

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

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 30/09/2007.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|  | 3 MONTHS ENDED       |                      | 9 MONTHS ENDED       |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30/09/2007<br>RM'000 | 30/09/2006<br>RM'000 | 30/09/2007<br>RM'000 | 30/09/2006<br>RM'000 |
| Revenue  | 815,905              | 688,692              | 2,110,827            | 1,763,927            |
| Cost of sales  | <u>(747,496)</u>     | <u>(650,242)</u>     | <u>(1,945,996)</u>   | <u>(1,640,001)</u>   |
| Gross profit   | 68,409               | 38,450               | 164,831              | 123,926              |
| Operating expenses   | (32,538)             | (11,445)             | (76,847)             | (62,684)             |
| Other income   | 4,821                | 1,209                | 10,420               | 8,081                |
| Finance costs  | (8,784)              | (11,581)             | (25,670)             | (21,638)             |
| Share of (loss)/profit of<br>associated companies                          | <u>1,247</u>         | <u>1,386</u>         | <u>4,114</u>         | <u>4,079</u>         |
| Profit before tax  | 33,155               | 18,019               | 76,848               | 51,764               |
| Income tax expense   | <u>(4,619)</u>       | <u>(2,646)</u>       | <u>(10,746)</u>      | <u>(8,027)</u>       |
| Profit for the period  | <u><u>28,536</u></u> | <u><u>15,373</u></u> | <u><u>66,102</u></u> | <u><u>43,737</u></u> |
| Attributable to :  |                      |                      |                      |                      |
| Equity holders of the parent   | 22,550               | 9,721                | 50,648               | 26,634               |
| Minority interests   | <u>5,986</u>         | <u>5,652</u>         | <u>15,454</u>        | <u>17,103</u>        |
|  | <u><u>28,536</u></u> | <u><u>15,373</u></u> | <u><u>66,102</u></u> | <u><u>43,737</u></u> |
| Earnings per share attributable to<br>equity holders of the parent (sen) : |                      |                      |                      |                      |
| - Basic  | 5.17                 | 2.23                 | 11.60                | 6.10                 |
| - 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<br>30/09/2007<br>RM'000 | As at<br>31/12/2006<br>RM'000 |
|--|-------------------------------|-------------------------------|
| <b>ASSETS</b>  |                               |                               |
| <b>Non Current Assets</b>                                  |                               |                               |
| Property, Plant and Equipment                              | 281,669                       | 302,697                       |
| Prepaid Lease Payments                                     | 18,463                        | 18,890                        |
| Investment Properties                                      | 24,857                        | 25,163                        |
| Properties Held for Future Development                     | 14,713                        | 14,713                        |
| Investment in Associated Companies                         | 24,054                        | 19,943                        |
| Other Investments  | 10,511                        | 10,039                        |
| Deferred Tax Assets  | 446                           | 1,269                         |
|  | <u>374,713</u>                | <u>392,714</u>                |
| <b>Current Assets</b>                                      |                               |                               |
| Properties Under Development                               | 29,223                        | 35,696                        |
| Inventories  | 254,198                       | 270,621                       |
| Amount Due from Associated Companies                       | 46,231                        | 49,102                        |
| Trade and Other Receivables                                | 564,945                       | 450,076                       |
| Cash, Bank Balances and Deposits                           | 168,914                       | 144,480                       |
|  | <u>1,063,511</u>              | <u>949,975</u>                |
| Assets held for sale                                       | 8,991                         | 8,648                         |
|  | <u>1,072,502</u>              | <u>958,623</u>                |
| <b>TOTAL ASSETS</b>  | <u>1,447,215</u>              | <u>1,351,337</u>              |
| <b>EQUITY AND LIABILITIES</b>                              |                               |                               |
| <b>Equity Attributable to Equity Holders of the Parent</b> |                               |                               |
| Share Capital  | 436,459                       | 436,459                       |
| Reserves   | (20,596)                      | (65,232)                      |
|  | <u>415,863</u>                | <u>371,227</u>                |
| <b>Minority Interests</b>                                  | <u>97,704</u>                 | <u>113,341</u>                |
| <b>Total Equity</b>  | <u>513,567</u>                | <u>484,568</u>                |
| <b>Non Current Liabilities</b>                             |                               |                               |
| Term Loans   | 191,241                       | 186,849                       |
| Deferred Tax Liabilities                                   | 28,266                        | 34,072                        |
|  | <u>219,507</u>                | <u>220,921</u>                |
| <b>Current Liabilities</b>                                 |                               |                               |
| Trade and Other Payables                                   | 387,067                       | 282,609                       |
| Progress Payments Received and<br>Receivable               | 431                           | 17                            |
| Short Term Borrowings                                      | 319,081                       | 361,946                       |
| Taxation   | 7,562                         | 1,276                         |
|  | <u>714,141</u>                | <u>645,848</u>                |
| <b>Total Liabilities</b>                                   | <u>933,648</u>                | <u>866,769</u>                |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <u>1,447,215</u>              | <u>1,351,337</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**

