RECOGNISING MALAYSIA'S BIGGEST & BEST PERFORMING COMPANIES

THE EDGE

Billion Ringgit Club

AEON Co. (M) Bhd
Affin Holdings Bhd
AirAsia Bhd
Alliance Financial Group Bhd
Allianz Malaysia Bhd
AMMB Holdings Bhd
Amway (Malaysia) Holdings Bhd
Ancom Bhd
Ann Joo Resources Bhd
Astro All Network plc
Axiata Group Bhd
Batu Kawan Bhd
Berjaya Corporation Bhd
Berjaya Land Bhd
Berjaya Sports Toto Bhd
BIMB Holdings Bhd
Bintulu Port Holdings Bhd
Boustead Holdings Bhd
British American Tobacco Malaysia Bhd
Bursa Malaysia Bhd
Carlsberg Brewery Malaysia Bhd
Chemical Company of Malaysia Bhd
CIMB Group Holdings Bhd
Dialog Group Bhd
DiGi.Com Bhd
DKSH Holdings Malaysia Bhd
DRB-HICOM Bhd
Edaran Otomobil Nasional Bhd
EON Capital Bhd
Esso Malaysia Bhd
Fraser & Neave Holdings Bhd
Gamuda Bhd
Genting Bhd
Genting Malaysia Bhd
Genting Plantations Bhd
Guinness Anchor Bhd
Hap Seng Consolidated Bhd
Hap Seng Plantations Holdings Bhd
Harrisons Holdings (Malaysia) Bhd
Hartalega Holdings Bhd
Hiap Teck Venture Bhd
Hong Leong Bank Bhd
Hong Leong Financial Group Bhd
Hong Leong Industries Bhd
IGB Corporation Bhd
IJM Corporation Bhd
IJM Land Bhd
IJM Plantations Bhd
IOI Corporation Bhd
Jaya Tiasa Holdings Bhd
JCY International Bhd
JT International Bhd
Keck Seng Malaysia Bhd
Kencana Petroleum Bhd
KFC Holdings (Malaysia) Bhd
Kinsteel Bhd
KLCC Property Holdings Bhd
KNM Group Bhd
Kossan Rubber Industries Bhd
KPJ Healthcare Bhd
Krisassets Holdings Bhd
Kuala Lumpur Kepong Bhd
Kulim (Malaysia) Bhd
Kurnia Asia Bhd
Kwantas Corporation Bhd
Lafarge Malayan Cement Bhd
Leader Universal Holdings Bhd
Leong Hup Holdings Bhd
Lingkaran Trans Kota Holdings Bhd
Lingui Developments Bhd
Lion Corporation Bhd
Lion Diversified Holdings Bhd
Lion Industries Corporation Bhd
LPI Capital Bhd
MAA Holdings Bhd
Mah Sing Group Bhd
Malayan Banking Bhd
Malayan Flour Mills Bhd
Malaysia Airports Holdings Bhd
Malaysia Smelting Corporation Bhd
Malaysian Airline System Bhd
Malaysian Bulk Carriers Bhd
Malaysian Pacific Industries Bhd
Malaysian Resources Corporation Bhd
Maxis Bhd
MBf Holdings Bhd
MBM Resources Bhd
Measat Global Bhd
Media Chinese International Ltd
Media Prima Bhd
Metrod (Malaysia) Bhd
MISC Bhd
MMC Corporation Bhd
MNRB Holdings Bhd
MTD Capital Bhd
Mudajaya Group Bhd
Muhibbah Engineering (M) Bhd
Mulpha International Bhd
Multi-Purpose Holdings Bhd
NCB Holdings Bhd
Nestlé (Malaysia) Bhd
Nylex Malaysia Bhd
Oriental Holdings Bhd
OSK Holdings Bhd
Padiberas Nasional Bhd
Parkson Holdings Bhd
Pelikan International Corporation Bhd
Perwaja Holdings Bhd
Petronas Dagangan Bhd
Petronas Gas Bhd
Pharmaniaga Bhd
PLUS Expressways Bhd
Pos Malaysia Bhd
PPB Group Bhd
Press Metal Bhd
Proton Holdings Bhd
Public Bank Bhd
Puncak Niaga Holdings Bhd
QL Resources Bhd
QSR Brands Bhd
Ranhill Bhd
RHB Capital Bhd
S P Setia Bhd
SapuraCrest Petroleum Bhd
Sarawak Oil Palms Bhd
Scomi Group Bhd
Selangor Properties Bhd
Shell Refining Company (Federation of Malaya) Bhd
Sime Darby Bhd
Sino Hua-An International Bhd
Southern Steel Bhd
Star Publications (Malaysia) Bhd
Sunrise Bhd
Sunway City Bhd
Sunway Holdings Bhd
Supermax Corporation Bhd
Syarikat Takaful Malaysia Bhd
Ta Ann Holdings Bhd
TA Enterprise Bhd
TA Global Bhd
Tan Chong Motor Holdings Bhd
Tanjong Public Limited Company
Telekom Malaysia Bhd
Tenaga Nasional Bhd
Texchem Resources Bhd
The Store Corporation Bhd
Time Dotcom Bhd
Titan Chemicals Corporation Bhd
Top Glove Corporation Bhd
Tradewinds (M) Bhd
UBG Bhd
UEM Land Holdings Bhd
UMW Holdings Bhd
Unisem (M) Bhd
United Malacca Bhd
United Plantations Bhd
Wah Seong Corporation Bhd
WCT Bhd
YTL Cement Bhd
YTL Corporation Bhd
YTL E - Solution Bhd
YTL Power International Bhd
Zelan Bhd

BILLION RINGGIT Club

RECOGNITION — THE BEST REWARD FOR SUCCESS

Investing in Malaysian stocks can be a rewarding yet sometimes daunting experience.

One is the sheer choice. There are nearly 1,000 companies listed on Bursa Malaysia, spread across a wide spectrum of industries. The challenge is identifying the right ones.

The other challenge is access to information. What are the companies doing? What are their strategies? How have they fared? What are the critical issues to note?

This is the role *The Edge* — Malaysia's premier business and investment weekly — has played for 16 years. We break the news, and we break it down further to help you make better, more informed decisions.

Recognition is the best reward for any accomplishment. It encourages one to succeed, and to reach for even higher goals.

Over the years, *The Edge* has made great strides in recognising various segments of Corporate Malaysia through industry benchmark awards. They include *The Edge* Top Property Developer Awards, *The Edge*-Lipper Malaysia Fund Awards and Malaysia's 30 Most Valuable Brands.

This year, 2010, marks another milestone as we inaugurate *The Edge* Billion Ringgit Club and Corporate Awards, where we recognise Malaysia's biggest and best companies, and the people behind them.

PLENTY OF CHOICE, BUT WHICH ARE THE GEMS?

Bursa Malaysia may not be the largest regional bourse in terms of market capitalisation, but the number of listed companies here ranks among the highest.

As at June 30, 2010, there were 962 companies listed on Bursa Malaysia, with a total market capitalisation of RM1.04 trillion. By comparison, the Singapore Exchange has 761 listed companies and the Indonesia Stock Exchange has 401 listed companies, both as at May 31, 2010.

The diversity of companies reflects the transformation and diversification of the Malaysian economy over the decades, from being a primarily agricultural economy to a manufacturing and services-based one. Its strength was most recently demonstrated by its resilience during the recent global financial crisis.

Malaysian companies have learnt well the lessons of the 1997/98 Asian financial crisis, and have strived to pare debts, raise productivity and improve shareholder value.

It is against this backdrop that *The Edge* has taken the initiative to recognise Malaysia's biggest and best companies through the establishment of *The Edge* Billion Ringgit Club and Corporate Awards.

The Edge Billion Ringgit Club (BRC) groups Malaysia's largest listed companies, with at least RM1 billion in turnover or market capitalisation. *The Edge* BRC Corporate Awards go a step further by recognising the best of these companies across various sectors, based on stringent but transparent measurements of profitability and shareholder value creation.

The Edge BRC and Corporate Awards were inaugurated on July 5, 2010, at a gala dinner in Kuala Lumpur at which the guests of honour were Prime Minister Datuk Seri Najib Razak and his wife Datin Seri Rosmah Mansor.

The Edge BRC is proud to have OCBC Bank (Malaysia) Bhd as its main sponsor and Audemars Piguet and Mercedes-Benz as supporting sponsors. As the country's premier business publication, we hope that these awards will inspire Corporate Malaysia to reach even greater heights.

Kevin Khoo
Deputy Editor-in-Chief
The Edge

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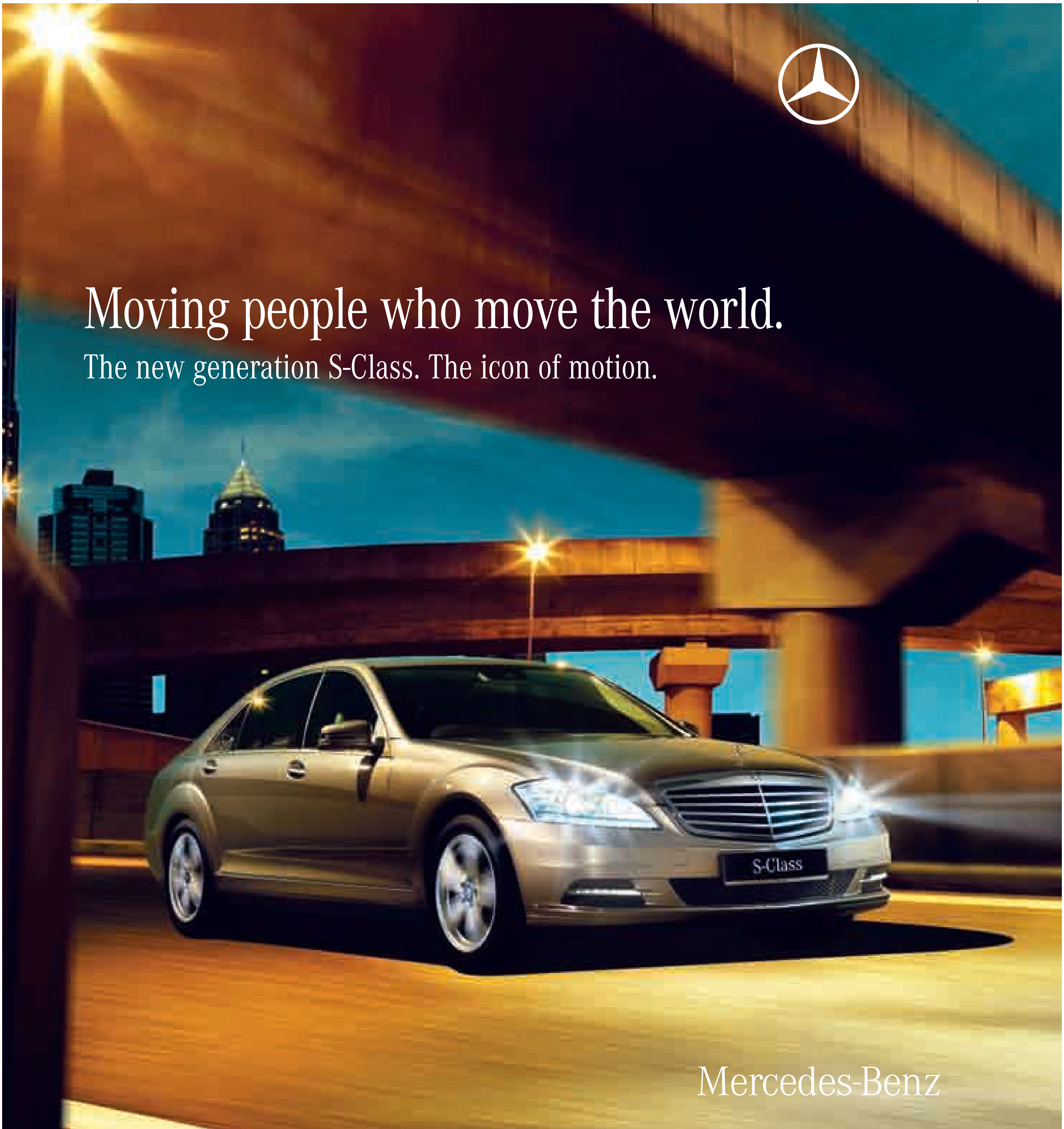
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SUHAIMI YUSUF/THE EDGE

Prime Minister Datuk Seri Najib Razak and his wife Datin Seri Rosmah Mansor with The Edge chairman Datuk Tong Kooi Ong (far left), CIMB group chief executive Datuk Seri Nazir Razak (3rd from left), Supermax group managing director Datuk Seri Stanley Thai (4th from left), Public Bank chairman Tan Sri Teh Hong Piow (5th from left), OCBC Bank Malaysia CEO Jeffrey Chew (on Rosmah's left) The Edge editor-in-chief Dorothy Teoh and the sectoral awards recipients at The Edge Billion Ringgit Club awards ceremony on July 5.

THE EDGE BILLION RINGGIT CLUB

The Edge Billion Ringgit Club (BRC) groups companies with at least RM1 billion in terms of market capitalisation on March 31 of each year, or RM1 billion in turnover for the immediate preceding year. To qualify for membership in 2010, a company must have at least RM1 billion in market capitalisation as at March 31, 2010, or RM1 billion in revenue for the financial year 2009.

Membership of the BRC is automatic and complimentary. The list is determined by an annual evaluation by *The Edge* of all companies listed on Bursa Malaysia. Companies that meet these requirements will be automatically included and acknowledged in an annual listing in *The Edge* business weekly.

For this inaugural year, the BRC has a total of 163 companies, or 17% of the total number of companies listed on Bursa Malaysia. Their total market capitalisation is RM916.58 billion, accounting for a significant 88% of the total market capitalisation on Bursa Malaysia.

The 163 companies had a total combined revenue and profit before tax of RM539.29 billion and RM67.16 billion respectively in financial year 2009.

This makes the BRC a club with considerable clout.

The 163 companies come from a wide spectrum of businesses, ranging from large government-linked companies and banking groups to niche manufacturing players in specialised fields, reflecting the diversity of Malaysia's corporate sector.

Within the BRC, the largest company in terms of market capitalisation is Malayan Banking Bhd (with a market capitalisation of RM52.87 billion as at March 31, 2010), followed by Sime Darby Bhd (RM52.34 billion) and CIMB Group Holdings Bhd (RM49.66 billion). Of the total, 23 companies have over RM10 billion in market capitalisation.

In terms of revenue, Sime Darby Bhd topped the list with RM31.01 billion, followed by Tenaga Nasional Bhd (RM28.79 billion) and Petronas Dagangan Bhd (RM24.37 billion).

CIMB Group Holdings Bhd was the most profitable company in 2009, with profit before tax of RM3.81 billion. Following on its heels were Public Bank Bhd (RM3.32 billion) and Sime Darby Bhd (RM3.07 billion).

The BRC is not just an annual gala dinner and listing event. There will be further networking and other activities planned in the months ahead. The BRC will offer top corporate leaders an avenue to share ideas, explore business opportunities and ultimately add more value to their companies.

THE EDGE BILLION RINGGIT CLUB CORPORATE AWARDS

The Edge BRC Corporate Awards recognise the top companies in the BRC through transparent key measurements on factors such as shareholder wealth creation and profitability.

The 24 awards for 2010 comprise:

- One Company of the Year award;
- Two Value Creators: Outstanding CEO of Malaysia awards; and
- 21 sectoral awards.

The 21 sectoral awards are for three categories in seven Bursa-designated sectors. These are:

- *The Edge* BRC Highest Returns to Shareholders Award;
- *The Edge* BRC Highest Growth in Profit Before Tax Award; and
- *The Edge* BRC Highest Return on Equity Award.

The seven sectors are:

- Construction
- Consumer Products
- Finance
- Industrial Products
- Plantations
- Property
- Trading & Services, IPC and Technology

The Edge BRC Highest Growth in Profit Before Tax and Highest Return on Equity Awards are evaluated on performance over a three-year period — financial years 2007 to 2009 — while *The Edge* BRC Highest Returns to Shareholders Award is determined based on the period between March 15, 2007, and March 15, 2010.

The Edge BRC Company of the Year Award recognises the best company in terms of profitability, return on equity and returns to shareholders over the three-year period, with corporate social responsibility (CSR) and qualitative components determined by a panel of judges and *The Edge* (see Page 38).

The methodology (see sidebar) for these awards is both stringent and transparent, and the results were audited by Deloitte Malaysia.

To be eligible for the awards, a BRC member needs to have been listed for at least four calendar years. It must essentially be the same entity and profitable throughout that period for *The Edge* BRC Highest Growth in Profit Before Tax, Return on Equity and Company of the Year awards.

Adjustments are also made to pre-tax profit and ROE to account for exceptional and non-recurring items where they are material, and cumulatively total 10% or more of pre-tax profit for any given year.

These requirements do not apply for *The Edge* BRC Highest Returns to Shareholders Award, which takes into account share price gains and dividends over a three-year period.

VALUE CREATORS: OUTSTANDING CEO OF MALAYSIA

The Value Creators: Outstanding CEO of Malaysia Awards are determined by *The Edge* based on its assessment of the person's contributions to value creation for his/her company.

Value creation is reflected in the market valuation of the company, returns to shareholders and stakeholders, revenue and profit growth and employment creation. To be chosen, the CEO must have achieved outstanding success in all these. The assessment is based on the period starting from when the person became CEO of the company. E

AWARDS METHODOLOGY

MEMBERSHIP CRITERIA

To become a member of *The Edge* Billion Ringgit Club, a company must have at least RM1 billion in market capitalisation as at March 31 of each year or the same amount in turnover for the immediate preceding year. It should also have been listed and have issued its first annual report at least four calendar years ago and be essentially the same entity throughout that period.

***The Edge* BRC Highest Returns to Shareholders Over Three Years Award** is presented to *The Edge* BRC members with the highest compound returns to shareholders comprising growth in share price and dividends received over the past three years, adjusted for any rights/bonus issues, distribution of treasury shares, dividend in specie and capital repayment.

To qualify for ***The Edge* BRC Highest Growth in Profit Before Tax Over Three Years Award**, companies must not have suffered any losses throughout the period of evaluation. Profit before tax is computed as compounded growth over three years. Exceptional items which are material (that is, totalling 10% or more of pre-tax profit) and are not related to the operations of the company, were adjusted.

To qualify for ***The Edge* BRC Highest Return on Equity Over Three Years Award**, companies must also not have suffered any losses throughout the period of evaluation. Return on equity (ROE) is computed as weighted ROE over three years and again, exceptional items which are material (that is, totalling 10% or more of pre-tax profit) and are not related to the operations of the company, were adjusted.

THE EDGE BRC COMPANY OF THE YEAR AWARD

The Edge BRC Company of the Year Award was determined based on the factors listed in the table below.

The Corporate Social Responsibility (CSR) initiatives were judged by a panel of judges selected by *The Edge* and evaluated on the four focal areas according to Bursa Malaysia's CSR Framework for Public Listed Companies: community; environment; marketplace; and workplace.

The final decision on the Company of the Year Award took into account qualitative elements determined by *The Edge*.

The data used in the determination of companies that qualify for *The Edge* BRC and the winners of *The Edge* BRC Corporate Awards was provided by Interactive Data Systems Sdn Bhd (IDS).

Evaluation component	Weightage to overall score
QUANTITATIVE	
Returns to shareholders over three years	20%
Growth in profit before tax over three years	30%
Weighted return on equity over three years	20%
QUALITATIVE	
Corporate social responsibility initiatives	30%

SNAPSHOT OF *THE EDGE* BILLION RINGGIT CLUB

Membership statistics for 2010	
No of companies	163
Total combined market capitalisation	RM916.576 billion
Total combined revenue in 2009	RM539.293 billion
Total combined profit before tax in 2009	RM67.159 billion

WINNERS OF *THE EDGE* BILLION RINGGIT CLUB CORPORATE AWARDS 2010

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA
Tan Sri Teh Hong Piow

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA
Datuk Seri Nazir Razak

COMPANY OF THE YEAR
Supermax Corporation Bhd

FINANCE SECTOR
Highest growth in profit before tax over three years
CIMB Group Holdings Bhd

Highest returns to shareholders over three years
Public Bank Bhd

Highest return on equity over three years
Public Bank Bhd

PLANTATION SECTOR
Highest compound growth in profit before tax over three years
Sarawak Oil Palms Bhd

Highest compound returns to shareholders over three years
Boustead Holdings Bhd

Highest return on equity over three years
United Plantations Bhd

PROPERTIES SECTOR
Highest growth in profit before tax over three years
Sunrise Bhd

Highest returns to shareholders over three years
Mah Sing Group Bhd

Highest return on equity over three years
Sunrise Bhd

TRADING SERVICES, IPC AND TECHNOLOGY SECTOR
Highest growth in profit before tax over three years
Pharmaniaga Bhd

Highest returns to shareholders over three years
Berjaya Land Bhd

Highest return on equity over three years
Berjaya Sports Toto Bhd

CONSTRUCTION SECTOR
Highest growth in profit before tax over three years
Mudajaya Group Bhd

Highest returns to shareholders over three years
Mudajaya Group Bhd

Highest return on equity over three years
Mudajaya Group Bhd

CONSUMER PRODUCTS SECTOR
Highest growth in profit before tax over three years
Tradewinds (M) Bhd

Highest returns to shareholders over three years
Tan Chong Motor Holdings Bhd

Highest return on equity over three years
British American Tobacco (Malaysia) Bhd

INDUSTRIAL PRODUCTS SECTOR
Highest growth in profit before tax over three years
Supermax Corporation Bhd

Highest returns to shareholders over three years
Supermax Corporation Bhd

Highest return on equity over three years
Kossan Rubber Industries Bhd

HARIS HASSAN/THE EDGE

NAJIB: BRC WILL SET STANDARDS

As Malaysia strives to move up the development ladder, *The Edge* Billion Ringgit Club (BRC) members can lead the way in the private sector by setting standards with the adoption of corporate best practices, and enhance corporate governance, transparency and productivity, said Prime Minister Datuk Seri Najib Razak.

