RECOGNISING MALAYSIA'S BIGGEST & BEST PERFORMING COMPANIES

THE EDGE

BILLION RINGGIT Club 2012

Tan Sri Azman Hashim

Tan Sri Tony Fernandes

Outstanding CEOs

The seasoned banker and the aviation maverick

BILLION RINGGIT Club

A BENCHMARK FOR CORPORATE MALAYSIA

At *The Edge*, we keep our goals simple. We collect and connect the business community by providing our readers with essential and authoritative information that will help them do business better.

We are neither cheerleaders nor critics. That's why we believe that *The Edge* Billion Ringgit Club (BRC) Corporate Awards truly recognise companies that stand out from their peers.

Now into its third year, *The Edge* BRC has firmly established itself as Corporate Malaysia's most prestigious grouping, a select group of companies distinguished for their continuous pursuit of growth opportunities while ensuring a right balance between profits and best business practices.

Admission to the club is constantly being tweaked to raise the excellence bar since our launch in July 2010. This year, 144 companies made the cut, representing 15% of the total number of listed companies on Bursa Malaysia and roughly 88% in terms of market capitalisation based on prices as at end-March this year.

The Edge BRC has hosted a series of initiatives to bring us closer to our communities. They include the BRC "Meet the CEO" series, where university students engage selected CEOs on their thoughts, strategies and outlook. "The BRC Breakfast", at which the club's CEOs can network, is also on the cards.

But nothing excites us more than the initiative launched last week by The Edge Communications Sdn Bhd's founder and owner Datuk Tong Kooi Ong at the BRC annual dinner. PACE, or Programme for After Class Enrichment, is a bold proposal by *The Edge* Education Foundation and The Boston Consulting Group that seeks to deal with the deep cracks in our education system, which suffers from high attrition rates.

Consider these statistics: 23% of all 17-year-olds are not enrolled in school and the attrition rate increases to almost 50% by age 19. PACE aims to make learning fun and overcome the stigma attached to failure among our young. More details of PACE are provided in the pages of this special focus.

Each year, a number of dedicated employees at *The Edge* work very hard to bring this event together and we thank you. Special thanks to our main sponsors — OCBC Bank (Malaysia), BMW Malaysia and Audemars Piguet — who share our belief that the BRC awards promote healthy competition among our listed entities and offer the best recognition for companies with a high performance culture.

Finally, a special mention of our winners of The Value Creator — Outstanding CEO award.

One ranks as a seasoned banker who has survived the economic and political dramas this country has experienced since the early 1980s. The other is a relative newcomer who in a very short space of time has emerged as a revolutionary force in the international aviation sector. To Tan Sri Azman Hashim of AmBank Group and Tan Sri Tony Fernandes of AirAsia, congratulations.

Leslie Lopez

Leslie Lopez
Editor-in-chief, *The Edge*

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PICTURES BY MOHD IZWAN MOHD NAZAM/THE EDGE

(Front row, third from left) Genting Bhd president and COO Tan Kong Han, The Edge Communications Sdn Bhd executive chairman Datuk Tong Kooi Ong, AMMB Holdings Bhd chairman Tan Sri Azman Hashim, AirAsia Bhd group CEO Tan Sri Tony Fernandes, Minister in the Prime Minister's Department Datuk Seri Idris Jala, OCBC Bank (M) Bhd director and CEO Jeffrey Chew with the other winners of the BRC Corporate Awards.

FINE-TUNING
THE RULES FOR ADMISSION

The constant reinventing Malaysia's top companies undergo in their pursuit of growth and profits has forced *The Edge* Billion Ringgit Club (BRC) to periodically tweak the measures applied for admission into the group and the methodology of the awards evaluation.

For 2012, the BRC members must have a market capitalisation of over RM1 billion. The minimum RM1 billion revenue for the immediate preceding financial year has been removed as part of the gradual tightening of admission into the grouping.

A total of 144 companies, which represent 15% of the total number of listed companies on Bursa Malaysia, made it to the list. These companies accounted for 88% of the market capitalisation of the national bourse as at end-March this year.

This compares with 185 companies that made it to the list in 2011 and 163 companies in 2010, when the BRC stamped its mark on Corporate Malaysia.

A new feature in the awards evaluation is the introduction of a multiplier for the "Highest Growth in Profit Before Tax" award and "Highest Return on Equity" award this year. This multiplier effect takes into account the fact that it is relatively harder for larger companies to grow than smaller companies. The multiplier is a prelude to the introduction of risk-adjusted returns in 2013.

In terms of revenue, the top four positions remained unchanged. Conglomerate Sime Darby Bhd maintained the lead position with revenue of RM43.03 billion, followed by national utility company Tenaga Nasional Bhd at RM32.2 billion. Petronas Dagangan Bhd and Malayan Banking Bhd (Maybank) posted revenues of RM28.08 billion and RM23.4 billion respectively.

Maybank, the country's biggest lender, topped the list of companies in terms of profitability, posting a profit before tax of RM6.7 billion in 2011. Genting Bhd, the gaming powerhouse which received the BRC's Company of Year Award this year, moved one notch up to the second spot with profit before tax of RM6.67 billion.

Sime Darby recorded the most improved performance, jumping nine notches to claim the third spot with a profit before tax of RM5.51 billion, followed by CIMB Group Holdings Bhd with a profit before tax of RM5.2 billion.

Maybank, Sime Darby, CIMB and Petronas Chemical Bhd retained their top four positions as the country's largest listed companies in terms of market capitalisation. Maybank boasted a market capitalisation of RM67.76 billion as at end-March, while Sime Darby jumped two notches to claim the second spot with a market capitalisation of RM58.53 billion. CIMB came in third with a market capitalisation of RM57.16 billion, followed by Petronas Chemicals with a market value of RM53.9 billion. E

JALA: BECOME THE PATHFINDERS

Imagine it is the year 2020, and we have this event. I think some of you will be here and some of you won't. In my mind, the ones that will be here are those companies that venture beyond our shores, looking at international markets rather than just being focused on the Malaysian market.

When you look at countries that have successfully moved from middle income to high income, many of them have two things in common. The first is a focus on sectors where they have the natural endowment and capability to succeed. Secondly, these countries created the conditions for competitiveness to flourish.

What we really need in this country is for these two things to appear in abundance among the large companies.

Today, we have moved rapidly from low income to middle income simply because we started from a relatively low base. If we don't move and change our game, we will not be able to move on.

I applaud many of the companies in Malaysia that are already out there. Many of you have made forays beyond our shores.

We should really think beyond our shores and look at the huge international market and the potential there. I want to challenge this group of RM1 billion [market capitalisation] companies. If you don't take the leap and become pathfinders, the small guys have little chance. You have the capability, money and strength to do it and I think you should become the pathfinders.

On education, the good news is that as a result of the school improvement programme under the Economic Transformation Programme, we have made tremendous progress. We had the best UPSR results in four years last year.

I believe it is very important that all of you come together and take this little step forward with this private sector initiative by *The Edge* called the PACE programme. Be as generous as you can. If you are a RM1 billion company, surely you can spend a little bit of that for the unfortunate children who need such a programme. E

Datuk Seri Idris Jala is Minister in Prime Minister's Department and CEO of the Performance Management and Delivery Unit (Pemandu)

TONG: PACE IS AN EXCITING INITIATIVE

Tonight, we will launch our most exciting and challenging initiative. We call it PACE or Programme for After Class Enrichment.

Today, 23% of all 17-year-olds are not enrolled in school. The attrition rate increases to almost 50% by age 19. At the UPSR level, 36% of students fail to meet the minimum competency level, but 91% progress to the next form.

Similarly, 33% of students fail to meet the minimum competency level at PMR level, but 96% progress to the next form.

The minimum requirement to pass the SPM (Sijil Pelajaran Malaysia) is now reduced to getting at least an E grade for Bahasa Malaysia, meaning you can fail all subjects but Bahasa Malaysia and still pass the SPM.

We all know that lack of education is a vicious cycle. We know graduating students who are not competent only add to frustration and underemployment. We know that unless we address our human resources, enrich, educate and train our young minds, this nation will never progress to be a high income society.

We must address this issue now. A growing pool of unemployed or unemployable youth will destroy the very fabric of our society. The capacity and capability of our human resources is the ultimate measure of our national wealth. The fulfilment of the aspiration of our people is the ultimate measure of national success.

And this is a task that no single entity can fulfil, not even the government on its own. I believe this is a project and an opportunity for responsible and successful Corporate Malaysia to come together to help for no other reason than it is the RIGHT thing to do.

On this note, I am most delighted to share with you that one of our BRC members, Kuala Lumpur Kepong Bhd, has confirmed its interest to participate as a sponsor in PACE.

PACE is a proposal by *The Edge* Education Foundation, together with The Boston Consulting Group. Its objectives are to make learning fun, to reduce the attrition rate, to help students overcome the stigma of failure and to instil interest in education at the beginning of secondary school.

As we know, the sustainability of the success of a company is dependent on its corporate values, culture and brand promise. We will begin to factor these into subsequent awards.

Recognising the contributions of socially responsible Malaysian companies, we are introducing CSR Awards this year for companies with the three highest average scores in CSR across all sectors.

Tonight's event is made possible by the contribution of many. In particular, our appreciation goes to OCBC Bank (Malaysia), the event's main sponsor from the beginning of BRC three years ago; BMW, the official car; and Audemars Piguet, the supporting sponsor. Thank you very much for your support.

We also thank Deloitte Malaysia for auditing the results of the BRC Corporate Awards. E

Datuk Tong Kooi Ong is executive chairman of The Edge Communications Sdn Bhd

KENNY YAP/THE EDGE

Chia: Never fear humble beginnings

STUDENTS MEET CORPORATE LEADERS

It is very rarely that our university and college students get the opportunity to meet and engage in discussions with the CEOs of Corporate Malaysia.

It was with this in mind that *The Edge* Billion Ringgit Club (BRC) Meet the CEO series was created early this year, says The Edge Communications Sdn Bhd managing director Au Foong Yee.

The sessions were structured as informal and interactive chats between the CEO and university students — the leaders of the future. The talks, it was hoped, would enable students to learn and be inspired by the experiences of the CEOs, and in the process, gain invaluable knowledge beyond what the textbooks provide.

To get the series going, *The Edge* approached the CEOs of four leading Malaysian companies to share their thoughts, and all said yes. We thank them for their contribution.

The series kicked off on April 27 at Sunway University with Chia Song Kun, CEO of QL Resources Bhd, which won the BRC Company of the Year Award in 2011.

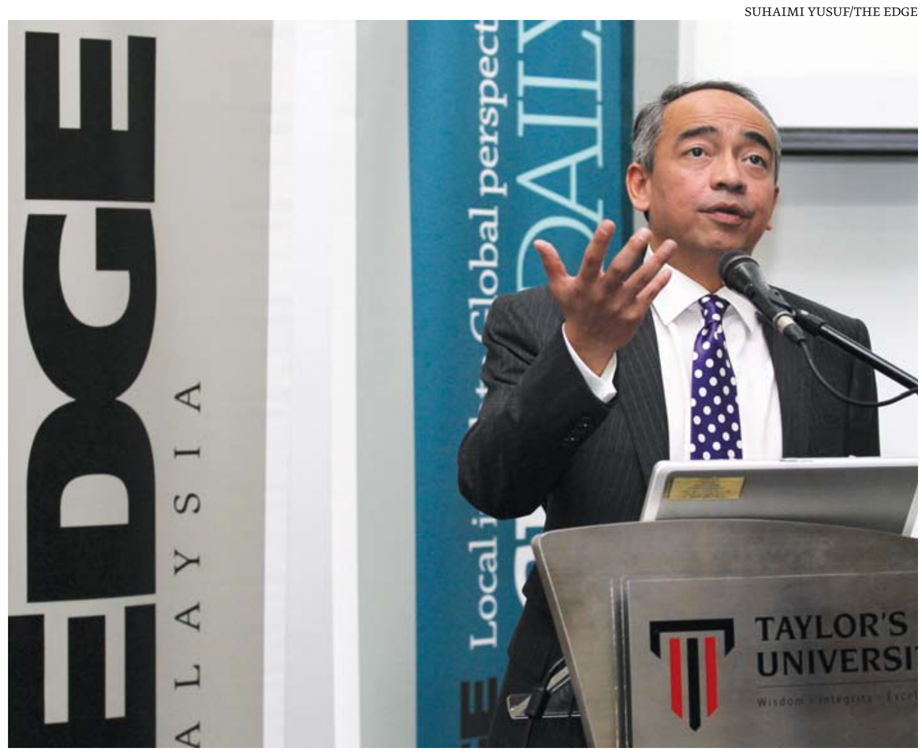
Chia's story is one of humble beginnings. QL Resources started as a small cockle-shell milling and trading company in 1987. Today, it is listed on Bursa Malaysia with a market capitalisation of RM2.7 billion. His advice to the students: "Never be afraid to start small and never fear humble beginnings."

On May 23, Datuk Seri Nazir Razak held court at Taylors University with his topic, "Growing a Regional Champion". Nazir, group CEO of CIMB Group Holdings Bhd, enthralled his audience with CIMB's regionalisation story, which was peppered with little anecdotes about himself and the lessons he learnt along the way.

The third session, held at Help University, featured Amir Hamzah Azizan, CEO of Petronas Dagangan Bhd. Amir's focus was on "Seeing Things Differently". For Amir, it is important to "make a difference in the lives of the people around him".

The series for the year culminated with Datuk Seri Abdul Wahid Omar's talk on "Transforming a Leader". Wahid, who is president and CEO of Malayan Banking Bhd, also spoke of his personal journey. A very important ingredient of success, he told the students, is hard work. "It is about working hard and working smart." E

SUHAIMI YUSUF/THE EDGE



KENNY YAP/THE EDGE

LEE LAY KIN/THE EDGE

From top right:
Nazir: Strong leaders hire people smarter than themselves

Amir: It is important to make a difference

Wahid: An important ingredient of success is hard work

THE MAJOR AWARD WINNERS

VALUE CREATORS: OUTSTANDING CEOs OF MALAYSIA

The award goes to individuals who set the highest standards of progress, innovation and performance in the running of their respective organisations. This year, *The Edge* Billion Ringgit Club honoured two of Malaysia's more illustrious corporate sons from different generations.

One ranks as its most seasoned banker who has survived the economic and political dramas since the early 1980s. The other is a relative newcomer who in a very short space of time has emerged as a one-man international brand showcasing the entrepreneurial zeal this country has to offer.

PICTURES BY MOHD IZWAN MOHD NAZAM/THE EDGE

TAN SRI AZMAN HASHIM
Chairman and founder of AmBank Group

Tan Sri Azman Hashim has occupied a prominent role in Malaysia's corporate landscape since returning from Australia upon qualifying as a chartered accountant in 1960. After a brief stint in Bank Negara Malaysia, Azman practised as a chartered accountant and also served on the board of Malayan Banking Bhd. He was executive director of the bank from 1971 to 1980 and in April 1982, he struck out on his own to lead AmBank Group, where he serves as chairman to this day. Azman is widely regarded as one of the country's most successful Malay entrepreneurs. He is honoured for his financial group's contributions to the country's economy. Azman, who turned 73 last week, remains the financier for all seasons despite his age.

TAN SRI TONY FERNANDES
Co-founder and group CEO of AirAsia Bhd

As the group CEO of AirAsia Bhd, Tan Sri Tony Fernandes is easily one of Malaysia's most recognisable corporate figures. Trained as an accountant, Fernandes began his career in the music industry with Warner Music before leaving to pursue his childhood dream of running his own airline. He single-handedly took a near bankrupt state-owned airline and turned it into the world's best-known low-cost carrier. In the process, the low fares and quality services that have become AirAsia's trademark have been responsible for shaping the way the sector has evolved. Fernandes was honoured for his bold and aggressive role in engineering the transformation of the aviation industry where he remains a true revolutionary force.

COMPANY OF THE YEAR AWARD

GENTING BHD

The Edge Billion Ringgit Club's Company of the Year Award recognises the best company in terms of profitability, returns to shareholders and other qualitative components determined by its own panel of judges. This year, the honour went to Genting Bhd, a homegrown gaming juggernaut that met all the measures set for this award and more.

How the late Tan Sri Lim Goh Tong turned a forested hilltop into a thriving casino and leisure operation is the stuff of legends. Little appreciated is how Genting quietly leveraged its hilltop business to pursue a bold international expansion that has transformed the group into a global brand and powerhouse. Its Singapore operation is Asia's second largest gambling company by market value. It is UK's biggest casino operator and the company is now moving aggressively into the US and Australia.

