

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

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31/12/2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
Revenue	710,908	601,089	2,821,735	2,365,016
Cost of sales	<u>(672,663)</u>	<u>(564,537)</u>	<u>(2,618,659)</u>	<u>(2,204,538)</u>
Gross profit	38,245	36,552	203,076	160,478
Operating expenses	(17,893)	(12,309)	(94,741)	(74,993)
Other income	5,100	(2,026)	15,520	6,055
Finance costs	(8,306)	(8,176)	(33,976)	(29,814)
Share of (loss)/profit of associated companies	<u>540</u>	<u>(41)</u>	<u>4,654</u>	<u>4,038</u>
Profit before tax	17,686	14,000	94,533	65,764
Income tax expense	<u>1,115</u>	<u>(2,076)</u>	<u>(9,631)</u>	<u>(10,103)</u>
Profit for the period	<u><u>18,801</u></u>	<u><u>11,924</u></u>	<u><u>84,902</u></u>	<u><u>55,661</u></u>
Attributable to :				
Equity holders of the parent	15,334	8,681	65,981	35,315
Minority interests	<u>3,467</u>	<u>3,243</u>	<u>18,921</u>	<u>20,346</u>
	<u><u>18,801</u></u>	<u><u>11,924</u></u>	<u><u>84,902</u></u>	<u><u>55,661</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	3.51	1.99	15.12	8.09
- 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 31/12/2007 RM'000	As at 31/12/2006 RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	279,147	302,697
Prepaid Lease Payments	15,568	18,890
Investment Properties	46,833	25,163
Properties Held for Future Development	14,543	14,713
Investment in Associated Companies	24,088	19,943
Other Investments	9,662	10,039
Deferred Tax Assets	74	1,269
	<u>389,915</u>	<u>392,714</u>
Current Assets		
Properties Under Development	23,723	35,696
Inventories	239,351	270,621
Amount Due from Associated Companies	19,531	49,102
Trade and Other Receivables	450,208	450,076
Cash, Bank Balances and Deposits	213,056	144,480
	<u>945,869</u>	<u>949,975</u>
Assets held for sale	9,888	8,648
	<u>955,757</u>	<u>958,623</u>
TOTAL ASSETS	<u><u>1,345,672</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	(3,106)	(65,232)
	<u>433,353</u>	<u>371,227</u>
Minority Interests	<u>98,495</u>	<u>113,341</u>
Total Equity	<u>531,848</u>	<u>484,568</u>
Non Current Liabilities		
Term Loans	141,218	186,849
Deferred Tax Liabilities	22,684	34,072
	<u>163,902</u>	<u>220,921</u>
Current Liabilities		
Trade and Other Payables	271,996	282,609
Progress Payments Received and Receivable	79	17
Short Term Borrowings	375,401	361,946
Taxation	2,446	1,276
	<u>649,922</u>	<u>645,848</u>
Total Liabilities	<u>813,824</u>	<u>866,769</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,345,672</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

	12 MONTHS ENDED	
	31/12/2007	31/12/2006
	RM'000	RM'000
Profit for the financial period	84,902	55,661
Adjustment for:		
Non cash items	50,515	39,624
Non operating items (which are investing / financing activities)	28,694	24,949
Taxation	9,631	10,103
Operating profit before working capital changes	173,742	130,337
Decrease / (Increase) in working capital:		
Net changes in current assets	15,758	(91,416)
Net changes in current liabilities	7,720	36,936
Net cash flow from operations	197,220	75,857
Tax paid	(13,619)	(3,858)
Tax refund	181	-
Net cash flow from operating activities	183,782	71,999
Investing Activities		
Equity	-	-
Others	(40,666)	24
Net cash flow from investing activities	(40,666)	24
Financing Activities		
Bank borrowings	26,506	197,078
Euroconvertible Bonds	(39,195)	(157,818)
Repayment of advance from shareholders	-	-
Interest paid	(33,682)	(42,591)
Dividend paid to minority shareholders of a subsidiary	(25,673)	(16,529)
Others	-	-
Net cash flow from financing activities	(72,044)	(19,860)
Net changes in cash and cash equivalents	71,072	52,163
Cash and cash equivalents at beginning of the year	144,327	94,164
Foreign exchange differences on opening balance	(2,375)	(2,000)
Cash and cash equivalents at end of the financial period	213,024	144,327
Cash and cash equivalents comprise :		
Cash and bank balances	213,056	144,480
Bank overdrafts	(32)	(153)
	213,024	144,327

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 →				Minority Interests	Total Equity
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
At 1 January 2007	436,459	87,737	(152,969)	371,227	113,341	484,568 #
Movements during the period	-	3,879	58,247	62,126	(14,846)	47,280
At 31 December 2007	<u>436,459</u>	<u>91,616</u>	<u>(94,722)</u>	<u>433,353</u>	<u>98,495</u>	<u>531,848 #</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	-	(6,497)	31,842	25,345	5,131	30,476
At 31 December 2006	<u>436,459</u>	<u>87,737</u>	<u>(152,969)</u>	<u>371,227</u>	<u>113,341</u>	<u>484,568</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.