|  | 9 MONTHS ENDED  |                |
|--|-----------------|----------------|
|  | 30/09/2007      | 30/09/2006     |
|  | RM'000          | RM'000         |
| Profit for the financial period                                  | 66,102          | 43,737         |
| Adjustment for:  |                 |                |
| Non cash items   | 25,005          | 14,390         |
| Non operating items (which are investing / financing activities) | 21,755          | 25,869         |
| Taxation   | 10,746          | 9,404          |
| Operating profit before working capital changes                  | <u>123,608</u>  | <u>93,400</u>  |
| Decrease / (Increase) in working capital:                        |                 |                |
| Net changes in current assets                                    | (138,130)       | (105,829)      |
| Net changes in current liabilities                               | 121,657         | 46,806         |
| Net cash flow from operations                                    | <u>107,135</u>  | <u>34,377</u>  |
|  |                 |                |
| Tax paid   | (6,383)         | (1,880)        |
| Tax refund   | 181             | 5              |
| Net cash flow from operating activities                          | <u>100,933</u>  | <u>32,502</u>  |
| Investing Activities   |                 |                |
| Equity   | -               | -              |
| Others   | (9,283)         | (2,678)        |
| Net cash flow from investing activities                          | <u>(9,283)</u>  | <u>(2,678)</u> |
| Financing Activities   |                 |                |
| Bank borrowings  | 19,307          | 224,076        |
| Euroconvertible Bonds  | (39,195)        | (134,654)      |
| Repayment of advance from shareholders                           | -               | (4,484)        |
| Interest paid  | (24,932)        | (28,558)       |
| Dividend paid to minority shareholders of a subsidiary           | (21,331)        | (17,003)       |
| Others   | -               | -              |
| Net cash flow from financing activities                          | <u>(66,151)</u> | <u>39,377</u>  |
| Net changes in cash and cash equivalents                         | 25,499          | 69,201         |
| Cash and cash equivalents at beginning of the year               | 144,327         | 94,164         |
| Foreign exchange differences on opening balance                  | (912)           | (675)          |
| Cash and cash equivalents at end of the financial period         | <u>168,914</u>  | <u>162,690</u> |
| Cash and cash equivalents comprise :                             |                 |                |
| Cash and bank balances   | 168,914         | 162,690        |
| Bank overdrafts  | -               | -              |
|  | <u>168,914</u>  | <u>162,690</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**

|   | ← <b>Attributable to Equity Holders of the Parent</b> → |                             |                                 |                 | <b>Minority<br/>Interests</b> | <b>Total<br/>Equity</b> |
|---|---|-----------------------------|---------------------------------|-----------------|-------------------------------|-------------------------|
|   | Share<br>capital<br>RM'000                              | Other<br>reserves<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 |                               |                         |
| At 1 January 2007                         | 436,459   | 87,737                      | (152,969)                       | 371,227         | 113,341                       | 484,568                 |
| Movements during the period               | -   | (1,269)                     | 45,905                          | 44,636          | (15,637)                      | 28,999                  |
| At 30 September 2007                      | <u>436,459</u>  | <u>86,468</u>               | <u>(107,064)</u>                | <u>415,863</u>  | <u>97,704</u>                 | <u>513,567</u>          |
| At 1 January 2006<br>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               | -   | (1,715)                     | 23,152                          | 21,437          | 451                           | 21,888                  |
| At 30 September 2006                      | <u>436,459</u>  | <u>92,519</u>               | <u>(161,659)</u>                | <u>367,319</u>  | <u>108,661</u>                | <u>475,980</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 30 September 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**

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 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 declared a second 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 17 December 2007 to shareholders whose names appear on the Record of Depositors as at 10 December 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 6 December 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 10 December 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.

