

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

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31/03/2008.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	639,904	585,780	639,904	585,780
Cost of sales	<u>(590,146)</u>	<u>(547,310)</u>	<u>(590,146)</u>	<u>(547,310)</u>
Gross profit	49,758	38,470	49,758	38,470
Operating expenses	(19,002)	(18,347)	(19,002)	(18,347)
Other income	1,655	5,577	1,655	5,577
Finance costs	(6,189)	(8,942)	(6,189)	(8,942)
Share of (loss)/profit of associated companies	<u>1,028</u>	<u>1,190</u>	<u>1,028</u>	<u>1,190</u>
Profit before tax	27,250	17,948	27,250	17,948
Income tax expense	<u>(6,764)</u>	<u>(2,087)</u>	<u>(6,764)</u>	<u>(2,087)</u>
Profit for the period	<u><u>20,486</u></u>	<u><u>15,861</u></u>	<u><u>20,486</u></u>	<u><u>15,861</u></u>
Attributable to :				
Equity holders of the parent	15,511	12,246	15,511	12,246
Minority interests	<u>4,975</u>	<u>3,615</u>	<u>4,975</u>	<u>3,615</u>
	<u><u>20,486</u></u>	<u><u>15,861</u></u>	<u><u>20,486</u></u>	<u><u>15,861</u></u>
Earnings per share attributable to equity holders of the parent (sen) :				
- Basic	3.55	2.81	3.55	2.81
- 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 2007 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 31/03/2008 RM'000	As at 31/12/2007 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	275,414	279,147
Prepaid Lease Payments	15,457	15,568
Investment Properties	51,620	46,833
Properties Held for Future Development	14,543	14,543
Investment in Associated Companies	25,114	24,088
Other Investments	8,941	9,655
Deferred Tax Assets	74	74
	<u>391,163</u>	<u>389,908</u>
<b>Current Assets</b>		
Properties Under Development	22,515	23,723
Inventories	240,672	239,351
Amount Due from Associated Companies	17,923	21,281
Trade and Other Receivables	450,732	448,464
Cash, Bank Balances and Deposits	200,971	208,277
	<u>932,813</u>	<u>941,096</u>
Assets held for sale	9,363	9,888
	<u>942,176</u>	<u>950,984</u>
<b>TOTAL ASSETS</b>	<u><u>1,333,339</u></u>	<u><u>1,340,892</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	436,459	436,459
Reserves	14,089	(3,106)
	<u>450,548</u>	<u>433,353</u>
<b>Minority Interests</b>	<u>103,461</u>	<u>98,495</u>
<b>Total Equity</b>	<u><u>554,009</u></u>	<u><u>531,848</u></u>
<b>Non Current Liabilities</b>		
Term Loans	138,549	141,218
Deferred Tax Liabilities	17,015	22,684
	<u>155,564</u>	<u>163,902</u>
<b>Current Liabilities</b>		
Trade and Other Payables	277,852	267,216
Progress Payments Received and Receivable	44	79
Short Term Borrowings	342,594	375,401
Taxation	3,276	2,446
	<u>623,766</u>	<u>645,142</u>
<b>Total Liabilities</b>	<u><u>779,330</u></u>	<u><u>809,044</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,333,339</u></u>	<u><u>1,340,892</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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**

	3 MONTHS ENDED	
	31/03/2008	31/03/2007
	RM'000	RM'000
Profit for the financial period	20,486	15,861
Adjustment for:		
Non cash items	5,768	3,945
Non operating items (which are investing / financing activities)	5,273	7,832
Taxation	6,764	2,087
Operating profit before working capital changes	<u>38,291</u>	<u>29,725</u>
Decrease / (Increase) in working capital:		
Net changes in current assets	(651)	(14,814)
Net changes in current liabilities	7,028	30,552
Net cash flow from operations	<u>44,668</u>	<u>45,463</u>
Tax paid	(6,158)	(3,139)
Tax refund	7	-
Net cash flow from operating activities	<u>38,517</u>	<u>42,324</u>
Investing Activities		
Others	(8,840)	(2,432)
Net cash flow from investing activities	<u>(8,840)</u>	<u>(2,432)</u>
Financing Activities		
Bank borrowings	(32,715)	(6,733)
Interest paid	(6,018)	(8,129)
Dividend paid to minority shareholders of a subsidiary	-	(13,959)
Net cash flow from financing activities	<u>(38,733)</u>	<u>(28,821)</u>
Net changes in cash and cash equivalents	(9,056)	11,071
Cash and cash equivalents at beginning of the year	213,024	144,327
Foreign exchange differences on opening balance	(3,026)	(465)
Cash and cash equivalents at end of the financial period	<u>200,942</u>	<u>154,933</u>
Cash and cash equivalents comprise :		
Cash and bank balances	200,971	154,997
Bank overdrafts	(29)	(64)
	<u>200,942</u>	<u>154,933</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 Interests</b>	<b>Total Equity</b>
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
At 1 January 2008	436,459	91,616	(94,722)	433,353	98,495	531,848
Movements during the period	-	(3,505)	20,700	17,195	4,966	22,161
At 31 March 2008	<u>436,459</u>	<u>88,111</u>	<u>(74,022)</u>	<u>450,548</u>	<u>103,461</u>	<u>554,009</u>
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>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007. 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 2007.

