

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

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31/03/2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	RM'000	RM'000	RM'000	RM'000
Revenue	585,780	473,934	585,780	473,934
Cost of sales	<u>(547,310)</u>	<u>(436,173)</u>	<u>(547,310)</u>	<u>(436,173)</u>
Gross profit	38,470	37,761	38,470	37,761
Operating expenses	(18,347)	(24,857)	(18,347)	(24,857)
Other income	5,577	4,388	5,577	4,388
Finance costs	(8,942)	(3,514)	(8,942)	(3,514)
Share of (loss)/profit of associated companies	<u>1,190</u>	<u>1,120</u>	<u>1,190</u>	<u>1,120</u>
Profit before tax	17,948	14,898	17,948	14,898
Income tax expense	<u>(2,087)</u>	<u>(2,126)</u>	<u>(2,087)</u>	<u>(2,126)</u>
Profit for the period	<u><u>15,861</u></u>	<u><u>12,772</u></u>	<u><u>15,861</u></u>	<u><u>12,772</u></u>
Attributable to :				
Equity holders of the parent	12,246	7,977	12,246	7,977
Minority interests	<u>3,615</u>	<u>4,795</u>	<u>3,615</u>	<u>4,795</u>
	<u><u>15,861</u></u>	<u><u>12,772</u></u>	<u><u>15,861</u></u>	<u><u>12,772</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	2.81	1.83	2.81	1.83
- 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 2006 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 31/03/2007 RM'000	As at 31/12/2006 RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	299,273	302,697
Prepaid Lease Payments	18,745	18,890
Investment Properties	25,061	25,163
Properties Held for Future Development	14,713	14,713
Investment in Associated Companies	21,131	19,943
Other Investments	10,304	10,039
Deferred Tax Assets	2,249	1,269
	<u>391,476</u>	<u>392,714</u>
Current Assets		
Properties Under Development	34,944	35,696
Inventories	277,803	270,621
Amount Due from Associated Companies	46,624	49,102
Trade and Other Receivables	459,878	450,076
Cash, Bank Balances and Deposits	154,997	144,480
	<u>974,246</u>	<u>949,975</u>
Assets held for sale	8,691	8,648
	<u>982,937</u>	<u>958,623</u>
TOTAL ASSETS	<u><u>1,374,413</u></u>	<u><u>1,351,337</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	436,459	436,459
Reserves	(52,986)	(65,232)
	<u>383,473</u>	<u>371,227</u>
Minority Interests	<u>102,734</u>	<u>113,341</u>
Total Equity	<u>486,207</u>	<u>484,568</u>
Non Current Liabilities		
Term Loans	187,453	186,849
Deferred Tax Liabilities	33,024	34,072
	<u>220,477</u>	<u>220,921</u>
Current Liabilities		
Trade and Other Payables	313,106	282,609
Progress Payments Received and Receivable	162	17
Short Term Borrowings	353,479	361,946
Taxation	695	1,276
Proposed dividend	287	-
	<u>667,729</u>	<u>645,848</u>
Total Liabilities	<u>888,206</u>	<u>866,769</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,374,413</u></u>	<u><u>1,351,337</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 CASH FLOW STATEMENT