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007. The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007

(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 2007 that were unusual because of their nature, size or incidence other than disclosed in this interim condensed financial statements.

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NOTES TO QUARTERLY 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.

(h) **Dividend Payment**

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

The Second Interim Dividend of 1.5 sen per share less 27% tax for the financial year ended 31 December 2007 was paid on 17 December 2007.

(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	2,638,433	158,934	22,649	2,186	2,822,202
Intersegment sales	-	-	-	(467)	(467)
External sales	2,638,433	158,934	22,649	1,719	2,821,735
Results					
Operating profit/(loss) / Segment results	93,915	37,190	(1,600)	(5,650)	123,855
Finance costs					(33,976)
Share of profit of associated companies	4,654	-	-	-	4,654
Profit before taxation					94,533
Income tax expense					(9,631)
Profit for the period					84,902
Attributable to :					
Equity holders of the parent					65,981
Minority interests					18,921
					84,902

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

(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. Whereas a revaluation on the Group's properties was carried out during the year and the revaluation figures were incorporated in the financial statements for the year ended 31 December 2007. A revaluation of properties of the Group is conducted at least once in every five (5) years.

(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 31 December 2007, LEADER announced that Leader Universal (CNMI) Incorporated in the Commonwealth of the Northern Mariana Islands, USA had been dissolved.

On 28 December 2007, LEADER announced the incorporation of a new subsidiary namely Leader Infrastructure Limited in the Cayman Islands.

LEADER acquired 30% equity interest consisting of 3,000 ordinary shares of RM1 each in Maju Leader Consortium Sdn Bhd (formerly known as Inno Elektra Sdn Bhd) at par value.

LEADER announced the conclusion of the Members' Voluntary Winding Up process and dissolution of dormant subsidiaries namely Leader Data Cable Sdn Bhd, Leader Diamond Dies Manufacturing Sdn Bhd and Leader Pewter Sdn Bhd on 27 December 2007; KPU Leader Consortium Sdn Bhd on 7 January 2008 and Leader Plantation Sdn Bhd on 31 January 2008.

LEADER has 30% and 25% equity interest in La-Bayan Development Sdn Bhd and Hebei Xinhua Leader Cable Co. Ltd. respectively. These two companies have been dormant for several years and LEADER had written off the investments.

(m) Contingent Liabilities

As at 20 February 2008, guarantees extended by the Group as security for the bank facilities amounted to RM589.6 million (31 December 2006 : RM484.1 million).

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NOTES TO QUARTERLY FINANCIAL STATEMENTS

1. Review of Performance

The Group's revenue for the current quarter ended 31 December 2007 had increased to RM710.9 million as compared to RM601.1 million for the corresponding quarter ended 31 December 2006.

Operating profit for the Group for the current quarter ended 31 December 2007 also increased to RM25.5 million as compared to RM22.2 million for the corresponding quarter ended 31 December 2006.

The higher revenue for the current quarter ended 31 December 2007 was mainly due to the Group's cable and wire business which continued to perform well. The better results was due to 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 31 December 2007 was RM17.7 million as compared to RM33.2 million for the preceding quarter. The lower profit before taxation for the current quarter was due to lower revenue achieved consequent to the several festive holidays during the quarter.

3. Current Year Prospects

The directors expects the Group to continue to perform well for the current financial year ending 31 December 2008.

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 31/12/2007 RM'000	Interim Period To Date 31/12/2007 RM'000
Income tax	(2,010)	(14,662)
Deferred tax	3,175	5,043
	<u>1,165</u>	<u>(9,619)</u>
Under/(Over) provision in previous years	(50)	(12)
	<u><u>1,115</u></u>	<u><u>(9,631)</u></u>

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 31 December 2007 is primarily due to lower tax rate of an overseas subsidiary company, 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, coupled with some reversal of temporary differences.

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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 31/12/2007 RM'000	Interim Period To Date 31/12/2007 RM'000
Profit/(Loss) on sale of unquoted investment net of provision	-	1,727

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

(a) Purchase or disposal

	Current Quarter 31/12/2007 RM'000	Interim Period To Date 31/12/2007 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 31 December 2007

	RM'000
(i) Total investments at cost	2,208
(ii) Total investments at carrying value/book value	1,571
(iii) Total investments at market value at 31 December 2007	1,571

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 December 2007

(a)		RM'000
	Secured	12,941
	Unsecured	503,678
(b)	Total	516,619
	Short term	375,401
	Long term	141,218
(c)	Total	516,619
	Ringgit Malaysia	453,994
	Foreign currency (USD18,750,000)	62,625
	Total	516,619

10. **Off Balance Sheet Financial Instruments**

Forward Foreign Exchange Contracts

As at 20 February 2008, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	36,571	22 February 2008 - 20 June 2008
Singapore Dollar	2,380	26 February 2008 - 28 April 2008

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		12 MONTHS ENDED	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	15,334	8,681	65,981	35,315
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	3.51	1.99	15.12	8.09

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 February 2008