Bereft of any government support, this expansion strategy has been against a backdrop of sustained strong growth rates and persistently high returns to shareholders. In a nutshell, Genting embodies all the qualities of enterprise, which makes it a solid role model for Corporate Malaysia.

PATRICK GOH/THE EDGE

WINNERS OF *THE EDGE* BILLION RINGGIT CLUB CORPORATE AWARDS 2012

VALUE CREATOR

MALAYSIA'S OUTSTANDING CEOs

Tan Sri Azman Hashim
Chairman,
AMMB Holdings Bhd

Tan Sri Tony Fernandes
Group CEO,
AirAsia Bhd

COMPANY OF THE YEAR

Genting Bhd

COMPANIES WITH MORE THAN RM10 BILLION MARKET CAPITALISATION

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
British American Tobacco Malaysia Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
Genting Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
DiGi.Com Bhd

CONSTRUCTION SECTOR

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
Mudajaya Group Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
Mudajaya Group Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
Mudajaya Group Bhd

CONSUMER PRODUCTS SECTOR

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
British American Tobacco Malaysia Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
Tradewinds (M) Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
Dutch Lady Milk Industries Bhd

FINANCE SECTOR

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
Public Bank Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
CIMB Group Holdings Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
Malaysia Building Society Bhd

INDUSTRIAL PRODUCTS SECTOR

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
Supermax Corp Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
DRB-Hicom Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
Supermax Corp Bhd

PLANTATION SECTOR

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
Kuala Lumpur Kepong Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
Kulim (Malaysia) Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
Rimbunan Sawit Bhd

PROPERTY AND REIT SECTORS

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
KrisAssets Holdings Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
KrisAssets Holdings Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
Eastern & Oriental Bhd

TRADING/SERVICES, HOTELS, IPC AND TECHNOLOGY SECTORS

MOST PROFITABLE COMPANY
Highest Return on Equity Over Three Years
Berjaya Sports Toto Bhd

HIGHEST PROFIT GROWTH COMPANY
Highest Growth in Profit Before Tax Over Three Years
Genting Bhd

BEST PERFORMING STOCK
Highest Returns to Shareholders Over Three Years
SEG International Bhd

BEST CSR INITIATIVES

FIRST
Nestlé (Malaysia) Bhd

SECOND
DiGi.Com Bhd

THIRD
Carlsberg Brewery Malaysia Bhd

THIRD
CIMB Group Holdings Bhd

METHODOLOGY

As of 2012, *The Edge* Billion Ringgit Club (BRC) recognises only companies with a market capitalisation of at least RM1 billion on March 31 each year. The previous membership criterion of RM1 billion in turnover for the immediate preceding year has been removed as part of a gradual tightening in criteria. Thus, to qualify for membership in 2012, a company must have a market capitalisation of at least RM1 billion as at March 31, 2012.

Membership into *The Edge* 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 the requirements will automatically be included and acknowledged in an annual listing by *The Edge*. There are 144 companies in the club in 2012.

The Edge BRC Corporate Awards recognises companies within the BRC in key sectors through a transparent measurement of factors, such as shareholder wealth creation and profitability. As recognition is the best reward for accomplishments, *The Edge* hopes the awards will encourage more companies to strive even harder to succeed.

THE AWARDS

The awards given are:

- One Company of the Year award;
- Value Creator(s): Outstanding CEOs of Malaysia award(s) (optional);
- Three Best Corporate Social Responsibility Initiatives awards (new); and
- 24 sectoral awards.

The 24 sectoral awards are for three categories in seven Bursa Malaysia-designated sectors, as well as for large companies with a market capitalisation of over RM10 billion. The sectoral awards are:

- ***The Edge* BRC Most Profitable Company** — for the highest return on equity;
- ***The Edge* BRC Highest Profit Growth Company** — for the highest growth in profit before tax; and
- ***The Edge* BRC Best Performing Stock** — for the highest returns to shareholders.

The eight sectors are:

- Big cap companies — companies with a market capitalisation of over RM10 billion;
- Construction;
- Consumer products;
- Finance;
- Industrial products;
- Plantations;
- Property & REITs; and
- Trading & Services, Hotels, IPC and Technology

THE EDGE BRC SECTORAL CORPORATE AWARDS

To be eligible for the awards, a BRC member must have been listed at least four calendar years ago as at March 31 of the current year.

For *The Edge* BRC Most Profitable Company and Highest Profit Growth Company awards, the companies' performance are evaluated between FY2008 and FY2011 while the time frame for *The Edge* BRC Best Performing Stock award is between March 31, 2009 and March 31, 2012.

The methodology for these awards is both stringent and transparent, and the results are audited by Deloitte Malaysia. The data used in determination of companies that qualify and the winners of The Edge BRC Corporate Awards is provided by Interactive Data Systems Sdn Bhd.

The Edge BRC Best Performing Stock award is presented to members with the highest compound returns to shareholders comprising growth in share price and dividends received over a three-year period adjusted for any rights/bonus issues, distribution of treasury shares, dividend in specie and capital repayment.

To qualify for *The Edge* BRC Most Profitable Company, Highest Profit Growth Company, Best CSR Initiatives and Company of the Year awards, a company must also essentially be the same entity and profitable throughout the evaluation period.

For *The Edge* BRC Most Profitable Company award, return on equity (ROE) is computed as weighted ROE over three years. As part of the gradual tightening in criteria, a multiplier has been introduced for this award to take into account that it is relatively harder for larger companies to grow than smaller companies. The multiplier is a prelude to the introduction of risk-adjusted returns in 2013.

For *The Edge* BRC Highest Profit Growth Company award, profit growth is computed as compound growth in profit before tax over three years. Exceptional items which are material (that is, totalling 10% or more of profit before tax for any given year) and are not related to the business of the company are adjusted. A multiplier has also been introduced for this award.

THE EDGE BRC BEST CSR INITATIVES AWARDS (NEW)

Eligible companies are judged by a panel of judges on their CSR initiatives over a four-year period. Companies with the three highest average scores will win *The Edge* BRC Best CSR Initiatives awards.

THE EDGE BRC COMPANY OF THE YEAR AWARD

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 evaluation period, with CSR initiatives and qualitative components determined by a panel of judges and *The Edge*.

The Edge BRC Company of the Year is determined based on the following factors:

Evaluation component	Weightage to overall score
QUANTITATIVE	
Returns to shareholders over three years	20%
Growth in PBT over three years	30%
ROE over three years	20%
QUALITATIVE	
Corporate social responsibility initiatives	30%

The CSR initiatives are judged by a panel of judges selected by *The Edge*. The CSR initiatives are evaluated on the four focal areas according to Bursa Malaysia's CSR Framework for Public Listed Companies, namely, Community, Environment, Marketplace and Workplace.

The final decision on Company of the Year takes into other qualitative elements as determined by *The Edge*.

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

The Value Creator: Outstanding CEO of Malaysia Award is determined by *The Edge* based on its assessment of the person's contribution 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. This exclusive award may not be awarded every year.

THE PACE CHALLENGE

Programme aims to break the vicious cycle created by lack of education

BY DOROTHY TEOH

What The Edge Education Foundation seeks to do with PACE or Programme for After Class Enrichment is to level the playing field so that low-performing children from poor homes can have an equal opportunity to develop their talent, ability and motivation and create a better future for themselves through education.

Ministry of Education statistics show that in 2010, almost one in four 17-year-olds was not enrolled in upper secondary education in government schools. The figure for last year was marginally lower, at 22%.

Not every un-enrolled 17-year-old is a dropout. Some may have gone overseas or to private schools, or are being home-schooled. But many would have actually stopped going to school for various reasons, among them poverty and lack of interest. Whatever the reasons, we know that the lack of education is a vicious cycle.

Back in March, Boston Consulting Group offered its expertise to help the foundation design a template for a tuition programme for free, as part of its corporate social responsibility. BCG, together with the foundation, then looked at how to break the cycle.

"Vicious cycle problems are complex to solve because one cannot just deal with one problem. It requires a holistic answer. PACE identified four critical elements that need to be deployed in an integrated fashion to this most affected segment [of low performing students from poor homes]," says Vincent Chin, senior partner and managing director of BCG Southeast Asia. The four elements are:

1. Specific academic help to help low-performing students keep up in school;
2. Delivering this help in a manner that engages such students;
3. Inspiring them to stay in the school system for a longer period; and
4. Creating awareness of the various education pathways and equipping students with critical life skills.

Today, in urban areas, the majority of children from middle-class homes attend tuition classes. Many take tuition for not one but several subjects. But for the poor whether in urban or rural areas, tuition is a luxury they can ill afford.

PACE will focus on helping students pass three core subjects — English, Bahasa Malaysia and Mathematics. But it is more than just a tuition programme. PACE will also equip them with critical life skills, in particular, financial literacy and entrepreneurial skills. Many of these students will not take the academic track after the SPM, and these skills would make them more employable and improve their future prospects.

For help on the entrepreneurial skills component, the foundation turned to Ernst & Young. In its engagement with communities worldwide, the firm seeks to drive change in three areas: education, entrepreneurship and the environment. Ernst & Young will design a module on entrepreneurial skills for students who attend PACE.

"In our view, education brings real benefits to communities, and access to education creates opportunities for individuals to excel. That is why we are very supportive of a programme like PACE, which aims to ensure under-performing students from low-income families have a fighting chance to achieve their potential," says Rauf Rashid, country managing partner, Malaysia, explaining why Ernst & Young decided to get on board.

PROGRAMME FOR AFTER CLASS ENRICHMENT
Enabling every child to succeed

The firm's staff will also be involved in mentoring PACE students and motivating them to stay in school. Lee Soo Fern, partner and People Leader, says PACE "is a great platform for our people to use their knowledge, skills and experience to make a difference to their community, to help the students explore the business world and develop entrepreneurial skills".

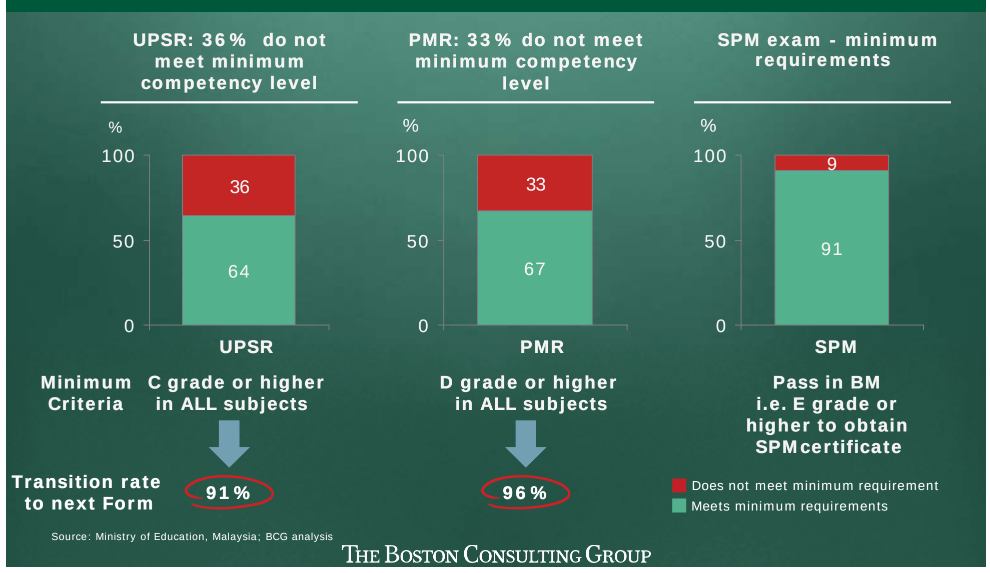
The foundation looks forward to working with financial institutions to deliver the financial literacy component of the programme.

Indeed, for PACE to succeed, it needs the combined resources of Malaysian companies, in particular the members of *The Edge* Billion Ringgit Club. We recognise the good work that BRC members are doing in the area of CSR. We also recognise that PACE is an audacious programme in its ambition and scope. But by pooling the resources of Malaysia's largest and most successful companies, we can achieve what individually we cannot for this country, the economy and society.

PACE received a huge boost when Kuala Lumpur Kepong Bhd became the first BRC member to give its support, even before the awards night. Its CEO Tan Sri Lee Oi Hian described PACE as a "noble thing" to do and expressed the hope that KLK's support would spur others to do the same.

Not all who move to secondary levels are fully prepared

Need to balance access to education versus ensuring complete readiness at each level



Beyond just funding the programme, The Edge Education Foundation would like to see BRC members adopting the schools, and BRC employees getting involved by volunteering — as mentors, counsellors and role models.

The foundation and BCG have presented this proposal to the Ministry of Education and are currently in consultation with them. Deputy Education Minister Datuk Dr Wee Ka Siong has said he welcomes this private sector initiative.

We are grateful for the ministry's support, as well as the support of KLK, BCG and Ernst & Young. We hope many others will come on board as we work towards rolling out a pilot project in 2013 involving Form 1 students.

PACE is looking to hire retired teachers as well as fresh graduates who have a passion for teaching and a desire to make a difference in the lives of children who might otherwise end up in low-paying jobs or worse, on the streets.

REUTERS

PACE is an opportunity for BRC members to make a difference in the lives of children through education so they do not end up in low-paying jobs

In talking about education challenges facing this country, it is easy to get caught up in data and statistics. Let me share a story that I hope will put faces to numbers. In May, I met two Orang Asli sisters in their late teens who live in Pahang. Both had completed the SPM so in total, they have 22 years of education. Today, they are helping their parents tap rubber. Their mother, who has only a Standard 3 education, wants them to leave their village and get "pekerjaan yang betul" outside. The 18-year-old sister told me she wants to be a teacher; the other, 19, a kindergarten teacher. But both of them had "G" or "Gagal" for every single subject, including Moral.

As their cases show, by the time they get to the SPM, if they are weak students, it is too late. That's why the foundation and BCG decided to focus on students in Lower Secondary, to provide help that will enable them to understand what is being taught in school so they do not fall further behind. This is especially true for students from Chinese and Tamil vernacular schools who enter Form 1 with a weak grasp of Bahasa Malaysia and English.

The ancient Greek philosopher Plutarch said "The mind is not a vessel to be filled, but a fire to be kindled".

The Edge Education Foundation seeks to work together with BRC members and other Malaysian corporations to kindle this fire and ignite a passion for learning in students who might otherwise end up being just a footnote in the human capital statistics of this country — under the category of unemployed or under-employed. E

Dorothy Teoh is CEO of The Edge Education Foundation. She and BCG's Vincent Chin presented the PACE plan at the BRC gala dinner and corporate awards night on July 16. For more information on PACE, email enquiries@teef.org.my.

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

TAN SRI AZMAN HASHIM — ENTREPRENEUR AND BANKER

BY ANNA TAING

Tan Sri Azman Hashim, founder and chairman of the AmBank group, considers himself more an entrepreneur than a banker. "If I am just a banker, I don't think I would have been able to grow the banking group into what it is today," he tells *The Edge*.

Azman says it was not his intention to build a business empire when he acquired Taiping Textiles in 1982, which he transformed into Arab-Malaysian Development Bhd (AMD) a short while after.

Yet, the acquisition of Taiping Textiles was the start of a long string of other acquisitions in the following decades, including Arab Malaysian Development Bank.

Thus, whether he intended it or not, Azman ended up successfully building a business conglomerate that spans a broad spectrum of activities — the jewel in the crown being the AmBank group.

Azman began his career as a chartered accountant in Perth, Australia, in 1955. He returned to Malaysia to join Bank Negara Malaysia in 1960, where he stayed for four short years. In 1964, the entrepreneur in him led him to set up Azman & Co, which later grew to become Azman, Wong, Salleh & Co.

In 1966, when the late Tun Ismail Ali, who was Bank Negara governor at the time, asked him to join Malayan Banking Bhd to deal with a brewing crisis, Azman said yes, even though it meant his income would be halved. He saw it as an opportunity to get exposure in commercial banking. He stayed with Maybank for 10 years, and it was during this period that Azman cut his teeth as a banker.

When a chance came for AMD to buy Arab-Malaysian Development Bank in 1983, Azman grabbed it, even though the merchant bank did not come cheap. He wasn't deterred because he was confident of his ability to create value from this investment.

"I did not flinch or try to negotiate the price. It was a lot of money those days but I thought to myself, 'if I have the bank, I can do more with it'."