The First Interim Dividend of 1.5 sen per share less 27% tax for the financial year ending 31 December 2007 was paid on 19 June 2007.

(i) **Segmental Reporting**

| Analysis by activity                         | Cable and<br>wire<br>RM'000 | Power<br>generation<br>RM'000 | Property<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|--|-----------------------------|-------------------------------|--------------------|------------------|-----------------|
| <b>Sales</b>                                 |                             |                               |                    |                  |                 |
| Total sales                                  | 1,977,129                   | 117,125                       | 14,881             | 2,145            | 2,111,280       |
| Intersegment sales                           | -                           | -                             | -                  | (453)            | (453)           |
| External sales                               | 1,977,129                   | 117,125                       | 14,881             | 1,692            | 2,110,827       |
| <b>Results</b>                               |                             |                               |                    |                  |                 |
| Operating profit/(loss) /<br>Segment results | 68,742                      | 30,003                        | (49)               | (292)            | 98,404          |
| Finance costs                                |                             |                               |                    |                  | (25,670)        |
| Share of profit of<br>associated companies   | 4,114                       | -                             | -                  | -                | 4,114           |
| Profit before taxation                       |                             |                               |                    |                  | 76,848          |
| Income tax expense                           |                             |                               |                    |                  | (10,746)        |
| Profit for the period                        |                             |                               |                    |                  | 66,102          |
| Attributable to :                            |                             |                               |                    |                  |                 |
| Equity holders of the parent                 |                             |                               |                    |                  | 50,648          |
| Minority interests                           |                             |                               |                    |                  | 15,454          |
|  |                             |                               |                    |                  | 66,102          |
|  |                             |                               |                    |                  |                 |

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**(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 interim period that have not been reflected in the financial statements.

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

On 12 September 2007, LEADER announced that it has acquired the 1 ordinary share of USD 1.00 each in Leader Universal ( Labuan) Limited from Leader Universal (Hong Kong) Company Limited.

On 19 October 2007, LEADER announced the commencement of Members' Voluntary Winding Up of 5 dormant subsidiaries namely, Leader Plantation Sdn Bhd, Leader Pewter Sdn Bhd, Leader Data Cable Sdn Bhd, Leader Diamond Dies Manufacturing Sdn Bhd and KPU-Leader Consortium Sdn Bhd.

On 23 October 2007, LEADER announced a conditional sale of its entire 5,250,000 ordinary shares of RM1.00 each in Universal Cable (Sarawak) Sdn Bhd (UCS) pursuant to the proposed IPO scheme of UCS to pave way for the eventual proposed listing of UCS Holdings Sdn Bhd on Bursa Malaysia Securities Berhad.

On 12 November 2007, LEADER announced the dissolution of 2 dormant subsidiaries namely, Leader Brass Products Sdn Bhd and Leader Credit & Leasing Sdn Bhd.

**(m) Contingent Liabilities**

As at 13 November 2007, guarantees extended by the Group as security for the bank facilities amounted to RM547.25 million (31 December 2006 : RM484.1 million).

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**1. Review of Performance**

The Group revenue for the current quarter ended 30 September 2007 registered an increase to RM815.9 million as compared to RM688.7 million for the corresponding quarter ended 30 September 2006.

Operating profit for the Group for the current quarter ended 30 September 2007 also increased to RM40.7 million as compared to RM28.2 million for the corresponding quarter ended 30 September 2006.

The higher revenue for the current quarter ended 30 September 2007 was mainly due to better performance from the Group's cable and wire business as a result of its improved sales volume and high metal prices. Better product mix with a higher margin and higher output in aluminium based products, strategic marketing plans, prudent raw materials procurement policies and effective cost saving measures also contributed to the Group's overall improved operations and profitability.