Speaking at the inaugural *The Edge* BRC Corporate Awards gala dinner in Kuala Lumpur on July 5, Najib, who is also Finance Minister, said the creation of the BRC will serve to encourage smaller Malaysian companies to strive harder.

"It will also encourage and prompt management to work harder if they want their companies to be members of the exclusive club," said the prime minister before presenting 24 awards to winners of the inaugural BRC.

Najib said for Malaysia to succeed in a competitive and hostile, globalised external environment, businesses must be efficient.

"Industries must move up the value chain and management must be transparent, accountable and socially responsible. Corporate leaders cannot be satisfied with the status quo, there must be continuous quest for improvement in efficiency, competitiveness and corporate governance," he said.

As of June 30, 2010, there were a total of 962 companies listed on Bursa Malaysia, with a market capitalisation of RM1.04 trillion.

"This reflects the success of the government's diversification efforts over the decade, from being a primarily agricultural economy to a manufacturing and services-based one," he said at the gala dinner that saw the attendance of more than 400 guests, including many captains of industry.

Najib added that *The Edge* BRC also highlighted the diversity of industries in the Malaysian corporate sector. The BRC has 163 companies this year, representing 17% of companies on Bursa.

"Many Malaysian companies have gone global and have done very well. There are many companies with global brands and stature in the club, and they are not just commodity players," Najib said.

Malaysia must be competitive in the trade of goods and services in order to become an industrialised economy by 2020, he added. — *By Max Koh*

SUHAIMI YUSUF/THE EDGE

TONG: AWARDS PROMOTE MERITOCRACY

The Edge Billion Ringgit Club (BRC) Corporate Awards promote meritocracy in line with the prime minister's New Economic Model, said The Edge Communications Sdn Bhd chairman Datuk Tong Kooi Ong.

He said the establishment of the club and awards complemented Datuk Seri Najib Razak's 1Malaysia vision as it recognised the country's biggest and best listed companies.

The BRC will inspire other companies to achieve higher levels of productivity and competitiveness, he added. Thus, its objectives mirror the country's aspirations to advance from a middle-income to a high-income society.

"*The Edge* Billion Ringgit Club Corporate Awards have very much to do with my core beliefs in promoting meritocracy," he said in his speech at *The Edge* BRC gala dinner and awards ceremony in Kuala Lumpur on July 5.

Tong said meritocracy requires "fairness", whereby each participant has equal ability and opportunity to compete, and hence the need for a level playing field.

"The economic performance of a nation is best accomplished by allowing the private sector to operate freely and competitively. This involves creating an environment where innovation, creativity, good decisions, hard work and success are rewarded," he observed.

"In such an environment, we know economic functions will compete effectively and efficiently to boost trade, employment and investments. Ultimately, this translates into higher income levels for the workforce and attracts valuable human capital — one of the key objectives of the New Economic Model and the 10th Malaysia Plan."

Beyond the BRC's bid to encourage competition in the Malaysian corporate arena, Tong said he sees the club as a networking avenue whereby the country's captains of industry could engage in an exchange of ideas, explore business opportunities and add more value to their companies.

He also evoked the role of *The Edge* as the country's premier business publication, and expressed its wholehearted support for the nation's aspirations.

"The creation of *The Edge* Billion Ringgit Club and the awards is synergistic with the prime minister's vision of recognising the need for the country to move forward," said Tong.

He expressed the hope that the launch of the club and the corporate awards will encourage businesses to strive for greater success and achieve higher productivity and efficiency, as well as motivating them to further economic gains for the nation and its people.

"It is our hope that these awards will bring out the best in each and every Malaysian company, its management and its CEO," Tong said.
— *By Krystle Wong*


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THE MAJOR AWARD WINNERS

COMPANY OF THE YEAR

The Edge Billion Ringgit Club Company of the Year Award for 2010 goes to Supermax Corporation Bhd. Supermax also won two other corporate awards in the industrial sector: Highest Returns to Shareholders and Highest Growth in Profit Before Tax.

Supermax has come a long way since its establishment in 1987 as a small rubber glove trading company by Datuk Seri Stanley Thai and his wife Datin Seri Cheryl Tan. Two years later, in 1989, Thai ventured into glove manufacturing and the company has not looked back since.

Today, Supermax is the second largest latex glove manufacturer in the world, with a 12% global market share and annual revenue of over RM800 million.

The company has successfully established its own brands in the global market, especially in the US dental market where its SUPERMAX, Aurelia and Maxter brands are very popular.

The Company of the Year Award not only reflects Supermax's entrepreneurial success, but also the strong gains in its profitability, returns to shareholders and return on equity from 2006 to 2009.

Total returns to shareholders, which comprise share price gains and dividends, amounted to 44% per year, with annual compounded pre-tax profit growth of 47%. Between 2006 and 2009, pre-tax profit increased over threefold to RM151.5 million while revenue doubled to RM803.6 million.

Supermax Corporation Bhd

PICTURES BY SUHAIMI YUSUF/THE EDGE

VALUE CREATORS: OUTSTANDING CEOs OF MALAYSIA

For 2010, two exceptional corporate leaders, **Tan Sri Teh Hong Piow** of Public Bank Bhd and CIMB Group's **Datuk Seri Nazir Razak,** were recognised as Value Creators: Outstanding CEOs of Malaysia.

Tan Sri Teh Hong Piow

Chairman, Public Bank Bhd

Tan Sri Teh Hong Piow founded Public Bank Bhd in 1965, when he was just 35 years old. The bank opened its doors for business in August 1966. The rest, as they say, is history.

Over the last 45 years, Teh has steered Public Bank with a steady hand, growing it into the third largest banking group in terms of market capitalisation and assets today.

Its total assets have grown to RM217.1 billion, compared with RM92.4 billion five years ago. In the last five years, Public Bank's return on equity grew from 19.1% to 26.1% — the highest in the industry even when benchmarked against regional banks.

The banking group is also known for its prudence and astute management — its non-performing loan ratio of 0.8% in 2009 was the lowest in the industry.

Any investor who bought 1,000 shares in Public Bank in 1967, the year it was listed, would today have 135,400 Public Bank shares worth RM1.61 million based on its latest share price of RM11.88, plus total gross dividends of RM633,000. This translates to a remarkable compound annual growth rate of 20% since its listing in 1967.

Public Bank is truly a story of home-grown success, thanks to the vision of one man — Tan Sri Teh Hong Piow.

Datuk Seri Nazir Razak

Group CEO, CIMB Group Bhd

In 2005, when Datuk Seri Nazir Razak first articulated his vision for CIMB Group — to turn it into an Asean universal banking group — many people brushed it aside as a lofty ambition.

Five years later, CIMB Group, under Nazir's stewardship, has successfully morphed into a universal banking group with a strong regional franchise.

For Nazir, value creation is, over and above all, the most important goal for the group.

When the investment bank, with Nazir as CEO, was listed in 2003, it traded at book value for the first four months. Three years later, it was trading at 3.5 times book.

Nazir chose to create value via the mergers and acquisitions and transformation route, adding Singapore's GK Goh Securities Ltd, Bumiputra-Commerce Bank and Southern Bank to the group.

But the true value creation, he believes, lies in how well the group can integrate those components into its existing franchise and the collective synergies it can extract from them.

CIMB Group is today the second-largest banking group in Malaysia, with assets of RM245.9 billion in 2009, compared with just RM97.9 billion in 2003. Its net profit rose to RM2.8 billion in 2009 from RM826 million in 2005. Its transformation is attributed to the vision of Nazir, who joined CIMB in 1989 as a fresh graduate, and rose through the ranks to lead, transform and shape the group into what it is today.

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

PUBLIC BANK BHD

TAN SRI TEH HONG PIOW

'We must be quick to respond to changes'

BY ANNA TAING

KENNY YAP/THE EDGE

"Public Bank is my life-long passion and love," says Tan Sri Teh Hong Piow, founder and chairman of the Public Bank Group. "I do not mind it being said that I eat, sleep, dream, live and breathe the Public Bank," he openly declares.

Indeed, it is this passion that has helped Teh chart the banking group's amazing growth path since its inception as a one-branch operation some 44 years ago.

Teh started his career as a banker as a young clerk at Oversea-Chinese Banking Corp Ltd in Singapore in 1950. He later moved to Kuala Lumpur in 1960 to help set up Malayan Banking.

In 1965, when he was just 35 years old, Teh had the opportunity to start a bank of his own from scratch. Public Bank opened its doors for business on Aug 6, 1966, and there has been no looking back since.

Today, Public Bank is one of the most profitable banks in the country, and investors who have stayed with the bank have enjoyed very good returns on their investments. At 80 years of age, Teh is still very much involved with the bank.

In this interview, Teh talks about how, for him now, making profits is no longer a main driving factor. Rather, it is deriving satisfaction from his achievements.

***The Edge:* Tan Sri, can you describe your journey thus far, what drives you, your philosophy and what are the key factors that underpin your success?**

Teh: My journey with the Public Bank Group over the last 44 years has been very exciting and most rewarding. From a small start-up bank in 1966, Public Bank is now one of the top three domestic banks in Malaysia.

I have been asked often about what motivates or drives me over the years. I wish to say that the factors motivating me have evolved over time — something similar to the famous Maslow's hierarchy of needs theory.

During my early years, the key motivation was to achieve financial security because of my humble beginnings and family circumstances. I was born to a modest family. During my younger days, I was more sensitive about my family's lack of financial means. I could not help but dream about building a financial empire of my own one day.

Today, the motivation has evolved. After becoming successful, just making money is no longer as important as before. Satisfaction of achievements takes over. Maslow calls it self-actualisation. It is very satisfying for me to see the Public Bank Group continue to scale greater heights of success. The achievements are not only in terms of stellar financial performance or ratios, but also in terms of our contribution to the economy and society. I strongly believe that as a responsible citizen, we need to fulfil our social obligations.

My business philosophy and factors accounting for our success are interlinked. As an entrepreneur, I subscribe to a number of key principles, which include maintaining the highest level of integrity and honesty. In the banking business, there is no compromise on integrity and honesty. Banks are special institutions that thrive only on public confidence and trust.

As an entrepreneur, I must be quick not only to recognise opportunities, but also to seize the right one. I take calculated risks and plan with due diligence accordingly. My philosophy is that I take business risks in areas I understand best, and where I have the capacity to manage such risks.

As a manager of people, I try to be a good listener. To me, listening — particularly to my management team — is an important skill that I have developed over the years. Despite the Public Bank Group's success, I remain a very hands-on person and have never rested on our laurels.

I believe in being very focused on what we do. For me, being focused allows me to develop my strengths and channel resources to areas where we can be the best and have a comparative advantage.

In your 60-year journey as a banker, what would you say have been your biggest challenges, and how did you overcome them?

Some of the challenges we faced were during the early years of Public Bank. As you know, we started from scratch. I needed to build the bank up to a critical size, with a decent deposit and loan base as the basis to build our brand and enhance our business credibility. I worked hard to get support from the business community, general public and those whom I knew well. Support from the authorities such as Bank Negara Malaysia helped our business development.

Also, in the early years, to achieve such critical size was not easy. The financial landscape was dominated by foreign banks. Public Bank — as the new kid on the block — had to deal with the prejudice against locally controlled banks which prevailed back then.

We worked hard and had to be innovative to gain market share from the established banks. Our capacity to read the market and innovate was developed early. In the 1970s, in anticipation of a freer interest rate regime, Public Bank introduced deposit products that were very attractive for depositors. In the 1980s, when the Malaysian economy was getting back on its feet from a recession, we introduced attractive housing loan packages that grabbed a big chunk of the housing loan market in Malaysia.

Managing change is another challenge. In the banking industry, the only constant is change. In the 1990s, we faced an era of information explosion ... we had to embrace the new technology environment early to help us boost operational efficiency and capacity. As we were always mindful of the competition, we invested early in technology to support our business. To be ahead of the competition, we strengthened our growth mindset by enhancing our team effort. Our expectation of superior business performance amidst the challenging business environment was constantly communicated to all staff.

As the staff is key to the Public Bank Group's success, we have provided and will continue to provide both ample opportunities and training for them to progress in their careers. We also have a transparent staff evaluation system where performing staff are rewarded based on performance and merit. Our priority is to ensure that we create an environment in which the Public Bank Group will always be the preferred place to work and progress.

What is your vision for the banking group?

Our vision is to further entrench our position as the premier financial institution in Malaysia and in Asia-Pacific. Our roadmap is to continue to do what we do best ... new industry standards and performance expectations will continue to evolve, thus we need to adapt and overcome these challenges. We need to adapt to the rapid pace of change in technology and the increased complexity of the banking and financing world.

What will be the biggest challenges for Public Bank, and for the banking industry going forward?

One thing is clear — liberalisation will continue. Furthermore, the global financial landscape is changing too, well beyond consolidation and business rationalisation. Because of increased global financial interdependence, our banking and finance industry does not live in isolation. In this highly interdependent environment, we are exposed to external risks — some are expected and some not. Thus, we need to constantly enhance our risk management capability and develop new capabilities to manage contagion risks. The Public Bank Group must be quick to respond to the changes that will have a significant impact on the group's businesses. As a service organisation, people are key to our business success, besides technology. Today, the Public Bank Group has over 17,000 employees in Malaysia and overseas. As we grow bigger, there is a constant challenge for us to sustain our strong corporate culture and values to further strengthen the PB brand. E

Teh started Public Bank from scratch and turned it into one of the most profitable banks in the country

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

CIMB GROUP BHD

DATUK SERI NAZIR RAZAK

"Anticipation was a big part of our DNA" (CEO winner)

BY ANNA TAING & YONG YEN NIE

KENNY YAP/THE EDGE

When Datuk Seri Nazir Razak joined CIMB in 1989 as a fresh graduate, it wasn't because he was fascinated by the world of finance, nor was he driven by a burning ambition to be a merchant banker.

"I actually joined CIMB accidentally because I wasn't quite sure what I wanted to do ... my brother suggested I go into merchant banking. I wasn't even an accountant, so for the first three years, I was learning about debit and credit from my wife," he remembers.

In fact, his application was initially rejected because he wasn't an accountant.

Now, after 21 years in the industry, Nazir has not only evolved into one of the country's most reputable investment bankers. He has also transformed CIMB, the investment bank, into a regional universal bank, and the country's second largest banking group.

For Nazir, value creation is over and above all, the most important goal for the group. He often reminds his team at CIMB that "for us, the one overriding objective is the creation of value; it's the goal that underpins all our long-term vision".

In this interview, Nazir gives a glimpse of how he and his team at CIMB grew the banking group into what it is today, and where he wants it to be, going forward.

***The Edge:* When you started out, did you ever think that you would take the bank to where it is today?**

Datuk Seri Nazir Razak: I joined CIMB at the entry level, so, no, I didn't have that kind of aspiration at the point in time. I thought I would work in CIMB for a few years, then, move on. In fact, I joined CIMB almost accidentally because I wasn't quite sure what I wanted to do after I graduated. My brother suggested I go into merchant banking, and for the first three years, I was learning about debit and credit from my wife! I was the first fresh graduate and non-accountant that CIMB corporate finance hired. When I first applied, I was rejected because I don't have an accounting background. But I persevered and finally, they relented.

What were the defining moments?

After three years, I re-evaluated my career. In 1992-93, it was a defining moment. We had done a mega deal with Tenaga (Nasional Bhd), Tan Sri Munir (Majid) was leaving for the Securities Commission, and my immediate boss, Steve Wong, and key team members left CIMB.

So, at that time, I was also tempted to leave. There were offers from two global banks. Ironically, I almost joined Lehman Brothers, and the other one was Merrill Lynch. Today, CIMB is bigger than Lehman.

It made me think very hard but when I looked at the operations, I thought, perhaps, the more interesting challenge for me is to try replicate that kind of investment bank at CIMB. When we did the Tenaga IPO, what struck me was that we did all the hard work, yet it was the foreign bankers that distributed the Tenaga shares, and they earned more than we did. CIMB did not have distribution capabilities.

Robert (Cheim, director of CIMB Group) and I discussed the matter, and I went to CIMB Securities to try to build its distribution capabilities. At that time, our distribution was just a bunch of independent remisiers. I tried equity sales, and wasn't terribly good at it. So, I convinced all the dealers that what they should do is appoint me as their boss because I could bring value by managing them. And I could coordinate research and distribution. These were very senior and established sales people. And they agreed eventually to have me as their boss. It was my first experience paying people a lot more than what I was paid.

In 1996, I went back to CIMB to become deputy CEO, and later I became the CEO. I took a break in 1998 for eight months, where I spent time on my own, and gave thought to the CIMB-to-be.

Do you benchmark your aspirations for CIMB against the global banks?

No, I have always been hesitant. You look up to successful organisations but the danger is replicating a specific one, when your situation is different.

In your journey at the various stages, what were the major challenges for you and CIMB?

There was plenty ... 1998 was CIMB's only loss-making year. Then, of course, coming out of crisis, what do you do strategically? We were very fortunate because our business model is focused on corporate finance and we took very little balance sheet position. Although we lost money, we were still strong. In 1997, we also made a strategic decision to be in the fixed income business. Coming out of the financial crisis, the big boom was in the bond market. CIMB won most of the mandates because no one really had a bond business. The crisis helped us distance ourselves from the competition.

Nazir: What we have done well, in hindsight, was that we had always anticipated the future.

Anticipation was big part of our DNA. In 1999, we anticipated there would be a lot of companies getting listed and we became big in IPOs.

What we have done well, in hindsight, was that we had always anticipated the future. In 1993-94, we were making profits in stockbroking during the Super Bull Run. We took the view that it was too good to continue, and by 1996, we had anticipated, maybe not the financial crisis, but an end to the bull run. So, I gave up the big commission in stockbroking to go back to a fixed salary in merchant banking.

Later, we took the view that we needed to crystallise the value in CIMB, and we decided to go for an IPO. At that time, many people questioned if it was a good idea. But we wanted to convince our clients that there is value in the way we run our businesses. We started the first four months trading at book value but over the next three years, we were trading at 3.5 times book value.

Then in 2005, our market capitalisation was RM5 billion. We asked ourselves, where do we grow from here? Hence, the acquisition of GK Goh in search of the next growth phase. We went on to buy Bumiputra Commerce Bank (BCB) ... at the same time, we realised that it would take too long to organically grow BCB. We needed a merger, hence, Southern Bank.

Were there times when you were concerned that CIMB was growing too big at too fast a pace?

I look at worries very positively. When you worry, that's when you deal with things. Yes, potentially, there were things to worry about.

How do you inspire your team?

The idea is to create an environment where people can fulfil their full potential and where people can grow without feeling constricted. We try our best to measure and value people so we don't have a rigid compensation. We try to create an organisation where we use the term a 'care-frontation' culture, where we don't hide things. I like to think despite the growth, we have retained this culture in the organisation.

You have achieved a tremendous amount of success in the last 10 years. What drives you on?

I am not almost there. We have done well, we are ahead of schedule but we have not fulfilled the potential of CIMB. We had relatively good ROEs but when I looked at the potential, our returns could have been higher. We are just catalysing the Asean operations' integration.

In terms of transition from investment banking to universal banking, do you think there is more to go?

The firm itself is a universal bank. It can be far more productive and successful given the platform. If I can system integrate CIMB throughout the region, we can make so much more returns to shareholders.

As an individual, one of the things I hold dear is the need for me to change together with the firm. As a CEO, it used to be about doing and deciding. Today, it's more about encouraging and motivating.

The needs of the organisation have changed and it is incumbent upon me to change. I never take my position for granted. There will be a time when the organisation may need another type of CEO and I cannot be that type of CEO. For the sake of the organisation, I have to let go.

You are perceived as the face of CIMB. Are you comfortable with the position?

I am conscious of that but it is not a fair reflection of the leadership of the firm ... I am looking to reduce the association or the perceived dependency. We are investing a substantial amount of money, over the next three years, to develop leadership and I have told the present team that it is our responsibility that we hand over the organisation at some point in time to the next generation. I personally partake in some of the teaching and mentoring. It is a very important part of the firm. E

BILLION RINGGIT Club

COMPANY OF THE YEAR

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

HIGHEST RETURNS TO SHAREHOLDERS AWARD

INDUSTRIAL PRODUCTS

SUPERMAX CORPORATION

Glovemaker with a global reach

BY ISABELLE FRANCIS

Supermax Corporation Bhd has come a long way since its days of just trading latex gloves. Today, it is the world's second largest rubber glove manufacturer, commanding 12% of the global market.

The company's success bears testimony to the entrepreneurial drive of its founders Datuk Seri Stanley Thai and his wife Datin Seri Cheryl Tan.

"We got here today through perseverance and teamwork. Supermax started out as a RM2 company and we are doing well today," said Thai, who is Supermax's executive chairman, at *The Edge* Billion Ringgit Club gala dinner.

Supermax won the coveted title of Company of the Year as well as the Highest Returns to Shareholders and Highest Growth in Profit Before Tax awards in the industrial products sector.

Indeed, the company has consistently rewarded its shareholders.

For FY2009, Supermax's pre-tax profit almost tripled to RM152.14 million from RM52 million a year earlier. Total dividend declared and proposed for the year under review was 11 sen, representing a 2% yield to its share price of RM5.80 on July 2, 2010.

Analysts say Supermax, which has a dividend policy to pay out 20% of its earnings, may see an upside of between 45% and 65% in its share price over the next 12 months.

CIMB Research has a "buy" call on Supermax, with a target price of RM9.50, while Standard & Poor's, which retained a "strong buy" on the glovemaker, has a target price of RM8.50.

The group has yet to put the brakes on expansion — it wants to grow its global market share by a further 5% in the next two to three years.

This year, Supermax is aiming to breach the RM1 billion revenue mark. To do that, it is targeting a 37% or RM300 million increase in revenue, from RM814.83 million in FY2009 ended Dec 31.