His experience in Maybank helped. Indeed, initially his idea was to build the merchant bank along the likes of Maybank — into some kind of financial supermarket.

He did not have a lofty goal or a time line but a determination to build the merchant bank brick by brick, slowly and steadily.

"Banking is a long-term game; you cannot expect overnight success ... my intention was to go along naturally, taking on more only when I could."

Still, Azman says he did not envision at the time that the merchant bank would morph into the huge banking group that the AmBank group is now, from a bank with a staff of 200 to more than 10,000 employees today.

Azman renamed the bank Arab-Malaysian Merchant Bank (AMMB). It was listed on Bursa Malaysia (then known as Kuala Lumpur Stock Exchange) in 1988, the first merchant bank to do so.

Investors who had acquired shares in AMMB Holdings in 1988 and kept them would have a reason to cheer. AMMB Holdings' share price, after adjustment for share capital movements that included share splits, bonus and various rights issues, was 36 sen on the day of listing, according to estimates.

Today, AMMB shares are traded at RM6.49, implying a gain of 1,703% over the last 24 years. Thus, every ringgit invested in 1988 would be worth RM17 today, and this does not take into consideration dividend payments that have been made.

> "I AM NOW MORE EXCITED THAN EVER ABOUT AMBANK GROUP'S PROSPECTS

The AmBank group has survived several crises, the biggest of which was the 1997/98 Asian financial crisis. Azman wasn't daunted, although he had to divest some shares after each crisis. While AMMB did not escape the crisis unscathed, Azman is proud to say that it incurred only one year of losses, a testament to the resilience of its management and staff.

At 73 (he celebrated his birthday last week), Azman is one of the oldest bankers in the industry. However, he is just as passionate and excited about the bank as he was when he started out more than three decades ago.

"It's because I enjoy doing what I am doing, and that's important. Banking is exciting because you are in the heart of the economy, it is the lifeblood of the nation ... many of my customers have become my friends."

Indeed, he says with a chuckle that he cannot imagine what he would do if he was not working in the bank.

As chairman, Azman is still very involved with the bank, keeping a close eye on its development. He recognises that the banking landscape has changed drastically in recent years but is confident that AmBank has also changed for the better and is now in a strong position to compete in the new playing field.

Apart from having the Australia and New Zealand Banking Group Ltd (ANZ) as a strategic partner, AmBank Group has also strengthened its grip in the insurance segment with the acquisition of Kurnia Insurance. Recently, it proposed to acquire MBf Cards.

Azman says with ANZ providing the regional linkages, AmBank's focus is on growing in the domestic space. "In some areas like insurance, we have already moved to the next level of growth ... I am now more excited than ever about AmBank Group's prospects, going forward."

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

TAN SRI TONY FERNANDES: REDEFINING AIR TRAVEL VIA LOW-COST MODEL

BY ISABELLE FRANCIS

When AirAsia Bhd first started its operations, a journalist asked group CEO Tan Sri Tony Fernandes if the airline would make it through its first three years. Fernandes, in return, offered a wager of sorts — that the budget carrier would give the journalist free flights for as long as it was in operation.

Today, AirAsia has grown into the largest airline by fleet size in the region and is the most successful low-cost carrier (LCC) in Asia. It also dominates the domestic travel market.

AirAsia went public in November 2004 and got off to a slow start. But those who stayed invested would have had no reason to despair. As at the end of last year, AirAsia's share price had increased by more than 200% to RM3.76.

Over the past decade, apart from a placement in 2009, AirAsia has not needed any cash call or corporate exercise that would have diluted the value of its shares.

Its soaring share price in an environment where most airline stocks are floundering is a reflection of AirAsia's profitability over the years. The budget carrier posted a record net profit when it breached the RM1 billion mark in FY2010 ended Dec 31, which translated into a return on equity of 29.1%.

Last year, due to the challenging environment and rising fuel costs, its earnings almost halved to RM564.15 million and its return on equity stood at 13.8%.

As an airline stock, AirAsia is a favourite of industry analysts. For the longest time, it has been regarded as the cheapest LCC stock in the world.

The airline recently announced a dividend payout, a rare move as it usually ploughs its cash back into expansion and operations.

In recent years, AirAsia has grown to equal the market capitalisation of Australia's Qantas and become as profitable as premier airline Singapore Airlines.

"Our biggest achievement was creating an idea that had not existed. We redefined the whole air travel industry here, which in the biggest continent of the world," says Fernandes.

AIRASIA'S JOURNEY

In his own words, Fernandes, who was named 2010 Forbes Asia's Businessman of the Year, describes the airline's journey as a few defining moments.

"The first defining moment was getting our first domestic route, namely the Kuala Lumpur-Langkawi route. It was not easy. The second was the first international route, and the third, the LCC terminal, followed by our first joint venture with Thailand," he tells *The Edge*.

Apart from the hard work put in by its employees, Fernandes attributes the airline's success to a few unpopular decisions in the past that have made AirAsia what it is today. In 2008, the LCC took a contrarian effort — to expand when most airlines were shrinking their networks.

There was also a time when AirAsia's gearing became a growing concern to investors.

But ask Fernandes and he will say he was never concerned that the airline was expanding too fast. In fact, he feels it was necessary for it to do so. "It has been a constant battle to convince the investing community, and it has been proved today. We have the right people and infrastructure. We always look at cash flow.

"We are now redefining the [low-cost carrier] structure by bringing in a regional structure to create the next 10 years of growth. We are always thinking ahead. If AirAsia did not put that debt in place, we would have been much smaller and been crushed by bigger airlines today."

Fernandes' vision is to make AirAsia a 500-aircraft airline, making it second only to America's Southwest Airlines. AirAsia is already halfway there after placing an order for 200 Airbus A320 planes.

Fernandes' ultimate aspiration is to make AirAsia as widely known as Coca-Cola. "The aim is also to make AirAsia a great place to work at, where dreams come true. We have a baggage handler who is now a pilot. We want to inspire people outside of AirAsia to dream.

"One example was the appointment of Aireen Omar [as CEO of the Malaysian operations], which is something that is natural to me. The response from the female community was tremendously positive ... they are thrilled that a woman has been given the chance to head a public company."

Fernandes says while AirAsia has achieved so much in the past, there are still challenges ahead for the airline, which is expanding fast across the region to achieve its Asean aspirations.

"The challenge, up until today, is that as a pioneer in the industry, you're going against established companies that have been around for a long time. For AirAsia, if we had not fought hard, we would have failed.

"We have been competing against government entities and this portrayed us in a bad light. In a regulated industry, it has been hard to be in competition with the regulator."

It is inevitable for AirAsia, now a much bigger entity, to put a succession plan in place. This was kicked off with Aireen's appointment, effective this month. She will report to Fernandes, who will move on to lead the airline's regional operations from Jakarta, Indonesia.

"The fact that I can let go is good. A good leader must know how to pass the baton, otherwise you can overstay. It shows that AirAsia is not a one-man company and that the company has longevity past Tony Fernandes," he says. E

BILLION RINGGIT Club

COMPANY OF THE YEAR

HIGHEST PROFIT GROWTH

COMPANIES WITH MORE THAN RM10 BILLION MARKET CAPITALISATION
TRADING/SERVICES, HOTELS, IPC AND TECHNOLOGY

GENTING

Seeking to strengthen its growth as a global corporation

BY CINDY YEAP

If you are in it for the long haul, "there is no real substitute for hard work", says Tan Sri Lim Kok Thay, chairman and CEO of Genting Bhd, which won the company of the year award.

Genting also recorded the highest profit growth among big cap companies for the second year running. Helped by healthy takings from the tens of millions of visitors to its integrated resorts in Malaysia and Singapore as well as robust earnings from its oil palm estates, Genting's pre-tax profit grew by a compound annual growth rate of 79.36% in the past three years. The RM2.9 billion net profit it booked in FY2011 was five times what it made in FY2008.

Speaking to *The Edge* on the sidelines of Genting's Chinese New Year (CNY) dinner in February, Lim said it was only right that those who had been blessed with resources made sure every bit was put to good use, and responsibly.

That Genting consistently scored high marks in all four quantitative and qualitative measures used to select the top company among the 144 that qualified as *The Edge* Billion Ringgit Club (BRC) members this year is testament, perhaps, to Lim's determination to have his people make the most of what the group has as it seeks to strengthen its growth as a global corporation.

Lim leads by example when it comes to hard work. That week in June when Lim reportedly met Australian gaming billionaire James Packer in Kuala Lumpur, was the same week he spent three back-to-back mornings attending annual general meetings, patiently taking even the smallest queries. It is still not known if Lim and Packer had worked out a solution to the interest shown in Australia-listed Echo Entertainment Ltd, which has the only licence to operate a Sydney casino through 2019.

At the time of writing, Lim was travelling for work, an aide said. President and COO Tan Kong Han received Genting's prize at the BRC gala dinner on July 16 in Kuala Lumpur.

"We are humbled by this honour and acknowledgement, which are a good testimony to our efforts in recent years to grow Genting's business locally and globally. These are exciting times for Genting and we will not rest on our laurels. Genting will continue to reinvest in its properties and expand its business activities," Tan said.

To be sure, 2011 was an exciting year for the group with many notable milestones: the official opening of Southeast Asia's first Universal Studios Singapore at Resorts World Sentosa — which also houses the world's first Transformers ride; the official opening of Johor Premium Outlets in Malaysia; and the opening of Resorts World Casino New York City on Oct 28.

Even as final stage development works at Resorts World Sentosa are slated to be completed by year-end, Genting Singapore is already evaluating "new projects that will introduce new revenue channels and create even more value for shareholders", Lim said in his chairman's statement in Genting Singapore's 2011 annual report.

Whatever the case, Lim last month assured shareholders that the group will stay prudent in its investments, only take calculated risks and put shareholders' money in places with solid regulatory frameworks.

Will Genting continue to do well in next year's BRC awards?

Earnings for the first half of the year are due out in a month's time. Corporate developments have been a mixed bag. There were let-downs in Miami and New York plus Tan Sri Quek Leng Chan's Rank Group pipping Genting to the No 1 spot on the UK casino scene.

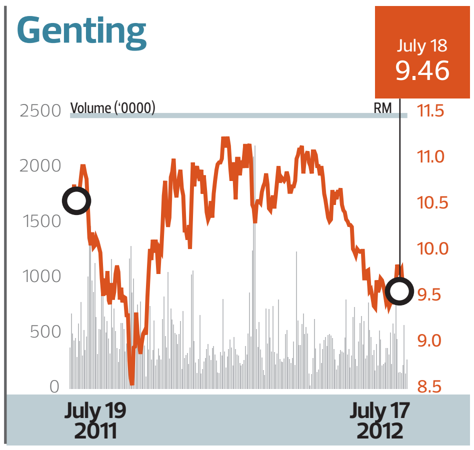
On a brighter note, Genting saw success in its S$1.8 billion perpetual bond issuance; the luxury boutique casino licence in Bimini Island in the Bahamas; and its maiden investment in Indonesia's power sector with the signing of a 25-year power purchase agreement with a state-owned electricity company for a US$1 billion coal-fired power plant. The expansion of Genting's power-related portfolio may be worth tracking, especially should a spin-off become worthwhile later down the road to unlock more value for the group.

At Genting's recent CNY dinner, which went on just as its support in Miami wavered, Lim had this to say about the year that has so far proved tumultuous for the group: "[The Year of the Water Dragon] may be perceived as a good year for some and not so good for others. But I believe it will be a great year of good fortune, power, optimism and growth to those who work hard and strive for excellence."

He invited all to join Genting as the group grew its businesses "and make bigger things happen". E

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	19,559.00	15,194.70	8,893.60	9,082.50
Profit Before Tax	6,673.30	4,394.30	2,528.40	1,734.80
Net Profit Attributable to Shareholders	2,867.50	2,203.00	1,044.30	569.30
Return on Equity	16.28%	14.22%	7.52%	4.58%



ABOUT THE CHAIRMAN/CEO

Tan Sri Lim Kok Thay, 60, who took the baton from his father in 2003, was first appointed to the Genting board in August 1976 when he was just 24. He holds a Bachelor of Science degree in civil engineering from the University of London and attended the Harvard Business School's advanced management programme in 1979. Re-designated as group chairman and CEO in July 2007, Lim also sits on the board of trustees of The Community Chest, Malaysia, a charitable organisation. Named "The Most Influential Person in Asian Gaming" by *Inside Asian Gaming* magazine in 2009, Lim — in his private capacity — also controls Kien Huat Realty Sdn Bhd and Genting Hong Kong Ltd. He has been a visiting professor of the Institute of Biomedical Engineering, Imperial College London, since October 2009 and an honorary professor of Xiamen University, China, since December 2007.

ABOUT THE COMPANY

Founded in 1965 by the late Tan Sri Lim Goh Tong, a contractor who spoke no English but only Hokkien, Mandarin, Malay and Cantonese, Genting was built on simple principles: humility, discipline and conviction. His son and successor, Tan Sri Lim Kok Thay, adds financial prudence and sound investment discipline to the group's core values as it goes increasingly global. From that single hilltop resort, Genting Highlands, the group today comprises four listed entities — holding company Genting Bhd and its subsidiaries, Genting Malaysia Bhd, Genting Plantations Bhd and Genting Singapore plc with a combined market capitalisation of some RM130 billion. With over 47,000 employees, 4,500ha of prime resort land and about 166,000ha of plantation land, the group's principal businesses include leisure and hospitality, power generation, oil palm plantations, property development, biotechnology and oil and gas.

THE EDGE BILLION RINGGIT Club 2012

CONGRATULATIONS

THE WINNERS OF THE EDGE BILLION RINGGIT CLUB CORPORATE AWARDS 2012

VALUE CREATOR
MALAYSIA'S OUTSTANDING CEOs

Tan Sri Azman Hashim
(Chairman AMMB Holdings Bhd)

Tan Sri Dr Tony Fernandes
(Group CEO, AirAsia Bhd)

COMPANY OF THE YEAR
Genting Bhd

BIG CAP COMPANIES
(COMPANIES WITH MORE THAN RM10 BILLION MARKET CAPITALISATION)
MOST PROFITABLE COMPANY | British American Tobacco Malaysia Bhd
HIGHEST PROFIT GROWTH COMPANY | Genting Bhd
BEST PERFORMING STOCK | DiGi.Com Bhd

CONSTRUCTION SECTOR
MOST PROFITABLE COMPANY | Mudajaya Group Bhd
HIGHEST PROFIT GROWTH COMPANY | Mudajaya Group Bhd
BEST PERFORMING STOCK | Mudajaya Group Bhd

CONSUMER PRODUCTS SECTOR
MOST PROFITABLE COMPANY | British American Tobacco Malaysia Bhd
HIGHEST PROFIT GROWTH COMPANY | Tradewinds (M) Bhd
BEST PERFORMING STOCK | Dutch Lady Milk Industries Bhd

FINANCE SECTOR
MOST PROFITABLE COMPANY | Public Bank Bhd
HIGHEST PROFIT GROWTH COMPANY | CIMB Group Holdings Bhd
BEST PERFORMING STOCK | Malaysia Building Society Bhd

INDUSTRIAL PRODUCTS SECTOR
MOST PROFITABLE COMPANY | Supermax Corporation Bhd
HIGHEST PROFIT GROWTH COMPANY | DRB-Hicom Bhd
BEST PERFORMING STOCK | Supermax Corporation Bhd

PLANTATION SECTOR
MOST PROFITABLE COMPANY | Kuala Lumpur Kepong Bhd
HIGHEST PROFIT GROWTH COMPANY | Kulim (Malaysia) Bhd
BEST PERFORMING STOCK | Rimbunan Sawit Bhd

PROPERTY AND REIT SECTORS
MOST PROFITABLE COMPANY | KrisAssets Holdings Bhd
HIGHEST PROFIT GROWTH COMPANY | KrisAssets Holdings Bhd
BEST PERFORMING STOCK | Eastern & Oriental Bhd

TRADING/SERVICES, HOTEL, IPC AND TECHNOLOGY SECTORS
MOST PROFITABLE COMPANY | Berjaya Sports Toto Bhd
HIGHEST PROFIT GROWTH COMPANY | Genting Bhd
BEST PERFORMING STOCK | SEG International Bhd

BEST CSR INITIATIVES
FIRST | Nestlé (Malaysia) Bhd
SECOND | DiGi.com Bhd
THIRD | Carlsberg Brewery Malaysia Bhd
THIRD | CIMB Group Holdings Bhd

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BUSINESS & INVESTMENT WEEKLY

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FETING PEOPLE IN BUSINESS

They came dressed to the nines, the men in smart suits and tuxedos and the ladies sporting stylish floor-sweeping numbers and glamorous accessories. They were the who's who of Corporate Malaysia, who came out in full force to fete the men and women behind Malaysia's top performing companies at the third edition of *The Edge* Billion Ringgit Club (BRC) and Corporate Awards, held last week at the ballroom of the Hilton Kuala Lumpur Hotel.

