

FINANCIAL PERFORMANCE

For the twelve months ended 31 December 2009, the Group achieved total revenue of RM1.95 billion as compared to RM2.54 billion for the corresponding period ended 31 December 2008. The decline was mainly due to lower metal prices during the year.

The lower revenue also resulted in a lower gross profit and profit before tax of RM158.71 million and RM76.84 million respectively for the year under review.

Although the financial numbers were lower as compared with the previous financial year 2008, the Group has nevertheless remained profitable for the year ended 31 December 2009. Considering the sluggish economies and difficult cable market conditions, it is indeed commendable that the management team headed by Dato' Sean H'ng has delivered yet another year of profitability for the Group.

DIVIDEND PAYOUT

With the Group's continued profitability and to reward shareholders for their support, the Board of Directors had declared the payment of two interim dividends during the year. The first interim dividend of 1.5 sen per share less tax was declared and paid on 26 June 2009 while the second interim dividend of 1.5 sen per share less tax was declared and paid on 23 December 2009 making a total of 3 sen per share less tax for the financial year ended 31 December 2009.

JOINT VENTURE FOR 100MW COAL-FIRED POWER PROJECT

The Group's second power project in Cambodia, the 100MW coal-fired power project ("the power project") is progressing well. The power project is undertaken by Cambodian Energy Limited ("CEL"), a joint venture company between LEADER and Cambodia International Investment Development Group Co. Ltd. with equity percentage shareholdings of 80% and 20% respectively. A Power Purchase Agreement ("PPA") was signed on 17 September 2009 with Electricite du Cambodge, ("EDC") a wholly state-owned limited liability enterprise in the Royal Kingdom of Cambodia. Pursuant to the PPA, EDC undertakes to purchase electricity generated on a minimum take basis of eighty-six percent of dependable capacity per annum for a period of 30 years from the date of commercial operation. An Implementation Agreement was also executed with the Royal Government of Cambodia ("RGC") which was represented by the Ministry of Industry, Mines and Energy ("MIME") and the Ministry of Economy and Finance ("MOEF"). CEL undertakes to develop and implement the power project for the duration of PPA and holds the exclusive rights to design, finance, insure, construct, maintain and manage the power project on a Build-Own-Operate basis. The company also managed to procure a Royal Government of Cambodia Guarantee for payment of all sums due under the PPA.

To fund the power project, CEL obtained a Syndicated Term Loan Facility amounting to USD140 million from several leading banks in Malaysia. A Facility Agreement was signed with OCBC Bank (Malaysia) Berhad, Malayan Banking Berhad, Ambank (M) Berhad and Bank of China (Malaysia) on 10 February 2010. Besides the bank borrowings, part of the funding will come from the Group's internally generated funds.

A Ground Breaking Ceremony was held at the project site at Sihanoukville, Cambodia on 11 February 2010 to commence construction of the power plant.



Message from Chairman



On behalf of the Board of Directors of Leader Universal Holdings Berhad (“LEADER”), it is my pleasure to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2009.



TAN SRI RAZALI ISMAIL
Chairman



230kV POWER TRANSMISSION PROJECT FROM NORTH PHNOM PENH TO KAMPONG CHAM, CAMBODIA

During the year, the Group had ventured into power transmission, a downstream venture of the Group's power business in Cambodia.

Cambodian Transmission Limited ("CTL"), the Group's wholly-owned subsidiary in Cambodia was awarded the above said power transmission project on a Build-Operate-Transfer basis for a period of 25 years starting from the date of commercial operation.

On 5 February 2010, a Power Transmission Agreement ("PTA") was signed with EDC for the transmission of electric power at an agreed power transmission charge. An Implementation Agreement was also signed with RGC represented by MIME and MOEF whereby CTL was granted the exclusive rights to design, finance, construct, operate and maintain the power transmission project. The RGC also provided a Government Guarantee to guarantee the payment of the sums due under the PTA.

The power transmission project involves the construction of 2 substations, the North Phnom Penh 230/115/22kV substation and the Kampong Cham 115/22kV substation together with the construction of approximately 110km of double circuit 230kV overhead transmission lines linking the 2 substations.

The targeted date of completion of the new Kampong Cham substation is mid 2011 and the new North Phnom Penh substation is expected to be ready by early 2012.

The estimated time of completion for the entire power transmission project together with the commissioning of the 110km overhead transmission lines is targeted for end 2013.

This power transmission project is in line with the development of the Cambodian grid system. It also provides an avenue for the country's future 230kV extension to other parts of Cambodia around Tonle Sap, the largest freshwater lake in South East Asia, which is located in Siem Reap, Cambodia. It augurs well and positions the Group for greater involvement and contribution towards the development of the country's electrification system.

The cost of the power transmission project is estimated to be approximately USD107 million. The Company had secured a USD65 million Islamic financing under overseas project financing-i from Export-Import Bank of Malaysia Berhad to part finance the power transmission project. The balance will be financed via the Group's internally generated funds.



LISTING OF ASSOCIATED COMPANY

Sarawak Cable Berhad (formerly known as Universal Holdings Sdn Bhd) which is the Group's associated company, held via Universal Cable (Sarawak) Sdn Bhd ("UCS") had obtained the approval from the Securities Commission for the listing of the company on the main market of Bursa Malaysia Securities Berhad.

The adviser, CIMB Investment Bank Berhad, is currently attending to the necessary in preparation for the listing.

MURABAHAH MEDIUM TERM NOTES ("MMTN")

The amount of MMTN outstanding as at beginning of the year was RM90 million. During the year, the Company had repaid a sum of RM10 million. LEADER further repaid RM30 million and bought back the final balance outstanding of RM50 million in the first quarter of 2010. As at to date, the Company had fully repaid the total amount of RM120 million MMTN issued by the Company in 2004.

PROSPECTS AND OUTLOOK

The global economy is expected to improve though moderate in 2010. However, Malaysia is expecting a strong growth and is projecting a higher Gross Domestic Product forecast of 5% for 2010.

To speed up the domestic economic recovery, the Malaysian government is committed to finish and expedite on the implementation of the projects approved under the 9th Malaysia Plan and the two economic stimulus packages, the first worth RM7 billion and the second, RM60 billion announced by the government. It augurs well for the Group in terms of better demand for cables & wires

needed for the ongoing infrastructure development in the construction of bridges, roads, airports, highways, schools and upgrading of IT system and upgrading of the rural electrification system.



Ground Breaking Ceremony at Sihanoukville, Cambodia

The power requirements of the energy intensive industries to be set up under the Sarawak Corridor of Renewable Energy ("SCORE") programme, the Bakun Hydro-electric dam and 5 more hydro-electric dams to be built in various parts of East Malaysia are positive growth indicators for the

Group. LEADER will stand to benefit from the demand for more cable and wire products needed for these projects.



Note of Appreciation

I would like to take this opportunity to thank our valued shareholders, customers, business associates, bankers and regulatory & governmental authorities for their ongoing support that has enabled the Group to achieve another year of success. I would also like to express my thanks and appreciation to my fellow directors for their wisdom, foresight and camaraderie of the Board in leading the Group forward. Last but not least, I also wish to thank the management and staff at all levels who have worked very hard to brace the tough business environment and contributed to our continued growth and success for the year.

Tan Sri Razali Ismail
Chairman
29 March 2010