	3 MONTHS ENDED	
	31/03/2007	31/03/2006
	RM'000	RM'000
Profit for the financial period	15,861	12,772
Adjustment for:		
Non cash items	3,945	4,656
Non operating items (which are investing / financing activities)	7,832	7,453
Taxation	2,087	2,126
Operating profit before working capital changes	<u>29,725</u>	<u>27,007</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(14,814)	36,249
Net changes in current liabilities	30,552	(26,831)
Net cash flow from operations	<u>45,463</u>	<u>36,425</u>
Tax paid	(3,139)	(333)
Tax refund	-	-
Net cash flow from operating activities	<u>42,324</u>	<u>36,092</u>
Investing Activities		
Equity	-	-
Others	(2,432)	112
Net cash flow from investing activities	<u>(2,432)</u>	<u>112</u>
Financing Activities		
Bank borrowings	(6,733)	1,800
Euroconvertible Bonds	-	-
Repayment of advance from shareholders	-	(4,480)
Interest paid	(8,129)	(8,543)
Dividend paid to minority shareholders of a subsidiary	(13,959)	-
Others	-	(637)
Net cash flow from financing activities	<u>(28,821)</u>	<u>(11,860)</u>
Net changes in cash and cash equivalents	11,071	24,344
Cash and cash equivalents at beginning of the year	144,327	94,164
Foreign exchange differences on opening balance	(465)	(672)
Cash and cash equivalents at end of the financial period	<u>154,933</u>	<u>117,836</u>
Cash and cash equivalents comprise :		
Cash and bank balances	154,997	123,217
Bank overdrafts	(64)	(5,381)
	<u>154,933</u>	<u>117,836</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 Equity Holders of the Parent →			Total	Minority Interests	Total Equity
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000			
At 1 January 2007	436,459	87,737	(152,969)	371,227	113,341	484,568
Movements during the period	-	(36)	12,282	12,246	(10,607)	1,639
At 31 March 2007	<u>436,459</u>	<u>87,701</u>	<u>(140,687)</u>	<u>383,473</u>	<u>102,734</u>	<u>486,207</u>
At 1 January 2006 As previously stated	436,459	109,811	(200,388)	345,882	108,210	454,092
Effects of adopting FRS140		(15,577)	15,577			
	<u>436,459</u>	<u>94,234</u>	<u>(184,811)</u>	<u>345,882</u>	<u>108,210</u>	<u>454,092</u>
Movements during the period	-	(712)	7,977	7,265	351	7,616
At 31 March 2006	<u>436,459</u>	<u>93,522</u>	<u>(176,834)</u>	<u>353,147</u>	<u>108,561</u>	<u>461,708</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 2006 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 2006. 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 2006.

(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 2006 except for the adoption of the following revised Financial Reporting Standards (“FRS”):

FRS 117 Leases

FRS 124 Related Party Disclosures

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.

(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 March 2007 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 interim period 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 30 April 2007, the Company effected the final repayment of its EuroConvertible Bonds (ECB) amounting to USD11.3 million. With this repayment, the Company has fully settled the ECB.

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.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(h) **Dividend Payment**

The Board of Directors has on 23 May 2007 declared an interim dividend of 1.5 sen per share less 27% tax for financial year ending 31 December 2007 (2006 : 1.5 sen per share less 28% tax) which will be paid on 19 June 2007 to shareholders whose names appear on the Record of Depositors as at 11 June 2007. A depositor shall qualify for dividend entitlement only in respect of :

- a) shares deposited into the Depositor's Securities Account before 12.30 p.m. on 7 June 2007 (in respect of shares which are exempted from Mandatory Deposit;
- b) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 11 June 2007 in respect of ordinary transfers; and
- c) shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power generation RM'000	Property RM'000	Others RM'000	Total RM'000
Sales					
Total sales	545,031	36,478	3,964	630	586,103
Intersegment sales	-	-	-	(323)	(323)
External sales	545,031	36,478	3,964	307	585,780
Results					
Operating profit/(loss) / Segment results	12,625	10,101	(7)	2,981	25,700
Finance costs					(8,942)
Share of profit of associated companies	1,190	-	-	-	1,190
Profit before taxation					17,948
Income tax expense					(2,087)
Profit for the period					15,861
Attributable to :					
Equity holders of the parent					12,246
Minority interests					3,615
					15,861

(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.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(k) Subsequent Material Events

There were no material events subsequent to the end of the current interim period that have not been reflected in the financial statements.