The prestigious annual event once again had OCBC Bank Malaysia as the main sponsor, luxury Swiss watchmaker Audemars Piguet as supporting sponsor and German luxury carmaker BMW as the official car of the event.

Guests started trickling in as early as 7pm and were personally welcomed by *The Edge* staff members. After striking a pose at the photo wall, they proceeded to the elegantly decked out cocktail area for an aperitif and to mingle with the other guests and editors and management of *The Edge*. No doubt one of the conversation topics revolved around the sleek and sexy BMW 640i Gran Coupé, which was just launched in Malaysia last month, on display.

The quick shuffle of feet and flashing of camera bulbs could only mean one thing — the guest of honour for the evening, Datuk Seri Idris Jala, CEO of the Performance Management and Delivery Unit in the Prime Minister's Department, and his lovely wife had arrived. Jala, who was last year's guest of honour as well, was accompanied by The Edge Communications executive chairman Datuk Tong Kooi Ong and OCBC Bank Malaysia director and CEO Jeffrey Chew. Guests were soon ushered behind the black curtains into the candlelit dining room for the evening's main event. The setting of the ballroom was nothing short of luxurious.

In his opening remarks, Tong reminded us of the reason for *The Edge* BRC, which has very much to do with his core beliefs in promoting meritocracy and transparency in Corporate Malaysia. "Through these awards, *The Edge*, being Malaysia's premier business publication, hopes to encourage Corporate Malaysia to become more competitive, create greater value for its stakeholders, be more efficient, innovative and productive, as well as contribute to the nation's economic and social developments," he said.

Tong also touched on the initiatives under the BRC, such as the Meet the CEO series, an interactive and informal session between the CEO and university students, and the BRC Breakfast, a session for BRC CEOs to network and exchange ideas. Tong then launched a new and exciting initiative — the Programme for After

PICTURES BY LEE LAY KIN, MOHD IZWAN MOHD NAZAM, PATRICK GOH/THE EDGE

Class Enrichment or PACE, which is an effort to address the myriad educational concerns and issues in this country. The initiative is a proposal by The Edge Education Foundation together with The Boston Consulting Group, and the objectives are to make learning fun, reduce the attrition rate, help students overcome the stigma of failure and instil interest in education at the start of secondary school.

The Verses Music Ensembles performed classical numbers while guests dined on a scrumptious spread of lobster salad and creamy tomato soup as starters, mains of steak and tiger prawn or grilled cod, and chocolate pudding for a sweet ending. Vocal powerhouse Noryn Aziz took to the stage to perform a couple of jazz numbers, including a delightful rendition of Nat King Cole's *L.O.V.E*, and a light and upbeat take on *The Way You Look Tonight*. She also paid tribute to the legendary P Ramlee with a performance of one of his hits and to the queen of funk, Chaka Khan, with a performance of *Through the Fire*.

Before the awards ceremony began, Jala addressed the crowd, admonishing corporate captains of Malaysia to widen their horizons and look beyond our shores to the international market as this would facilitate Malaysia's aspirations towards becoming a high-income developed nation, he said.

Jala praised *The Edge*'s efforts to be part of the solution to the nation's education woes with the PACE initiative as he himself, who came from an impoverished background, is a prime example of someone who benefited tremendously from having access to education. He urged corporations to partner with *The Edge* on this programme.

Together with Tong and Chew, Jala gave out a total of 30 awards, comprising 24 sectoral awards, including recognition for big-cap companies, and a new award category, Best CSR Initiatives, the first prize of which went to Nestlé (Malaysia) Bhd. Two head honchos were honoured with the Value Creator: Malaysia's Outstanding CEO award: Tan Sri Azman Hashim, chairman of AMMB Holdings Bhd, and Tan Sri Tony Fernandes, group CEO of AirAsia Bhd.

The top award of the evening, Company of the Year, went to Genting Bhd, an honour that was received by president and COO Tan Kong Han. He also walked away with an Audemars Piguet Millenary Chronograph, courtesy of Audermars Piguet. The night ended in high spirits for many and congratulations were passed all around. E

Audemars Piguet Millenary Chronograph

A marriage of sporty dynamism and elegance, the Audemars Piguet Millenary Chronograph is a self-winding timepiece that embodies all aspects of watchmaking excellence. Crafted in 18-carat pink gold, the watch is loyal to the Millenary family's distinctive design codes with its oval-shaped case and dial with off-centred hour zone, the signature feature of the collection.

The generously sized 42mm watch has gold Roman numerals that stretch elegantly across a silvered disc. The tachometric scale in white against an anthracite background bears Arabic numerals and serves to measure the speed of travel. The silvered chronograph and small seconds counters provide lively finishing touches to the aesthetic appeal of a dial featuring a fascinating play on light and dark contrasts. The 30-minute counter also takes the form of an off-centred oval while the red sweep seconds hand adds a subtle sporting accent.

The watch is also distinguished by its finishing. The meticulously crafted lugs are polished on top and satin-brushed on the side, while the case middle alternates between polished surfaces matching those of the bezel and satin-brushed zones. In an ultimate touch of refinement, even the shaped chronograph pushers reflect this double treatment. The self-winding chronograph movement housed within is also impeccably finished to match its tried and trusted reliability and accuracy.

The watch has a 40-hour power reserve and comes with brown crocodile leather straps.

1 2

WHO'S WHO AT THE EDGE BILLION RINGGIT CLUB GALA

3 4 5 6

1. From left: BMW head of marketing Raymond Tan, Datuk Seri Idris Jala, BMW finance director Frank Scheffer and The Edge Communications executive chairman Datuk Tong Kooi Ong
2. OCBC head of commercial banking Jeffrey Teoh (left) and business banking regional manager Tunku Kamaruddin Tunku Abdul Razak
3. OCBC CEO Jeffrey Chew (right) with a guest
4. Tunku Arishah Tunku Maamor and AmBank Group chairman Tan Sri Azman Hashim
5. Datin Kay Roserina and Maybank group CEO Datuk Seri Abdul Wahid Omar
6. AirAsia's Tan Sri Tony Fernandes
7. Hong Leong Financial Group CEO Raymond Choong and Janet Choong
8. From left: Anne Tong, Datuk Sandra Lee, Tan Sri Lee Oi Hian and Augustine Ong Soon Hock
9. OCBC head of corporate communications Julius Evanson with The Edge Communications managing director Au Foong Yee
10. From left: AirAsia commercial director Jasmine Lee, DiGi head of investor relations Audrey Ho, *The Edge* deputy editor-in-chief Anna Taing and Berjaya Sports Toto Bhd executive director Vincent Seow
11. From left: AmBank Group's Seohan Soo, Andrew Kerr, Duncan Brain and Paul Low
12. *The Edge* deputy editor-in-chief M Shanmugam and Tong
13. From left: Genting Group president and CEO Tan Kong Han, *The Edge* editor-in-chief Leslie Lopez and managing editor Azam Aris
14. Mr and Mrs Chia Song Kun of QL Resources Bhd

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BILLION RINGGIT Club

MEMBERS OF THE EDGE BILLION RINGGIT CLUB 2012

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAPITALISATION AS AT MARCH 31, 2012 (RM MIL)	REVENUE FY2011 (RM MIL)	PROFIT BEFORE TAX FY2011 (RM MIL)
AEON Co. (M) Bhd	3,334.50	2,984.61	277.27
AEON Credit Service (M) Bhd	1,068.00	269.61	85.02
Affin Holdings Bhd	4,528.56	2,660.24	709.15
AirAsia Bhd	9,585.28	4,473.82	794.26
Al-Hadharah Boustead REIT	1,134.70	99.56	305.80
Alliance Financial Group Bhd	6,022.13	1,661.89	553.11
AMMB Holdings Bhd	19,019.51	7,110.74	1,865.12
Amway (Malaysia) Holdings Bhd	1,617.55	735.82	120.99
Ann Joo Resources Bhd	1,082.01	2,237.32	64.81
Atlan Holdings Bhd	1,004.46	744.79	73.70
Axiata Group Bhd	44,081.94	16,447.94	3,576.60
Axis Real Estate Investment Trust	1,238.91	117.73	81.00
Bandar Raya Developments Bhd	1,128.30	670.08	85.60
Batu Kawan Bhd	8,143.56	283.14	785.36
Berjaya Corporation Bhd	4,055.70	7,534.26	861.55
Berjaya Land Bhd	4,625.31	4,056.50	468.40
Berjaya Sports Toto Bhd	5,904.00	3,433.22	508.40
BIMB Holdings Bhd	2,517.62	2,036.19	567.60
Bintulu Port Holdings Bhd	2,784.00	490.14	181.58
Boustead Holdings Bhd	5,615.59	8,555.80	831.00
British American Tobacco Malaysia Bhd	16,166.71	4,127.25	956.27
Bumi Armada Bhd	12,885.23	1,543.90	435.89
Bursa Malaysia Bhd	3,923.20	381.32	206.11
Capitamalls Malaysia Trust	2,432.46	230.89	179.81
Carlsberg Brewery (M) Bhd	3,173.20	1,489.36	220.37
China Stationery Ltd	1,335.70	836.60	306.57
CIMB Group Holdings Bhd	57,158.04	18,127.29	5,203.14
Dayang Enterprise Holdings Bhd	1,127.50	382.31	106.60
Dialog Group Bhd	5,217.64	1,208.38	200.51
DiGi.Com Bhd	31,566.50	5,963.95	1,560.26
DRB-HICOM Bhd	4,871.76	6,804.06	701.52
Dutch Lady Milk Industries Bhd	2,192.64	810.65	141.55
Eastern & Oriental Bhd	1,700.19	271.27	48.15
Eversendai Corporation Bhd	1,308.06	1,033.70	136.02
Far East Holdings Bhd	1,048.65	479.25	156.22
Fraser & Neave Holdings Bhd	6,819.83	3,915.43	449.27
Gamuda Bhd	7,556.72	2,673.21	544.52
Genting Bhd	40,290.71	19,559.04	6,673.32
Genting Malaysia Bhd	23,240.68	8,493.69	1,900.65
Genting Plantations Bhd	7,201.46	1,336.48	601.34
Goldis Bhd	1,275.87	264.22	32.85
Guinness Anchor Bhd	3,951.44	1,488.72	242.88
Hap Seng Consolidated Bhd	3,794.89	3,628.38	635.00
Hap Seng Plantations Holdings Bhd	2,456.00	654.87	339.47
Hartalega Holdings Bhd	2,902.45	734.92	242.83
Hong Leong Bank Bhd	23,724.45	4,150.77	1,411.86
Hong Leong Financial Group Bhd	12,949.04	5,334.61	2,419.33
Hong Leong Industries Bhd	1,321.46	3,218.48	340.20
IGB Corporation Bhd	4,128.12	772.13	357.50
IJM Corporation Bhd	7,778.46	3,720.72	676.57
IJM Land Bhd	3,026.62	1,162.22	285.54
IJM Plantations Bhd	2,645.66	506.28	196.02
IOI Corporation Bhd	34,311.44	16,154.25	2,863.61
Jaya Tiasa Holdings Bhd	2,364.76	870.91	206.04
JCY International Bhd	2,372.04	1,671.26	13.84
JT International Bhd	1,731.36	1,197.81	164.29
Keck Seng Malaysia Bhd	1,474.83	1,254.96	95.75
Kencana Petroleum Bhd	6,278.49	1,492.65	272.96
KFC Holdings (Malaysia) Bhd	2,982.68	2,798.78	215.49
KLCC Property Holdings Bhd	3,175.85	977.49	1,878.84
Kossan Rubber Industries Bhd	1,071.11	1,092.12	116.13
KPJ Healthcare Bhd	3,173.06	1,891.30	191.97
Krisassets Holdings Bhd	3,074.22	370.14	760.47
Kuala Lumpur Kepong Bhd	26,260.62	10,743.25	2,066.21
Kulim (Malaysia) Bhd	5,275.32	7,041.78	1,364.93
Lafarge Malayan Cement Bhd	6,117.81	2,552.56	414.65
Lingkaran Trans Kota Holdings Bhd	2,066.98	318.59	136.74
Lingui Developments Bhd	1,029.02	1,651.04	205.25
LPI Capital Bhd	3,089.68	902.73	200.05
Mah Sing Group Bhd	1,724.03	1,570.70	238.63
Malayan Banking Bhd	67,761.85	23,404.33	6,698.63
Malayan Flour Mills Bhd	1,005.40	1,918.42	103.61
Malaysia Airports Holdings Bhd	7,078.50	2,754.83	574.14
Malaysia Building Society Bhd	2,676.05	1,269.44	428.26
Malaysia Marine & Heavy Engineering Holdings Bhd	8,784.00	3,245.89	356.85
Malaysian Airline System Bhd	4,478.49	13,901.42	-2,512.88
Malaysian Bulk Carriers Bhd	1,710.00	256.31	94.80
Malaysian Resources Corporation Bhd	2,634.20	1,213.08	107.25
Maxis Bhd	45,675.00	8,800.00	3,004.00
MBM Resources Bhd	1,121.15	1,752.33	151.10
Media Chinese International Ltd	1,990.95	1,348.81	224.50
Media Prima Bhd	2,877.34	1,622.13	279.52
MISC Bhd	24,015.21	11,587.34	-660.95
MMC Corporation Bhd	8,556.61	9,336.81	1,002.33
MSM Malaysia Holdings Bhd	3,557.08	2,299.55	359.37
Mudajaya Group Bhd	1,569.55	1,347.06	293.95
Multi-Purpose Holdings Bhd	3,968.19	3,535.86	675.71
NCB Holdings Bhd	1,876.31	928.02	190.15
Nestlé (Malaysia) Bhd	13,132.00	4,700.99	558.81
Oriental Holdings Bhd	3,958.11	3,132.23	461.26
OSK Holdings Berhad	1,640.64	1,051.38	93.18
Padiberas Nasional Bhd	1,430.02	3,534.45	246.85
Panasonic Manufacturing Malaysia Bhd	1,336.41	761.41	101.81
Parkson Holdings Bhd	5,874.18	2,925.08	805.27
Pavilion Real Estate Investment Trust	3,450.65	22.54	12.38
Petronas Chemicals Group Bhd	53,920.00	15,530.50	4,961.00
Petronas Dagangan Bhd	18,816.02	28,084.71	1,201.15
Petronas Gas Bhd	33,321.86	2,996.72	1,908.05
POS Malaysia Bhd	1,466.08	N/A	N/A
PPB Group Bhd	20,034.95	2,710.54	1,056.58
Proton Holdings Bhd	3,015.18	8,969.88	214.41
Public Bank Bhd	48,175.47	12,756.36	4,610.63
QL Resources Bhd	2,704.01	1,776.75	160.81
QSR Brands Bhd	1,941.94	3,349.91	269.93
RHB Capital Bhd	16,977.10	7,084.75	2,000.13
Rimbunan Sawit Bhd	1,334.68	359.58	93.67

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BILLION RINGGIT Club

TOP 20 RANKED BY REVENUE

RANK 2012	2011		COMPANY	REVENUE FY2011 (RM MIL)
1	1	–	Sime Darby Bhd	43,030.50
2	2	–	Tenaga Nasional Bhd	32,206.90
3	3	–	Petronas Dagangan Bhd	28,084.71
4	4	–	Malayan Banking Bhd	23,404.33
5	7	▲	Genting Bhd	19,559.04
6	5	▼	YTL Corporation Bhd	18,354.77
7	6	▼	CIMB Group Holdings Bhd	18,127.29
8	8	–	Axiata Group Bhd	16,447.94
9	13	▲	IOI Corporation Bhd	16,154.25
10	–	New	Petronas Chemicals Group Bhd	15,530.50
11	10	▼	YTL Power International Bhd	14,662.56
12	11	▼	Malaysian Airline System Bhd	13,901.42
13	12	▼	UMW Holdings Bhd	13,556.41
14	14	–	Public Bank Bhd	12,756.36
15	9	▼	MISC Bhd	11,587.34
16	15	▼	Shell Refining Company (Federation of Malaya) Bhd	11,212.68
17	21	▲	Kuala Lumpur Kepong Bhd	10,743.25
18	17	▼	MMC Corporation Bhd	9,336.81
19	18	▼	Telekom Malaysia Bhd	9,150.66
20	20	–	Proton Holdings Bhd	8,969.88