Given its financial track record and geographical spread, the targets look within reach. Supermax now operates nine wholly owned manufacturing plants based in Malaysia and six distribution centres in the US, Brazil, Canada, Germany, Belgium and Australia, and boasts a network of 750 distributors in 146 countries around the world. Its key markets are North America, which accounts for 42% of sales, Europe (26%) and South America (16%).

EXECUTIVE CHAIRMAN'S BACKGROUND

Datuk Seri Stanley Thai, graduated from the University of Windsor, Ontario, Canada, with a Bachelor of Commerce degree (Hons) in 1982.

Supermax has flourished under his leadership, becoming the world's seventh largest latex glove manufacturer in 2000, and now the world's second largest. Thai listed the company on the Second Board of Bursa Malaysia that year. Supermax was subsequently transferred to the Main Board in 2003.

Thai was CEO-cum-group managing director of Supermax until September 2006 when he was redesignated as executive chairman-cum-group managing director.

In May 2010, Thai received the American Humanitarian Service Award from the state of Illinois, US, in recognition of his humanitarian contributions and commitment to the community. Thai was one of only 14 Asians to receive the award.

The group is growing its distribution network and aims to use its distribution centre in Germany — which was set up just this year — as a springboard into the growing healthcare market of the Eastern European bloc as well as Russia.

Supermax's growth trajectory has not been shaken by the current economic turmoil in Europe, thanks to the largely recession-proof nature of the rubber glove industry. In fact, demand has continued to grow. The company is particularly well insulated because over 90% of its gloves are sold to the healthcare sector.

Aside from Russia, Supermax is looking at China and India, the large populations and growing economic strength of which hold great potential as emerging markets for rubber gloves. Success in these markets will enable Supermax to achieve its vision, which is to see its medical gloves carrying the SUPERMAX® brand used in every corner of the world.

The group's next milestone is its "Glove City" project which is slated for completion in stages over the next 10 to 12 years. Supermax has acquired a 36-acre piece of land in Bukit Kapar, Klang, for this project. Klang was chosen for its close proximity to the port — a strategic decision for Supermax which exports all its gloves.

Glove City will eventually house a total of six large factories in a single location to achieve greater economies of scale as well as other operational efficiencies. E

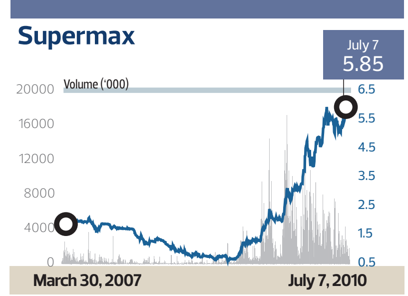
KENNY YAP/THE EDGE

Supermax has benefitted greatly from the entrepreneurial drive of Thai and his wife Cheryl

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	814.84	811.82	574.26	400.33
Profit Before Tax	152.14	52.00	58.55	47.34
Net Profit	129.75	47.00	55.95	39.75
Return on Equity	23.25%	11.29%	14.58%	16.57%

SHARE PRICE



COMPANY BACKGROUND

The history of the Supermax group can be traced back to 1987 when the promoters and founding members, Datuk Seri Stanley Thai and Datin Seri Cheryl Tan, started a trading business to distribute latex gloves. Supermax was incorporated in Malaysia on Feb 21, 1997.

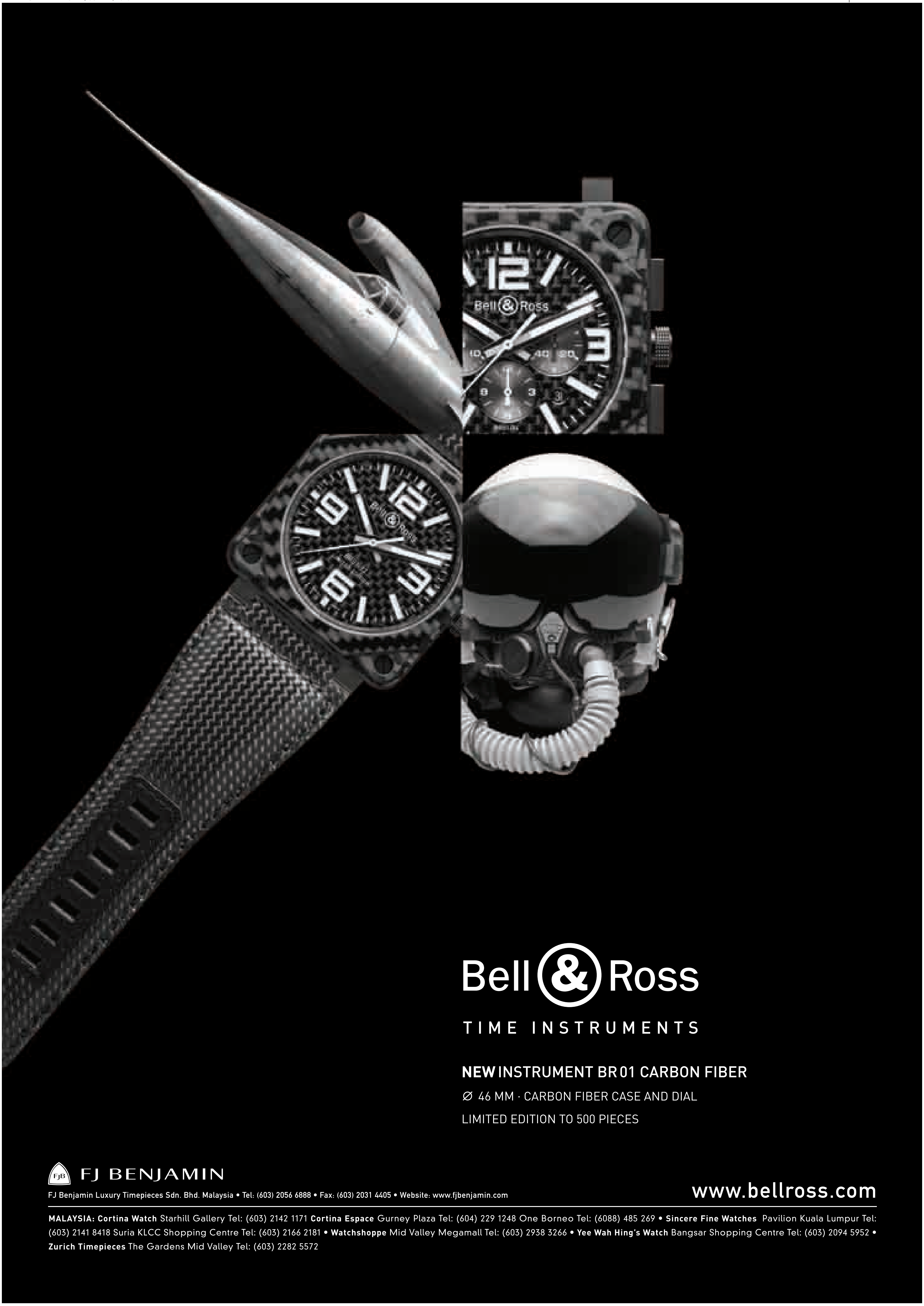
Today, Supermax produces gloves that are used by a diverse group of users across a wide range of industries, including hospitals, dental practices, nursing homes, laboratories, manufacturing, food services, households and even tattooists.

Apart from producing for the OEM market (contract manufacturing), Supermax is a leading own brand manufacturer (OBM) and boasts brand names such as SUPERMAX®, Aurelia and Maxter.

OBM gloves currently form about 65% of the group's total sales but it is envisaged that this will grow to between 70% and 75% over the next few years.

In the US dental market, Supermax is the second most popular glove brand with its brands SUPERMAX®, Aurelia and Maxter. This is no small achievement considering that the competitors are international healthcare brands such as Microflex, Ansell, Dash Medical and Kimberly Clark.

Supermax has also been active in R&D — it came up with the highly popular honeycomb textured glove which was duly patented in the US in 2008.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SECTORAL AWARD WINNERS

Construction Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Mudajaya Group Bhd**	74.33
2	YTL Corporation Bhd	15.89
3	WCT Bhd	12.11
4	Gamuda Bhd	8.30
5	Muhibbah Engineering (M) Bhd	-3.50

Mudajaya Group Bhd's annual growth in profit before tax of 74.33% was the highest in the construction sector. It was followed by YTL Corporation Bhd with 15.89% and WCT Bhd with 12.11%.

Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Mudajaya Group Bhd**	26.67
2	WCT Bhd	12.90
3	YTL Corporation Bhd	9.89
4	Gamuda Bhd	7.80
5	Muhibbah Engineering (M) Bhd	7.05

Mudajaya Group Bhd had the highest return on equity for the construction sector at 26.67% followed by WCT Bhd at 12.90% and YTL Corporation Bhd at 9.89%.

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Mudajaya Group Bhd**	61.75
2	Sunway Holdings Bhd	31.35
3	UBG Bhd	17.37
4	WCT Bhd	13.06
5	YTL Corporation Bhd	6.20

Mudajaya Group Bhd's annual returns to shareholders of 61.75% was the highest within the construction sector. Sunway Holdings was next with 31.35%, followed by UBG Bhd with 17.37%.

Consumer Products Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Tradewinds (M) Bhd**	44.17
2	Malayan Flour Mills Bhd	38.28
3	PPB Group Bhd	27.29
4	Tan Chong Motor Holdings Bhd	27.19
5	QL Resources Bhd	23.12

Tradewinds (M) Bhd led within the consumer products sector for growth in profit before tax . Its annual growth of 44.17% outpaced Malayan Flour Mills Bhd's 38.38% and PPB Group Bhd's 27.29%.

Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**British American Tobacco**	185.64
2	Nestlé (Malaysia) Bhd	59.99
3	Guinness Anchor Bhd	32.12
4	PPB Group	26.75
5	QL Resources Bhd	23.46

British American Tobacco Malaysia Bhd's whopping 185.64% return on equity was the highest not just for the consumer products sector but among all companies in *The Edge* Billion Ringgit Club. Nestlé (Malaysia) Bhd came in second with 59.99%, followed by Guiness Anchor Bhd with 32.12%

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Tan Chong Motor Holdings Bhd**	48.72
2	PPB Group Bhd	45.83
3	QL Resources Bhd	33.48
4	Malayan Flour Mills Bhd	25.99
5	JT International Bhd	23.99

Tan Chong Motor Holdings Bhd's returns to shareholders of 48.72% was the highest for the consumer products sector. It edged out PPB Group Bhd's 45.83% and QL Resources Bhd's 33.48%

Finance Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**CIMB Group Holdings Bhd**	23.94
2	RHB Capital Bhd	22.85
3	Affin Holdings Bhd	16.50
4	TA Enterprise Bhd	14.53
5	Hong Leong Bank Bhd	14.00

CIMB Group Holdings Bhd led in the finance sector for growth in profit before tax. Its annual growth of 23.94% outpaced RHB Capital Bhd's 22.85% and Affin Holdings' 16.50%.

Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Public Bank Bhd**	25.07
2	LPI Capital Bhd	23.08
3	Bursa Malaysia Bhd	16.66
4	Hong Leong Bank Bhd	15.71
5	Hong Leong Financial Group Bhd	14.19

Public Bank Bhd and LPI Capital Bhd led the finance sector for return on equity, at 25.07% and 23.08% respectively. Bursa Malaysia Bhd came in third with 16.66%.

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Public Bank Bhd**	18.68
2	LPI Capital Bhd	18.43
3	Hong Leong Financial Group Bhd	16.71
4	Hong Leong Bank Bhd	15.98
5	CIMB Group Holdings Bhd	15.03

Public Bank Bhd's 18.68% annual returns to shareholders marginally beat related company LPI Capital Bhd's 18.43%. Hong Leong Financial Group Bhd came in third with 16.71%.

Industrial Products Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	Supermax Corporation Bhd	47.57
2	Wah Seong Corporation Bhd	36.44
3	Top Glove Corporation Bhd	34.24
4	YTL Cement Bhd	31.63
5	Lafarge Malayan Cement Bhd	27.75

Supermax Corporation Bhd had the highest annual growth in profit before tax in the industrial products sector at 47.57%. It was followed by Wah Seong Corporation Bhd with 36.44% and Top Glove Corporation Bhd with 34.24%.

Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS (%)
1	**Kossan Rubber Industries Bhd**	21.39
2	KNM Group Bhd	21.05
3	Top Glove Corporation Bhd	20.45
4	Supermax Corporation Bhd	20.43
5	Hiap Teck Venture Bhd	16.90

Kossan Rubber Industries Bhd narrowly beat KNM Group Bhd to claim top spot in return on equity among companies in the industrial products sector. Its returns were 21.39% compared to KNM Group Bhd's 21.05%. Top Glove Corp came in third with 20.45%.

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS(%)
1	**Supermax Corporation Bhd**	44.26
2	Ann Joo Resources Bhd	29.46
3	Southern Steel Bhd	19.52
4	Kossan Rubber Industries Bhd	18.43
5	Leader Universal Holdings Bhd	17.18

Supermax Corporation Bhd's annual returns to shareholders of 44.26% was the highest among companies in the industrial products sector. It was followed by Ann Joo Resources with 29.46% and Southern Steel with 19.52%.

Plantation Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Sarawak Oil Palms Bhd**	50.10
2	United Malacca Bhd	46.15
3	IJM Plantations Bhd	45.48
4	Kulim (Malaysia) Bhd	39.85
5	United Plantations Bhd	23.16

Sarawak Oil Palms Bhd topped the plantation sector with annual profit growth of 50.10%. United Malacca Bhd and IJM Plantations Bhd came in next with 46.15% and 45.48%, respectively.

Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**United Plantations Bhd**	19.16
2	Sarawak Oil Palms Bhd	18.86
3	IOI Corporation Bhd	18.48
4	IJM Plantations Bhd	15.38
5	Kuala Lumpur Kepong Bhd	14.40

Within the plantation sector, United Plantations Bhd's 19.16% return on equity edged out Sarawak Oil Palms Bhd's 18.86% and IOI Corporation Bhd's 18.48%

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	Boustead Holdings Bhd	29.04
2	Sarawak Oil Palms Bhd	26.01
3	United Malacca Bhd	22.97
4	IJM Plantations Bhd	20.15
5	Kuala Lumpur Kepong Bhd	15.06

Boustead Holdings Bhd, with annual returns of 29.04%, beat Sarawak Oil Palms Bhd's 26.01% to claim the top spot for returns to shareholders within the plantation sector. United Malacca Bhd was third with 22.97%.

Properties Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Sunrise Bhd**	70.92
2	KLCC Property Holdings Bhd	40.27
3	Sunway City Bhd	24.45
4	Krisassets Holdings Bhd	23.38
5	Mah Sing Group Bhd	2.88

Sunrise Bhd's 70.92% annual growth in profit before tax beat its nearest competitor in the properties sector by a wide margin. KLCC Property Holdings Bhd and Sunway City Bhd came in second and third with 40.27% and 24.45%, respectively.

Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Sunrise Bhd**	19.91
2	Sunway City Bhd	17.50
3	KLCC Property Holdings Bhd	15.28
4	Krisassets Holdings Bhd	11.88
5	Mah Sing Group Bhd	11.02

Sunrise Bhd had the highest return on equity for the properties sector with 19.91%, slightly ahead of Sunway City Bhd's 17.50% and KLCC Property Holdings Bhd's 15.28%.

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	Mah Sing Group Bhd	11.07%
2	Krisassets Holdings Bhd	8.81%
3	KLCC Property Holdings Bhd	2.36%
4	Sunway City Bhd	-2.26%
5	S P Setia Bhd	-2.62%

Property stocks did not fare too well in the three year period. Mah Sing Group Bhd was the top performer with an 11.07% annual return. Krisassets Holdings Bhd was second with 8.81% and KLCC Property Holdings Bhd third with 2.36%.

Trading Services, IPC and Technology Sector

Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Pharmaniaga Bhd**	60.75
2	QSR Brands Bhd	51.80
3	Multi-Purpose Holdings Bhd	35.70
4	KPJ Healthcare Bhd	33.21
5	Dialog Group Bhd	32.36

Pharmaniaga Bhd had the highest growth in profit before tax for the combined trading services, IPC and technology sector at 60.75%. It was followed by QSR Brands Bhd's 51.80% and Multi-Purpose Holdings Bhd's 35.70%.

Highest return on equity over 3 years

* unaudited

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Berjaya Sports Toto Bhd**	87.83%
2	DiGi.Com Bhd*	61.73%
3	Amway (Malaysia) Holdings Bhd*	35.92%
4	Malaysian Bulk Carriers Bhd*	21.21%
5	PLUS Expressways Bhd*	21.03%

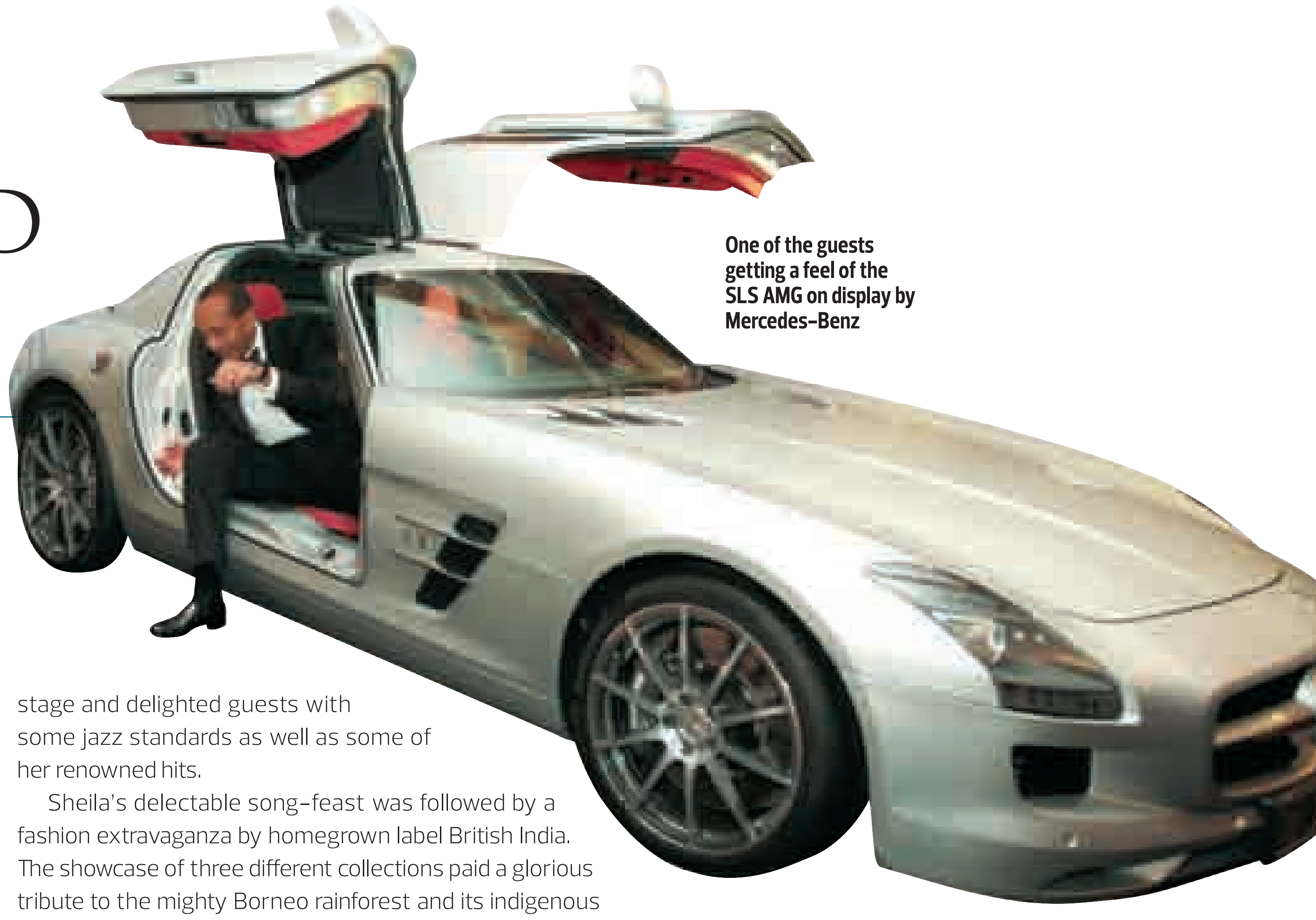
Berjaya Sports Toto Bhd had the highest return on equity in the combined trading services, IPC and technology sector with 87.83%. In second place was DiGi.Com Bhd with 61.73%, followed by Amway (Malaysia) Holdings Bhd with 35.92%.

Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	Berjaya Land Bhd	68.43
2	Berjaya Corporation Bhd	65.84
3	Edaran Otomobil Nasional Bhd	62.47
4	KPJ Healthcare Bhd	50.99
5	SapuraCrest Petroleum Bhd	43.10

Berjaya Land Bhd's 68.43% annual returns topped the combined sector for trading services, IPC and technology in terms of annual returns to shareholders. Close behind was Berjaya Corporation and Edaran Otomobil Nasional .

THE COVETED INVITATION



One of the guests getting a feel of the SLS AMG on display by Mercedes-Benz

The foyer of the Grand Ballroom of the Mandarin Oriental Hotel Kuala Lumpur was brimming with the Who's Who of Corporate Malaysia, who were there to attend the inaugural *The Edge* Billion Ringgit Club (BRC) Corporate Awards held to honour top-performing companies in Malaysia.

It was an invite-only luxurious coterie, sponsored by OCBC Bank Malaysia and German luxury carmaker Mercedes-Benz, with supporting sponsorship from luxury Swiss watchmaker Audemars Piguet and officiated by none other than Prime Minister Datuk Seri Najib Razak who was accompanied by his wife Datin Seri Rosmah Mansor.

And thanks to Datuk Nancy Yeoh and her experienced STYLO International team, who supported the organisation of this glitzy black-tie event, *The Edge* BRC soiree unfolded smoothly.

The evening began with cocktails where guests dressed to the nines took turns at being photographed at *The Edge Financial Daily* photo wall. They mingled over flutes of free-flowing Möet & Chandon and bites of tasty canapés. The hum of conversation was peppered with the clink of glasses and occasional laughter while music from an angklung player with an adventurous repertoire ranging from irama Melayu to Frank Sinatra added to the festive air. There was also a sense of anticipation in the air — which company and CEO would walk away the winners tonight?

