
Amount Due to A Related Party	-	2,298
Progress Payments Received and Receivable	17	21
Short Term Borrowings	361,946	283,583
Taxation	1,276	(25)
	<u>640,388</u>	<u>518,483</u>
<b>Total Liabilities</b>	<u>860,887</u>	<u>787,865</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,351,337</u></u>	<u><u>1,251,788</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	12 MONTHS ENDED	
	31/12/2006	31/12/2005
	RM'000	RM'000
Net profit for the financial period	55,660	40,654
Adjustment for:		
Non cash items	42,913	51,610
Minority interests	(20,347)	(18,771)
Non operating items (which are investing / financing activities)	35,237	26,590
Taxation	11,485	6,315
Operating profit before working capital changes	<u>124,948</u>	<u>106,398</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(93,980)	(97,717)
Net changes in current liabilities	45,619	41,594
Net cash flow from operations	<u>76,587</u>	<u>50,275</u>
Tax paid	(3,937)	(552)
Tax refund	5	3,487
Net cash flow from operating activities	<u>72,655</u>	<u>53,210</u>
Investing Activities		
Equity	-	-
Others	(48)	(2,535)
Net cash flow from investing activities	<u>(48)</u>	<u>(2,535)</u>
Financing Activities		
Bank borrowings	197,028	28,737
Euroconvertible Bonds	(157,818)	(47,581)
Repayment of advance from shareholders	(4,277)	-
Interest paid	(39,024)	(29,393)
Dividend paid to minority shareholders of a subsidiary	(16,529)	(15,487)
Net cash flow from financing activities	<u>(20,620)</u>	<u>(63,724)</u>
Net changes in cash and cash equivalents	51,987	(13,049)
Cash and cash equivalents at beginning of the year	94,164	107,213
Foreign exchange differences on opening balance	(1,825)	-
Cash and cash equivalents at end of the financial period	<u>144,326</u>	<u>94,164</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 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 RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
At 1 January 2006	436,459	109,452	(200,426)	345,485	118,438	463,923
Movements during the period	-	(9,786)	36,001	26,215	312	26,527
At 31 December 2006	<u>436,459</u>	<u>99,666</u>	<u>(164,425)</u>	<u>371,700</u>	<u>118,750</u>	<u>490,450</u>
At 1 January 2005	436,459	128,832	(228,648)	336,643	95,566	432,209
Movements during the period	-	(19,380)	28,222	8,842	22,872	31,714
At 31 December 2005	<u>436,459</u>	<u>109,452</u>	<u>(200,426)</u>	<u>345,485</u>	<u>118,438</u>	<u>463,923</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**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 2005. 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 2005.

(b) **Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 2 Share-based Accounting

FRS 3 Business Combinations

FRS 5 Non-current Assets Held for Sale and Discontinued Operations

FRS 101 Presentation of Financial Statements

FRS 102 Inventories

FRS 108 Accounting Policies, Changes in Estimates and Errors

FRS 110 Events after the Balance Sheet Date

FRS 116 Property, Plant and Equipment

FRS 121 The Effects of Changes in Foreign Exchange Rates

FRS 127 Consolidated and Separate Financial Statements

FRS 128 Investments in Associates

FRS 131 Interests in Joint Ventures

FRS 132 Financial Instruments: Disclosure and Presentation

FRS 133 Earnings Per Share

FRS 136 Impairment of Assets

FRS 138 Intangible Assets

FRS 140 Investment Property

New/revised FRSs which would be effective on 1 October 2006 are:

FRS 117 Leases

FRS 124 Related Party Disclosures

In addition to the above, the Group has taken the option of early adoption of FRS 117 Leases for the financial period beginning 1 January 2006.

The adoption of the above FRSs does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

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

(Incorporated in Malaysia)

**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**i) FRS 5: Non-current Assets Held for Sale and Discontinued Operations**

The Group has applied FRS 5 prospectively in accordance with its transitional provisions, which has resulted in a change in accounting policy on the recognition of its land and buildings (freehold and leasehold) as held for sale. Prior to 1 January 2006, the Group would have recognised the land and buildings as property, plant and equipment. FRS 5 requires non current assets to be classified as held for sale when the criteria to be classified as held for sale have been met. The result of this change in accounting policy is that non current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell and has been disclosed as such on the face of the balance sheet.

FRS 5 does not require reclassification or re-presentation of amounts presented for non-current assets classified as held for sale in the balance sheet for prior periods to reflect the classification in the balance sheet for the latest period presented.

An item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**ii) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

**iii) FRS 117: Leases**

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses. The leasehold land was last revalued in 2002.

Upon the adoption of the revised FRS 117 at 1 January 2006, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparative amounts as at 31 December 2005 have been restated.

**v) FRS 140: Investment Property**

Investment properties are properties held either to earn rental income or for capital appreciation or both. The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the period in which they arise. Prior to 1 January 2006, investment properties were stated at valuation less accumulated depreciation and impairment loss. Revaluations were carried out at least once every five years and any revaluation increase is taken to equity as a revaluation surplus. The investment properties were last revalued in 2002. This change was accounted for under FRS 108 which requires the comparative figure to be restated.

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

(Incorporated in Malaysia)

**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 items affecting assets, liabilities, equity, net income or cash flow for the interim period ended 31 December 2006 that were unusual because of their nature, size or incidence other than disclosed in this interim condensed financial statements.

(f) **Changes in Estimates**

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

(g) **Debt and Equity Securities**

On 6 November 2006, the Company effected a scheduled repayment of its ECB amounting to USD6.4 million. The total amount of ECB outstanding to date after the aforesaid payment is USD11.3 million.

There were no other 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 quarter up to date of issue of this quarterly report.