TOP 20 RANKED BY PROFIT BEFORE TAX

RANK 2012	2011		COMPANY	PROFIT BRFORE TAX FY2011 (RM MIL)
1	1	–	Malayan Banking Bhd	6,698.63
2	3	▲	Genting Bhd	6,673.32
3	12	▲	Sime Darby Bhd	5,509.50
4	2	▼	CIMB Group Holdings Bhd	5,203.14
5	–	New	Petronas Chemicals Group Bhd	4,961.00
6	4	▼	Public Bank Bhd	4,610.63
7	6	▼	Axiata Group Bhd	3,576.60
8	7	▼	Maxis Bhd	3,004.00
9	8	▼	IOI Corporation Bhd	2,863.61
10	16	▲	Hong Leong Financial Group Bhd	2,419.33
11	9	▼	YTL Corporation Bhd	2,351.95
12	17	▲	Kuala Lumpur Kepong Bhd	2,066.21
13	10	▼	RHB Capital Bhd	2,000.13
14	22	▲	Petronas Gas Bhd	1,908.05
15	13	▼	Genting Malaysia Bhd	1,900.65
16	21	▲	KLCC Property Holdings Bhd	1,878.84
17	18	▲	AMMB Holdings Bhd	1,865.12
18	15	▼	DiGi.Com Bhd	1,560.26
19	14	▲	YTL Power International Bhd	1,556.91
20	23	▲	Hong Leong Bank Bhd	1,411.86

TOP 20 RANKED BY MARKET CAPITALISATION

RANK 2012	2011		COMPANY	MARKET CAPITALISATION AS AT MARCH 31, 2012 (RM MIL)
1	1	–	Malayan Banking Bhd	67,761.85
2	4	▲	Sime Darby Bhd	58,532.18
3	2	▼	CIMB Group Holdings Bhd	57,158.04
4	3	▼	Petronas Chemicals Group Bhd	53,920.00
5	5	–	Public Bank Bhd	48,175.47
6	8	▲	Maxis Bhd	45,675.00
7	7	–	Axiata Group Bhd	44,081.94
8	6	▼	Genting Bhd	40,290.71
9	11	▲	Tenaga Nasional Bhd	35,102.76
10	9	▼	IOI Corporation Bhd	34,311.44
11	12	▲	Petronas Gas Bhd	33,321.86
12	15	▲	DiGi.Com Bhd	31,566.50
13	13	–	Kuala Lumpur Kepong Bhd	26,260.62
14	10	▲	MISC Bhd	24,015.21
15	22	▲	Hong Leong Bank Bhd	23,724.45
16	16	–	Genting Malaysia Bhd	23,240.68
17	17	–	PPB Group Bhd	20,034.95
18	23	▲	Telekom Malaysia Bhd	19,031.78
19	18	▼	AMMB Holdings Bhd	19,019.51
20	21	▲	Petronas Dagangan Bhd	18,816.02

1) The revenue and profit before tax figures are as at March 31, 2012 and may be audited or unaudited, depending on whether the Annual Report has been released by that date.
2) Where there is a change in financial year-end, the revenue and profit before tax figures are annualised.

FROM PREVIOUS PAGE

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAPITALISATION AS AT MARCH 31, 2012 (RM MIL)	REVENUE FY2011 (RM MIL)	PROFIT BEFORE TAX FY2011 (RM MIL)
S P Setia Bhd	7,581.28	2,232.47	430.59
Sapuracrest Petroleum Bhd	6,230.41	3,179.96	415.15
Sarawak Oil Palms Bhd	3,002.51	1,166.29	362.36
SEG International Bhd	1,006.83	278.29	88.22
Selangor Properties Bhd	1,278.25	253.53	139.57
Shangri-La Hotels (Malaysia) Bhd	1,254.00	429.73	80.84
Shell Refining Company (Federation of Malaya) Bhd	3,060.00	11,212.68	-163.81
Sime Darby Bhd	58,532.18	43,030.50	5,509.50
Star Publications (M) Bhd	2,422.49	1,067.67	250.53
Starhill Real Estate Investment Trust	1,231.68	30.15	59.92
Sunway Bhd	3,399.29	3,738.91	507.05
Sunway Real Estate Investment Trust	3,367.74	327.42	553.66
Supermax Corporation Bhd	1,278.69	1,026.91	112.95
Ta Ann Holdings Bhd	1,925.20	927.99	218.06
TA Global Bhd	1,190.84	411.35	109.04
Tan Chong Motor Holdings Bhd	3,017.28	3,854.50	304.98
Tasek Corporation Bhd	1,050.78	566.18	132.29
TDM Bhd	1,129.53	503.23	217.71
Telekom Malaysia Bhd	19,031.78	9,150.66	1,001.20
Tenaga Nasional Bhd	35,102.76	32,206.90	546.70
TH Plantations Bhd	1,468.20	434.84	183.02
Time Dotcom Bhd	1,708.27	313.87	119.02

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAPITALISATION AS AT MARCH 31, 2011 (RM MIL)	REVENUE FY2011 (RM MIL)	PROFIT BEFORE TAX FY2011 (RM MIL)
Top Glove Corporation Bhd	2,783.90	2,053.92	145.47
Tradewinds (M) Bhd	2,843.15	7,010.00	909.94
Tradewinds Plantation Bhd	2,545.23	1,703.50	478.16
TSH Resources Bhd	1,892.29	1,148.64	162.36
UEM Land Holdings Bhd	9,693.61	1,703.17	355.25
UMW Holdings Bhd	8,528.55	13,556.41	1,381.24
Unico-Desa Plantations Bhd	1,112.83	246.90	74.96
United Malacca Bhd	1,504.51	205.72	105.71
United Plantations Bhd	5,199.19	1,385.47	491.54
UOA Development Bhd	1,674.20	613.60	481.80
Wah Seong Corporation Bhd	1,567.67	1,889.11	173.27
WCT Bhd	1,994.33	1,538.59	207.54
YTL Cement Bhd	2,406.30	2,192.82	488.97
YTL Corporation Bhd	18,617.78	18,354.77	2,351.95
YTL E - Solution Bhd	1,127.25	74.25	64.84
YTL Power International Bhd	13,550.32	14,662.56	1,556.91
TOTAL	1,197,412.55	601,412.87	102,845.06

Notes:
1) The revenue and profit before tax figures are as at March 31, 2012 and may be audited or unaudited, depending on whether the Annual Report has been released by that date.
2) Where there is a change in financial year-end, the revenue and profit before tax figures are annualised.

SECTORAL AWARD WINNERS 2012

Big Cap Companies
Companies with more than RM10 bil market capitalisation

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS(%)
1	**Genting Bhd**	**79.36**
2	CIMB Group Holdings Bhd	33.88
3	Genting Malaysia Bhd	26.64

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**British American Tobacco Malaysia Bhd**	**224.75**
2	DiGi.Com Bhd	114.56
3	Nestlé (Malaysia) Bhd	83.12

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**DiGi.Com Bhd**	**63.00**
2	Genting Bhd	44.33
3	Petronas Dagangan Bhd	39.23

Construction Sector

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS(%)
1	**Mudajaya Group Bhd**	**26.00**
2	YTL Corporation Bhd	12.22
3	WCT Bhd	11.07

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Mudajaya Group Bhd**	**39.59**
2	WCT Bhd	14.12
3	YTL Corporation Bhd	13.68

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Mudajaya Group Bhd**	**49.39**
2	WCT Bhd	36.98
3	Malaysian Resources Corporation Bhd	34.85

Consumer Products Sector

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Tradewinds (M) Bhd**	**53.94**
2	Carlsberg Brewery Malaysia Bhd	35.49
3	Fraser & Neave Holdings Bhd	22.61

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**British American Tobacco Malaysia Bhd**	**224.75**
2	Nestlé (Malaysia) Bhd	83.12
3	Guinness Anchor Bhd	42.06

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Dutch Lady Milk Industries Bhd**	**60.23**
2	Tradewinds (M) Bhd	58.94
3	Malayan Flour Mills Bhd	58.74

Finance Sector

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**CIMB Group Holdings Bhd**	**33.88**
2	Malayan Banking Bhd	25.08
3	Affin Holdings Bhd	24.73

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Public Bank Bhd**	**34.98**
2	CIMB Group Holdings Bhd	22.23
3	Bursa Malaysia Bhd	20.47

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Malaysia Building Society Bhd**	**77.37**
2	AEON Credit Service (M) Bhd	57.63
3	BIMB Holdings Bhd	45.59

Industrial Products Sector

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**DRB-HICOM Bhd**	**65.67**
2	Wah Seong Corporation Bhd	23.64
3	YTL Cement Bhd	22.82

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS (%)
1	**Supermax Corporation Bhd**	**24.09**
2	Top Glove Corporation Bhd	20.78
3	Petronas Gas Bhd	20.09

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS(%)
1	**Supermax Corporation Bhd**	**81.93**
2	Jaya Tiasa Holdings Bhd	70.33
3	DRB-HICOM Bhd	56.90

Plantation Sector

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Kulim (Malaysia) Bhd**	**46.74**
2	Tradewinds Plantation Bhd	40.52
3	Hap Seng Plantations Holdings Bhd	27.52

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Kuala Lumpur Kepong Bhd**	**27.20**
2	IOI Corporation Bhd	25.89
3	Batu Kawan Bhd	23.34

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Rimbunan Sawit Bhd**	**60.69**
2	Kulim (Malaysia) Bhd	58.74
3	TSH Resources Bhd	53.81

Property and REIT Sectors

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Krisassets Holdings Bhd**	**105.02**
2	KLCC Property Holdings Bhd	38.64
3	IGB Corporation Bhd	26.90

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Krisassets Holdings Bhd**	**27.86**
2	Al-Hadharah Boustead REIT	25.71
3	KLCC Property Holdings Bhd	18.47

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**Eastern & Oriental Bhd**	**50.18**
2	IJM Land Bhd	45.98
3	Krisassets Holdings Bhd	43.02

Trading/Services, Hotel, IPC and Technology Sectors

HIGHEST PROFIT GROWTH COMPANY
Highest compound growth in profit before tax over 3 years

RANK	COMPANY	COMPOUND GROWTH IN PBT OVER 3 YEARS (%)
1	**Genting Bhd**	**79.36**
2	Multi-Purpose Holdings Bhd	50.30
3	Sapuracrest Petroleum Bhd	41.16

MOST PROFITABLE COMPANY
Highest return on equity over 3 years

RANK	COMPANY	ROE OVER 3 YEARS(%)
1	**Berjaya Sports Toto Bhd**	**117.19**
2	DiGi.Com Bhd	114.56
3	Amway (Malaysia) Holdings Bhd	38.84

BEST PERFORMING STOCK
Highest returns to shareholders over 3 years

RANK	COMPANY	RETURNS TO SHAREHOLDERS OVER 3 YEARS (%)
1	**SEG International Bhd**	**169.70**
2	Sapuracrest Petroleum Bhd	89.87
3	KPJ Healthcare Bhd	75.31

All profit before tax numbers are adjusted for material exceptional items

MOST PROFITABLE

CONSUMER PRODUCTS

BRITISH AMERICAN TOBACCO

Strategy delivers good and sustainable performance

BY HO CHING-LING

The tobacco industry is considered defensive, which is why such companies churn out good dividends. But the operating environment is getting tough with competition from contraband and cheap whites, and tighter regulations and high excise taxes.

Just like other companies in the tobacco industry, British American Tobacco (Malaysia) Bhd (BAT) continued to face an adverse market in 2011. But the group managed to maintain its position as one of the market's leaders, demonstrating excellent performance in terms of shareholders' return with high dividend payouts and a strong share price performance.

The tobacco manufacturer stuck to its commitment to pay dividends of more than 90% of its earnings. In 2011, it announced a dividend payout of RM2.76 per share, which also included a special dividend of 30 sen per share, translating into 109.5% of its earnings.

The group's good performance is expected to continue this year as it has already declared a first interim dividend of 65 sen per share for FY2012 ending Dec 31.

Overall, the industry did not perform well in 2011 as cigarette consumption declined 2.3% due to spillover effects from 2010's excise tax hike and the government's ban on cigarette pack sizes of less than 20 sticks.

However, BAT further strengthened its leadership in the tobacco industry in 2011 by successfully growing its market share for the second year to 61.1%, a 1.3% growth from 2010.

"The growth momentum continued into 2011 as well as the current year, which has further strengthened the company's leadership in the Malaysian tobacco industry," says the group in a written statement to *The Edge*.

The group's flagship brand, Dunhill, continues to dominate the premium cigarette segment as new product launches such as the "Dunhill Menthol Boost" and "Dunhill Switch" helped BAT grow its premium market share by 1.8% to a record all-time high of 44.7% in 2011.

"Our brand portfolio is continuously refined to deliver compelling offers within the segment that we compete in," says BAT. Meanwhile, its Value for Money (VFM) segment also registered a strong market share growth of 3.8% in 2011, partly owing to the introduction of "Pall Mall Ice" as well as limited-edition launches of its Peter Stuyvesant brands.

BAT believes that contraband or illegal cigarettes will continue to pose the biggest challenge to the tobacco business. According to 2011's Illicit Cigarette Study by the Confederation of Malaysian Tobacco Manufacturers, illegal cigarettes represented 36.1% of the country's total cigarette consumption in 2011, a marginal drop of 0.2% from 2010.

"This means that more than one out of every three sticks of cigarettes consumed in Malaysia are illegal," said BAT managing director William Toh in the group's recent annual report.

Industry observers have noted a strong correlation between hefty hikes in excise tax and increases in the illegal cigarette trade. Historically, the market share of illegal cigarettes increased as the price gap widened. It is no surprise that many industry players breathed a sigh of relief when the government decided there would be no increase in excise tax in this year's federal budget.

"This is a problem that the industry cannot resolve on its own," says BAT. "We believe that if excise increases remain prudent and moderate, coupled with more active enforcement and stricter penalties, the illegal cigarette trade issue will stand a good chance of being addressed."

BAT ANNUAL REPORT

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	4,127.25	3,965.45	3,923.42	4,135.22
Profit Before Tax	956.27	959.18	1,005.31	1,081.17
Net Profit Attributable to Shareholders	719.62	731.11	746.78	811.68
Return on Equity	166.68%	149.08%	170.00%	199.69%

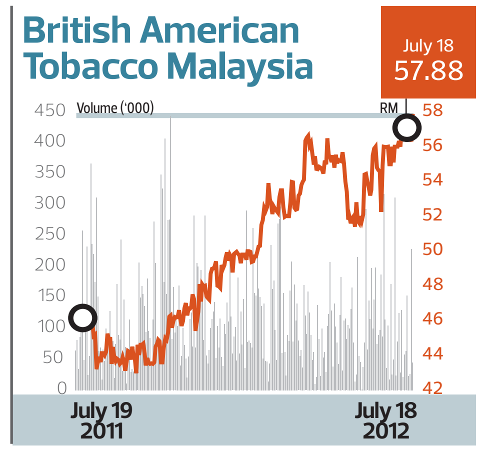
However, it seems the stress from stricter regulations and the illegal cigarette trade is continuing to take its toll on the group's financial performance. In FY2011 ended Dec 31, BAT's net profit fell for a third consecutive year, dropping 1.57% to RM719.6 million. Topline revenue was up 4% at RM4.1 billion but this was mainly attributed to higher excise-driven pricing. In fact, the group registered a 1.3% drop in sales volume.

Nevertheless, BAT was the most profitable among companies with billion-ringgit market capitalisation in the consumer products sector. It registered the highest return on equity of 224.75% over three years.

Its strong underlying business operations, undisputed market leadership and strong dividend policy point to another good year as it marks its 100th year of operations in 2012.

"Our strategy has delivered good and sustainable performance for the company over its many years of operation in Malaysia," it says.

"We will continue to drive the same strategy with more emphasis on strengthening our key brand portfolio, redefining our core business processes, focusing more on our people and their development and working more closely with the government to address illicit cigarette trade issues and challenges." E



ABOUT THE MANAGING DIRECTOR

William Toh Ah Wah has had an illustrious career, which spans almost three decades, with British American Tobacco. He joined the company in 1981 as a management trainee and held various marketing roles, including area manager and marketing manager. Toh was later seconded to overseas roles with leadership positions in China, Taiwan, Hong Kong, New Zealand and Pakistan.