There were plenty of "oohs" and "aahs" as guests amused themselves with Mercedes-Benz's display of its latest sportscar — the stunning SLS AMG — and a special showcase of diamond jewellery from SUEN Jewellers. The new brand by jeweller Suen Lee made its debut at the event with tantalising contemporary and classic designs. Judging by the buzz around the dazzling pieces, SUEN Jewellers will become a household name soon enough. Its collaboration with *The Edge* was also seen in the door gifts — pretty boxes of loose gemstones for guests to set to their own liking.

The ceremony officially began with the arrival of the prime minister and a welcome speech by *The Edge* chairman Datuk Tong Kooi Ong. The event really kicked off when dinner was served and legendary chanteuse Datuk Sheila Majid took to the stage and delighted guests with some jazz standards as well as some of her renowned hits.

Sheila's delectable song-feast was followed by a fashion extravaganza by homegrown label British India. The showcase of three different collections paid a glorious tribute to the mighty Borneo rainforest and its indigenous people and culture. Conceptualised by British India founder Pat Liew, the show was well thought out and beautifully executed.

After that, it was back to business. *The Edge* editor-in-chief Dorothy Teoh explained the methodology employed in selecting the winners of the 24 awards before handing over the floor to Najib. As the prime minister delivered his keynote address, he even indulged in a bit of humour, taking a jab at the tuxedo-clad gentlemen. "Either you look like a member of *The Edge* BRC or waiter of the Mandarin Oriental, who also look very smart," he said to laughter all around.

Together with Tong and OCBC Bank Malaysia CEO Jeffrey Chew, Najib gave out 21 sectoral awards, two Value Creators: Outstanding CEO of Malaysia awards, and the top award, Company of the Year, which went to glovemaker Supermax Corp Bhd. Its managing director Datuk Seri Stanley Thai received the award and also walked away with a beautiful Audemars Piguet timepiece — the Millenary Pianoforte.

At the end of the night, guests bid adieu to each other, but the winners lingered and gave interviews, as more bubbly was passed around. Indeed, a much-deserved celebration for the winners, but also for the resounding success of the inaugural *The Edge* BRC. E

1

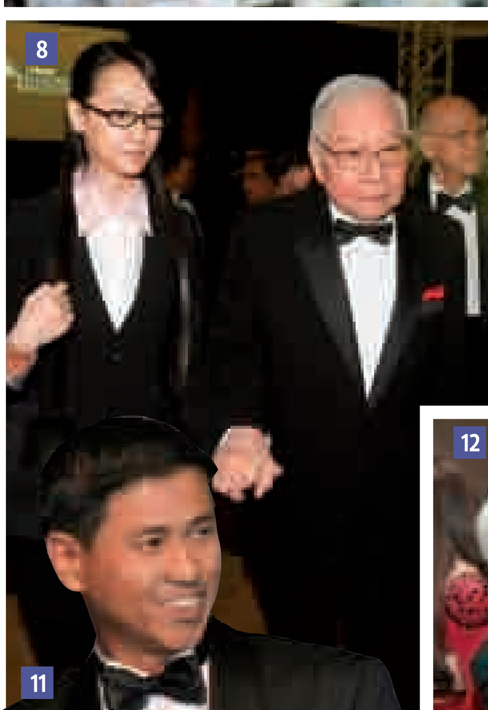
2

3

One of the stunning pieces in the SUEN Jewellers showcase

BILLION RINGGIT Club

1 Datuk Tong Kooi Ong giving Datuk Seri Najib Razak a preview of the award. 2 Maxis COO Jean Pascal Van Overbeke and wife 3 Mercedes-Benz Malaysia president & CEO Peter Honegg with Supermax managing director Datuk Seri Stanley Thai and wife. 4 Datin Seri Rosmah Mansor captivated by Sheila Majid's performance. 5 From left: See Hoy Chan Holdings Group's Datuk Teo Chiang Kok and Edaran Tan Chong Motor's Datuk Dr Ang Bon Beng. 6 Maybank president & CEO Datuk Seri Abdul Wahid Omar. 7 Bursa Malaysia CEO Datuk Yusli Mohamed Yusoff and wife 8 Tan Sri Teh Hong Piow, chairman of Public Bank Bhd, and an aide. 9 From left: *The Edge* editor-in-chief Dorothy Teoh with MISC CEO Datuk Nasarudin Md Idris and wife. 10 From left: Carlsberg Malaysia deputy MD Datuk Chin Voon Loong with *The Edge*'s executive editor M Shanmugam and deputy editor-in-chief Kevin Khoo. 11 OCBC director & CEO Jeffrey Chew. 12 *The Star* COO Ho Kay Tat (left) with Sunway City Bhd property investment MD Ngeow Voon Yean 13 Sunrise Bhd executive deputy chairman Datuk Allan Lim and Mulpha International CEO Chung Tze Hien 14 From left: *The Star* CEO Datin Linda Ngiam, Hong Leong Bank Bhd group MD Yvonne Chia and STYLO International CEO Datuk Nancy Yeoh



MEDAL OF HONOUR

The Audemars Piguet Millenary Pianoforte was the chosen gift for the head of the Company of the Year. It is a beautiful timepiece with a piano motif encircling the mother-of-pearl dial. The off-centred hour zone features Roman numerals, and there's a date display at 3 o'clock. The watch is powered by the calibre 3120, a self-winding movement with a power reserve of more than 60 hours.

STILL A LEGEND

Datuk Sheila Majid was quite a sight to behold — dressed elegantly in a long black dress by British India and adorned with more than RM16 million worth of diamond jewellery from SUEN Jewellers. The necklace and earrings she wore were stunning creations of oval, round, marquise and pear-shaped diamonds. One of her fingers sported a mouth-watering 20-carat round diamond ring valued at RM9 million, and another had on a 12-carat yellow diamond ring.

Even after 25 years of performing, Sheila appeared to have the same, unbridled energy, tempered this time with a womanly maturity. Her rendition of Stevie Wonder's hit *For Once In My Life* was a wonderful introduction to her short repertoire, but everyone present was really keener on hearing her classic tunes, and she didn't disappoint. Sheila went on to perform *Lagenda, Antara Anyer dan Jakarta* and *Aku Cinta Padamu*. Her finish with *Sinaran* was more than appropriate, causing feet to tap and heads to bob across the ballroom.

British India founder & CEO Pat Liew taking a bow at the end of the show

Matthew Ngau Jau

TRIBAL INSTINCTS

Dramatic music that evoked the richness and vastness of the rainforest came blaring through the speakers as models primped by Andy Ho Haute Coiffure and made up by Stage Cosmetics took to the catwalk in ensembles that were the embodiment of tribal chic, sporting ethnic tattoos on arms or legs and flowers in the hair.

The outfits were a mishmash of contrasting patterns and prints, with a palette that played heavily on colours from the rainforest: warm earth tones, rich greens and dusty blues. Batik tops were worn with striped culottes or with short and flirty tiered skirts, and floral tops with wrap skirts. There were skirts inspired by the traditional textile of the Iban, the ikat pua kumbu. For the men, batik shirts and those with bold prints were aplenty as were relaxed jackets and Indian suits. Stylishly put together, the ensembles were at times accessorised with not one but three belts or cinched at the waist with a scarf. Another pièce de résistance was the authentic Sarawakian jewellery on loan from Persatuan Warisan Sarawak and Art House Gallery. The collection was unapologetically hodgepodge, young and fun.

As the last of the models sashayed her way backstage, Matthew Ngau Jau, a sape player, plucked a cheerful tune on the traditional Dayak musical instrument. If you closed your eyes and let the distinctive strains of the sape envelop you, you could almost imagine being seated in a longhouse in Sarawak.

The second showcase was more recognisably British India. White linen was made into relaxed lounge dresses, oversized blouses, skinny pants and flowly skirts, and for the men, long pants and tops. The virginal palette was the perfect foil to show off the main highlight of the collection — chunky, striking jewellery loaned from Persatuan Warisan Sarawak and the Art House Gallery in KL. These were incredible antique pieces worn by the ethnic tribes of Borneo.

Matthew reappeared to play another set and then the final fashion showcase came on — and what a finale it was. Sheer kaftans with magnified images of the rainforest came fluttering down the runway — majestic trees, a delicate butterfly, the mighty hornbill and the striking rafflesia were spotted, among others. It was a beautiful end to a spectacular showcase.

THANK YOU

YAB DATO' SRI MOHD. NAJIB TUN ABDUL RAZAK
PRIME MINISTER OF MALAYSIA
FOR LAUNCHING
THE EDGE BILLION RINGGIT CLUB AND
PRESENTING THE EDGE BILLION RINGGIT CLUB
CORPORATE AWARDS 2010

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MEMBERS OF THE EDGE BILLION RINGGIT CLUB 2010

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAPITALISATION AS AT MARCH 31, 2010 (RM MIL)	REVENUE FY2009 (RM MIL)	PROFIT BEFORE TAX FY2009 (RM MIL)
AEON Co. (M) Bhd	1,762.02	3,735.76	194.37
Affin Holdings Bhd	4,333.68	2,008.86	497.16
AirAsia Bhd	3,834.77	3,178.85	639.32
Alliance Financial Group Bhd	4,458.55	1,636.36	303.31
Allianz Malaysia Bhd	830.89	2,222.65	166.52
AMMB Holdings Bhd	15,070.92	5,860.73	1,217.64
Amway (Malaysia) Holdings Bhd	1,203.30	663.90	98.87
Ancom Bhd	120.43	1,650.93	–10.41
Ann Joo Resources Bhd	1,432.22	1,303.01	36.34
Astro All Network plc	8,279.09	2,971.46	–372.37
Axiata Group Bhd	32,513.84	13,105.05	2,666.22
Batu Kawan Bhd	4,655.96	238.15	350.72
Berjaya Corporation Bhd	6,832.75	6,339.01	274.56
Berjaya Land Bhd	5,062.06	4,150.99	225.92
Berjaya Sports Toto Bhd	6,052.61	3,695.69	585.54
BIMB Holdings Bhd	1,365.49	1,490.18	299.13
Bintulu Port Holdings Bhd	2,520.00	439.05	173.73
Boustead Holdings Bhd	3,271.17	5,392.00	501.60
British American Tobacco Malaysia Bhd	12,603.29	3,923.42	1,005.31
Bursa Malaysia Bhd	4,176.80	402.42	219.18
Carlsberg Brewery Malaysia Bhd	1,555.79	1,045.48	102.56
Chemical Company of Malaysia Bhd	886.48	1,571.81	15.58
CIMB Group Holdings Bhd	49,656.62	10,669.52	3,811.88
Dialog Group Bhd	2,177.59	1,104.52	123.46
DiGi.Com Bhd	17,555.95	4,909.56	1,366.45
DKSH Holdings Malaysia Bhd	108.78	3,559.68	31.06
DRB-HICOM Bhd	2,242.55	6,101.43	774.94
Edaran Otomobil Nasional Bhd	140.68	2,419.87	31.93
EON Capital Bhd	4,873.26	2,390.25	421.93
Esso Malaysia Bhd	707.40	8,032.44	201.00
Fraser & Neave Holdings Bhd	3,771.70	3,737.06	299.78
Gamuda Bhd	5,851.05	2,727.30	282.16
Genting Bhd	24,454.79	8,893.62	2,528.45
Genting Malaysia Bhd	16,950.00	4,991.77	1,764.59
Genting Plantations Bhd	5,268.59	755.57	301.93
Guinness Anchor Bhd	2,093.54	1,285.42	191.18
Hap Seng Consolidated Bhd	1,643.82	2,464.24	172.76
Hap Seng Plantations Holdings Bhd	1,984.00	373.13	135.14
Harrisons Holdings (Malaysia) Bhd	188.35	1,053.84	38.59
Hartalega Holdings Bhd	1,986.96	443.20	95.48
Hiap Teck Venture Bhd	461.63	1,159.33	31.57
Hong Leong Bank Bhd	12,526.65	3,676.64	1,132.23
Hong Leong Financial Group Bhd	8,895.89	3,862.29	1,150.20
Hong Leong Industries Bhd	1,310.14	2,679.11	88.71
IGB Corporation Bhd	2,816.66	642.44	221.54
IJM Corporation Bhd	6,476.81	4,601.29	528.67
IJM Land Bhd	2,570.63	671.01	68.30
IJM Plantations Bhd	2,043.42	491.60	160.48
IOI Corporation Bhd	35,981.04	14,600.47	1,550.12
Jaya Tiasa Holdings Bhd	1,067.96	756.53	22.85
JCY International Bhd^	3,660.30		
JT International Bhd	1,438.44	1,158.21	143.55
Keck Seng Malaysia Bhd	1,375.94	913.16	123.47
Kencana Petroleum Bhd	2,568.72	1,140.84	152.81
KFC Holdings (Malaysia) Bhd	1,576.29	2,297.43	190.01
Kinsteel Bhd	950.50	1,928.08	–98.09
KLCC Property Holdings Bhd	3,129.15	861.22	1,032.20
KNM Group Bhd	2,883.15	1,821.67	144.47
Kossan Rubber Industries Bhd	1,278.94	836.97	87.40
KPJ Healthcare Bhd	1,544.47	1,446.37	141.96
Krisassets Holdings Bhd	1,011.17	227.88	180.56
Kuala Lumpur Kepong Bhd	17,805.98	6,658.31	887.36
Kulim (Malaysia) Bhd	2,265.74	5,801.91	532.78
Kurnia Asia Bhd	825.00	1,138.34	39.07
Kwantas Corporation Bhd	564.14	1,568.53	–95.32
Lafarge Malayan Cement Bhd	5,395.57	2,483.11	441.91
Leader Universal Holdings Bhd	427.73	1,949.80	76.84
Leong Hup Holdings Bhd	233.41	1,141.79	45.83
Lingkaran Trans Kota Holdings Bhd	1,524.75	297.54	145.03
Lingui Developments Bhd	923.48	1,292.79	–75.72
Lion Corporation Bhd	627.31	3,099.59	–1,256.17
Lion Diversified Holdings Bhd	317.01	1,248.82	–576.71
Lion Industries Corporation Bhd	1,242.06	4,419.26	–374.77
LPI Capital Bhd	1,903.28	738.30	161.34
MAA Holdings Bhd	217.61	2,159.07	57.94
Mah Sing Group Bhd	1,316.65	701.56	144.24
Malayan Banking Bhd	52,872.53	17,586.34	1,674.29
Malayan Flour Mills Bhd	419.81	1,201.05	92.03
Malaysia Airports Holdings Bhd	5,302.00	1,698.30	478.31
Malaysia Smelting Corporation Bhd	233.25	1,835.58	43.17
Malaysian Airline System Bhd	7,185.64	11,574.46	461.99
Malaysian Bulk Carriers Bhd	3,180.00	303.71	248.26
Malaysian Pacific Industries Bhd	1,376.84	1,150.63	–61.73
Malaysian Resources Corporation Bhd	2,254.46	921.62	46.49
Maxis Bhd	40,050.00	7,611.00	1,939.00
MBf Holdings Bhd	353.43	1,897.20	144.99
MBM Resources Bhd	658.44	1,187.19	92.19
Measat Global Bhd	1,259.48	241.67	53.16
Media Chinese International Ltd	1,439.73	1,437.83	113.17
Media Prima Bhd	2,101.06	744.03	275.84
Metrod (Malaysia) Bhd	216.00	1,553.05	39.88
MISC Bhd	36,156.72	15,783.47	1,594.79
MMC Corporation Bhd	7,429.94	8,444.32	685.76
MNRB Holdings Bhd	647.73	1,173.82	40.46
MTD Capital Bhd	978.49	1,156.16	30.38
Mudajaya Group Bhd	2,010.96	719.97	165.67
Muhibbah Engineering (M) Bhd	401.46	2,186.71	58.50
Mulpha International Bhd	1,095.50	752.57	–6.42
Multi-Purpose Holdings Bhd	2,565.04	3,323.42	486.66
NCB Holdings Bhd	1,716.42	831.41	167.99
Nestlé (Malaysia) Bhd	8,005.83	3,744.23	440.26
Nylex Malaysia Bhd	142.84	1,366.03	10.38
Oriental Holdings Bhd	3,174.38	3,430.91	429.67
OSK Holdings Bhd	1,292.51	820.37	191.02
Padiberas Nasional Bhd	931.39	3,257.82	217.83

CONTINUES NEXT PAGE

BILLION RINGGIT Club

TOP 20 RANKED BY REVENUE

RANK	COMPANY	REVENUE FY2009 (RM MIL)
1	Sime Darby Bhd	31,013.91
2	Tenaga Nasional Bhd	28,785.60
3	Petronas Dagangan Bhd	24,367.62
4	Malayan Banking Bhd	17,586.34
5	MISC Bhd	15,783.47
6	IOI Corporation Bhd	14,600.47
7	Axiata Group Bhd	13,105.05
8	Malaysian Airline System Bhd	11,574.46
9	UMW Holdings Bhd	10,697.95
10	CIMB Group Holdings Bhd	10,669.52
11	Public Bank Bhd	9,715.57
12	Shell Refining Company (Federation of Malaya) Bhd	8,945.79
13	Genting Bhd	8,893.62
14	YTL Corporation Bhd	8,892.13
15	Telekom Malaysia Bhd	8,607.99
16	MMC Corporation Bhd	8,444.32
17	Esso Malaysia Bhd	8,032.44
18	Maxis Bhd	7,611.00
19	Kuala Lumpur Kepong Bhd	6,658.31
20	Proton Holdings Bhd	6,486.57

TOP 20 RANKED BY PROFIT BEFORE TAX

RANK	COMPANY	PROFIT BEFORE TAX FY2009 (RM MIL)
1	CIMB Group Holdings Bhd	3,811.88
2	Public Bank Bhd	3,321.43
3	Sime Darby Bhd	3,071.60
4	Axiata Group Bhd	2,666.22
5	Genting Bhd	2,528.45
6	YTL Corporation Bhd	2,288.20
7	Maxis Bhd	1,939.00
8	Genting Malaysia Bhd	1,764.59
9	PPB Group Bhd	1,732.48
10	Malayan Banking Bhd	1,674.29
11	PLUS Expressways Bhd	1,623.57
12	MISC Bhd	1,594.79
13	IOI Corporation Bhd	1,550.12
14	Tenaga Nasional Bhd	1,543.10
15	RHB Capital Bhd	1,538.42
16	YTL Power International Bhd	1,386.87
17	DiGi.Com Bhd	1,366.45
18	Petronas Gas Bhd	1,231.44
19	AMMB Holdings Bhd	1,217.64
20	Hong Leong Financial Group Bhd	1,150.20

TOP 20 RANKED BY MARKET CAPITALISATION

RANK	COMPANY	MARKET CAPITALISATION AS AT MARCH 31, 2010 (RM MIL)
1	Malayan Banking Bhd	52,872.53
2	Sime Darby Bhd	52,342.43
3	CIMB Group Holdings Bhd	49,656.62
4	Public Bank Bhd	41,111.62
5	Maxis Bhd	40,050.00
6	MISC Bhd	36,156.72
7	IOI Corporation Bhd	35,981.04
8	Tenaga Nasional Bhd	34,825.25
9	Axiata Group Bhd	32,513.84
10	Genting Bhd	24,454.79
11	PPB Group Bhd	21,339.00
12	Petronas Gas Bhd	19,391.58
13	Kuala Lumpur Kepong Bhd	17,805.98
14	DiGi.Com Bhd	17,555.95
15	Genting Malaysia Bhd	16,950.00
16	PLUS Expressways Bhd	16,900.00
17	YTL Power International Bhd	15,383.96
18	AMMB Holdings Bhd	15,070.92
19	YTL Corporation Bhd	13,462.93
20	British American Tobacco	12,603.29

FROM PREVIOUS PAGE

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAPITALISATION AS AT MARCH 31, 2010 (RM MIL)	REVENUE FY2009 (RM MIL)	PROFIT BEFORE TAX FY2009 (RM MIL)
Parkson Holdings Bhd	6,114.82	2,583.70	939.03
Pelikan International Corporation Bhd	666.63	1,208.29	49.96
Perwaja Holdings Bhd	812.00	1,571.16	-142.54
Petronas Dagangan Bhd	8,990.76	24,367.62	810.29
Petronas Gas Bhd	19,391.58	3,415.14	1,231.44
Pharmaniaga Bhd	502.80	1,300.80	81.44
PLUS Expressways Bhd	16,900.00	3,179.02	1,623.57
Pos Malaysia Bhd	1,202.94	902.56	109.53
PPB Group Bhd	21,339.00	3,412.40	1,732.48
Press Metal Bhd	464.18	1,180.41	38.30
Proton Holdings Bhd	2,586.79	6,486.57	-319.20
Public Bank Bhd	41,111.62	9,715.57	3,321.43
Puncak Niaga Holdings Bhd	1,093.64	1,885.36	313.03
QL Resources Bhd	1,363.34	1,397.91	109.90
QSR Brands Bhd	953.66	2,760.28	230.26
Ranhill Bhd	468.85	2,196.47	4.63
RHB Capital Bhd	12,145.60	5,425.45	1,538.42
S P Setia Bhd	4,250.25	1,408.42	231.11
SapuraCrest Petroleum Bhd	3,064.13	3,451.70	281.56
Sarawak Oil Palms Bhd	1,277.88	567.61	133.78
Scomi Group Bhd	435.79	1,972.18	58.57
Selangor Properties Bhd	1,188.91	321.72	61.09
Shell Refining Company (Federation of Malaya) Bhd	3,222.00	8,945.79	388.31
Sime Darby Bhd	52,342.43	31,013.91	3,071.60
Sino Hua-An International Bhd	521.87	1,280.29	-20.86
Southern Steel Bhd	1,048.54	2,032.52	8.80
Star Publications (Malaysia) Bhd	2,511.12	974.36	197.13
Sunrise Bhd	1,040.32	803.92	205.76
Sunway City Bhd*	1,555.54	1,070.26	808.15
Sunway Holdings Bhd*	896.08	1,726.59	102.63
Supermax Corporation Bhd	1,840.13	814.84	152.14
Syarikat Takaful Malaysia Bhd	221.43	1,049.13	49.72

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAPITALISATION AS AT MARCH 31, 2010 (RM MIL)	REVENUE FY2009 (RM MIL)	PROFIT BEFORE TAX FY2009 (RM MIL)
Ta Ann Holdings Bhd	1,264.18	662.23	94.99
TA Enterprise Bhd	1,181.22	535.43	134.47
TA Global Bhd^	1,602.00		
Tan Chong Motor Holdings Bhd	2,506.56	2,856.89	176.85
Tanjong Public Limited Company	7,234.42	3,693.86	748.84
Telekom Malaysia Bhd	12,306.26	8,607.99	921.60
Tenaga Nasional Bhd	34,825.25	28,785.60	1,543.10
Texchem Resources Bhd	121.62	1,154.93	-5.32
The Store Corporation Bhd	177.42	1,841.59	13.42
Time Dotcom Bhd	1,227.43	286.81	33.10
Titan Chemicals Corporation Bhd	2,155.82	5,606.97	610.97
Top Glove Corporation Bhd	4,278.92	1,529.08	221.99
Tradewinds (M) Bhd	942.78	2,067.57	224.15
UBG Bhd	1,215.96	1,130.65	50.98
UEM Land Holdings Bhd	4,103.62	403.08	129.51
UMW Holdings Bhd	7,171.40	10,697.95	834.56
Unisem (M) Bhd	1,389.81	1,036.31	58.38
United Malacca Bhd	1,066.68	195.09	91.84
United Plantations Bhd	2,872.25	819.76	372.80
Wah Seong Corporation Bhd	1,844.02	1,950.31	245.78
WCT Bhd	2,141.07	4,666.60	211.08
YTL Cement Bhd	2,095.89	1,968.29	360.35
YTL Corporation Bhd	13,462.93	8,892.13	2,288.20
YTL E - Solution Bhd	1,080.00	36.51	6.80
YTL Power International Bhd	15,383.96	6,093.39	1,386.87
Zelan Bhd	312.61	2,008.22	-121.64

Notes:

* *Sunway City Bhd and Sunway Holdings Bhd issued 18-month accounts for the financial period ended Dec 31, 2009. The reported unaudited figures for revenue and profit before tax have been annualised in the table. The unaudited figures have been used as the audited financial statements had yet to be released as of March 31, 2010.*

^ *TA Global Bhd was listed on Nov 23, 2009 and JCY International Bhd was listed on Feb 25, 2010. Both companies had yet to submit audited financial statements to Bursa Malaysia as of March 31, 2010.*

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

FINANCE

CIMB GROUP HOLDINGS

An emerging Asean powerhouse

BY YONG YEN NIE

It's getting harder to play catch-up with fast-growing CIMB Group Holdings Bhd. The country's second largest banking group has now become a significant regional player, and it is not resting on its laurels yet.