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

The Group's profit before taxation for the current quarter ended 30 September 2007 was RM33.2 million as compared to RM25.7million for the preceding quarter. The higher profit before taxation for the current quarter was in line with higher revenue achieved coupled with better product mix of high end and value added products that fetched higher margin and further enhanced by improved production and operational efficiency.

**3. Current Year Prospects**

The Group's performance for the remaining part of the current financial year is expected to be satisfactory. The directors expect the Group's overall performance for the full financial year 2007 to register notable improvement compared to the previous financial year 2006.

**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<br>Quarter<br>30/09/2007<br>RM'000 | Interim Period<br>To Date<br>30/09/2007<br>RM'000 |
|--|--|---|
| Income tax                               | (5,332)                                    | (12,652)  |
| Deferred tax                             | 765  | 1,868   |
|  | <u>(4,567)</u>                             | <u>(10,784)</u>                                   |
| Under/(Over) provision in previous years | (52)                                       | 38  |
|  | <u>(4,619)</u>                             | <u>(10,746)</u>                                   |

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 30 September 2007 is primarily due to lower tax rate of an overseas subsidiary company, coupled with the utilisation of unabsorbed reinvestment allowance and unabsorbed exemption of income for the value of increased exports to offset against statutory income of some of the subsidiary companies.

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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<br>Quarter<br>30/09/2007<br>RM'000 | Interim Period<br>To Date<br>30/09/2007<br>RM'000 |
|---|--|---|
| Profit/(Loss) on sale of unquoted investment net of provision | (1,121)                                    | 1,727   |

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

## (a) Purchase or disposal

|                                 | Current<br>Quarter<br>30/09/2007<br>RM'000 | Interim Period<br>To Date<br>30/09/2007<br>RM'000 |
|---------------------------------|--|---|
| Total purchase consideration    | Nil  | Nil   |
| Total sale proceeds             | Nil  | 4   |
| Total profit/(loss) on disposal | Nil  | 1   |

## (b) Investments in quoted securities as at 30 September 2007

|  | RM'000 |
|--|--------|
| (i) Total investments at cost                                | 2,208  |
| (ii) Total investments at carrying value/book value          | 1,591  |
| (iii) Total investments at market value at 30 September 2007 | 1,591  |

**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 30 September 2007

|     |                                  |         |
|-----|----------------------------------|---------|
| (a) |                                  | RM'000  |
|     | Secured                          | 9,900   |
|     | Unsecured                        | 500,422 |
| (b) | Total                            | 510,322 |
|     | Short term                       | 319,081 |
|     | Long term                        | 191,241 |
| (c) | Total                            | 510,322 |
|     | Ringgit Malaysia                 | 434,361 |
|     | Foreign currency (USD22,024,000) | 75,961  |
|     | Total                            | 510,322 |

10. **Off Balance Sheet Financial Instruments**

Forward Foreign Exchange Contracts

As at 13 November 2007, the Group has the following forward foreign exchange contracts:

| Currency         | Contract Amount<br>RM'000 | Expiry Dates                        |
|------------------|---------------------------|-------------------------------------|
| U.S. Dollar      | 42,434                    | 13 November 2007 - 31 December 2007 |
| Singapore Dollar | 567                       | 18 December 2007 - 28 December 2007 |
| EURO             | 403                       | 21 December 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.

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**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 |            | 9 MONTHS ENDED |            |
|---|----------------|------------|----------------|------------|
|   | 30/09/2007     | 30/09/2006 | 30/09/2007     | 30/09/2006 |
|   | RM'000         | RM'000     | RM'000         | RM'000     |
| <u>Basic earnings per share</u>                     |                |            |                |            |
| Profit attributable to equity holders of the parent | 22,550         | 9,721      | 50,648         | 26,634     |
| Number of ordinary shares ('000)                    | 436,459        | 436,459    | 436,459        | 436,459    |
| Basic earnings per share (sen)                      | 5.17           | 2.23       | 11.60          | 6.10       |

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

20 November 2007