MALAYSIA
INVESTMENT RESEARCH REPORT
KDN PP13226/4/2008

JF APEX SECURITIES BERHAD
(47680-X)

Company Update | 28 March 2008

Leader Universal Holdings Bhd — BUY

200MW IPP in Cambodia sealed — FV (revised) : RM1.53 per share

Price (as at 27 Mar 08)	**RM0.955**
KLCI	**1,254.03**

Stock Data	
Bursa stock code	4529
Bloomberg code	LUH MK
Board	Main
Sector	Industrial Products
Syariah Compliant status	Yes
Issued shares (m)	436.46
Par Value (RM)	1.00
Price/NTA	0.96
Market cap. (RM m)	416.82
52-week price Range	RM0.64 – RM1.38
Beta (against KLCI)	1.58
3-m Average Daily Volume	1.44m
3-m Average Daily Value*	RM 1.38m

** based on closing price*

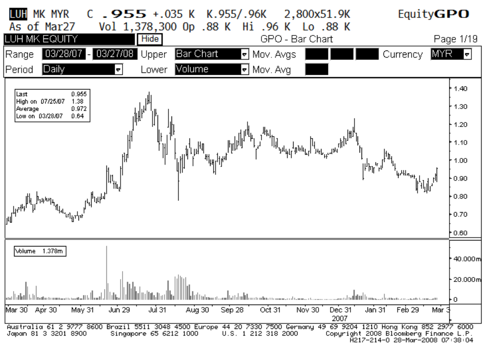
Shareholder's Data	
Zun Holdings Sdn Bhd	11.8%
Gold Connection Asset Ltd	5.7%

Share Performance	1m	3m	12m
Absolute (%)	2.7	-10.8	39.4
Relative (%-pts)	11.6	2.0	38.9

Price-Earnings Band	FY - 2	FY - 1	FY
Upper	7.8	9.1	7.2
Lower	3.8	3.4	4.8

Important Balance Sheet Items (as at 31 Dec 2007)	
NTA / share (RM)	0.993
Total Receivables (RM m)	450.3
Total Payables (RM m)	272.0
Total Inventories (RM m)	239.4
Total Assets (RM m)	1,345.7
Net Cash /(Debt) (RM m)	(303.6)

1-Year Daily Chart



Source: Company, Bloomberg, JF Apex Securities Bhd

Leader sealed yesterday the power purchase agreement (PPA) and implementation agreement (IA) with relevant authorities in Cambodia, signifying the successful launch of the 30-year Build-Own-Operate (BOO) 200MW power plant project in Sihanoukville. With the signing, uncertainty on this 50:50 joint venture is set aside, and the RM142m or 32 sen per share value enhancement should be reflected in the share price. Maintain Buy.

Power Plant – It consists of 4 units of 50MW coal-fired electricity power generation facility and a double circuit 230kV transmission line. It is undertaken by the JV company, Power Synergy Corporation Co Ltd (PSC).

PPA – Signed with Electricite du Cambodge (EDC) of the Ministry of Industry, Mines and Energy (MIME) of the Royal Government of Cambodia (RGC). The EDC undertakes to purchase energy on a minimum take basis of 86% of annual capacity at a base tariff rate of US$0.07212 per kWh (circa RM0.23) with indexation and pass-through mechanism on fluctuation in fuel price. Validity of the PPA is with immediate effective and continues for 30 years from commercial operations.

IA – Entered into with the RGC represented by MIME on the implementation of the power project. PSC is accorded with the exclusive right to design, finance, construct, operate and maintain and manage the power project on a BOO basis.

Valuation – We have marginally revised downward the value of the project as the minimum take up rate is 86% against 100% in our model but cushioned by the higher rate of US$0.07212 per kWh against our estimate of US$0.06. This results in FV being reduced marginally by 4 sen to RM1.53 per share.

SOP Valuation for Leader Universal

	Net Profit FY08F(RMm)	PE rating (x)	Valuation (RMm)
Cable & Wire	57.6	8.5	489.6
Power Generation		**WACC**	
Cambodia – 35MW		12%	36.7
Cambodia – 200MW *		12%	142.0
Total			668.3
No of Shares (m)			436.5
Fair Value/share (RM)			**1.53**

Financial Summary

FYE Dec (RMm)	2006	2007	2008F	2009F
Revenue	2,365.0	2,821.7	3,063.0	3,295.3
Op. profit	91.5	123.9	134.8	140.8
Pretax profit	65.8	94.5	116.8	125.2
Net profit	35.3	66.0	74.7	80.0
EPS (sen)	8.1	15.1	17.1	18.3
PER (X)	11.8	6.3	5.6	5.2
Gross DPS (sen)	1.5	3.0	3.0	4.5
Gross Yield (%)	1.6	3.1	3.1	4.7

JF APEX SECURITIES BERHAD – CONTACT LIST

JF APEX SECURITIES BHD

Head Office:
6th Floor, Menara Apex
Off Jalan Semenyih
Bukit Mewah
43000 Kajang
Selangor Darul Ehsan
Malaysia

General Line: (603) 8736 1118
Facsimile : (603) 8737 4532

PJ Office:
15th Floor, Menara Choy Fook On
No. 1B, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

General Line: (603) 7620 1118
Facsimile : (603) 7620 6388

DEALING TEAM

Head Office:
Valerie Gan Ai Lynn (ext 3238)
Kong Ming Ming (ext 3237)
Norisam Bojo (ext 3233)
Derrick Ng Wei Yee (Ext 3239)
Edwin Loh Ming Hon (Ext 3236)
Lee Kean Vit (Ext 3234)

PJ Office:
Iskandar Zulkarlnain Ahmad (ext 808)
Mohd Hanif Wan Said (ext 111)

Apexetrade Servicing Team:
Shirley Chang (ext 3213)
Law Chee Hong (ext 3212)
Choy Chean Yen (ext 3214)
Alvin Wong Wing Haur (ext 3226)
Luqman Haqim (ext 3235)

RESEARCH TEAM

PJ Office:
Ameer Ali Mohamed (ext 810)
Alex Chew (ext 812)
Wan Azhar Mustapha (ext 817)
Lim Peng Khoon (ext 837)
Fazlin Salleh (ext 825)
Belford Chang (ext 823)
Nurjihan Idris (ext 822)

JF APEX SECURITIES - RESEARCH RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS	
OUTPERFORM:	The stock's total returns* are expected to exceed KLCI's total return by 10% or more in the next 12 months.
MARKETPERFORM:	The stock's total returns* are expected to be within +10% or -10% of KLCI's total return.
UNDERPERFORM:	The stock's total returns* are expected to be below KLCI's total return by 10% or more in the next 12 months.
BUY:	The stock's total returns* are expected to be 15% or higher within the next 12 months.
SELL:	The stock's total returns* are expected to be -15% or worse within the next 12 months.
SECTOR RECOMMENDATIONS	
OVERWEIGHT:	The industry as defined by the analyst is expected to outperform the KLCI over the 12 months.
MARKETWEIGHT:	The industry as defined by the analyst is expected to perform in line with KLCI over the 12 months.
UNDERWEIGHT	The industry as defined by the analyst is expected to underperform the KLCI over the next 12 months.

*capital gain + dividend yield

JF APEX SECURITIES BERHAD - DISCLAIMER

Published & Printed by:

JF Apex Securities Berhad (47680-X)
(A Participating Organisation of Bursa Malaysia Securities Berhad)