CIMB Group won *The Edge* Billion Ringgit Club Highest Growth in Profit Before Tax Award in the finance category. Its pre-tax profit grew at a three-year annual compound rate of 23.9%, even after excluding large one-off gains, such as the sale of its insurance arm and properties.

In FY2009, despite one of the worst global financial crises in history, the banking group posted a record net profit of RM3.8 billion, with return on equity of 15%.

At its helm is CEO Datuk Seri Nazir Razak, who says CIMB Group reacted promptly at the beginning of the turmoil in the markets and prepared for the eventual recovery of the economy, where it benefited from the upswing in capital market activity in 2H2009.

As a regional universal bank, the group has expanded its reach aggressively in the last two years via the acquisition of equity stakes in Indonesian and Thai banks. These efforts have paid off, as seen from the earnings contribution to the group of its Indonesian operation CIMB Niaga jumping 160.6% in FY2009.

"CIMB's primary growth strategy has been via mergers and acquisitions (M&A), and transformation. The key to our success lies very much in the latter. It is relatively easy to embark on an M&A journey, but true value creation lies in how well we can integrate these components with our existing franchise and the collective synergies we can extract from them," Nazir says.

CIMB Group's strategy stems from a vision to become a leading Southeast Asian universal banking franchise. "By definition, we offer a full range of financial solutions to the full range of customer segments," he says.

The banking group is already the region's largest indigenous investment bank, and has the biggest retail branch network. However, it is not about to take things easy.

"We still see opportunities to bolster our position in the regional capital markets. In consumer banking, we have done well in various segments but believe that we have the potential to excel even more comprehensively," Nazir says.

GROUP CEO'S BACKGROUND

Datuk Seri Nazir Razak began his banking career in 1989 in the corporate advisory department of Commerce International Merchant Bankers Bhd (now known as CIMB Investment Bank). During his stint in the department, he was involved in fundraising, listing, privatisation and corporate restructuring exercises.

In 1993, Nazir moved to the bank's stockbroking arm. He rose through the ranks and was instrumental in building up the bank's research and distribution networks, after which he was made executive director. In 1996, Nazir was appointed CIMB's deputy CEO and subsequently assumed the CEO's role in 1999. In 2006, he was named group managing director and CEO of CIMB Group.

He adds that by focusing on its core "home" market of Southeast Asia, CIMB Group is more aligned with the region's interests and has greater understanding of the local marketplace.

"We completed our brand harmonisation across the region last year, and have progressively regionalised our products and services. We have also embarked on a massive multi-year project to integrate our IT systems throughout the region," Nazir adds.

Moving forward, he says CIMB Group will focus on integrating the various platforms it has acquired over the past five years.

"This will also include unifying our people across countries and across businesses within each country. We believe we now have sufficient economies of scale to compete in banking.

"Indeed, we believe that there is such a thing as being too big, and our regional model is certainly not inferior to global ones," he says. He adds that the European debt crisis will not be far-reaching and remains positive about the prospects for Asia.

Nazir says as a fast-growing regional banking group, CIMB Group would have achieved its near-term ambition of being the leading Asean bank in 10 years' time. Then, the banking group will contemplate growth beyond Asean.

CIMB Group has certainly come a long way and at its current pace is set to reach even greater heights. E

LEE LAY KIN/THE EDGE

Nazir: We still see opportunities to bolster our position in the regional capital markets

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	10,669.52	7,740.51	9,010.66	6,392.57
Profit Before Tax	3,811.88	2,715.66	3,685.80	2,002.04
Net Profit	2,806.82	1,952.04	2,793.27	1,504.43
Return on Equity	13.66%	11.31%	17.56%	12.55%

SHARE PRICE

CIMB Group

COMPANY BACKGROUND

CIMB Group Holdings Bhd is the country's second largest banking group, with assets of RM240 billion as at end-2009. The banking group offers a full range of financial products and services, covering corporate and investment banking, consumer banking, treasury, insurance and asset management.

CIMB Group began operations as an investment bank known as Commerce International Merchant Bankers Bhd. It then transformed itself into a universal bank via several mergers and acquisitions, among them Bumiputra Commerce Bhd (BCB), Southern Bank Bhd and GK Goh Securities.

The banking group assumed the listing of BCB and was known as Bumiputra-Commerce Holdings Bhd until 2009, when it was renamed CIMB Group.

CIMB Group is also expanding its reach into the Asean region via its subsidiaries CIMB Thai in Thailand and CIMB Niaga in Indonesia as well as in China via a 20% stake in Bank of Yingkou. It has operations in eight of the 10 Asean countries.

THE EDGE BILLION RINGGIT Club

CONGRATULATIONS

TO THE VALUE CREATORS: OUTSTANDING CEOs OF MALAYSIA AND THE WINNERS OF THE EDGE BILLION RINGGIT CLUB CORPORATE AWARDS 2010

VALUE CREATORS: OUTSTANDING CEOS OF MALAYSIA
Tan Sri Dato' Sri Dr. Teh Hong Piow
Dato' Sri Nazir Razak

COMPANY OF THE YEAR
Supermax Corporation Bhd

CONSTRUCTION SECTOR
Highest Growth in Profit Before Tax Over Three Years: Mudajaya Group Bhd
Highest Returns to Shareholders Over Three Years: Mudajaya Group Bhd
Highest Return on Equity Over Three Years: Mudajaya Group Bhd

CONSUMER PRODUCTS SECTOR
Highest Growth in Profit Before Tax Over Three Years: Tradewinds (M) Bhd
Highest Returns to Shareholders Over Three Years: Tan Chong Motor Holdings Bhd
Highest Return on Equity Over Three Years: British American Tobacco Malaysia Bhd

FINANCE SECTOR
Highest Growth in Profit Before Tax Over Three Years: CIMB Group Holdings Bhd
Highest Returns to Shareholders Over Three Years: Public Bank Bhd
Highest Return on Equity Over Three Years: Public Bank Bhd

INDUSTRIAL PRODUCTS SECTOR
Highest Growth in Profit Before Tax Over Three Years: Supermax Corporation Bhd
Highest Returns to Shareholders Over Three Years: Supermax Corporation Bhd
Highest Return on Equity Over Three Years: Kossan Rubber Industries Bhd

PLANTATION SECTOR
Highest Growth in Profit Before Tax Over Three Years: Sarawak Oil Palms Bhd
Highest Returns to Shareholders Over Three Years: Boustead Holdings Bhd
Highest Return on Equity Over Three Years: United Plantations Bhd

PROPERTIES SECTOR
Highest Growth in Profit Before Tax Over Three Years: Sunrise Bhd
Highest Returns to Shareholders Over Three Years: Mah Sing Group Bhd
Highest Return on Equity Over Three Years: Sunrise Bhd

TRADING/SERVICES, IPC AND TECHNOLOGY SECTOR
Highest Growth in Profit Before Tax Over Three Years: Pharmaniaga Bhd
Highest Returns to Shareholders Over Three Years: Berjaya Land Bhd
Highest Return on Equity Over Three Years: Berjaya Sports Toto Bhd

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HIGHEST RETURNS TO SHAREHOLDERS AWARD

HIGHEST RETURN ON EQUITY AWARD

FINANCE

PUBLIC BANK

Scores with superior fundamentals, management and corporate governance

BY JOYCE GOH

SUHAIMI YUSUF/THE EDGE

Teh says the group will remain focused on organic growth strategies to rapidly grow its retail loan, customer deposit and fee-based businesses

That Public Bank Bhd collected two *The Edge* Billion Ringgit Club awards in the finance sector — Highest Returns to Shareholders and Highest Return on Equity — would not have come as a surprise to most investors as the bank has always been at the top of its game in these two areas.

The awards took into consideration the bank's three-year returns to shareholders, comprising share price gains and dividends, of 18.7% a year and its three-year weighted ROE of 25.1%.

The country's third largest banking group has a proven track record in giving good returns to shareholders in practically all aspects — from earnings and ROE to dividends. Reflecting its superior fundamentals, management and corporate governance, its shares have fared well and are seen as a core holding for most institutional investors.

Over the past four years, the group has shown tremendous growth. At the end of 2009, total assets almost doubled from RM112 billion to RM217 billion. Its loan book grew at an average rate of over 19% per year, double the industry's average of about 9% per year. Total deposits also grew strongly at a compound annual growth rate of 22.8%, outpacing the industry's average of 11.3%.

In the same four-year period, the banking group's net ROE improved significantly from 21.9% in FY2006 to 26.1% in FY2009, accompanied by a 46% rise in net profit. Public Bank is renowned for its financial prudence. Despite aggressive asset growth, its asset quality remains the industry's strongest. The group's net non-performing loan (NPL) ratio improved to 0.8% in FY2009 from 1.6% in FY2006.

Public Bank's cost-to-income ratio of 34.4% is also the lowest among local banking groups, well below the industry average of 48.4%.

The banking group stands tall, not only in Malaysia, but also in the region — its net ROE of 26.1% is one of the highest among regional banks. It is also among the top three best-performing banks in terms of cost efficiency and dividend payout.

Moving forward, Public Bank's founder and chairman Tan Sri Teh Hong Piow says the group will remain focused on organic growth strategies to rapidly grow its retail loan, customer deposit and fee-based businesses.

CHAIRMAN'S BACKGROUND

Tan Sri Teh Hong Piow was born in Singapore in 1930. He completed his primary and secondary education at the Anglo-Chinese School in Singapore.

Teh began his banking career in 1950 at Oversea-Chinese Banking Corp Ltd in Singapore. He joined Malayan Banking as a manager in 1960 and was promoted to general manager at the age of 34.

Teh founded Public Bank in 1965 at the age of 35. The bank commenced operations in 1966 with Teh as its CEO. He was redesignated as chairman of the Public Bank group in 2002.

Teh serves as the chairman of several key committees in the group, such as the board executive committee, the assets & liabilities management committee, the share investment committee and the human resource committee. He has won national and international recognition for his outstanding leadership and achievements.

"In particular, the Public Bank group's lending business will continue to be supported by growth in home mortgages, hire purchase financing for passenger vehicles and retail commercial loans to small and medium enterprises," Teh informs *The Edge* in an email interview. He adds that he expects the group's wealth management, bancassurance and Islamic banking businesses to continue to grow at a healthy pace.

"For its funding base, the Public Bank group will continue to promote core customer deposits to ensure that it continues to maintain a healthy and liquid balance sheet. As a long-term strategy, the Public Bank group will accelerate growth in fee-based income, particularly by tapping Public Mutual's fund management business, its long-term bancassurance tie-up with the ING Group and a broad range of wealth management services," Teh says.

He adds that the banking group will maintain its risk management practices for good asset quality and be vigilant to economic uncertainties.

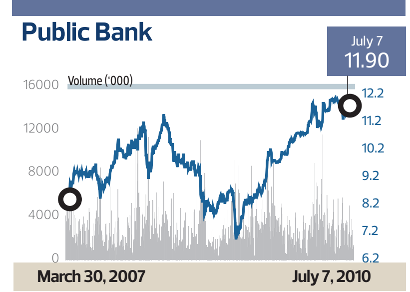
Teh says he would like to see Public Bank remain at the forefront of the Malaysian banking industry and expand its presence in Asia-Pacific, particularly in Indochina, Hong Kong and Greater China.

For Public Bank, this should not be a tall order at all. E

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	9,715.57	10,500.31	9,557.60	7,710.22
Profit Before Tax	3,321.43	3,379.19	3,003.64	2,416.36
Net Profit	2,517.30	2,581.24	2,123.92	1,726.69
Return on Equity	22.84%	27.07%	22.73%	19.11%

SHARE PRICE



COMPANY BACKGROUND

Founded by Tan Sri Teh Hong Piow in 1965, Public Bank has grown into the third largest banking group in the country, with assets of RM217 billion and a workforce of 17,000. The 45-year-old bank has a strong banking franchise in Malaysia and the region, with 250 branches here and 104 in countries like Hong Kong and China, Cambodia, Vietnam, Laos and Sri Lanka.

The group's core businesses include retail commercial banking, corporate banking, investment banking, stockbroking, bancassurance, wealth management services and Islamic banking.

It has a market-leading position in Malaysia's fund management and unit trust industry through wholly-owned Public Mutual. Currently, Public Mutual commands over 42% of the private sector unit trust management business, up from 38% in 2008.

In Malaysia, Public Bank is a market leader in home mortgages and hire purchase financing for passenger vehicles, and a leading player in commercial lending to small and medium enterprises. In Hong Kong, the group is an industry leader in consumer financing while in Cambodia, Cambodian Public Bank (also known as Campu Bank) is the biggest commercial bank in terms of assets, total loans and shareholders' funds.

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

PLANTATION

SARAWAK OIL PALMS

Fully committed to sustainable oil palm cultivation

BY JENNY NG

SUHAIMI YUSUF/THE EDGE

Sarawak Oil Palms Bhd (SOP), a pioneer in peat soil planting in Sarawak, won *The Edge* Billion Ringgit Club Highest Growth in Profit Before Tax Award for the plantation sector. Its pre-tax profit, adjusted for exceptional items, grew at a compound rate of 50.1% per year, from RM39.6 million in FY2006 to RM133.8 million in FY2009.

SOP's strong performance is attributed to soaring crude palm oil (CPO) prices and its expanding hectarage. The company has been steadily adding to its planted landbank, from a mere 32,021ha in 2006 to 54,252ha by end-2009, which is an increase of 69%. In this period, fresh fruit bunches (FFB) per hectare rose from 18.47 tonnes to 21.25 tonnes as more palms reached their prime.

Of the company's 54,252ha of oil palm plantations, almost 80% have young palms, 15% palms of 11 to 20 years and 5% old palms. This will ensure strong growth in output over the medium to longer terms as more of the young palms start to mature.

The company's CPO production almost doubled from 124,873 tonnes in 2006 to 225,056 tonnes in 2009. Also in this period, the group's mills rose from two to four. Milling capacity increased from 135 tonnes per hour in 2006 to 285 tonnes per hour in 2009.

The group has benefited from rising CPO prices as biofuel demand and high crude oil prices triggered structural changes in the edible oils industry. From 2007 to 2009, CPO spot prices averaged RM2,530, compared with an average of RM1,528 in the previous three years. SOP achieved an average CPO price of RM2,346 per tonne from 2007 to 2009.

As a result, its share price climbed from RM1.32 in early 2007 to RM2.66 as at end-2009. Shareholders would have doubled the value of their investments during this period. Shareholders' funds meanwhile increased 139% to RM829 million from RM347 million in 2006.

CEO'S BACKGROUND

Wong Hee Kwong, 48, is Sarawak Oil Palms group CEO. He joined the group in 1996.

Wong is a chartered accountant and a member of the Malaysian Institute of Accountants and fellow member of Chartered Association of Certified Public Accountants.

He worked at KPMG, EON Finance Bhd and a government-linked company before joining Sarawak Oil Palms as group finance manager and company secretary in April 1996.

Wong: Oil palm cultivation will remain the company's core business

The group did not escape the impact of the global financial crisis which started in late 2008 and worsened in 2009. "The weak global economy caused CPO prices to fall significantly from RM2,800 to a low of RM1,400 per tonne. The group also suffered from high operational costs during the crisis due to higher diesel and fertiliser prices," the company says.

However, SOP does not expect any direct impact from the current economic turmoil in Europe.

On its strategy for future expansion, CEO Wong Hee Kwong says oil palm cultivation will remain its core business. Thus, it will continue to invest in the expansion of oil palm areas, the construction of palm oil mills and related businesses, such as palm oil refining, palm kernel crushing, biodiesel and oleochemicals.

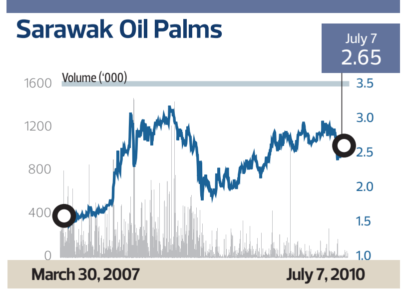
SOP is seeking to position itself for growth using an integrated approach that involves an expansion of its plantation and plantation-related industries. It aims to be a leading plantation company measured by cost, return on investment and profitability.

The company says it is fully committed to sustainable oil palm cultivation through the implementation of its Group Agriculture Policy directed at good agricultural practices, environmental protection, proper handling of waste, by-product utilisation and prevention of degradation of soil, air and water. E

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	567.61	683.52	439.48	221.48
Profit Before Tax	133.78	208.56	151.37	39.56
Net Profit	98.90	140.56	109.29	34.79
Return on Equity	11.96%	19.10%	24.02%	10.01%

SHARE PRICE



COMPANY BACKGROUND

Founded in 1968, Sarawak Oil Palms Bhd's principal business activities are the cultivation of oil palm and milling operations. Its key palm oil products include fresh fruit bunches, crude palm oil and palm kernel, which are marketed locally.

The company was formed as a joint venture between the Commonwealth Development Corporation (CDC) and the Sarawak government to pioneer the commercial planting of oil palm in Sarawak, with an initial land area of 4,600ha. It was converted into a public company in 1990 and listed on Bursa Malaysia (then the Kuala Lumpur Stock Exchange) in August 1991.

In June 1995, Shin Yang Plantation Sdn Bhd bought over CDC's entire 25% stake in Sarawak Oil Palms. Shin Yang and Pelita Holdings Sdn Bhd were the company's two largest shareholders as at April 30, with a shareholding of 29.44% and 29.04% respectively.

Since its establishment, the company has expanded its landbank — all in Sarawak — to over 70,000ha, with 54,252ha planted with oil palm.

BILLION RINGGIT Club

HIGHEST RETURNS TO SHAREHOLDERS AWARD

PLANTATION

BOUSTEAD HOLDINGS

Looking to further unlock value

BY JOY LEE

The restructuring exercise that took place in the Boustead group in 2007 has certainly paid off — Boustead Holdings Bhd took home *The Edge* Billion Ringgit Club Highest Returns to Shareholders Award in the plantation sector.

Between end-March 2007 and end-March 2010, Boustead's returns to shareholders were a compounded 29% per year. This comprised the gains in its share price and total dividends received.

Boustead has a record of sustained earnings and strong dividend payouts. Its current dividend yield is about 7% and the stock is viewed as "undervalued" by analysts, trading at a price-to-earnings ratio of less than eight times for FY2010/11.

While already successfully running its plantation business, the group has a relatively strong lead in other key sectors, including heavy industries, property, trading, manufacturing and finance.

Boustead has 97,700ha under its management, of which 74,370ha are planted with oil palm. Last year, the plantation division's 11 mills, with a combined capacity of 415 tonnes per hour, processed a total of 1.2 million tonnes of palm oil.

Apart from its plantation business, the group owns and operates Malaysia's only other home-grown retail petroleum network — BH Petrol — and has successfully grown its own Royale Bintang hotel brand into a strong franchise. The latest addition to the Royal Bintang chain is The Royale Chulan Kuala Lumpur, which commenced operations in April 2009.

