

News Update Reports

30 June 2009

Leader Universal Holdings Bhd

HOLD

Update on report dated 29-June-2009

Target Price: RM0.66

Price (30 Jun 09)	RM0.72
KLCI	1075.24

Referring to our report "US\$150m Cambodia power plant project" dated 29-June-2009, we would like to highlight the following updates upon our latest communication with Leader's management.

Stock Data	
Bursa / Bloomberg code	4529 / LUH MK
Board / Sector	Main / Ind. Products
Syariah Compliant status	Yes
Issued shares (m)	436.46
Par Value (RM)	1.00
Market cap. (RM m)	314.25
Price over NTA	0.61x
52-week price Range	RM0.38-0.82
Beta (against KLCI)	1.59
3-m Average Daily Volume	2.72m
3-m Average Daily Value [^]	RM1.73m
[^] based on closing price	

We mentioned in our report that there was a report saying that LEADER will invest US\$150m in new Cambodia power plant. Upon clarification, the management has stated that the USD150m is actually the estimated value of the 100MW coal-fired power plant project, not the total investment committed by Leader.

In addition, the management informed us that LEADER's interest in the power plant project will be via a joint venture company named Cambodian Energy Limited or "CEL", in which Leader (Cambodia) Limited owns 80% and CIIDG owns 20%, instead of 50% ownership as mentioned in our report. Leader (Cambodia) Limited is a wholly-owned sub-subsidiary of Leader. CEL has a registered capital of USD 1000 which will gradually be increased to USD 35m.

Share Performance (as at 30 Jun 09)			
	1m	3m	12m
Absolute (%)	12.5	71.4	17.1
Relative (%-pts)	9.2	39.1	29.2

We maintain our valuation of 66 sen based on Discounted Dividend Model. Some of the important assumptions used are required rate of return 5.54%, dividend to increase 10% in 2012 and 3% in 2015, and lastly the terminal growth rate of 0.5%.

Historical PE			
	2006	2007	2008
Highest	12.57	17.06	9.90
Lowest	6.19	6.43	2.92

Financial Forecast				
(RM '000)	07A	08A	09F	10F
Revenue	2820	2541	2004	2216
Operating profit	110.0	133.9	114.5	126.9
Pretax profit	94.5	102.0	88.0	96.2
Net profit	66.0	64.9	75.1	83.6
EPS (sen)	15.1	14.9	17.2	19.1
PER (X)	4.57	4.63	4.01	3.61
DPS (sen)	3.00	3.00	3.00	3.00
Div Yield (%)	4.35	4.35	4.35	4.35

Important Balance Sheet Items (as at 30 Jun 09)	
NTA / share (RM)	1.19
Total Receivables (RM '000)	337.1
Total Payables (RM '000)	192.9
Total Assets (RM '000)	1219.5
Net Cash /(Debt) (RM '000)	-164.66

Largest Shareholders	
ZUN HOLDINGS SDN BHD	11.96%
LEMBAGA TABUNG HAJI	6.17%
GOLD CONNECTION ASSETS LTD	5.89%

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JF APEX SECURITIES - RESEARCH RECOMMENDATION FRAMEWORK
STOCK RECOMMENDATIONS

BUY : The stock's total returns* are expected to exceed 10% within the next 12 months.

HOLD : The stock's total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL : The stock's total returns* are expected to be below -10% within the next 12 months.

TRADING BUY : The stock's total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL : The stock's total returns* are expected to be below -10% within the next 3 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT : The industry as defined by the analyst is expected to exceed 10% within the next 12 months.

MARKETWEIGHT : The industry as defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT : The industry as defined by the analyst, is expected to be below -10% within the next 12 months.

*capital gain + dividend yield

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