(l) Changes in the Composition of the Group

On 7 May 2007, the Company had announced on the disposal of its entire 51% equity interest in Leader LS Magnet Wire Sdn Bhd and on 8 March 2007, the disposal of its 53% equity interest in Leader Universal (Mauritius) Co. Ltd.

On 27 March 2007, the Company had announced on the incorporation of Leader Power International Cambodia Incorporated in the British Virgin Islands and on 2 March 2007, the incorporation of Leader Power International (Pakistan) Incorporated in the Cayman Islands. Both are wholly-owned subsidiaries of the Company.

(m) Contingent Liabilities

As at 24 May 2007, guarantees extended by the Group as security for the bank facilities amounted to RM515.0 million (31 December 2006 : RM484.1 million).

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

1. Review of Performance

The revenue for the Group for the current quarter ended 31 March 2007 registered an increase to RM585.8 million as compared to RM473.9 million for the corresponding quarter ended 31 March 2006.

Operating profit for the Group for the current quarter ended 31 March 2007 also increased to RM25.7 million as compared to RM17.3 million for the corresponding quarter ended 31 March 2006.

The higher revenue for the current quarter ended 31 March 2007 was mainly due to better performance from the Group's cable and wire business although high metal prices also contributed to higher revenue achieved for the current quarter. The ongoing strategic marketing plans, prudent raw materials procurement policies and effective cost saving measures have contributed to the Group's overall improved operations and profitability.

The considerable variance of the finance costs between the current quarter ended 31 March 2007 as compared to the corresponding quarter ended 31 March 2006 was mainly due to the unrealized foreign exchange gain recorded upon translation of the EuroConvertible Bonds and as a result of the strengthening of the Malaysian Ringgit against the United States Dollar during the corresponding quarter ended 31 March 2006.

2. Material Change in Profit Before Taxation

The Group's profit before taxation for the current quarter ended 31 March 2007 was RM17.9 million as compared to RM14.0 million for the preceding quarter. The higher profit before taxation for the current quarter was in line with higher revenue achieved coupled with the continuing effective operational and cost cutting measures undertaken by the Group.

3. Current Year Prospects

The Group's performance for the remaining part of the current financial year 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.

5. Taxation

The Group tax charge comprises:

	Current Quarter 31/03/2007 RM'000	Interim Period To Date 31/03/2007 RM'000
Income tax	(2,569)	(2,569)
Deferred tax	482	482
	<u>(2,087)</u>	<u>(2,087)</u>
Under/(Over) provision in previous years	-	-
	<u>(2,087)</u>	<u>(2,087)</u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 31 March 2007 is primarily due to lower tax rate of an overseas subsidiary company.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

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

	Current Quarter 31/03/2007 RM'000	Interim Period To Date 31/03/2007 RM'000
Profit on sale of unquoted investment net of provision	2,848	2,848

7. Purchase or Disposal of Quoted Securities

(a) Purchase or disposal

	Current Quarter 31/03/2007 RM'000	Interim Period To Date 31/03/2007 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 March 2007

	RM'000
(i) Total investments at cost	4,201
(ii) Total investments at carrying value/book value	1,323
(iii) Total investments at market value at 31 March 2007	1,323

8. Corporate Proposals

There were no corporate proposals announced during the current quarter and up to the date of issue of this quarterly report.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS**9. Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 March 2007

(a)		RM'000
	Secured	2,925
	Unsecured	538,007
(b)	Total	540,932
	Short term	353,479
	Long term	187,453
(c)	Total	540,932
	Ringgit Malaysia	407,101
	Foreign currency (USD38,430,000)	133,831
	Total	540,932

10. Off Balance Sheet Financial InstrumentsForward Foreign Exchange Contracts

As at 24 May 2007, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	23,508	15 May 2007 - 5 July 2007
Singapore Dollar	742	30 May 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.

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.

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

12. **Earnings Per Share**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	12,246	7,977	12,246	7,977
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	2.81	1.83	2.81	1.83

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
31 MAY 2007