The Boustead group's property division is also flourishing. Today, the award-winning townships of Mutiara Damansara in Selangor and Mutiara Rini in Johor are vibrant and much sought-after communities by discerning investors.

Also under its property division is The Curve, Malaysia's first pedestrianised lifestyle shopping mall situated in the heart of Mutiara Damansara. The 633,000 sq ft mall, which houses 250 retail outlets and the 150-room Royale Bintang Damansara Hotel, was named the "Winning Project for the Retail Development Category" at the prestigious Fiabci Malaysia Property Award 2009.

While organic growth is crucial in driving Boustead's success, deputy chairman and group managing director Tan Sri Lodin Wok Kamaruddin says the group will continue to review opportunities that may arise for inorganic growth.

GROUP MD'S BACKGROUND

Much of Boustead Holdings Bhd's success today is owed to Tan Sri Lodin Wok Kamaruddin, the deputy chairman and group managing director.

The conglomerate has grown by leaps and bounds under the stewardship of Lodin, who is also the chief executive of Lembaga Tabung Angkatan Tentera (LTAT). He was appointed to the board of Boustead in 1984.

Lodin was appointed the chief executive of LTAT at the age of 33 and has been at its helm for more than two decades. His sound financial judgement and investment strategy have resulted in consistently high dividends and asset growth for members of LTAT, and value creation for Boustead and other companies in the LTAT stable.

Lodin is well remembered for his pivotal role in the remarkable turnaround of PSC Industries Bhd from a PN17 entity into a profitable company now known as Boustead Heavy Industries Corp Bhd (BHIC).

A graduate of the University of Toledo, Ohio, Lodin was made a member of the GLC Transformation Committee to improve Malaysia's competitiveness in the international arena. The government recently appointed him chairman of 1Malaysia Development Bhd.

One such example is its recent move to acquire Pharmaniaga Bhd, which has a concession agreement that gives it the exclusive right to purchase, store and distribute pharmaceuticals and medical products to medical institutions and hospitals under the jurisdiction of Malaysia's Ministry of Health.

"Our strategies have been premised on organic and inorganic growth. Over the last five years, our strategies have been effective and efficient and have borne tangible results, particularly in terms of shareholder value," Lodin says.

Given the strong potential of the brands currently in its stable, the group expects to unlock further value from its existing operations and investments in the next 10 years.

"We expect profit after tax to grow stronger based on increased revenues while improving operations and strengthening cost-effective measures throughout our entire group and value chain. As a group with a strong balance sheet, we will look out for further strategic acquisitions," Lodin tells *The Edge*.

The Boustead group is essentially a strong player in the Malaysian economy and, thus, its fortunes are tied to the nation's economy. With Malaysia's economy expected to grow 6% this year, the group is likely to hitch a ride and grow with the recovery. E

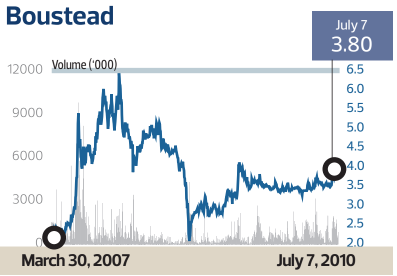
MOHD IZWAN MOHD NAZAM/THE EDGE

Lodin: Over the last five years, our strategies have been effective and efficient and borne tangible results, particularly in terms of shareholder value

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	5,392.00	7,029.80	5,751.92	4,114.33
Profit Before Tax	501.60	678.90	828.81	386.43
Net Profit	341.60	578.80	477.74	210.18
Return on Equity	8.92%	19.88%	20.24%	10.93%

SHARE PRICE



COMPANY BACKGROUND

Boustead Holdings Bhd is one of Malaysia's largest, oldest and most diversified conglomerates. Founded in 1828 and listed on Bursa Malaysia in 1961, Boustead today has 80 subsidiaries, four of which are listed.

Although the company is classified under the plantation sector, it is a diversified conglomerate with interests in plantations, heavy industries, property, trading, manufacturing and financial services. Notable among its interests are Affin Holdings Bhd, one of the country's smaller banking groups, and its property arm, which is developing the highly successful Mutiara Damansara township.

The Boustead group is the jewel in the crown for Lembaga Tabung Angkatan Tentera (LTAT) or the Armed Forces Pension Fund. LTAT is Boustead's largest shareholder, with a 59.3% stake.

HIGHEST RETURN ON EQUITY AWARD

PLANTATION

UNITED PLANTATIONS

R&D and good agricultural practices pay off

BY JENNY NG

Despite its relatively smaller size, the Perak-based United Plantations Bhd stands tall among its peers for its high level of operational efficiency. This is reflected in its superior palm oil yields and extraction rates, and consequently its return on equity (ROE).

Not surprisingly, the plantation company won *The Edge* Billion Ringgit Club Highest Return on Equity Award in the plantation sector, with a weighted three-year ROE of 19.2%.

United Plantations' net profit rose steadily from FY2006 to FY2008, peaking in FY2008 when crude palm oil (CPO) prices reached their highest level of over RM4,000 per tonne in March that year. Net profit surged 67.6% to a record RM300 million.

CPO prices slumped to a low of RM1,403 per tonne in November 2008, following the global financial crisis, and traded at an average of RM2,261 per tonne in FY2009. As a result, the company's net profit fell, but only by a small margin of 6.3%, to RM281 million in FY2009. Indeed, over the four-year period from FY2006 to FY2009, United Plantations' net profit increased from RM150 million to RM281 million, or a compound annual growth rate of 17%.

United Plantations has a landbank of 50,651ha in Malaysia and Indonesia. Some 45,494ha of these are planted with oil palm, 70% of which are mature.

The company says it is committed to intense R&D to improve the competitive edge of palm oil against such oil crops as rapeseed and soyabean. "Concerted efforts are continuously being made by management to enhance the company's breeding agronomy and tissue culture activities as these remain of cardinal importance in terms of our group's ability to improve on our agronomic practices further," chairman Tan Sri Johari Mat says in his statement in the company 2009 annual report.

United Plantations has been replanting aged and lower-yielding palms with new and superior ones produced by its R&D centre. These efforts have paid off as the company boasts consistently higher-than-average yields.

CEO'S BACKGROUND

Ho Dua Tiam is United Plantations' senior executive director, CEO and inspector-general for estates. He joined the company as a cadet planter in 1964, after graduating from the Serdang Agricultural College.

Ho rose through the ranks, serving in various capacities before his appointment as senior executive director in 2003. He is a council member and deputy president of the Malaysian Agricultural Producers Association and a member of the National Labour Advisory Council.

In 2009, United Plantations achieved an average crude palm oil yield of 6.31 tonnes per hectare compared with the national average of 3.93 tonnes. In 2007 and 2008, the company achieved average crude palm oil yield of 5.45 tonnes and 6.38 tonnes per hectare while the national average was 3.83 and 4.08 tonnes per hectare respectively.

Its oil extraction rate has also been consistently higher than the Malaysian average. In 2009, the group achieved an oil extraction rate of 21.73% against the Peninsular Malaysia average of 19.93%.

This is a testament to the company's knowledge and know-how in plant breeding, agronomy and micro-propagation through its R&D facilities for the development of outstanding planting materials and good agricultural practices.

United Plantations is also known for its commitment to corporate social responsibility, especially to its surrounding communities and the environment. The company says in its annual report that it has set aside between 4,000ha and 5,000ha of land for conservation, representing about 8% to 10% of its total land area.

This explains how it became the world's first producer of sustainable palm oil in accordance with the principles and criteria of the Roundtable for Sustainable Palm Oil (RSPO) in August 2008. Its oil palm plantations in Malaysia have all been RSPO-certified. E

UNITED PLANTATIONS ANNUAL REPORT

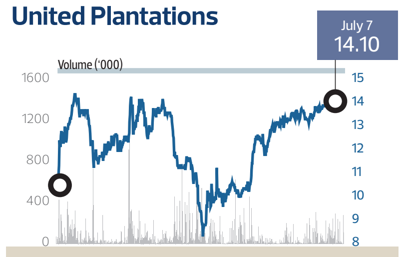
Ho started off in the company as a cadet planter

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	819.76	1,030.93	674.19	597.46
Profit Before Tax	372.80	397.82	232.99	199.57
Net Profit	281.48	299.56	179.40	150.01
Return on Equity	17.18%	20.90%	14.99%	13.99%

SHARE PRICE

United Plantations



COMPANY BACKGROUND

United Plantations has a landbank of 50,651ha, which is mostly in Malaysia although it is also starting the first phase of its plantation development in Kalimantan, Indonesia. In Malaysia, the company operates six mills and the Unitata refinery on a joint-venture basis with AarhusKarlshamn AB, a leader in the global speciality fats sector.

The company's history dates back to the early 20th century when Danish engineer Aage Westenholz founded the Jendarata Rubber Estates on 809ha of land in Teluk Intan (then known as Telok Anson), Perak, in 1906. The Jendarata Rubber Co then merged with Corner, Raja Una and Westenholz Brothers Coconut Estates to become United Plantations Ltd in 1917. In 1966, United Plantations Ltd and Bernam Oil Palms Ltd were amalgamated into United Plantations Bhd.

United Plantations is synonymous with the late Tan Sri B. Bek-Nielsen, who passed away in 2005. Tan Sri Bek-Nielsen was credited with driving United Plantations' growth and made substantial contributions to the Malaysian oil palm industry. His sons Carl Bek-Nielsen and Martin Bek-Nielsen continue to run the company today and hold a 46% stake. The Employees Provident Fund is the next biggest shareholder with a 12.62% stake as at April 19.

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

HIGHEST RETURN ON EQUITY AWARD

PROPERTIES

SUNRISE

Going from strength to strength

BY CHONG JIN HUN

MOHD IZWAN MOHD NAZAM/THE EDGE

Tong: As we brought the company to higher levels in recent years, we have also increased our efforts in risk management. In property development, you need to read cycles and manage gearing well.

Property development no longer merely involves building a roof over one's head. It has evolved into a business of selling lifestyles and creating value for buyers.

On that note, Sunrise Bhd stands out. The company, with its tagline of "Building Dreams, Creating Value" has won many admirers. Buyers of its properties in Mont'Kiara have enjoyed decent capital returns, rental yields and a superior community lifestyle experience.

Sunrise won two *The Edge* Billion Ringgit Club awards — Highest Growth in Profit Before Tax and Highest Return on Equity — in the property sector.

This reflects the increase in the company's pre-tax profit, from RM41.2 million in FY2006 ended June 30 to RM205.8 million in FY2009, at a compound annual growth rate of 70.9%. Its weighted ROE over the three-year period was 19.9%.

Sunrise is guided by its fundamental belief to create value for all stakeholders, be it customers or shareholders, says executive chairman Datuk Tong Kooi Ong. He says this is achieved by differentiating the company's products and building lively and sustainable communities with the right product mix.

According to Tong, Sunrise is moving towards stage three of its growth phase, which will see the developer broadening its product portfolio and geographical reach. "For much of the 1990s and up to the mid-2000s, Sunrise was essentially a single product, single location player, focusing on condominiums in Mont'Kiara. We have since widened our product range, under Phase Two of our strategy, to include complementary commercial products, such as Solaris Mont'Kiara and Solaris Dutamas, in the Mont'Kiara area," he comments.

Tong joined the Sunrise board in late 2003 and has since helped the company reach new heights. From a niche company with a pre-tax profit of under RM50 million, Sunrise is now a significant player in the industry. Its annual pre-tax profit was over RM200 million in FY2008 and FY2009.

"We are now progressing to Phase Three of our growth plan, which will see multiple products in multiple locations as we further broaden our market reach. We will have a mix of residential, commercial and retail components in various locations such as Mont'Kiara, Bukit Jelutong, Kuala Lumpur, Kajang and Canada," Tong says.

EXECUTIVE CHAIRMAN'S BACKGROUND

Sunrise Bhd's executive chairman Datuk Tong Kooi Ong was appointed to its board on Dec 5, 2003.

A former stockbroker and banker, Tong was the founder of the PhileoAllied group, arguably Malaysia's most dynamic financial services provider in the 1990s. He is currently also the chairman of Taiga Building Products Ltd, which is listed on the Toronto Stock Exchange and has annual sales of over C$1 billion.

Tong was a member of the World Economic Forum's Global Leaders of Tomorrow programme and represented Malaysia in the APEC Financiers Group.

He holds a Bachelor of Arts in Business Administration, Master of Arts in Economics and Finance, and Doctor of Laws from Simon Fraser University, Canada.

Apart from 28 Mont'Kiara, which was unveiled earlier this year, the company plans to launch Solaris Towers, a twin-tower strata office space project off Jalan Sultan Ismail in Kuala Lumpur and its Canadian project in Richmond, just outside downtown Vancouver, later this year.

In 2011, Sunrise will unveil two projects outside Mont'Kiara — a premium landed development in Kajang, next to the MINES Resort, and a mixed development in Bukit Jelutong in a joint venture with Sime Darby.

Looking ahead, Tong says Sunrise's long-term aim is to be debt-free as the company continues to spur its expansion. He says Sunrise has always practised financial prudence and is proactive and vigilant in risk and cash flow management.

"As we brought the company to higher levels in recent years, we have also increased our efforts in risk management. In property development, you need to read cycles and manage gearing well," he observes.

Despite expanding into new areas, Mont'Kiara will always remain close to Sunrise's heart. Tong says the company continues to see great potential in Mont'Kiara over the next 10 years and is positioning it as a preferred residential address in Kuala Lumpur.

"At the heart of it, we must always create new products and attract more people to call Sunrise Mont'Kiara their home," he says, adding that Sunrise hopes to replicate the success of Mont'Kiara as it expands its geographical reach. E

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	803.92	685.83	558.10	359.19
Profit Before Tax	205.76	201.12	157.39	41.21
Net Profit	156.20	160.05	108.11	6.57
Return on Equity	16.03%	21.10%	17.74%	1.30%

SHARE PRICE

COMPANY BACKGROUND

Incorporated in 1968, Sunrise Bhd was listed on the Main Board (now Main Market) of Bursa Malaysia in 1996.

The property developer has a landbank of almost 900 acres in Malaysia, but is best known for its luxury condominium developments in Mont'Kiara, on the outskirts of Kuala Lumpur's city centre.

The developer recognised the potential in what was a cluster of rubber plantations in the late 1980s and stamped its mark on the area.

Mont'Kiara is today one of Kuala Lumpur's top residential addresses and home to the city's largest expatriate population. Sunrise remains one of the biggest landowners in Mont'Kiara, with an estimated 80 acres still undeveloped.

Sunrise also has land in Seremban, Kajang, Mersing, downtown Kuala Lumpur and Canada.

HIGHEST RETURNS TO SHAREHOLDERS AWARD

PROPERTIES

MAH SING GROUP

Reaping the rewards of niche development and quick turnaround strategy

BY CHONG JIN HUN

The evolution of Mah Sing Group Bhd is a compelling story. From its early beginnings as a trader in plastic products more than 40 years ago, it has transformed itself into one of the country's top property developers.

Mah Sing marked an important milestone when it won *The Edge* Billion Ringgit Club Highest Returns to Shareholders Award in the property sector. Between end-March 2007 and end-March 2010, its share price rose an average of 11.1% a year when many other property stocks tumbled.

Under the stewardship of group managing director and chief executive Tan Sri Leong Hoy Kum, Mah Sing has grown steadily.

It performed well in the past three years, with revenue rising 41.6% from RM495.6 million in FY2006 to RM701.6 million in FY2009 and net profit growing 44.2% from RM65.4 million to RM94.3 million in the same period. The group registered a compound annual growth rate of 51% in net profit between FY2002 and FY2009.

"This is the fruit of our niche development and quick turnaround strategy," Leong tells *The Edge*.

Mah Sing's portfolio of real estate projects has expanded more than twofold in the past four years, from 10 to the current 26.

Its residential properties include the Legenda, Residence and Perdana series while its high-rise homes come under Icon Residence and M-Suites.

In Malaysia, Mah Sing has a presence in the Klang Valley, Penang and Johor. According to Leong, the developer is constantly on the lookout for prime landbank in these areas as well as in Sabah. Outside Malaysia, it is scouting for opportunities in countries like China, Vietnam, Singapore and Australia.

Looking ahead, Leong says Mah Sing will continue to adopt its three-pronged approach.

"We will continue our niche, quick-turnaround development model for our residential, commercial and industrial series as it is profitable and cash-generative.

"With our low net gearing, we are targeting to acquire a large tract of strategic landbank over the next two years, and we will continue to explore overseas expansion to drive future earnings growth," he adds.

Mah Sing started FY2010 on a good note. In the first three months, it raked in RM601 million worth of property sales, which is 60% of its full-year sales target of RM 1 billion.

As at March, registered unbilled property sales totalled some RM1.1 billion. This is nearly twice the revenue recognised from the property division in FY2009 and will ensure earnings visibility for the next one to two years.

Despite being in a cyclical sector, Mah Sing was resilient during the recent global financial crisis. In FY2009, it chalked up property sales of RM727 million, surpassing its initial target of RM453 million. Revenue climbed 7.7% to RM701.6 million while net profit rose 1.2% to RM94.3 million.

Cash is king during an economic downturn, and Mah Sing's relatively strong balance sheet enabled the group to capitalise on the opportunity to acquire six pieces of prime land in 2009 with a potential combined gross development value of RM2.3billion, says Leong.

Despite concerns over the ongoing sovereign debt crisis in Europe, Leong believes the impact of the crisis on Malaysia could be muted as growth in Asia should be aided by robust domestic demand and intra-regional trade.

"Our long-term vision is to be a world-class regional developer. We will do that by building exceptional spaces and creating premier lifestyles both in Malaysia and overseas. And we will continue to build iconic architecture in the region," Leong says.

It will be interesting to see where Leong's stewardship takes Mah Sing as the homegrown entity starts to look further afield. E

GROUP MD'S BACKGROUND

Mah Sing Group Bhd's group MD and group chief executive Tan Sri Leong Hoy Kum was appointed to the board on Dec 3, 1991.

He has been on the central committee of the Malaysian Plastics Manufacturers Association since 1986. He has been honorary president of the Young Malaysian Movement Association since 1999 and of The Dramatic Art Society of Malaysia since 1996.

Leong was conferred an honorary Doctor of Philosophy in business administration by Honolulu University, Hawaii, in 2000.

KENNY YAP/THE EDGE

Leong: Our long-term vision is to be a world-class regional developer. We will do that by building exceptional spaces and creating premier lifestyles both in Malaysia and overseas.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	701.56	651.64	573.37	495.63
Profit Before Tax	144.24	136.01	117.71	93.28
Net Profit	94.28	93.17	81.13	65.37
Return on Equity	11.15%	13.50%	12.87%	20.70%

SHARE PRICE

COMPANY BACKGROUND

Incorporated on Dec 3, 1991, Mah Sing Group Bhd is one of Malaysia's leading property developers.

It started out as a trading house and then became a manufacturer of plastics products when it listed on the Second Board of the Kuala Lumpur Stock Exchange in 1992. Mah Sing later diversified into property development and was transferred to the Main Board in 2004. Its plastics business is ongoing and profitable today, although property development has become its focus.

Mah Sing has established a strong brand in medium to high-end landed residential properties, with projects mainly in the Klang Valley, Johor and Penang. The company will undertake a mixed development in the Changzhou enclave of China's Jiangsu province next year.

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

TRADING SERVICES, IPC & TECHNOLOGY

PHARMANIAGA

Growth spurred by higher concession sales

BY JOSE BARROCK

SUHAIMI YUSUF/THE EDGE

Mohamad brings vast corporate finance experience to Pharmaniaga

Healthcare company Pharmaniaga Bhd won *The Edge* Billion Ringgit Club Highest Growth in Profit Before Tax Award in the combined trading services, IPC and technology sectors. Its compound annual growth rate was 60.8% between FY2006 and FY2009, excluding exceptional items.

Pharmaniaga's strong showing is partly due to a low base in FY2006, when pre-tax profit fell to RM27.2 million from RM42.1 million in FY2005. Net profit halved from RM26.9 million to RM12.5 million. Since then, the healthcare company's earnings have climbed, with pre-tax profit reaching a high of RM90.6 million in FY2008, before declining to RM81.4 million in FY2009. Revenue in FY2009 was stagnant at RM1.3 billion.

The recent spurt in growth is attributable to the company's higher concession sales to government hospitals, private sector sales as well as an increase in revenue from the group's listed Indonesian unit PT Millennium Pharmacon International Tbk. Pharmaniaga has 55% equity interest in PT Millennium Pharmacon. It acquired the stake in December 2004, thereby gaining a foothold in the thriving Indonesian market.

Pharmaniaga derives the bulk of its earnings from the trading and distribution of pharmaceutical products, particularly under the concession it holds to privatise the Government Medical Store. Under the concession, held by Pharmaniaga Logistics Sdn Bhd, the company has the exclusive right to manufacture, purchase, store and distribute pharmaceutical and medical products to medical institutions and hospitals under the jurisdiction of the Ministry of Health.

PHARMANIAGA ANNUAL REPORT

With the ownership of Pharmaniaga expected to change soon, it remains to be seen what growth plans its new owners will have. In June 2010, Boustead Holdings Bhd proposed to acquire 86.8% of Pharmaniaga from UEM Group Bhd for RM534 million cash, or RM5.75 per share. This did not come as a surprise as the UEM group and its parent, state-controlled investment arm Khazanah Nasional Bhd, were long reported to be looking to sell off their stake.

It will be interesting to see how Pharmaniaga fares under the stewardship of Boustead Holdings, and what its new growth strategies will be. E

MD'S BACKGROUND

Mohamad Abdullah has been at the helm of Pharmaniaga Bhd as managing director since January 2007. Prior to this, he was the chief financial officer of UEM Land Sdn Bhd from December 2004, and was promoted to chief operating officer in January 2005.

Mohamad had early exposure to investment banking when he was working with Arab-Malaysian Merchant Bank from 1988 to 1991. Prior to his stint at Arab-Malaysian, he was with Azman, Wong, Salleh & Co, an audit firm.