In 2007, he was promoted to director of British American Tobacco's South Asia Area (Pakistan, Bangladesh and Sri Lanka). Toh was the head of Indonesia area (covering the markets in Indonesia, Thailand and Philippines) and the regional project manager for British American Tobacco Asia Pacific before his appointment as managing director of British American Tobacco Malaysia Bhd on Oct 1, 2009.

ABOUT THE COMPANY

British American Tobacco Malaysia Bhd was formed via the merger of Rothmans of Pall Mall Malaysia Bhd and Malaysian Tobacco Company Bhd on Nov 3, 1999. The merger pooled talent, experience and an unrivalled portfolio of highly successful international brands to create the country's largest tobacco company. Going back to 1912, the group has a combined history of 100 years in Malaysia, manufacturing and marketing high-quality tobacco products designed to meet diverse consumer preferences. Its portfolio includes well-established international brands such as Dunhill, Kent and Pall Mall.

BEST CSR INITIATIVES (SECOND PLACE)

BEST PERFORMING STOCK

COMPANIES WITH MORE THAN RM10 BILLION MARKET CAPITALISATION

DIGI.COM

On a mission to deliver high-quality Internet to all Malaysians

BY SHARON TAN

MOHD IZWAN MOHD NAZAM/THE EDGE

DiGi.Com Bhd takes pride in being a challenger and a game-changer, which has enabled it to maintain its position as the third largest player in the local telecommunications market.

In terms of revenue, DiGi's market share last year stood in excess of 27%, compared with less than 21% in 2005. Revenue also almost doubled to RM5.96 billion in 2010 from RM2.88 billion in 2005. The group has consistently outgrown the industry in the last five years with a growth of 10% compared with the industry's 3%.

DiGi emerged as the best performing stock among companies with a market capitalisation of more than RM10 billion. It had the highest returns to shareholders over three years of 63%.

In an email reply to *The Edge*, DiGi says it is committed to bringing high-speed Internet and next-generation services to more Malaysians. "This is encapsulated in our mission to deliver Internet for all, as we believe the key to accelerating Internet adoption is through building a strong data network and enabling access to mobile Internet services by offering customers the right combination of devices, value pricing and the best user experience of mobile Internet," says the company.

By the end of this year, DiGi aims to have a brand new unified mobile network capable of delivering 2G, 3G and 4G/LTE from a single base station site. The modernisation of its IT platform will also enable it to deliver a complete high-quality Internet and content experience to customers and businesses.

Towards this end, the company has committed between RM700 million and RM750 million to upgrade its network. DiGi plans to deliver its transformation initiatives over the next two years.

"Based on our strong operational efficiency focus and highly competitive cost structure established by the ongoing transformational efforts, specifically in the network and IS/IT arena, we believe DiGi is well positioned to continue delivering substantial shareholder value going forward.

"These efforts will secure a second to none cost structure, enabling DiGi to improve coverage and provide capacity expansion on ultra competitive terms. At the same time, the simplified network layout will enable better management of the customer experience," says the company, adding that the comprehensive network modernisation will be a key driver of its ambition to reach a capex/sales ratio of less than 10% post-2013.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	5,963.95	5,406.46	4,909.56	4,814.48
Profit Before Tax	1,560.26	1,597.25	1,366.45	1,546.90
Net Profit Attributable to Shareholders	1,254.38	1,178.00	1,000.47	1,140.71
Return on Equity	88.87%	87.48%	65.76%	60.13%

According to DiGi, it will also leverage its parent the Telenor global group, especially in areas of procurement, technology and knowledge transfer.

DiGi is renowned for its corporate social responsibility (CSR) projects, which is reflected in its three broad corporate responsibility pillars of Empowerment Through Connectivity, Ethical and Responsible Business, and Climate Change and Environment.

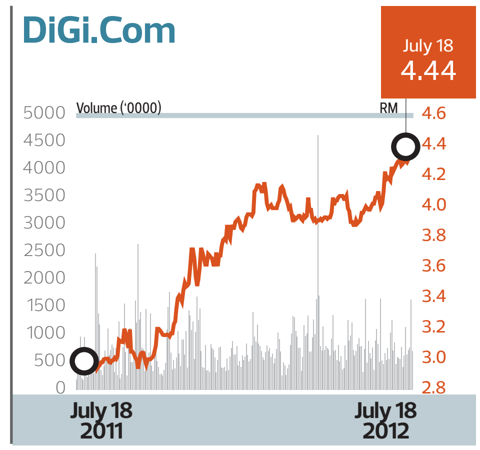
Among the CSR projects that it has initiated is a partnership with e-homemakers where the company sponsors 30,000 text messages on a monthly basis so that the e-homemakers can communicate with non-governmental organisations and home-based workers.

The group also organises the annual DiGi Challenge for Change (C4C) competition, which engages students from universities and colleges in Malaysia to work on solutions that benefit society.

DiGi, in partnership with the Ministry of Education, Ministry of Women, Community and Family Development, Cybersecurity and Childline Malaysia, runs nationwide roadshows at schools to raise awareness of how to safeguard children from online threats and risks such as cyber-bullying, cyber-harassment, identity theft, child pornography and cyber-grooming. This programme aims to reach out to 220 schools, 14 Community Broadband Centres and 5,000 participants around the country by end-2012.

DiGi has also embarked on its Deep Green Initiative, which practises energy efficiencies across its telecommunications network, buildings and IT. This initiative, which includes its employees, customers and suppliers, encourages carpooling, recycling, energy conservation and paper reduction. Its new Technical Operation Centre has eco-features such as energy efficiency, renewable energy, water efficiency and sustainable construction methods.

Moving forward, DiGi wants to be the enabler of connectivity, whether via voice or Internet, for every Malaysian. "With the best network infrastructure, efficient processes and right talent pool, we are confident we are capable of becoming the leading mobile Internet provider in Malaysia." E



ABOUT THE CEO

Henrik Clausen was appointed DiGi's CEO on May 17, 2010. Prior to his appointment, Clausen was CEO of Telenor Denmark. He was also the CEO of Cybercity, Denmark's second biggest fixed broadband and ISP provider for five years. Clausen, who was a partner at Accenture, had also worked at IBM and AT Kearney.

A graduate of the Technical University of Denmark with a Master of Science in civil engineering in 1987, Clausen also obtained a bachelor's degree in International Business from the Copenhagen Business School in the same year. He got an MBA from INSEAD in 1992.

THE COMPANY

DiGi.Com Bhd was established on March 28, 1997, to establish, maintain and provide mobile telecommunications and related services. The company has a history of product and service innovation and is a leader in driving progressive and responsible business practices in the provision of mobile voice and mobile Internet services. It operates under the DiGi brand and recently established a sub-brand called "Happy", which is predominantly available in the east coast states of Peninsular Malaysia.

BEST PERFORMING STOCK

CONSUMER PRODUCTS

DUTCH LADY MILK INDUSTRIES

A brand synonymous with dairy products

BY ESTHER LEE

A name familiar to consumers and investors alike, Dutch Lady Milk Industries Bhd has journeyed far since its early days in the 1960s to join the ranks of *The Edge* Billion Ringgit Club.

As at March 31, 2012, its market capitalisation stood at RM2.192 billion, compared with RM1.047 billion a year ago. Over the decades, Dutch Lady has evolved from a producer of sweetened condensed milk to one synonymous with UHT milk.

Once listed on both the Singapore Stock Exchange and Kuala Lumpur Stock Exchange, the company, which was then called Dutch Baby Milk Industries (Malaya) Bhd, delisted from the Singapore bourse in compliance with the government's policy to promote the Kuala Lumpur Stock Exchange.

This year, Dutch Lady tops the table as the best performing stock among companies in the consumer products sector, delivering 60.23% returns to shareholders over three years.

Between 2009 and 2011, its share price increased significantly — from RM11.60 to RM34.26. The company acknowledges the whopping 195.34% increase as one of its major achievements within a three-year span. YTD, the stock has risen 57.22%.

Interestingly, the share price seems resilient to tough economic conditions. Over the past three years, it has been mostly on an upward trend, not losing traction even in 2009 when revenue dropped as a result of lower selling prices and softer consumer demand.

Its net profit before tax, however, reached a historic high, rising 42% from the previous year. Since 2009, the company's revenue and profits have increased steadily every year.

The company's financial performance was not dampened by the steep rise in raw material prices last year and it acheived its highest PBT of RM141 million — a 57% increase from the previous year. Revenue grew to RM810 million, marking a RM113.37 million jump from the previous year.

Dutch Lady overcame steep raw material prices by consolidating procurement efforts for better purchasing power and making smart investments.

"The higher PBT was mainly attributable to volume growth, minimal price increase adjustments to compensate for higher dairy raw material costs, tight control over sales and operational costs with lower asset impairment provision in 2011," the company explains.

SUHAIMI YUSUF/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	810.65	696.63	691.85	711.57
Profit Before Tax	141.55	90.10	82.48	57.86
Net Profit Attributable to Shareholders	108.08	63.89	60.40	42.65
Return on Equity	41.71%	32.35%	33.56%	26.39%

Shareholders reaped the rewards of the company's outstanding performance last year. Total gross dividend paid out in 2011 amounted to RM2.10 per share, representing a high dividend payout ratio of 124% based on earnings per share of RM168.88.

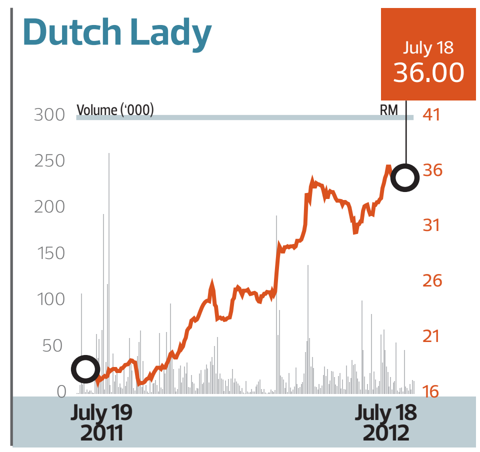
Kenanga Research points out that Dutch Lady has been consistently distributing high dividends. It is expecting at least an additional RM1 dividend from the company for 2012.

In a report, the research house says the company is targeting RM1 billion in sales by end-2013, but forecasts that it will only hit its sales target by 2015, based on yearly domestic milk consumption growth of about 4% to 6%.

As part of a global heritage of more than 130 years in the dairy business, Dutch Lady has managed to leverage on parent FrieslandCampina's R&D capabilities.

Kenanga Research says the company is planning to expand its liquid milk production, given its current high utilisation rate. Although Dutch Lady did not disclose the amount of potential investment, it said it would cost RM1 million to add a production line.

With a market share of 20%, Dutch Lady is the leading dairy company in Malaysia. The company says its strength lies in the brand name, carefully nurtured through its 50 years in Malaysia, and delivering value for money and trusted dairy nutrition to Malaysians. E



ABOUT THE MANAGING DIRECTOR

Rahul John Colaco, 39, has been managing director of Dutch Lady since April 2012. He holds a degree in Commerce from Mumbai University, India, and an MBA from the International Institute of Development in Lausanne, Switzerland.

ABOUT THE COMPANY

Dutch Lady was incorporated in 1963 under the name Pacific Milk Industries (Malaya) Bhd, and produced sweetened condensed milk. In 1968, the company went public and became the first milk company to be listed on the Kuala Lumpur Stock Exchange and Singapore Stock Exchange. It then built its own UHT plant and diversified into UHT milk in the 1970s. The company underwent a corporate restructuring exercise in 1987 to comply with the government's New Economic Policy. This resulted in the enlargement of its share capital to RM16 million. At the end of the 1980s, the company delisted from the Singapore Stock Exchange, in line with the government's efforts to promote the Kuala Lumpur Stock Exchange. Since then, the company has gone on to win various awards for its achievements.

MOST PROFITABLE

HIGHEST PROFIT GROWTH

BEST PERFORMING STOCK

CONSTRUCTION

MUDAJAYA GROUP

Aims to be leading EPC contractor at home and abroad

BY NADIA S HASSAN

CHU JUCK SENG/THE EDGE

Although things have not always been plain sailing for Mudajaya Group Bhd, it still managed to emerge as the overall winner among companies with billion-ringgit market capitalisation in the construction sector.

Repeating last year's performance, Mudajaya swept all three awards in the construction division for registering the highest compound growth in profit before tax (26%), the highest return on equity (39.59%) and the highest return to shareholders (49.39%) over the past three years.

Mudajaya saw a changing of the guard last September, when long-time managing director Ng Ying Loong resigned, although he remains a substantial shareholder. Anto S F Joseph, who was joint-managing director at the time, now helms the group. It should be noted that despite Ng's sudden resignation, investors took comfort in the fact that Anto had been hands-on in running the company.

Mudajaya's crown jewel is its project in Chhattigarh, India, where it is the contractor and part-owner of a 1,440MW coal-fired power plant. Locally, the group continues to rack up jobs. Notably, it is the main engineering, procurement and construction (EPC) contractor for the expansion of the Janamanjung and Tanjung Bin coal-fired plants. In this instance, Mudajaya was part of a consortium led by Alstom Power Systems SA, along with Eversendai Corp Bhd.

On July 10, Mudajaya received a letter of acceptance from Mass Rapid Transit Corp Sdn Bhd for the construction of a viaduct guideway and other associated works for the Dataran Sunway Station to the Section 17 portion of the MRT project for RM816.2 million.

In the past four years, Mudajaya has managed to secure projects worth more than RM5 billion. These include highway construction, power plants and buildings, among others.

Moving forward, the group plans to increase its presence overseas, such as India, Indonesia, the Middle East and Vietnam, while concentrating on its core competencies in power and infrastructure works.

In order to mitigate the cyclical nature of the construction industry and to continue delivering sustainable returns to its shareholders, Mudajaya is looking to invest in projects that provide recurring income.

"To compete in the globalised environment, the group's plan is to further improve on its financial position, strengthen its professional management team and leverage its track record to secure projects in other parts of the region.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	1,347.06	870.43	719.97	422.38
Profit Before Tax	293.95	278.39	167.96	65.43
Net Profit Attributable to Shareholders	231.03	215.55	119.18	45.12
Return on Equity	24.42%	29.81%	31.78%	16.60%

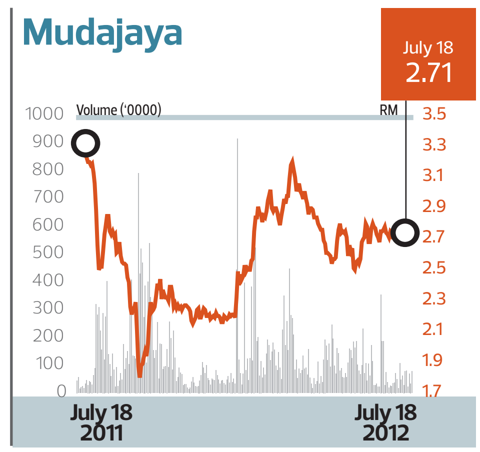
"On top of growing our business organically in the power, highway, infrastructure and water sectors, Mudajaya is also looking at acquiring companies that provide synergistic advantages or assets that provide recurring income to sustain the growth of the group in the future," says Mudajaya.

However, challenges remain for the group. Although the project in India was its big break, delays stemming from weather conditions and political issues took the wind out of its sails. Most recently, worries over the security of coal supplies for the Indian project have placed a question mark on the endeavour.

According to Mudajaya, one the major challenges it has faced is the securing of public sector projects. "We managed to overcome them by concentrating on developing our own projects and providing value engineering for cost-effective solutions."

In terms of earnings, Mudajaya continues to show improvement. For its first quarter ended March 31, 2012, net profit grew to RM74.2 million from RM41.2 million in the previous year while revenue doubled to RM440.5 million from RM223.1 million previously. This was driven by the increased pace of its project in India, according to the company.

Ultimately, Mudajaya aims to not only be a leading EPC contractor locally and overseas, but also to be an independent power producer with a capacity of at least 3,000MW within the next 10 years. The group appears to be on the right path, if it is able to negotiate the speed bumps along the way. E



ABOUT THE GROUP MANAGING DIRECTOR AND CEO

Anto S F Joseph, 60, was appointed Mudajaya's group managing director and CEO on Dec 22, 2011. Before taking on his current role, he was the company's joint-managing director. He was subsequently re-designated as the group's managing director on Sept 30, 2011. Previously, he was the executive director of Mudajaya Corp Bhd, the group's operating arm, in 1996.