(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 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 March 2008 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.

(h) **Dividend Payment**

The Board of Directors had on 23 April 2008 declared a first interim dividend of 1.5 sen per share less 26% tax for the financial year ending 31 December 2008 (2007 : 3.0 sen per share less 27% tax). The said interim dividend was paid on 22 May 2008.

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

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

(i) **Segmental Reporting**

Analysis by activity	Cable and wire RM'000	Power generation RM'000	Others RM'000	Total RM'000
<b>Sales</b>				
Total sales	590,462	45,717	3,770	639,949
Intersegment sales	-	-	(45)	(45)
External sales	590,462	45,717	3,725	639,904
<b>Results</b>				
Operating profit/(loss) / Segment results	22,108	11,891	(1,588)	32,411
Finance costs				(6,189)
Share of profit of associated companies	1,028	-	-	1,028
Profit before taxation				27,250
Income tax expense				(6,764)
Profit for the period				20,486
Attributable to :				
Equity holders of the parent				15,511
Minority interests				4,975
				20,486

(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.

(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 8 March 2007, LEADER had announced the disposal of 53% out of its 63% equity interest held in Leader Universal (Mauritius) Company Limited ("LUM") to Tropical Ventures Company Limited ("TV"). LEADER had on 23 May 2008 via its wholly-owned subsidiary namely, Leader Universal (Hong Kong) Company Limited disposed the balance 10% equity interest consisting of 1,000 ordinary shares of USD1.00 each in LUM to TV at a cash consideration of USD500,000. LEADER had ceased to be a shareholder in LUM on even date.

(m) **Contingent Liabilities**

As at 15 May 2008, guarantees extended by the Group as security for the bank facilities amounted to RM 657.0 million (31 December 2007 : RM571.9 million).

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

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**NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**1. Review of Performance**

The Group's revenue for the current quarter ended 31 March 2008 increased to RM639.9 million compared to RM585.8 million for the corresponding quarter ended 31 March 2007.

Operating profit of the Group for the current quarter ended 31 March 2008 also increased to RM32.4 million compared to RM25.7 million for the corresponding quarter ended 31 March 2007.

The higher revenue for the current quarter ended 31 March 2008 was mainly due to improved sales from the Group's cable and wire business.

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

The Group's profit before taxation for the current quarter ended 31 March 2008 was RM27.3 million compared to RM17.7 million for the preceding quarter.

**3. Current Year Prospects**

Amid the uncertain outlook of the global and domestic economy, the directors expect the remaining part of the year to be challenging. Nevertheless, the directors expect the Group's performance to be satisfactory.

**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 31/03/2008 RM'000	Interim Period To Date 31/03/2008 RM'000
Income tax	(7,052)	(7,052)
Deferred tax	288	288
	<hr/>	<hr/>
	(6,764)	(6,764)
Under/(Over) provision in previous years	-	-
	<hr/>	<hr/>
	(6,764)	(6,764)

The difference between the effective tax rate and the statutory tax rate of the Group for the current quarter ended 31 March 2008 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 31/03/2008 RM'000	Interim Period To Date 31/03/2008 RM'000
Profit/(Loss) on sale of unquoted investment	-	-

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

(a) Purchase or disposal

	Current Quarter 31/03/2008 RM'000	Interim Period To Date 31/03/2008 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 2008

	RM'000
(i) Total investments at cost	2,208
(ii) Total investments at carrying value/book value	1,129
(iii) Total investments at market value at 31 March 2008	1,129

**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 2008

(a)		RM'000
	Secured	12,192
	Unsecured	468,951
(b)	Total	481,143
	Short term	342,594
	Long term	138,549
(c)	Total	481,143
	Ringgit Malaysia	421,274
	Foreign currency (USD18,750,000)	59,869
	Total	481,143

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

As at 15 May 2008, the Group has the following forward foreign exchange contracts:

Currency	Contract Amount RM'000	Expiry Dates
U.S. Dollar	73,596	14 May 2008 - 29 August 2008
Singapore Dollar	1,256	9 May 2008 - 24 July 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.

**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	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share</u>				
Profit attributable to equity holders of the parent	15,511	12,246	15,511	12,246
Number of ordinary shares ('000)	436,459	436,459	436,459	436,459
Basic earnings per share (sen)	3.55	2.81	3.55	2.81

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  
23 May 2008