In 1992, Mohamad moved to Kejora Holdings Sdn Bhd, the commercial arm of Kejora Group, as the group's corporate finance and audit manager. He served the company for four years. He joined Park May Bhd as its financial controller in March 1996, and was subsequently promoted to general manager of corporate affairs.

Mohamad then moved on to Faber Group Bhd, an associate company of UEM Group Bhd, and upon being promoted, assumed the position of senior general manager of finance.

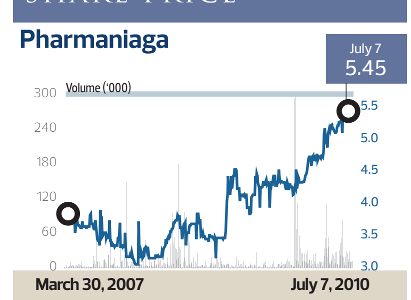
In early 2004, he was promoted to chief financial officer of Faber Group where he played a key role in the group's corporate and debt restructuring. In December 2004, he was transferred to UEM Land.

Mohamad is a member of the Cluster Working Group on Healthcare Biotechnology under Malaysian Biotechnology Corp Sdn Bhd.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	1,300.80	1,305.65	1,183.98	1,057.87
Profit Before Tax	81.44	90.60	77.90	27.20
Net Profit	60.19	60.03	50.08	12.48
Return on Equity	13.98%	15.47%	14.32%	3.95%

SHARE PRICE



COMPANY BACKGROUND

Pharmaniaga holds the concession for the supply of pharmaceuticals to government hospitals, and manufactures generic pharmaceuticals and medical products and equipment.

The company was part of the United Engineers Malaysia (UEM)-Renong group, which was restructured following mounting debts of about RM30 billion. The restructuring plans involved the elimination of cross-shareholdings between UEM and Renong and the paring down of debt.

UEM was privatised by the government in 2001, and a year later it raised about RM2.5 billion from the listing of PLUS Expressways Bhd.

In 2003, UEM completed an asset swap and inter-company debt restructuring with Renong, which was renamed UEM World. UEM World in turn acquired stakes in four listed companies — UEM Builder, Cement Industries of Malaysia Bhd, Kinta Kellas (now known as Opus International Group) and Pharmaniaga — for RM1 billion.

In 2005, UEM World acquired 16% of Pharmaniaga for RM90 million from privately held Raza Sdn Bhd, which triggered a mandatory general offer for the remaining 53.8% of Pharmaniaga that UEM World did not own at RM5.50 a share. This nudged up UEM World's shareholding from 30.3% to about 72.5%.

In 2008, UEM World was restructured, which resulted in Pharmaniaga coming under the purview of UEM Group Bhd, after which UEM Group made another mandatory general offer at RM3.61 a share, which further increased its shareholding to 86.8%.

HIGHEST RETURNS TO SHAREHOLDERS AWARD

TRADING SERVICES, IPC & TECHNOLOGY

BERJAYA LAND

Evolving into a regional developer

BY KATHY FONG

SUHAIMI YUSUF/THE EDGE

Ng has over 28 years' experience in property development and management

Although the company is not on the radar screens of most institutional investors, Berjaya Land Bhd (BLand) has been one of the local bourse's best performing stocks over the past few years. In recognition of this, the company won *The Edge* Billion Ringgit Club Highest Returns to Shareholders Award in the combined trading services, IPC and technology sector.

BLand's return to shareholders, comprising share price gains and dividends, amounted to 68.4% per year over the last three years. In that period, its share price surged from 90 sen to RM4.03.

The stock reached a historical high of RM6.55 in December 2007, but drifted to a low of RM2.88 in late 2009 after the onset of the global financial crisis. Since then, the counter has rebounded and BLand has been hovering in a tight range of RM3.80 to RM4.30.

With the surge in its share price, BLand's market capitalisation has ballooned to over RM5 billion versus RM890 million in early 2007 when the stock was below RM1.

BLand's 51% stake in Berjaya Sports Toto Bhd (BToto) is considered the jewel in its crown. The number forecast operator's (NFO) regular generous dividends come in handy to finance the company's other core businesses, namely property development, hotels and resorts.

For FY2010 ended April 30, BLand posted a net profit of RM301.3 million compared with RM100.3 million in the previous year. Revenue was at RM4.05 billion versus RM4.15 billion the year before. Earnings per share (fully diluted) came in at 8.63 sen compared with a loss per share of 7.8 sen in FY2009.

BToto, whose earnings have been fully consolidated into BLand's accounts, is the biggest contributor to the latter's revenue and profit. For FY2010, earnings from BToto accounted for nearly 98% of BLand's operating profit.

That said, BLand is expecting its overseas projects to contribute significantly to its future growth. "We hope to achieve 40% of contributions from overseas projects, particularly Vietnam, to BLand from year 2013 onwards," says BLand in an email to *The Edge*. "Vietnam will be the most favoured if we consider its demographics and rising urbanisation."

If the company rolls out its projects according to plan, BLand will evolve into a regional property developer sooner or later.

"Our property projects have always been developed in strategic locations, well positioned near local amenities and major highways. We have different development projects to cater to the tastes and needs of different categories of homeowners and investors," says BLand.

"Our strategy is always to be open to good investment opportunities locally and overseas, both in emerging markets as well as developed ones. The property development arm of the group is certainly expected to progress even further and actively contribute to the total revenue of the company in the years to come," it adds.

Analysts reckon that the economic recovery generally augurs well for property developers, including BLand, which could possibly see improved earnings as it starts to launch more projects at home and abroad.

Some analysts see BLand's intrinsic value residing in its property projects abroad, particularly in Vietnam, where the company has secured five property projects with a gross development value (GDV) of up to US$10 billion (RM35 billion), which will keep the company busy for the next 8 to 10 years.

Based on the GDV of US$10 billion over 10 years, BLand could possibly see an average contribution of US$1 billion to revenue from Vietnam if the projects progress as scheduled. This would certainly give BLand's earnings a big boost.

Among the projects in Vietnam are the Vietnam Financial Center, a mixed development with an estimated GDV of US$1.93 billion, the Vietnam International University Township development, which is expected to generate a GDV of US$7.5 billion, and a mixed development known as Berjaya Nhon Trach New City with a GDV of US$2 billion.

Elsewhere, BLand is building a mega-shopping-cum-entertainment centre called Great Mall of China in Hebei province. Its estimated GDV is about RMB3 billion (RM1.42 billion). In South Korea, BLand is developing a holiday resort called Berjaya Jeju Resort on Jeju Island with a GDV of US$3.5 billion.

On the local front, BLand's development projects include The Ritz Corporate Suites, a freehold Grade A property located in Kuala Lumpur, The Berjaya Park township in Shah Alam, and 1Petaling Residences & Commerz in the Sungei Besi area, also in Kuala Lumpur.

"As the global economy gradually recovers, we expect foreigners, especially from Singapore and Indonesia, to invest in the property market in Malaysia as the reasonably good quality properties here are considered to be undervalued compared to those in other countries in Asia," says BLand.

As for its hotel division, in the past four years, BLand has added two five-star hotels in Hanoi — the Intercontinental West Lake Hanoi Hotel (349 rooms) and Sheraton Hanoi Hotel (299 rooms) — and one boutique hotel in the KL city centre — Piccolo Hotel (168 rooms).

CEO'S BACKGROUND

BLand's CEO Datuk Francis Ng Sooi Lin has been with the company since 1994. He was appointed to the board on March 28, 2003, as an executive director and made CEO on Dec 21, 2006. Ng holds a Bachelor of Engineering degree from the University of Liverpool and a Full Technology Certificate from the City & Guilds of London. He is also a member of the Institute of Electrical Engineers, UK (M.I.E.E.) Chartered Engineers.

An engineer by profession, Ng has over 28 years of experience in the field of property development and management.

Prior to his appointment as executive director of the company, Ng was the senior general manager of group properties and development. He also holds directorships in several companies in the Berjaya group.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	4,150.99	1,516.09	538.37	561.54
Profit Before Tax	225.92	1,119.74	-5.96	99.96
Net Profit	-97.71	1,110.76	41.70	89.07
Return on Equity	-1.94%	21.29%	2.02%	4.87%

SHARE PRICE

COMPANY BACKGROUND

Berjaya Land (BLand) Bhd, the property arm of Berjaya Corp Bhd, was incorporated in 1990. The NFO business is currently its key earnings contributor. BLand is involved in property development as well as hotels and resorts development and vacation timeshare. Its unit Berjaya Hotels and Resorts (BHR) is one of the biggest resort owners and operators in the country in terms of number of rooms (3,800).

E

HIGHEST RETURN ON EQUITY AWARD

TRADING SERVICES, IPC & TECHNOLOGY

BERJAYA SPORTS TOTO

Staying ahead in the NFO game

BY KATHY FONG

PATRICK GOH/THE EDGE

Apart from being at the helm of BToto, Tan holds several positions in the Berjaya group

Among the companies listed under trading services on Bursa Malaysia, Berjaya Sports Toto Bhd (BToto) generated the highest return on equity (ROE) over the last three years, and won *The Edge* Billion Ringgit Club Highest Return on Equity Award in the sector.

BToto, the most profitable company in the Berjaya group, achieved a weighted ROE of 87.8%, outshining not only its rival Tanjong plc, but also Multi-Purpose Holdings Bhd and casino operator Genting group.

Such high ROE speaks well of the company's capital management. The two rounds of capital repayment in mid-2000 that saw spare capital returned to shareholders helped boost BToto's ROE. With the giving of inter-company loans within the Berjaya group becoming a thing of the past, BToto's ROE has improved significantly, analysts say.

"Sports Toto (Malaysia Sdn Bhd) has been the market leader among the NFOs [number forecast operators] in Malaysia in terms of total revenue since 2005 and has maintained this position since then," says the company in an email interview.

BToto says it is constantly reinventing and modifying its games in response to changing consumer preferences so as to ensure that its games remain relevant and attractive to customers.

Sports Toto's direct rivals are Magnum Corp Sdn Bhd and Pan Malaysian Pools Sdn Bhd.

BToto's revenue exceeded RM3 billion in FY2007 and has climbed steadily since then. It rose to RM3.69 billion in FY2009 from RM3.03 billion in FY2007.

The company's profit rose in tandem with the higher revenue during that period. The NFO's profit attributed to shareholders grew to RM413.5 million in FY2009 from RM375.7 million in FY2007 while its net earnings per share (EPS) rose to 32.93 sen in FY2009 from 29.05 sen in FY2007.

In terms of earnings growth, the NFO may not have a sexy story to tell compared with the others as its revenue usually grows in line with the domestic economy.

CEO'S BACKGROUND

In December 2006, Datuk Robin Tan took over BToto from his father Tan Sri Vincent Tan and became CEO of the company.

Tan, 36, graduated with a Bachelor of Social Science degree in accounting/law from the University of Southampton, UK, in 1995. He joined Berjaya Group Bhd in the same year as an executive and subsequently became the general manager of corporate affairs in 1997. He was appointed to the board on Feb 21, 1998, as an executive director.

Currently, Tan is also the chairman of Berjaya Media Bhd, MOL.com Bhd, Berjaya Food Bhd and Sun Media Corp Sdn Bhd, and an executive director of Berjaya Corp Bhd (BCorp) and Sports Toto Malaysia Sdn Bhd.

But the appeal of the gaming business is its resilient earnings. "The financial crisis in late 2008/09 and the current economic turmoil in Europe have had minimal impact on Sports Toto as the NFO market is largely domestic and resilient in nature; furthermore, lottery products are small-ticket items," says BToto.

Looking back at the past decade, BToto's revenue has grown 45% from RM2.33 billion in FY2000 while net profit has risen 50% to RM254.5 million.

BToto's dividend is equally impressive. Its annual cash flow of over RM400 million has enabled the company to be generous in dividend payments.

Between FY2007 and FY2010, BToto paid out total dividends of RM1.39 per share.

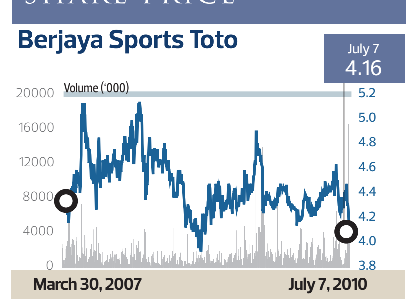
Moving forward, BToto says it will seek to have a bigger presence in new lottery markets in Asia. "Internationally, BToto will continue to evaluate lottery opportunities in new markets," it adds.

In December last year, BToto acquired a 20% stake in Berjaya Lottery Vietnam Ltd from Berjaya Corp Bhd (BCorp). Many see this deal as paving the way for BToto to venture into the Vietnamese market should BCorp secure the NFO licence in that country. E

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	3,695.69	3,277.80	3,035.29	2,938.32
Profit Before Tax	585.54	502.63	545.33	571.91
Net Profit	413.55	348.66	375.69	464.53
Return on Equity	85.63%	105.44%	89.82%	37.53%

SHARE PRICE



COMPANY BACKGROUND

Berjaya Sports Toto is the largest number forecast operator (NFO) in the country in terms of branch network — it has 680 outlets nationwide — and has the most variety of lotto games.

The company was incorporated on Nov 24, 1969, and listed on the Main Board of Bursa Malaysia on May 4, 1972. The principal activities of its subsidiary companies include number forecasting in Malaysia via Sports Toto, leasing of online lottery equipment in the Philippines via Philippine Gaming Management Corp, and the manufacture and distribution of computerised lottery and voting systems in the US via International Lottery & Totalizator Systems Inc. Its key markets are Malaysia and the Philippines.

Sports Toto offers three digit games and three lotto games.

BILLION RINGGIT Club

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

HIGHEST RETURN ON EQUITY AWARD

HIGHEST RETURNS TO SHAREHOLDERS AWARD

CONSTRUCTION

MUDAJAYA

Proof that size does not matter

BY NADIA S HASSAN

PATRICK GOH/THE EDGE

Mudajaya Group Bhd's success in the construction sector disproves the old saying that bigger is better. This mid-sized player managed to sweep all three *The Edge* Billion Ringgit Club sectoral awards in the construction sector, beating its far larger competitors with their much deeper pockets and bigger order books.

Mudajaya garnered awards for producing the highest returns to shareholders (61.8% per year), highest growth in profit before tax (74.3% per year) and highest return on equity (26.7% on a weighted basis). Its pre-tax profit increased from RM31.3 million in FY2006 to RM165.7 million in FY2009 while its share price rose fourfold.

This low-key company has been in the limelight only recently after its foray into India, where it holds a 26% stake in RK Powergen Pvt Ltd. This deal came about in April 2006 when RK Powergen signed an agreement with the government of Chhattisgarh for a 1,440MW coal-fired power plant. In one fell swoop, this transformed Mudajaya from a simple construction company into an independent power producer.

"We have realised our plan to diversify our earnings stream and become a global player by securing contracts worth RM3.4 billion in India and RM190 million in Vietnam," says managing director Ng Yin Loong.

Mudajaya's efforts to branch out overseas have paid off as can be seen in its latest financial results. The company saw a 164.3% jump in net profit to RM119.2 million in FY2009 from RM45.1 million in FY2008. Revenue for the period rose to RM720 million from RM422.4 million. For FY2007, it posted a net profit of RM30.1 million on the back of RM274 million in sales.

The company has a healthy balance sheet, with a cash pile of RM295 million and zero borrowings, thanks to a recent private placement exercise. Analysts note that its dividend payout is still low, but when recurring income from its Indian IPP kicks in post-2012, Mudajaya shareholders will most likely see an increase in payouts.

The company's share price was trading at RM4.89 on March 31, 2010. It rallied only recently after investors started to reassess its prospects. The stock rose to a high of RM5.55 on Feb 18 this year from a low of RM1.50 in July 2009. All four research houses covering the counter have "buy" calls on the company, with target prices ranging from RM5.80 to RM7.94.

Ng: The company is aiming for a market capitalisation of more than RM10 billion in 10 years, and to eventually have a bigger presence as an IPP

Mudajaya has also made known its aspirations to widen its overseas reach. The company is looking to break into Indonesia, Indochina and the Middle East, according to Ng. The projects the group is vying for include a RM400 million IPP in Laos and a RM300 million exploration and production concession contract (EPCC) in Indonesia.

On the home front, Mudajaya is one of the contractors shortlisted for the much-anticipated LRT extension project. Its most recent local contracts involve building a hospital in Penang and a low-cost hotel in Johor. According to reports, Mudajaya is aiming to secure at least another RM1 billion worth of contracts by year-end. Its order book stood at RM6.6 billion as at end-June.

"The company is aiming for a market capitalisation of more than RM10 billion in 10 years, and to eventually have a bigger presence as an IPP with some experience in renewable energy," says Ng.

A lofty goal for sure, but Mudajaya has certainly been on a sprint as far as its earnings and share price performance are concerned. E

MD'S BACKGROUND

Ng Ying Loong, 56, was appointed managing director of Mudajaya in 2004. He has been managing director of Mudajaya Corp Bhd (MCB) since 1991.

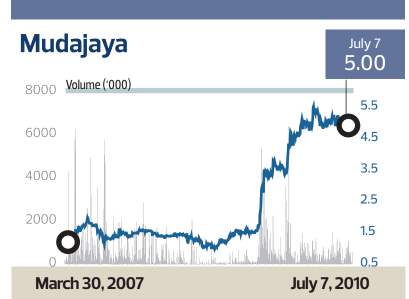
Ng graduated with a Bachelor of Science degree in civil, structural and environmental engineering from University College London, the University of London, UK, in 1977 and obtained a Master of Business Administration from Golden Gate University, US, in 1986. He is also a member of the Institute of Engineers Malaysia.

Ng joined MCB in 1977 and served in various capacities until 1988. Subsequently, he left MCB to join Pengurusan Lebuhraya Bhd before returning to MCB in 1991.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	719.97	422.38	273.98	285.93
Profit Before Tax	165.67	65.43	42.04	31.27
Net Profit	116.90	45.12	30.14	16.26
Return on Equity	31.41%	16.60%	12.93%	10.88%

SHARE PRICE



COMPANY BACKGROUND

Mudajaya's roots go back to 1965 when its main operating arm, Mudajaya Corp Bhd (MCB), was incorporated as Chye Hin Construction Company Ltd before taking on its present name in 1997.

Mudajaya Group Bhd, the holding company of MCB, was listed on the Main Board of Bursa Malaysia in 2004. Its principal business activities include construction; engineering procurement, construction and commissioning (EPCC); manufacturing and power. The construction activities are primarily undertaken by MCB. Within the manufacturing division, the company produces precast concrete products, ready-mixed concrete and quarry products.

Its largest shareholder is currently Dataran Sentral (M) Bhd, with 24.43% equity interest, followed by the Mulpha group with 21.45%.

HIGHEST GROWTH IN PROFIT BEFORE TAX AWARD

CONSUMER PRODUCTS

TRADEWINDS (M)

Spectacular growth even before the acquisition of rice distributor Bernas

BY JOSE BARROCK

Tradewinds (M) Bhd, which won *The Edge* Billion Ringgit Club Highest Growth in Profit Before Tax Award in the consumer products sector, hogged the limelight last year when it announced plans to buy a controlling stake in rice distributor Padiberas Nasional Bhd (Bernas) at RM2.08 a share. It forked out a whopping RM710 million and ended up with 72.6% equity interest in the rice distributor.

The acquisitions were done in two tranches, the first being a 31.52% stake from Hong Kong-based Wang Tak Co Ltd, which was concluded on Nov 2, 2009, and the second, an additional stake of 22.24%, which was concluded in January this year.

The acquisition of Bernas had an immediate impact on Tradewinds' bottom line and diversified the company's earnings, which were derived largely from palm oil and sugar, to include rice, a staple part of the Malaysian diet.

The company is confident that the acquisition of Bernas will bear fruit. In its annual report for FY2009, chairman Datuk Wira Syed Abdul Jabbar Syed Hassan says: "It is my conviction that the best years of the company are just ahead."

For its first financial quarter of FY2010 ended March, Tradewinds posted a net profit of RM77.27 million on the back of RM1.3 billion in revenue, in contrast to RM8.93 million in net profit from RM354.56 million in revenue for the previous corresponding period.

During the three months in review, Tradewinds' earnings per share surged more than tenfold to 26.4 sen from 2.61 sen a year earlier.

While the company is expecting to reap the benefits of its acquisition of Bernas, Tradewinds' growth over the past three years or so, prior to the acquisition, has been nothing short of spectacular.

For FY2009, Tradewinds raked in some RM245.87 million in pre-tax profit on the back of RM2.07 billion in revenue, compared with a pre-tax profit of RM65.24 million on the back of RM1.15 billion in revenue in FY2006.

Much of this came about from two acquisitions. In 2006, Tradewinds' plantation business was merged with that of Johore Tenggara Oil Palm Bhd (JTop).

In May 2004, Tradewinds and JTop announced a proposed merger involving 14 of Tradewinds' plantation assets with JTop. The merger took shape via JTop buying Tradewinds' plantation business, issuing shares worth RM590.64 million and irredeemable convertible loan stocks worth RM96.5 million to Tradewinds and the merged entity assuming inter-company advances from Tradewinds to Tradewinds Plantation.

The merger was completed in February 2006, with the listing status of JTop being taken over by Tradewinds Plantation, which debuted on March 15, 2006.

Tradewinds Plantation is a 69.76% unit of Tradewinds and after the merger, has some 140,000ha of mainly oil palm plantations. Tradewinds' stellar growth was also due to the acquisition of Gula Padang Terap Sdn Bhd for RM188 million cash from Jalinan Semangat Sdn Bhd, Perbadanan Kemajuan Negeri Kedah and PPB Group Bhd, which was completed in November 2006.

Of the four sugar refineries in the country Gula Padang Terap and Central Sugar Refinery Sdn Bhd are under Tradewinds' banner.

Jalinan Semangat has given an after-tax profit guarantee of RM58.4 million for the cumulative three years from September 2004 to September 2006. E

GROUP MD'S BACKGROUND

Bakry Hamzah, 52, was appointed non-independent non-executive director of Tradewinds (M) Bhd in April 2007, and was redesignated non-independent executive director and group managing director in February 2010.