A Bachelor of Technology graduate of the Indian Institute of Technology, Anto also holds a diploma in accounting and finance. He is a professional engineer registered with the Board of Engineers Malaysia and has more than 33 years' experience in infrastructure project management.

Anto has held various senior positions at Jabatan Kerja Raya, Pernas Construction Sdn Bhd and Pengurusan Lebuhraya Bhd.

ABOUT THE COMPANY

Mudajaya's operating arm, Mudajaya Corp Bhd (MCB), can trace its roots back to 1965 when it started out as Chye Hin Construction Co Ltd. Chye Hin changed to its present name in 1997, and parent company Mudajaya was listed on the Main Market of Bursa Malaysia in 2004.

The group's principal business activities are construction, EPCC, property development, manufacturing, trading and power. Its construction activities are primarily undertaken by MCB, which provides its services to the government, quasi-government bodies and the private sector.

In terms of property development, Mudajaya's previous projects include Villa Angsana Condominium in Kuala Lumpur while an ongoing project is MJC City in Kuching, Sarawak.

The group also produces pre-stressed pre-cast concrete beams and ready-mixed concrete. It is the largest producer of the former in the country.

HIGHEST PROFIT GROWTH

CONSUMER PRODUCTS

TRADEWINDS (M)

Success built on three profitable lines of business

BY JOSE BARROCK

Considering 2011 was a stellar year for Tradewinds (M) Bhd, it came as no surprise that the company had the highest profit growth among companies with billion-ringgit market capitalisation in the consumer products sector.

Its core businesses — plantations, sugar and rice distribution — performed well, leading to a compound growth of 53.94% in profit before tax over the past three years.

Based on last Wednesday's close of RM8.73, the company's market capitalisation was almost RM2.6 billion, up a whopping 180% in just two years.

In the annual report for FY2011, chairman Datuk Wira Syed Abdul Jabbar Syed Hassan says, "Tradewinds (M) is now a much stronger entity with solid fundamentals anchored in three profitable lines of business."

His statement reflects the transformation of the once-ailing company into a consumer products powerhouse. In 2011, it posted a record profit before tax of RM897.03 million on the back of RM6.93 billion in revenue.

While the sugar and rice businesses are thriving, much of the success can be attributed to its 69.76% unit Tradewinds Plantation Bhd. The latter achieved a record-breaking year with revenue almost doubling to RM1.7 billion and net profit soaring 72% to RM364.72 million.

Rubber and polymer trader and processor Mardec Bhd, which was acquired in October last year by Tradewinds Plantation for RM140 million, contributed significantly as well to the latter's bottom line.

Tradewinds (M)'s sugar business, under Central Sugar Refinery Sdn Bhd and Gula Padang Terap Sdn Bhd, contributed positively to its performance. The global sugar market soared to a 30-year high in February last year, which bolstered the earnings of Tradewinds (M) and other sugar players.

But Tradewinds (M)'s landmark acquisition came in January 2010 when it completed the purchase of a controlling stake in Padiberas Nasional Bhd (Bernas). This changed Tradewinds (M) considerably and diversified its earnings base to include rice as well.

Last year, Bernas locked in its highest post-privatisation revenue of RM3.5 billion and chalked up RM238.7 million in profit before tax. Bernas has a monopoly on the import of rice until 2021.

Considering that rice is a staple of the Malaysian diet, Tradewinds (M) has done well to get Bernas under its umbrella.

Tradewinds (M) acquired 53.76% of Bernas from Hong Kong-based Wang Tak Co Ltd and

MOHD IZWAN MOHD NAZAM/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	6,933.46	5,551.38	2,069.40	1,767.57
Profit Before Tax	897.03	806.60	349.23	298.81
Net Profit Attributable to Shareholders	474.92	481.14	240.97	160.74
Return on Equity	20.12%	23.83%	15.29%	11.70%

Gandingan Bersepadu Sdn Bhd, controlled by Tan Sri Syed Mokhtar Al-Bukhary, at RM2.08 per share or almost RM526 million.

These acquisitions triggered a mandatory general offer and nudged up Tradewinds (M)'s shareholding to 72.6%.

As with much of his corporate manoeuverings, Syed Mokhtar came in for a lot of flak in the takeover of Bernas.

He is the controlling shareholder of Tradewinds (M) with close to 43% equity interest.

It has taken about a decade for Syed Mokhtar and his generals to transform the Tradewinds group into the powerhouse it is today.

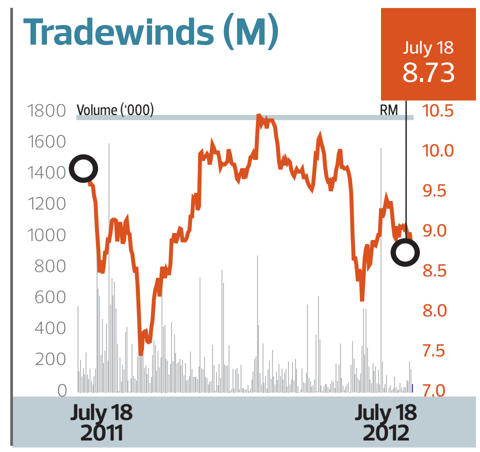
In 2002, when Syed Mokhtar's Restu Jernih Sdn Bhd acquired 32% of Pernas International Holdings Bhd (the forerunner to Tradewinds Corp Bhd), many deemed the acquisition a bailout of Perbadanan Nasional Bhd as the RM497 million price tag was deemed very high.

At RM2.10 per share and 64 sen a warrant, Syed Mokhtar's entry was at a steep premium to the trading prices of RM1 per share and 55 sen per warrant.

Back then, a top executive of Syed Mokhtar, in response to talk about the purported bailout, commented in private: "This is certainly not a sweetheart deal for us."

Since then, Syed Mokhtar and his team have managed to turn things around at Tradewinds (M) and its related companies. Tradewinds Corp, Tradewinds (M) and Tradewinds Plantation are all performing well now.

The jewel in the group's crown, without a doubt, is Tradewinds (M). With sugar, rice and plantation businesses under its belt, it seems likely to remain a darling of the local bourse for the near term at least. E



ABOUT THE MANAGING DIRECTOR

Datuk Bakry Hamzah has been at the helm of Tradewinds (M) since early February 2010. He joined the board in 2002 and was appointed COO in April 2003.

A point of interest is that Bakry started his career as an assistant director of marketing at Lembaga Padi dan Beras Negara, which later became Padiberas Nasional Bhd or Bernas. He is also the managing director of Bernas.

A stint as an operations manager in Bukhary Holdings Sdn Bhd, the private vehicle of Tan Sri Syed Mokhtar Al-Bukhary, has seen him play a key role in the tycoon's companies since.

ABOUT THE COMPANY

Tradewinds (M) Bhd controls the plantation and sugar assets of Tradewinds Corp Bhd (formerly Pernas International Holdings Bhd), which focuses on hotels and property development.

After Tan Sri Syed Mokhtar Al-Bukhary took over Tradewinds Corp in a RM497 million deal, he merged the plantation assets of Tradewinds (M) with those of Johor Tenggara Oil Palm Bhd (JTOP) in 2004. The merged entity took over the listing status of JTOP and was renamed Tradewinds Plantation Bhd.

Tradewinds (M) strengthened its sugar business, buying up Gula Padang Terap Sdn Bhd for RM188 million cash, and acquiring Padiberas Nasional Bhd or Bernas in 2010 from Wang Tak Co Ltd, which is linked to the IGB group, and Gandingan Bersepadu, a private company under Syed Mokhtar.

BEST PERFORMING STOCK

MOST PROFITABLE

INDUSTRIAL PRODUCTS

SUPERMAX

Banking on its strong brand name and global marketing prowess

BY CHONG JIN HUN


MOHD IZWAN MOHD NAZAM/THE EDGE

Supermax's prowess in the rubber glove manufacturing sector has seen it garner a slew of accolades in recent years. *The Edge* Billion Ringgit Club (BRC) Corporate Awards will probably go down in its annals as one of the more prestigious ones it has received.

Supermax has been a recipient of the BRC awards for three consecutive years since 2010. It won two awards this year, for the most profitable company and the best performing stock in the industrial products sector, which lends credence to its ability to showcase the best of what Corporate Malaysia has to offer the global business community.

At the inaugural *The Edge* BRC awards in 2010, Supermax made the headlines as the first winner of the company of the year award. The following year, it was named the company with the highest return to shareholders and highest profit before tax in the sector.

As Supermax executive chairman and group managing director Datuk Seri Stanley Thai puts it, being a billion-ringgit company is a testament to the group's strong brand name and marketing prowess globally.

According to Thai, the company's house-branded gloves — Supermax, Aurelia and Maxter — make up 69% of its total sales. The leader in the natural rubber gloves segment of the US dental market, the company has six global distribution centres — one each in the US, Canada, Brazil, Germany, the UK and Belgium.

Supermax's global reach is further helped by a network of 750 independent distributors across 146 countries, making it the world's second largest glove manufacturer with a 12% market share.

"We will continue to expand our production capacity and distribution network as well as intensify our advertising and marketing campaigns to gain market share. With intensified R&D efforts, we will also innovate and launch new products that will revolutionise the glove industry," says Thai.

He notes that the company's two major challenges are managing fluctuations in latex price and foreign exchange rates, which lead to higher costs and lower revenue. Nonetheless, it has managed to overcome these challenges by leveraging its strong brand name and marketing network as well as by operating in as lean and efficient a manner as possible.

In Malaysia, Supermax's production capacity expansion is ongoing with the construction of two factories in Klang. The projects involve a capital outlay of RM148 million. Upon completion, the company will have 11 facilities with a combined annual capacity of 21.6 billion pieces of gloves, which is 23% higher than its existing capacity of 17.6 billion pieces.

According to Thai, the capacity expansion, which involves the replacement of older production lines, is pivotal to increase its output of nitrile or synthetic rubber gloves to capitalise on global demand for the product. Nitrile gloves constitute 33% of Supermax's existing output and this is expected to rise to 52% by mid-2013.

"This will enable the group to further entrench its position in the global marketplace. Additional capacity from the group's new plants as well as the rebuilt plant will not only enable the group to reduce the lead time to meet the demand for nitrile gloves, but also improve profitability through higher efficiency and better productivity."

The company has guided an annual profit growth of 20% for FY2012 ending Dec 31. Supermax posted a net profit of RM104.16 million in FY2011.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	1,021.36	977.28	803.63	811.82
Profit Before Tax	112.13	183.84	151.47	52.00
Net Profit Attributable to Shareholders	104.16	158.94	126.59	47.00
Return on Equity	13.54%	22.99%	21.50%	11.29%

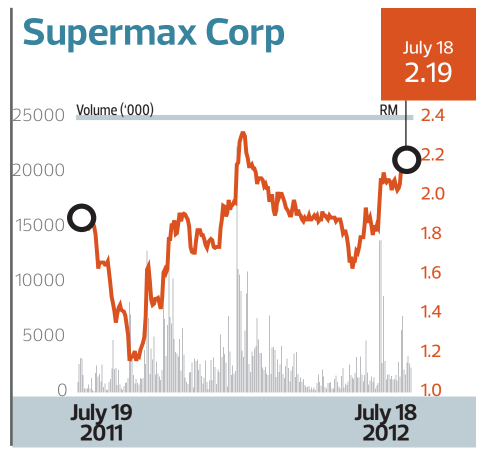
Supermax's ambition abroad is worth noting. The group is spending about US$20 million (RM63 million) on setting up a warehouse in the US, a move deemed crucial to capture a larger slice of the North American rubber glove market.

Thai has said that the capital allocation will include building and land costs for the office and warehouse project on a 14-acre tract within the Chicago enclave.

The North American market will be a key part of Supermax's growth story. The company acquired the land in February this year and will use the office and warehouse as its national distribution headquarters for its US operations.

In Canada, the group is one of the three largest rubber glove suppliers in the healthcare sector. The company's goal is to achieve market leadership there in the future.

Being an export-oriented company, "Supermax aims to be the world's largest, most efficient and most profitable manufacturer of examination and surgical gloves. Our manufacturing plants will be state of the art and fully automated", says Thai.



ABOUT THE EXECUTIVE CHAIRMAN AND GROUP MANAGING DIRECTOR

Datuk Seri Stanley Thai, 52, is the founder of Supermax Group. A visionary entrepreneur, he recognised the importance of brand building and identified that as a path to globalise his business. While many industry players remained original equipment manufacturers, he saw the blue ocean in branding and marketing his own brand of gloves, a first for a Malaysian company. Subsequently, Supermax took a bold step forward and started competing internationally against more established brands such as Ansell and Kimberly Clark.

In running an international business, Thai is just as active overseas as he is back home. He is one of only 14 Asians to have received the American Humanitarian Service Award from the state of Illinois in the US, in recognition of his humanitarian contribution and commitment to the community.

ABOUT THE COMPANY

Supermax Corp Bhd, established in 1997, is a rubber glove manufacturer listed on the Main Market of Bursa Malaysia. It is the world's second largest glove manufacturer with a 12% market share. The company's house-branded gloves make up 69% of its total sales. The leader in the natural rubber glove segment for the US dental market, Supermax has six global distribution centres — one each in the US, Canada, Brazil, Germany, the UK and Belgium. The company's global reach is further helped by a network of 750 independent distributors across 146 countries.

HIGHEST PROFIT GROWTH

INDUSTRIAL PRODUCTS

DRB-HICOM

Hoping to grow Proton into a regional player

BY BEN SHANE LIM

From a purely automotive company, DRB-Hicom Bhd has risen to become one of the largest diversified conglomerates in Malaysia with a market capitalisation of RM4.45 billion over the last eight years.

The group, which is controlled by billionaire industrialist Tan Sri Syed Mokhtar Al-Bukhary, recorded the highest profit growth among companies with billion-ringgit market capitalisation in the industrial products sector. It registered the highest compound growth in profit before tax of 65.67% over the past three years. This is thanks to its automotive and services segments that include Bank Muamalat Malaysia Bhd and Pos Malaysia Bhd.

DRB-Hicom's extensive corporate stable consists of over 60 subsidiaries, associate companies and jointly controlled entities. It has more than 24,000 people in its employment.

Although the group has interests in a wide range of businesses, include banking, property development and construction, its main source of revenue is its automotive segment, which contributed RM4.04 billion or 59% in FY2011 ended March 31.

The services segment came in second, contributing RM2.64 billion or 39% to revenue in the same period.

The most recent addition to the group's automotive portfolio is national automaker Proton Holdings Bhd, which was privatised in May. The deal cost DRB-Hicom over RM3 billion, including acquiring Khazanah Nasional Bhd's 42.72% stake. Only a year earlier, DRB-Hicom had bought out Khazanah's 32% stake in Pos Malaysia for RM622 million.

"My ultimate wish list is to see Proton, under DRB-Hicom, grow to be a leader in the automotive industry, not only locally but also at least regionally in the mid-term. Given our history and looking at our capacity and capability, I believe that if we were to focus on what we want and what we do, we can emerge as a force to be reckoned with within the region," DRB-Hicom's group managing director Datuk Seri Mohd Khamil Jamil tells *The Edge*.

"The opportunities are there. It is how we identify and make use of such opportunities. Our society now has grown tremendously in awareness and taste. Proton cars need not necessarily be cheap to be able to garner sales. They must be good. Good in terms of quality, technology and design."

Cost will also be a key factor, says Khamil.

"We must learn how to keep our cost as low as possible. It is a very competitive market. Don't look far, we need not compare with the Mercedes, BMWs or VWs of the world. Just look at Hyundai," he adds, referring to the South Korean national automaker that boasted vehicle sales of over four million in 2011.

MOHD IZWAN MOHD NAZAM/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	6,804.06	6,314.13	6,101.43	4,012.38
Profit Before Tax	701.52	657.89	774.94	376.07
Net Profit Attributable to Shareholders	472.47	472.30	660.51	292.39
Return on Equity	9.49%	10.31%	15.87%	10.04%

On Proton, Khamil says the dominant automotive player now needs to improve on certain areas to be relevant to the competitive local and global automotive markets.

