

# Uptrend takes Leader Universal to seven-year high

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**PETALING JAYA:** The uptrend in Leader Universal Holdings Bhd shares continued as investors became more bullish on the counter, following a slew of positive comments from analysts.

At the close yesterday, the stock gained 8 sen, closing at a seven-year high of RM1.23, on volume of some 16.6 million shares.

Analysts are upbeat on the company as it is said to be the biggest cable and wire manufacturer in South-East Asia, with aggressive plans to increase production, and is seen to be a beneficiary of major construction projects under the Ninth Malaysian Plan (9MP).

Leader has a wide portfolio of products, including advanced power and control cables, instrumentation cables, aluminium rods and conduc-



tors, cables for the oil and gas industry and specialty cables.

In a recent report, OSK Research said the company had made "remarkable headway" over the years by investing in sophisticated machines that translated into better efficiency and improved quality of products.

It has set aside RM23mil as capital expenditure for its financial year ending Dec 31 to install new facilities, upgrade existing ones and install a new management information system.

On the whole, the company's plants are running at 75% to 80% capacity.

OSK noted that being a "renowned manufacturer" which possessed the lion's share of the local cable and wire market, Leader was expected to benefit from the implementation of "mega projects" under the 9MP and Iskandar Development Region.

To this end, Leader - which the house called "a little gem" - is thought to be "another interesting candidate" which will ride on increasing government and private expenditures over the next three years.

Globally, OSK expected more orders for Leader moving forward,

riding on booming property and infrastructure development, especially in the Middle East.

Leader's current order book totals RM700mil.

As part of its diversification strategy, the company is also involved in the power and property sectors.

It recently won bids for the joint development of power plants in Cambodia and Pakistan.

Leader has two outstanding property projects in Penang, which should be completed soon.

For its first quarter ended March 31, the company posted higher net profit of RM12.2mil compared with RM8mil in the previous corresponding period.

OSK has upgraded the company's earnings estimates, taking into account the bright prospects of the cable and wire industry and its exposure to the power-generation business.