He served as a director of the company from Aug ust 2002, to March 2003, before being appointed chief operating officer of Tradewinds (M) in April 2003.

Bakry was later appointed the CEO of the company from December 2005 until April 2007.

He began his career as assistant director of marketing in Lembaga Padi dan Beras Negara. Subsequently, he became the operations manager of Bukhary Holdings Sdn Bhd before joining Juara Niaga Sdn Bhd as general manager.

In 1989, Bakry joined KYD Brake Centre Sdn Bhd as general manager prior to becoming the head of business development of Aero Mutiara Sdn Bhd.

He was also the executive director of Latitude Tree Holding Bhd and a director of Oriental Food Industries Bhd and MarDec Bhd.

Bakry is currently a director of Tradewinds Plantation Bhd and the managing director of Bernas.

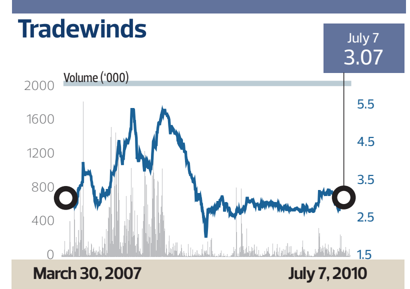
TRADEWINDS ANNUAL REPORT

Bakry began his career as assistant director of marketing in Lembaga Padi dan Beras Negara

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	2,067.57	1,767.57	1,690.84	1,151.15
Profit Before Tax	224.15	298.81	253.62	65.24
Net Profit	134.83	160.74	147.65	46.64
Return on Equity	9.15%	11.70%	11.68%	4.03%

SHARE PRICE



COMPANY BACKGROUND

Tradewinds (M)'s plantation business, held mainly under 69.76% unit Tradewinds Plantation, is its mainstay, although the company also has interests in the manufacture of sugar and distribution of rice.

Tradewinds formerly came under the banner of Tradewinds Corp, which was previously known as Pernas International Holdings Bhd.

In 2002, a private company — Restu Jernih Sdn Bhd which is linked to tycoon Tan Sri Syed Mokhtar Al-Bukhary — acquired 32% of Pernas for RM497 million or RM2.10 per share and 64 sen per warrant from Perbadanan Nasional Bhd. This was at a massive premium to the prices of the company's shares and warrants at the time. In July 2004, Pernas changed its name to Tradewinds Corp.

In 2008, Tradewinds Corp sold its 157.19 million shares or 53.02% stake in Tradewinds (M) to shareholders at an offer price of RM3.80 per share, on the basis of 142 Tradewinds (M) shares for every 1,000 Tradewinds Corp shares held.

This resulted in Syed Mokhtar controlling 43% of Tradewinds (M).

HIGHEST RETURNS TO SHAREHOLDERS AWARD

CONSUMER PRODUCTS

TAN CHONG MOTOR HOLDINGS

People, people, people the secret of its success

BY TONY GOH

Tan Chong Motor Holdings Bhd won *The Edge* Billion Ringgit Club Highest Returns to Shareholders Award in the consumer products sector.

Its returns to shareholders, comprising share price gains and dividends, averaged 48.7% per year, between end-March 2007 and end-March 2010. In this period, Tan Chong's share price surged three-fold, from RM1.12 to RM3.73, while shareholders received 25 sen in dividends.

The share price gains reflect Tan Chong's improving financial performance as well as rising investor interest and recognition for the company.

Tan Chong's pre-tax profit rose from RM86 million in FY2006 to RM307.2 million in FY2008, before declining to RM176.8 million in FY2009. Its return on equity jumped from 5.2% in FY2006 to a record 18.5% in FY2008, before declining to 10.4% in FY2008. Net profit margin improved to 5.4% in FY2009 from just 2.8% in FY2006 while dividend per share more than doubled to 11 sen last year from five sen in 2006. The company had low gearing of just 7.3% as at Dec 31, 2009.

In a written interview, Tan Chong's deputy executive chairman Datuk Tan Heng Chew tells *The Edge* that 2008 and 2009 were the company's best years in terms of profit and market share gain.

"Our trade secret is our indomitable culture manifested in our people. It's people, people, people for our business just like it's location, location, location for real estate. We grow via reinvestments in capacity, people and technology. In 2008, we doubled in size and scope," Tan says.

"This year should bring a new record. And in 2013, we hope to double yet again. Without the pillars of reinvestment and high savings, there will be inadequate capital — both human and financial — to step up without slipping," he adds.

One of the most testing times for the company in recent years was in 2009, when Tan Chong faced a double whammy from a weakening ringgit and weak underlying demand. This caused a three percentage point decline in pre-tax margins. This year, 2010, has started to show a significant reversal of that trend — both in terms of volume and in particular, currency — which is expected to give margins a strong lift.

Around 40% of Tan Chong's operating cost is denominated in foreign currency, mainly involving purchases of raw materials. Of this amount, some 60% is denominated in US dollars, which is mainly for completely built-up and completely knocked-down purchases within Asean.

Yen-denominated purchases, which are limited to direct transactions with its principal Nissan Motor Co Ltd in Japan, took up the remaining 40%.

"To the end customer, we represent a household name that is reliable, longstanding and trusted. Whatever headwinds we face externally are beyond our control. But we can control our response to the crisis and that's where we make a difference to our stakeholders," Tan observes.

Tan Chong's vehicle brands, mainly Nissan and Renault, have a combined 6% share of total industry volume, with the company targeting a double-digit market share in the next four years. "We are also building depth in terms of Tier 1 parts supply and wider distribution infrastructure. The result of these investments will only be evident in three to five years," Tan says.

The company's main plant in Serendah is expected to increase operation time to two shifts by June, from a stretched single shift operation currently. This will increase output to 2,400 units per month from 1,440 units per month, or by 67%. The double shift operation is expected to run full steam from next year.

On its future plans, Tan says the group is looking at going beyond the comfort of its local component manufacturing and vehicle assembly business.

"We are increasingly becoming a supply chain company with end-to-end capability from managing our suppliers and the flow of parts from China, Thailand and Indonesia to Malaysia and one day, from Malaysia to Japan and the rest of the world," he adds.

Tan says the company, which will celebrate its 60th anniversary in 10 years' time, has evolved into an organisation that has grown from a local agency business to a regional one with a lot more depth. ■

DEPUTY EXECUTIVE CHAIRMAN'S BACKGROUND

Datuk Tan Heng Chew, 63, is the son of the late Tan Sri Tan Yuet Foh, one of the co-founders of the Tan Chong group. He has been with the Tan Chong group of companies since 1970, and was a key figure in the establishment of the auto parts division in the 1970s and early 1980s.

Tan was appointed to the board of Tan Chong in 1985, and assumed the position of executive deputy chairman in January 1999.

He graduated from the University of New South Wales, Australia, with a Bachelor of Engineering (Hons) degree and has a master's degree in engineering from the University of Newcastle, Australia.

Tan's younger brother, Tan Eng Soon, a Singapore citizen with Malaysian permanent residence status, is Tan Chong's managing director and runs the day-to-day operations of the company.

PATRICK GOH/THE EDGE

Tan: Whatever headwinds we face externally are beyond our control. But we can control our response to the crisis and that's where we make a difference to our stakeholders.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	2,856.89	3,195.83	1,863.18	2,109.04
Profit Before Tax	176.85	307.21	123.07	85.96
Net Profit	152.34	245.80	99.57	59.97
Return on Equity	10.07%	17.29%	8.08%	5.15%

SHARE PRICE

COMPANY BACKGROUND

Since its establishment in 1957, Tan Chong Motor Holdings Bhd has been instrumental in the growth of the country's automobile industry. The name "Tan Chong" is synonymous with the Nissan brand of vehicles in Malaysia.

The company's main activities include assembly, sales and distribution of motor vehicles, including passenger cars, light commercial vehicles, trucks and buses, mainly of the Nissan and Renault brands. Tan Chong also provides financial products and services such as hire purchase, leasing, insurance, and undertakes property management and investment.

HIGHEST RETURN ON EQUITY AWARD

CONSUMER PRODUCTS

BRITISH AMERICAN TOBACCO

Still tops despite industry headwinds

BY NADIA S HASSAN

BRITISH AMERICA TOBACCO ANNUAL REPORT

British American Tobacco (M) Bhd is no stranger to awards. Even with the controversial, and lately unpredictable, nature of its industry, the company is still held up as a good example of a defensive pick as it sits on top of a large cash pile of RM433.3 million.

With its strong branding, low capex needs and high dividend payouts, it is no surprise that BAT won *The Edge* Billion Ringgit Club Highest Return on Equity Award in the consumer products sector, with a weighted ROE of 185.6% over the past three years.

BAT is renowned for its generous dividends. For FY2009, it paid out RM673.9 million to shareholders, or a hefty RM2.36 per share.

The company is the undisputed market leader in tobacco in Malaysia, with a 60% market share, anchored by its Dunhill brand. Dunhill saw its market share rise from 39% in 2005 to 43.5% in 2009 while its other brands like Kent and Pall Mall also showed growth. BAT honoured its roots recently when it relaunched, on a small scale, the Peter Stuyvesant brand in the local market.

However, there is no question that it has been a difficult year for BAT, with the landscape of the industry in a state of flux. Although yearly increases in excise tax on cigarettes are the norm, the past couple of years have seen the government stepping up its efforts to curb smoking among the younger generation. This includes a ban on the small packs of cigarettes, which was due to see implementation on June 1, only to have the government do an about-face, delaying the ban to carry out further research on the matter. However, amid a public outcry, the government returned to its original stance a few weeks later.

Of all the players, BAT had the most to lose from the 14-stick ban, given its dominance in the segment. Indeed, the company had warned that it would see a drop of RM80 million in operating profit from the ban. But in the same breath, the company added that it would take necessary steps to soften the blow, which includes lowering its cost base, enhancing the quality of its products, increasing its time-to-market as well as improving the overall effectiveness of its operations.

Even so, for its 1QFY2010 ended March 31, BAT saw its revenue increase marginally to RM1.01 billion from RM1 billion the previous year. However, net profit declined to RM191.9 million from RM205.9 million previously. From FY2007 to FY2009, BAT's net profit ranged from RM731.9 million to RM811.7 million.

Toh is the first Malaysian to hold the managing director's post at BAT

Aside from the government flip-flopping on regulations, the biggest issue facing BAT and its peers is the proliferation of illicit cigarettes. Following the 2008/09 global financial crisis, a drop in consumer spending saw a number of consumers switching to cheaper alternatives. A 50% spike in illicit trade has resulted in contraband cigarettes now holding a 37.5% market share, according to statistics from the Malaysian Customs Department. This caused volume in the legal cigarette industry to decline by 11.2% in 2009.

Nonetheless, BAT is still expected to maintain its position as market leader. The company is strengthening its portfolio of brands and market share, as evidenced by the recent reintroduction of Peter Stuyvesant as a value-for-money brand.

BAT is also banking on its substantial distribution network, which enables the company to reach about 90,000 retailers throughout the country. E

MD'S BACKGROUND

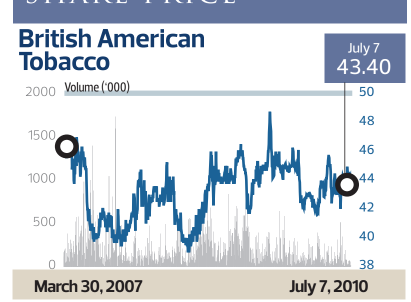
British American Tobacco marked another milestone when it appointed William Toh as its managing director in November 2009, the first time a Malaysian has held the post. Toh took over from Jack Bowles, who was appointed in 2007 and has since been promoted to regional director of Western Europe for British American Tobacco plc.

Toh holds a Bachelor of Commerce degree from Concordia University in Montreal, Canada. He joined Rothmans of Pall Mall (M) Bhd in 1981 as a management trainee and held various marketing roles. Toh joined BAT in 1999, after the merger of Rothmans of Pall Mall (M) Bhd and Malaysian Tobacco Company Bhd, and held various positions in China and Southeast Asia before being promoted to managing director.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	3,923.42	4,135.22	3,830.87	3,612.48
Profit Before Tax	1,005.31	1,081.17	1,002.90	1,001.95
Net Profit	746.78	811.68	731.93	719.68
Return on Equity	170.00%	199.69%	211.59%	130.42%

SHARE PRICE



COMPANY BACKGROUND

British American Tobacco (M) Bhd was formed from the merger of Rothmans of Pall Mall (Malaysia) Bhd and Malaysian Tobacco Company Bhd in November 1999, which created the country's biggest tobacco company. BAT has a combined history of over 90 years in Malaysia, going back to 1912.

BAT is currently the market leader in the Malaysian tobacco industry, with about 60% market share. It manufactures and markets high quality tobacco products, including well-established international names such as Dunhill, Kent, Pall Mall and Peter Stuyvesant. It also undertakes contract manufacturing for export markets such as Taiwan, Hong Kong, Singapore, Australia and New Zealand.

HIGHEST RETURN ON EQUITY AWARD

INDUSTRIAL PRODUCTS

KOSSAN RUBBER INDUSTRIES

Product differentiation the key to its achievements

BY ISABELLE FRANCIS

PATRICK GOH/THE EDGE

Lim: Key to Kossan's success is its belief in continuous business transformation and improvement via R&D

Malaysian latex glovemakers have made their mark on the world, making this sector one of the country's greatest entrepreneurial success stories.

Kossan Rubber Industries Bhd is one of the world's largest latex glove manufacturers, with an annual production capacity of 12 billion pieces. It is the recipient of *The Edge* Billion Ringgit Club (BRC) Highest Return on Equity Award in the industrial sector. Its weighted ROE was 21.4% from FY2006 to FY2009.

Kossan's growth over the past four years has been nothing short of robust. Revenue grew at a compound annual growth rate (CAGR) of 23% while pre-tax profit increased at a CAGR of 43%. In FY2009, the company reported a net profit of RM67.3 million on the back of RM837 million in revenue.

The company, which already boasts the highest utilisation rate among its peers, is aiming to expand its production capacity by 20% to 25% per year over the next two to three years, CEO and managing director Lim Kuang Sia tells *The Edge*. He says the company has outlined four phases of expansion in its business growth master plan. "Once completed, our current glove production capacity of 12 billion pieces will expand by over 50% by 2012."

Kossan recognises the fact that a shortage of manpower, increasing utility and energy costs, rising raw material prices and exchange rate volatility will erode the overall competitiveness of the entire glove industry in Malaysia. To tackle these challenges, Lim says the company has taken steps that emphasise four elements — R&D, process automation and optimisation, business process computerisation and employee training.

"Key to Kossan's success is its belief in continuous business transformation and improvement via R&D to develop products that are new in the market and have additional features, enabling a slight price premium compared with the conventional ones. New products will be patented to deter duplication by competitors," he explains.

The company's efforts to develop more products, with increased efficiency, have boosted the its bottom-line growth. To minimise a possible risk of excess capacity, the company has successfully made changes to, and improved its product mix.

For example, says Lim, Kossan completely changed its product mix, which was initially slanted towards powdered natural rubber gloves. Its product mix now is geared towards the powder-free and nitrile segments, which offer better profit margins.

These products, Lim explains, are more difficult to produce and face less competition compared with the powdered segment, which is generally perceived as lower end.

Kossan was not affected by the recent global financial crisis, thanks to its strong fundamentals, market positioning and relatively recession-proof demand for gloves.

In fact, says Lim, the company has delivered consistent double-digit annual growth in revenue and profit over the last five years despite the various challenges brought on by rising raw material prices, higher energy tariffs and a strengthening ringgit.

On its future, Lim says Kossan will continue to go from strength to strength, not only in terms of size and financial position, but also technological capability. He wants the company to emerge as a market leader in premium-grade gloves and become the preferred choice of renowned multinational companies. E

CEO'S BACKGROUND

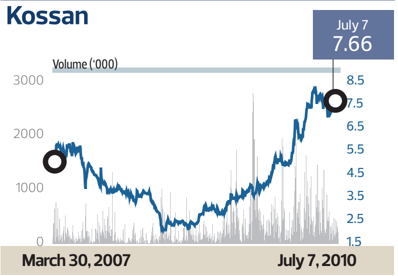
Lim Kuang Sia, 58, graduated from Nanyang University of Singapore in 1975 with a Bachelor of Science degree in chemistry. He also holds a Master of Science degree in chemical engineering from Imperial College, London, and a post-graduate diploma in chemical engineering from University College, London.

After graduating, Lim joined a company that produced drafting paper for architectural drawings in Prai as a chemist for 18 months before he set up Kossan. From these humble beginnings, a major global glovemaker was born.

4-YEAR FINANCIALS

RM MIL	FY2009	FY2008	FY2007	FY2006
Revenue	836.97	897.19	702.64	571.28
Profit Before Tax	87.40	72.91	58.32	48.45
Net Profit	66.80	58.64	55.09	46.15
Return on Equity	18.69%	19.62%	21.91%	22.46%

SHARE PRICE



COMPANY BACKGROUND

Kossan Rubber Industries Bhd, incorporated in 1979, was listed on what was the Second Board of the then Kuala Lumpur Stock Exchange in 1996. It moved to the Main Board of Bursa Malaysia in 2003.

The company is one of the largest latex glove manufacturers in the world, with an annual production capacity of 12 billion pieces. More than 95% of its gloves are produced for medical use, with powder-free and nitrile gloves making up 80% of its total product mix.

Kossan is a major original equipment manufacturer for many renowned pharmaceutical MNCs in developed countries, including the US, the UK, Western Europe, Australia, Japan and South Korea. These markets consume more than 80% of its annual glove capacity.

The company also manufactures a range of technical rubber products for application in the automotive, marine, civil engineering and construction industries. Some 60% of this division's revenue comes from exports.

THE JUDGES

"*The Edge* BRC is interesting as it is a kind of peer review on corporations that have done well in terms of wealth creation which is a fundamental issue. In judging the winners, I found that some companies have clearly articulated their CSR programme, and not merely as a compliance to expectations of regulators and listed rules. There is an authentic commitment on their part." — Philip Koh

"While many Billion Ringgit Club companies need to move beyond just mere philanthropy when it comes to CSR, it is heartening to note that there are some with very integrated and focused strategies that are closely tied to their core business. The weightage attached to the CSR component and the annual nature of The Edge Billion Ringgit Club Corporate Awards will, I hope, help motivate and inspire BRC members to strengthen and improve their CSR programmes." — Dorothy Teoh

"This is a very important event for corporate Malaysia and so I'm indeed honoured to be a part of it. I think we need to showcase our companies and this event certainly serves to showcase those that have achieved certain milestones. It's very good for the company because it provides that sort of profile and exposure about them. At the same time, it is good for investors because they get to know and understand these companies better." — Selvarany Rasiah

"The judging process was very objective and transparent. What is interesting is that since the CSR component is quite heavily weighted, it gives all the BRC companies a chance to win awards, not just the big RM20 billion to RM30 billion ones, but also the RM2 billion or RM3 billion ones." — Jeffrey Chew

The judges for the Company of the Year corporate social responsibility component were Jeffrey Chew Sun Teong, CEO of OCBC Bank (Malaysia) Bhd; Selvarany Rasiah, chief regulatory officer at Bursa Malaysia Bhd; Philip Koh, senior partner at Mah-Kamariyah & Philip Koh; and Dorothy Teoh, editor-in-chief at *The Edge*.

JEFFREY CHEW SUN TEONG
DIRECTOR AND CEO, OCBC BANK (MALAYSIA) BHD

Jeffrey Chew oversees the Singapore-based OCBC Group's Malaysian banking business. He joined OCBC Bank in 2003 initially as head of the bank's SME business and subsequently became head of business banking before being appointed director and CEO in 2008. He began his career at PriceWaterhouse Coopers and later joined an international bank in Malaysia where he held various roles over a period of 12 years, including customer relationship management, risk management and international offshore banking and product management. A qualified accountant by training, he is a fellow of the Chartered Association of Certified Accountants, UK.

SELVARANY RASIAH
CHIEF REGULATORY OFFICER, BURSA MALAYSIA BHD

Selvarany Rasiah graduated with a Bachelor of Laws degree from the University of Malaya and was admitted as an Advocate and Solicitor of the High Court of Malaya. She practised law for several years before joining Bursa Malaysia in 1992. She has held various positions within the organisation dealing with legal and regulatory matters. Selvarany is a member of the Organisation for Economic Cooperation and Development (OECD) Asian Roundtable on Corporate Governance. She was chief legal officer of Bursa Malaysia from July 2004 until her appointment as chief regulatory officer.

PHILIP KOH TONG NGEE
SENIOR PARTNER, MAH-KAMARIYAH & PHILIP KOH

Philip Koh has had a wide-ranging career spanning academia as well as the legal and corporate world. He is currently a senior partner at Mah-Kamariyah & Philip Koh. A well-known writer and speaker on aspects of corporate governance, he is a director of the Minority Shareholder Watchdog Group. Philip is also chairman of World Vision Malaysia, a humanitarian relief organisation, and an adjunct professor of Deakins University, Australia. Philip graduated with a Bachelor of Laws degree from the University of Malaya and holds an LLM degree from the University of London (Kings College). He was also a visiting Fulbright Scholar attached to Harvard University.

DOROTHY TEOH
EDITOR-IN-CHIEF, THE EDGE

Dorothy Teoh was among the pioneer group of journalists who launched *The Edge* in 1994. She joined the newspaper as chief copy editor and was made deputy managing editor in 2000. In December 2003, she assumed the post of deputy group editor-in-chief at Nexnews Bhd, publisher of *The Edge* and *theSun*, until their subsequent de-merger. In June 2010, Dorothy was appointed editor-in-chief of *The Edge*. Previously a journalist with *The Star*, she also spent several years at the think-tank ISIS Malaysia. Dorothy graduated from Universiti Sains Malaysia in Penang with a Bachelor of Arts and has an MA in Communication from the University of Hawaii. E