

MESSAGE FROM CHAIRMAN



Review of Group Results

For the twelve months ended 31 December 2008, the Group registered total revenue of RM2.54 billion compared to RM2.82 billion for the corresponding period ended 31 December 2007. The decline was mainly due to a slowdown in the demand for cable & wire products following the downturn in the local

and global economies. The decline was also attributed by the negative material variance in the prices of copper and aluminium during the year.

While there was a decline in total sales, more importantly the Group profit had improved compared to the last financial year. Group profit before tax rose from RM94.53 million to RM102.03 million in 2008, showing an increase of 7.93% from year 2007.

“ On behalf of the Board of directors, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2008. ”

I am pleased to note that the Group had performed well with commendable sales and higher profit despite the tough and challenging business environment. I must congratulate the efforts, determination and dedication of the management team from the various subsidiaries headed by the Managing Director and Chief Executive Officer, Mr Sean H'ng.

Dividend Payment

With the continued good financial performance by the Group, the Board of Directors had, during the financial year, declared and paid two interim dividends to reward its shareholders for their continuous support and trust in the Company. A total interim dividend of 3 sen per share less tax was paid during the financial year.

200MW Coal-fired Power Project in Cambodia

The Company's 200MW Coal-fired power generation project at Sihanoukville, Cambodia, had taken a change recently. The Company had, on 1 February 2009, announced to Bursa

Malaysia Securities Berhad that a notification had been received from the Council of Ministers of the Royal Kingdom of Cambodia. The notification stated that the Project awarded by the Ministry of Industry, Mines & Energy of the Royal Kingdom of Cambodia to Power Synergy Corporation Co. Ltd a 50:50 joint venture company between LEADER and its local Cambodian partner, shall be split into 2 equal parts. LEADER was given the full concession rights to develop a 100MW coal-fired power generation project on its own. The 100MW coal-fired power generation project is progressing well and LEADER intends to develop this project under its newly incorporated subsidiary, Cambodian Energy Limited, in Cambodia.

Proposed IPO of Sarawak Cable Sdn. Bhd.

Universal Cable Sarawak Sdn Bhd (“UCS”), the Company's associated company had effected a restructuring scheme in line with a proposed plan to seek for listing on the main board of Bursa Malaysia Securities Berhad via its holding company, Sarawak Cable Sdn Bhd (formerly known as UCS Holdings Sdn Bhd). During the year, LEADER had disposed its entire shareholding of 5,250,000 ordinary shares of RM1.00 each in UCS to Sarawak Cable Sdn Bhd (“Sarawak Cable”) in exchange for 18,304,999 ordinary shares of RM1.00 each. Subsequent to

the disposal, Sarawak Cable effected a subdivision of the par value of its shares from RM1.00 to RM0.50 each. The Company then held a total of 36,609,998 ordinary shares of RM0.50 each, out of which 10,850,000 shares were disposed to Dato' Sri Haji Mahmud Abu Bekir Taib. Subsequent to the disposal, our joint venture partner, Central Paragon Sdn Bhd, offered its shares in Sarawak Cable and the Company accepted the offer, acquiring an additional 1,500,000 ordinary shares at RM0.50 each in Sarawak Cable. The aforesaid steps were implemented as part of a restructuring scheme undertaken pursuant to the proposed initial public offering plan of Sarawak Cable. Sarawak Cable now holds the entire issued and paid up share capital of UCS.

Murabahah Medium Term Notes

During the year, the Company had effected scheduled repayments of its Murabahah Medium Term Notes amounting to RM30 million, leaving a balance of RM90 million which will be progressively due for scheduled repayment from 2009-2011. Total amount of Murabahah Medium Term Notes issued by the Company was RM120 million.

Maintaining Prominence

The commitment for excellence continues and has borne fruit. During the year, the Group's major subsidiary, Universal Cable (M) Berhad ("UCMB") is honored to be selected as the recipient of the Export Excellence Award (Merchandise) 2007 from the Ministry of International Trade & Industry of Malaysia.

UCMB also stands out as one of the best brands in Malaysia and the Asia Pacific region. It was awarded the prestigious and coveted award – "The BrandLaureate Award 2008, the world's best brand in the Asia Pacific" under the industrial components and peripherals category in 2008. During the year, UCMB was



also awarded with the Frost & Sullivan Malaysia Manufacturing Excellence Award 2008 for their continuing efforts to maintain excellence by the company as well as the employees.

Recently, the company was again awarded The BrandLaureate Award 2009 for best brand under the power cables category.

The Group will continue to develop its competitive strategies and strengthen its capabilities to stay ahead in the competitive business environment.



Prospects and Outlook

With the deepening global economic crisis, outlook for the Group in 2009 remains challenging. Malaysia had revised downward its Gross Domestic Product Growth for 2009 to between -1 to 1% from the earlier growth forecast of 3.5%. To boost demand and help companies and individuals ride out of the economic crisis, the Malaysian government had announced a RM7 billion stimulus package in November 2008. Recently, a further RM10 billion stimulus package was announced with RM5 billion being earmarked for development and an additional RM60 billion Mini Budget to help speed up economic activities. These could help

to spur demand for the Group's cable & wire products.

The easing of the monetary policies from Bank Negara Malaysia (Central Bank of Malaysia) and reduction in energy prices are also expected to contribute positively to the Group's operations. Other growth opportunities include the acceleration of the implementation of infrastructure related projects approved under the 9th Malaysian Plan, the Bakun submarine cable interconnection project and the revived double rail project.

In Cambodia, the power generation business is expected to grow in view of the demand for more power. It is expected to contribute positively to the Group's performance for the ensuing year.

*From the desk of ...
Tan Sri Razali Ismail*

I would like to thank our valued shareholders, customers, business associates, bankers, regulatory & governmental authorities for their confidence, cooperation and support they have rendered to the Group through the years.

I would also like to take this opportunity to express my thanks and appreciation to my fellow directors for their wisdom, foresight and steadfastness. Once again, I would like to convey my gratitude to our management and staff at all levels who have contributed to our continued growth and success for the year.

*Tan Sri Razali Ismail
Chairman
6 April 2009*