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Leader secures RM700m orders

They are expected to be delivered over six months

Leader Universal Holdings Bhd group managing director and CEO Sean H'ng

Asia Pacific
Middle East
Europe



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SOUTH-EAST Asia largest's cable and wire group, Leader Universal Holdings Bhd, has secured new orders, with an estimated value of RM700mil that is to be delivered over the next six months.

Group managing director and chief executive officer Sean H'ng said the group's cable and wire products catered for the power and telecommunications sectors both in Malaysia and overseas.

He said: "We have exported almost RM340mil worth of cables and rods to Europe, Asia-Pacific and the Middle East in the first six months of this year."

The group had always maintained strong exports to balance its local sales, H'ng said.

Export sales currently accounts for about 30% of the total revenue of cable and wire divisions.

H'ng said local demand for cables had slowed slightly in the second quarter of this year, following the country's general election, as well as some delays in the implementation of public sector projects.

He said: "The group expects local demand for its cable products to pick up possibly towards year-end and early 2009, based on the expected increase in infrastructure spending under the Ninth Malaysia Plan.

"There will be strong demand

> TURN TO B2

Group well-positioned to carry out plans

Leader's cash position improves to RM200mil in 2007



**THE
CEO
INTERVIEW**

LEADER Universal Holdings Bhd's balance sheet reveals that the group is in a strong position to carry out its immediate business plans.

Its cash position improved to over RM200mil in 2007 from RM98mil five years ago, enabling the group to invest in new product development and also positioning it for new growth opportunities.

"This has enabled the group to achieve continuous growth and profitability over the years.

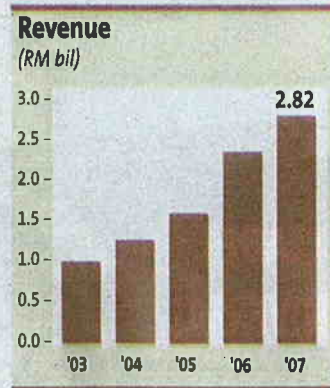
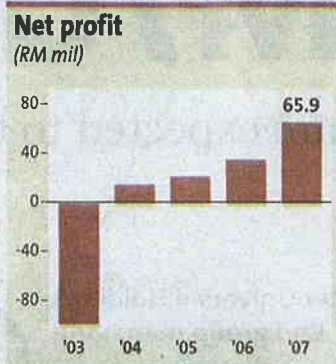
"As a result, we managed to improve the return on total assets from 3.9% in 2004 to almost 10% as at end-June, and also doubled the return on equity to 15.23 sen from 6.33 sen two years ago," said Leader Universal managing director and chief executive officer Sean H'ng.

Leader Universal's sales has improved from RM1.6bil in 2005 to RM2.8bil in 2007; it has succeeded in containing borrowings at RM500mil, backed by strong cash flow and effective financial management.

He said a strong cash flow and substantially reduced borrowings had enhanced the competitive edge of Leader Universal in the challenging business environment.

About RM28mil is allocated this year for its immediate product development plans.

On the group's power generation business in Cambodia, he said: "This segment can be expected to be a



strong contributor to revenue and bottom line in the near future."

Currently, the power generation business contributes about 8% to the group's revenue.

Leader is currently operating a 35MW power plant in Phnom Penh, where power energy demand grew by more than 40% in 2008 from 2005. This energy demand is expected to exceed 2,200MW by



Sean H'ng

year 2015.

With the current installed capacity of only 280MW for the entire country, and expected peak demand to surpass 500MW in year 2010 and 900MW in year 2015, there is much room for further new capacity to be installed in Cambodia.

Leader Universal's share price has hovered around 60 sen. Based on historical 2007 earnings per share (EPS) of 15.12 sen and annualised 2008 EPS (based on the first half year) of 15.38 sen, the trading price earnings ratio is about 3.9 to four times.

Leader Universal



Moving upstream to remain competitive

> FROM B1

from the Bakun undersea cable project and the Sarawak Corridor of Renewable Energy (SCORE) projects."

He noted that the 12 hydroelectric dams to be built under the SCORE project would provide a positive stimulus for the demand of power cables and conductors.

For the Bakun undersea cable project, H'ng said: "There will be substantial demand for 500KV high voltage direct current (HVDC) overhead transmission lines both in Peninsular Malaysia and East Malaysia.

"We will bid for the project as

Leader Universal has a good track record of manufacturing and supplying HVDC transmission lines," he said.

H'ng said that Leader Universal would continue to improve its manufacturing capabilities to maintain its competitiveness and produce higher value added specialty cables to fetch better margins.

"We are looking at going upstream in our manufacturing activities to stay competitive," he said.

Leader Universal reported a 19.5% increase in net profit at RM33.6mil for the first six months of 2008.

Revenue for the period under review rose 7.7% at RM1.32bil while

its earnings per share was maintained at 7.69 sen.

On its power generation business, H'ng said Leader Universal's new 200MW coal fired power plant in Sihanoukville, Cambodia was scheduled to be completed by 2012. "The power purchase and implementation agreements and government guarantee were executed in March this year," he said.

H'ng also said that Leader Universal was actively looking for other power generation and transmission projects in Asia Pacific.

"The group is aiming to grow the power business to complement its core business in cable and wire.

"Concession business gives us the

stability of income that complements well with our manufacturing businesses."

Power generation business presently contributes about 8% of the total group's revenue.

Its subsidiary, Universal Cable (M) Bhd, was the recipient of the Export Excellence Award in 2007 which was awarded by the Ministry of International Trade and Industry.

In the recent report issued by Integer Research of Britain, the group's LEADER brand ranked 31st in the world and 12th in Asia of all major cable & wire companies by revenue, and 10th in Asia by net profit.