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

(Incorporated in Malaysia)

**NOTES TO QUARTERLY FINANCIAL STATEMENTS****(h) Dividends Paid**

The Company had on 22 June 2006 paid an interim dividend of 1.5% less 28% tax for financial year ended 31 December 2006. No dividend has been declared for the current quarter ended 31 December 2006 (2005 : Nil).

**(i) Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power generation RM'000	Property RM'000	Others RM'000	Total RM'000
<b>Sales</b>					
Total sales	2,177,993	153,557	32,004	3,499	2,367,053
Intersegment sales	-	-	-	(2,037)	(2,037)
External sales	2,177,993	153,557	32,004	1,462	2,365,016
<b>Results</b>					
Profit from operations / Segment result	54,028	39,472	2,973	3,576	100,049
Finance costs					(38,323)
Share of profit of associated companies	5,419	-	-	-	5,419
Profit before taxation					67,145
Taxation					(11,485)
Net profit for the period					55,660
Attributable to :					
Equity holders of the parent					35,313
Minority interests					20,347
Net profit for the period					55,660

**(j) Valuation of Property, Plant and Equipment**

The valuation of property, 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 financial year that have not been reflected in the financial statements.

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

(Incorporated in Malaysia)

**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

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

There were no changes in the composition of the Group.

(m) **Contingent Liabilities**

As at 6 February 2007, guarantees extended by the Group as security for the bank facilities amounted to RM469.1million (31 December 2005 : RM288.3 million).

1. **Review of Performance**

The revenue for the Group for the current quarter ended 31 December 2006 was RM601.1 million as compared to RM435.8 million for the corresponding quarter ended 31 December 2005.

The profit from operations for the Group for the current quarter ended 31 December 2006 was RM24.5 million as compared to RM19.5 million for the corresponding quarter ended 31 December 2005.

The higher revenue for the current quarter ended 31 December 2006 was mainly due to high prices of raw materials. In addition, the Group's operational results has also improved as a result of the Group's constant review of its cost savings measures taken place in various areas.

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

The Group's profit before taxation for the current quarter ended 31 December 2006 was RM14.0 million as compared to RM18.5 million for the preceding quarter. The lower profit before taxation for the current quarter was in line with lower revenue achieved and also the normal slower fourth quarter due to the various festive seasons.

3. **Prospects for financial year 2007**

The Group's performance for current financial year 2007 is expected to improve.

4. **Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee**

There are no forecast profit and profit guarantee.

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

(Incorporated in Malaysia)

**NOTES TO QUARTERLY FINANCIAL STATEMENTS****5. Taxation**

The Group tax charge comprises:

	Current Quarter 31/12/2006 RM'000	Financial Year To Date 31/12/2006 RM'000
Income tax	(1,917)	(5,958)
Deferred tax	(133)	(4,119)
Share of tax of associated company	(5)	(1,382)
	<u>(2,055)</u>	<u>(11,459)</u>
Under/(Over) provision in previous years	(26)	(26)
	<u><u>(2,081)</u></u>	<u><u>(11,485)</u></u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter and financial year ended 31 December 2006 is primarily due to lower tax rate of an overseas subsidiary company.

**6. Profits/(losses) on Sale of Unquoted Investments and/or Properties for the Current Quarter and Financial Year to date**

	Current Quarter 31/12/2006 RM'000	Financial Year To Date 31/12/2006 RM'000
Profit on sale of land and building	-	202
Net profit on sale of unquoted investments	-	173
		<u><u>173</u></u>

**7. Purchase or Disposal of Quoted Securities****(a) Purchase or disposal**

	Current Quarter 31/12/2006 RM'000	Financial Year To Date 31/12/2006 RM'000
Total purchase consideration	Nil	Nil
Total sale proceeds	Nil	Nil
Total profit/(loss) on disposal	Nil	Nil

**(b) Investments in quoted securities as at 31 December 2006**

	RM'000
(i) Total investments at cost	4,201
(ii) Total investments at carrying value/book value	993
(iii) Total investments at market value at 31 December 2006	993

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

(Incorporated in Malaysia)

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

There was no corporate proposal announced other than an update via a general announcement in Bursa Link with regards to the Company's bid for the 200MW coal fired power project in Cambodia announced on 17 November 2006.

**9. Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2006

(a)		RM'000
	Secured	1,366
	Unsecured	547,429
(b)	Total	548,795
	Short term	361,946
	Long term	186,849
(c)	Total	548,795
	Ringgit Malaysia	397,823
	Foreign currency (USD42,927,000)	150,972
	Total	548,795

**10. Off Balance Sheet Financial Instruments**Forward Foreign Exchange Contracts

As at 6 February 2007, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
Euro	216	5 December 2006 - 6 February 2007
U.S. Dollar	47,521	30 January 2007 - 26 June 2007
Singapore Dollar	1,738	22 January 2007 - 17 April 2007

The Group enters into forward foreign exchange contracts to hedge its foreign currency receivables from specific transactions against fluctuations in foreign exchange rates.

Market and Credit Risks

The Group is not exposed to any market risk as the exchange rates are pre-determined under such contracts.

We are of the view that credit risk is minimal given that the above contracts were entered into with reputable and credit worthy financial institutions.

Related Accounting Policy

Outstanding foreign exchange related contracts at the balance sheet date are valued based on the applicable spot rates ruling at the date adjusted for the applicable premium or discount to maturity. Gains or losses are recognised in the period/year they arise.

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

(Incorporated in Malaysia)

**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**11. 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 quarter up to the date of issue of this quarterly report.

**12. Earnings Per Share**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Net profit attributable to equity holders of the parent	8,679	4,600	35,313	21,883
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	1.99	1.05	8.09	5.01

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  
13 FEBRUARY 2007