"Brand building and quality improvement are necessities that Proton must have to emerge in the global arena. Costing is another area that can be addressed if we have the volume. We must believe that Proton can do it globally and with more improvements. I believe we can. We must benchmark ourselves and we won't be able to do it unless we focus and set the direction," says Khamil.

Two years ago, DRB-Hicom signed an agreement with Volkswagen AG and Volkswagen Group Malaysia Sdn Bhd that paved the way for to to assemble completely knocked-down Volkswagen vehicles at its automotive complex in Pekan, Pahang.

"Clinching the VW deal was a major coup for the group. VW is not only Europe's biggest vehicle manufacturer but also a premier marque on the global automotive scene," says Khamil.

DRB-Hicom also boasts strategic partnerships with reputable carmakers like Mercedes-Benz, Honda, Suzuki, Mitsubishi, Isuzu, Mahindra and Audi.

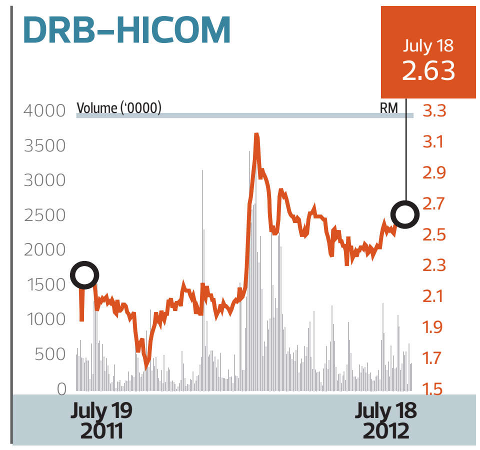
Meanwhile, the group's wholly-owned subsidiary, DRB-Hicom Defence Technologies Sdn Bhd, accepted a letter of award for a RM7.55 billion contract to design, manufacture and deliver 257 units of 12 variants of 8x8 armoured wheeled vehicles for the government over the next seven years.

On the property front, the group acquired 1,567 acres of prime property development land, positioning its property and construction segment as a significant contributor to group revenue.

DRB-Hicom's growth thus far has been part of its five-year plan since 2007, says Khamil. In this time, it has improved revenue by 134.5% to RM6.8 billion and net profit by 396.8% to RM472.5 million.

On DRB-Hicom's next five-year plan, Khamil says: "We will continue to explore fresh paths to growth and profitability, exploiting opportunities that will add value to our business portfolio and where we already have a competitive advantage.

"By the end of the second five-year plan currently underway, we expect to be a different entity, combining our mature experience and vigour to become a new force to be reckoned with within Malaysia and possibly in the region." E



ABOUT THE GROUP MANAGING DIRECTOR

Datuk Seri Mohd Khamil Jamil, 55, holds a Bachelor of Law (Hons) degree from the University of London and is a barrister-at-law at Gray's Inn, England. Khamil began his executive career at Bank Bumiputra Malaysia Bhd in August 1980. He was called to the Malaysian Bar in 1990 after which he became a practising partner of several legal firms. He was appointed a director of DRB-Hicom in 2005 and its group managing director in 2006.

ABOUT THE COMPANY

DRB-Hicom was originally incorporated in 1980 as The Heavy Industries Corp of Malaysia Bhd (Hicom) before it merged with Diversified Resources Bhd (DRB) in 1996 to form the biggest conglomerate in Malaysia. Today, the group boasts a market capitalisation of over RM5 billion. The group's foray into heavy industry became a driving force behind the first national car, Proton, as well as the first national motorcycle and Malaysian-made truck in collaboration with international automakers.

MOST PROFITABLE

FINANCE

PUBLIC BANK

Proven track record in delivering consistent profitability

BY CHUA SUE-ANN

For three years running now, Public Bank Bhd has posted the highest return on equity (ROE) among companies with billion-ringgit market capitalisation in the finance sector. This year, the group chalked up a three-year ROE of 34.98%, surpassing last year's achievement of 25.5%.

Founder and chairman Tan Sri Teh Hong Piow, who has been in the business for five decades, has grown the bank into a respected financial institution.

The Public Bank brand is well known for its prudence, cost efficiency, strong capital base and solid asset quality.

After weathering the global financial crisis and the jitters sparked by the eurozone debt crisis, Public Bank posted a strong performance in 2011.

Net profit grew 14.3% to RM3.48 billion in 2011 while operating revenue increased 15.58% to RM12.75 billion from the previous corresponding period. Its assets of RM249 billion make it the third largest banking group in Malaysia and the sixth largest in Southeast Asia.

Total loans grew to RM174.8 billion while total deposits hit RM200.4 billion in 2011.

At the same time, its gross impaired loans ratio improved to 0.8% in 2011 from 1% in 2008, a testament to its strong asset quality.

"The group's unbroken track record in consistent profitability in the last 46 years since its inception demonstrates its solid business fundamentals," Public Bank tells *The Edge*.

The bank's lending business is anchored in home mortgages, hire purchase financing for passenger vehicles and retail commercial loans to small and medium entreprises. It is also aggressive in growing its core customer deposits.

As for the impending Basel III requirements, Public Bank says it will monitor any additional capital requirements that may be imposed by Bank Negara Malaysia to ensure healthy capital levels.

Under Teh's watch, Public Bank has cemented its reputation among investors as a company that consistently rewards its loyal shareholders.

Its annual shareholder meetings are unlike those of most companies. Each year, loyal shareholders attending the meeting jump to their feet to cheer Teh and the bank's management.

Total cash dividends paid to shareholders in 2011 stood at RM1.63 billion, which was 46.5% of the group's net profit for 2011 of RM3.52 billion.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	12,756.36	11,035.60	9,715.57	10,500.31
Profit Before Tax	4,610.63	4,086.20	3,321.43	3,379.19
Net Profit Attributable to Shareholders	3,483.81	3,048.22	2,517.30	2,581.24
Return on Equity	23.44%	23.39%	22.84%	27.07%

In the 12-month period up to July 19, Public Bank's share price rose 6.42% to hit a high of RM14.24 on July 18.

Over a medium-term horizon, Public Bank's investors would have enjoyed returns of almost 50% since mid-2007.

Public Bank, which has a current market capitalisation of about RM50 billion, is the largest non-goverment-linked corporation in Malaysia and the third largest banking group by market capitalisation.

It sees its major challenges as external volatility coupled with the intense competition faced in the Malaysian banking landscape.

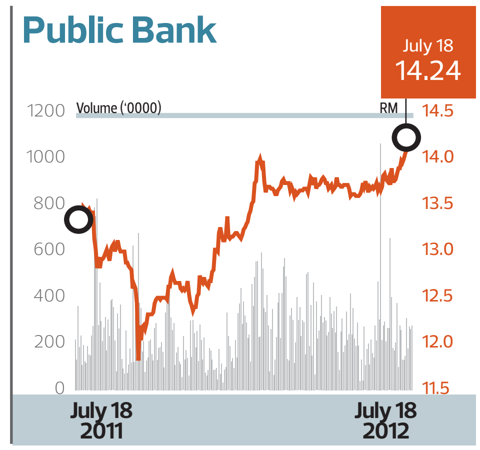
"Competition in the Malaysian banking sector has intensified with the presence of stronger domestic players, the entry of new foreign banks, a more liberal operating environment and excess liquidity in the banking system," says the bank.

The competition has exerted pressure on its net interest margins, which slipped to 3.3% in 2011 from 3.4% the year before. The group intends to accelerate the expansion of its overseas operations, particularly in the Hong Kong and Cambodian markets.

At the same time, the group plans to grow its Islamic banking arm, Public Islamic Bank, by focusing on consumer financing and financing for small and medium enterprises.

Looking towards the future, Public Bank says it sees itself remaining as one of Malaysia's leading banking groups with a larger presence across Asia-Pacific.

"Above all, we would like to see the Public Bank group sustain its position as the most efficient, profitable and respected premier financial institution in Malaysia and in the region," the group says. E



ABOUT THE CHAIRMAN

A career banker, Tan Sri Teh Hong Piow learnt the trade with Singapore's Oversea-Chinese Banking Corp Ltd in 1950. He started work when he was just 20 but quickly worked his way up to become the general manager of Malayan Banking at 34. A year later, in 1965, Teh started Public Bank.

He is currently the chairman of the Public Bank group, having taken a step back from playing an executive role, but is still credited with the bank's overriding vision.

Outside Public Bank, Teh has contributed to various public service bodies and institutes, including the Malaysian Business Council, the Institute of Bankers Malaysia and the Chartered Institute of Bankers, the UK. At *The Edge*'s inaugural Billion Ringgit Club Awards in 2010, Teh took home the first Outstanding CEO award for being a master of value creation.

THE COMPANY

Public Bank Bhd began as a one-branch entity with 62 employees in 1966, envisioned as a bank for the public. Founder Tan Sri Teh Hong Piow has since grown the bank into Malaysia's third largest banking group by asset size, with 252 full-service branches offering commercial and Islamic banking products and services.

Outside Malaysia, Public Bank has a regional network of 120 branches, including 83 branches in Hong Kong, 23 in Cambodia, seven in Vietnam, three in Laos and China and a branch in Sri Lanka. The group provides a whole range of services, including personal banking, commercial banking, Islamic banking, investment banking, share broking, sales and management of unit trust funds, bancassurance and general insurance products.

The Public Bank name is associated with its strong customer service, prudent management, strong asset quality and an unbroken track record of profitability in all its 46 years.

BEST CSR INITIATIVES (THIRD PLACE)

HIGHEST PROFIT GROWTH

FINANCE

CIMB GROUP HOLDINGS

Differentiating itself with its multi-local business model

BY JOYCE GOH

CIMB Group Holdings Bhd registered the highest profit growth over three years among companies with billion-ringgit market capitalisation in the finance sector.

The banking group had the highest compound growth of 33.88% in pre-tax profit over the past three years. And based on *The Edge* BRC's methodology, it was the second most profitable company among its peers with a return on equity (ROE) of 22.23% over three years.

CIMB's ROE has been growing steadily over the past three years, rising from 11.28% in FY2008 to 13.66% in FY2009, 14.94% in FY2010 and 15.99% in FY2011 ended Dec 31. This was in tandem with the banking group's improving earnings. From RM1.9 billion in FY2008, it saw net profit surge to RM4.03 billion in FY2011 — its highest ever.

Moving forward, the group's long-term agenda is sustainable value creation, says head honcho Datuk Seri Nazir Razak.

"Our Vision 2015, which was launched in 2007, is to become our Asean franchise, not just among financial institutions but across all industries. Vision 2015 is based on our assessment of long-term mega trends and growth assumptions," Nazir tells *The Edge*.

"We are first and foremost an Asean bank and will continue to maintain our position as No 1. We will optimise our existing franchise and look to new areas of growth by refocusing on selected customer segments, launching new products and accelerating growth in our newer markets, namely Singapore, Thailand and the Philippines."

The group began putting in place what it calls CIMB 2.0 last year with its new brand positioning and organisation structure that was announced in September last year. "The reorganisation has improved our competitive edge in the regional wholesale business, teamwork in the Malaysian consumer bank, oversight of our strategic investments and access to investment opportunities," Nazir says.

Today, CIMB is one of the top banking groups in the region with an impressive network. In the region, it is present in Indonesia, Thailand, Singapore, Cambodia, Brunei, Vietnam and Myanmar. Its first foray into the foreign markets was in 2002 when it bought a 51% stake in Indonesia's Bank Niaga, which has since been rebranded as CIMB Niaga.

CIMB provides a full scale of financial services across Malaysia, Indonesia, Singapore and Thailand. On May 8 this year, it announced the purchase of Bank of Commerce (BoC) in the Philippines. With the completion of the acquisition, CIMB's retail network will increase to 1,239 full branches, giving it the largest network in Asean. This is a vast improvement from just 230 branches in 2005.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	12,122.03	11,878.20	10,483.15	7,740.51
Profit Before Tax	5,203.14	4,626.72	3,811.88	2,715.66
Net Profit Attributable to Shareholders	4,030.80	3,500.80	2,806.82	1,952.04
Return on Equity	15.99%	14.94%	13.66%	11.28%

CIMB's assets also grew between 2005 and 2011, up by 2.5 times from RM117 billion to RM300 billion, while its members of staff rose to 40,000 from 12,000.

Nazir believes that one of CIMB's key differentiators is its multi-local business model, which it has successfully implemented across its Asean franchise.

"Our regional model enables the company to fully leverage the reach and scale of our Southeast Asian platform while preserving aspects that identify us with the local population, allowing us to understand and cater for their specific needs," he says.

"By leveraging our vast network and 'multi-local' approach, CIMB is able to provide customers with the benefits that come from the scale and platform of being a regional bank along with in-depth local knowledge of each market it operates in."

GIVING BACK

Earnings aside, CIMB has also made good on corporate social responsibility (CSR), having implemented over 700 such projects since 2007.

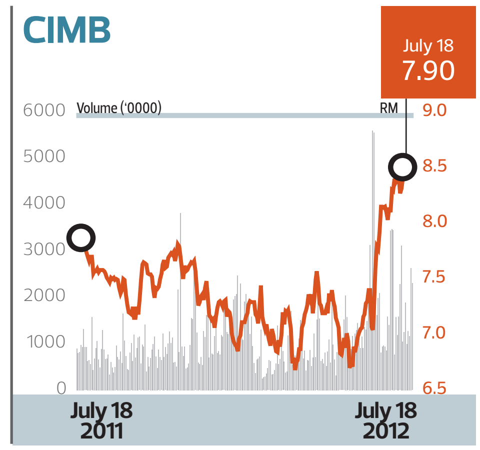
Its initiatives include developing its first regional sports development programme that encompasses 128 junior golfers from Malaysia, Indonesia, Singapore and Thailand. The programme focuses on inculcating good values in the junior golfers, such as doing charity work.

Under the CIMB Foundation, the group has supported 10 rural schools since 2008, emphasising ICT, improving the standard of English and encouraging academic excellence. Last year, two schools achieved 100% passes in English in UPSR while all 10 schools beat or equalled the national rural schools benchmark for UPSR. The foundation also funds intensive UPSR English classes for 7,589 primary school students in Perlis, Melaka, Johor, Kelantan, Sabah and Labuan.

The CIMB Foundation too has helped support an occupational therapy programme called Harmony Bakery in Hospital Permai, a psychiatric hospital in Tampoi, Johor. This programme was started in 2008 with seed funding from the CIMB Foundation to buy professional baking equipment.

Recovering patients learn to bake bread and pastries and are paid daily wages. To help the bakery expand, the CIMB Foundation provided follow-up funding to purchase an 11-seater van for marketing and deliveries.

CIMB's CSR efforts prove that the banking group is not just about numbers and profits, but also about giving back to the community. Not surprisingly, it emerged as one of the winners of the CSR award. E



ABOUT THE GROUP CEO

The name and face of Datuk Seri Nazir Razak, 45, are very much a part of CIMB Group and the local banking industry. He joined the corporate finance department of Commerce International Merchant Bankers Bhd (now CIMB Investment Bank) as an executive in September 1989. He then rose through the ranks to become CEO in 1999.

Nazir graduated from the University of Bristol with a Bachelor of Science (Hons) degree and obtained a Master of Philosophy from the University of Cambridge. Without doubt, he has played a vital role in CIMB Group's achievements thus far, having built it from a small local merchant bank into one with an expanding regional presence.

ABOUT THE COMPANY

Bumiputra-Commerce Holdings Bhd was incorporated on Dec 24, 1956. On Sept 9, 2009, it changed its name to CIMB Group Holdings Bhd. The second largest bank in the country has grown by leaps and bounds and is currently present in Indonesia, Thailand, Singapore, Cambodia, Brunei, Vietnam and Myanmar. It offers a full range of financial services here in Malaysia, Indonesia, Singapore and Thailand. It is also in Bahrain, China, Hong Kong, India, Sri Lanka, the UK and the US. On May 8 this year, CIMB announced its purchase of Bank of Commerce in the Philippines, extending its reach even further. The group's investment banking arm is also emerging as the largest Asia Pacific-based investment bank, following the recently announced purchase of RBS' Asia-Pacific Investment Banking and Cash Equities operations in April this year.

BEST PERFORMING STOCK

FINANCE

MALAYSIA BUILDING SOCIETY

Close relationship with the government fuelling its growth

BY KAMARUL AZHAR

LEE LAY KIN/THE EDGE

Malaysia Building Society Bhd (MBSB) was once seen as an underperforming mortgage lender. There was nothing sexy or exciting about the group. But things have changed since Datuk Ahmad Zaini Othman came on board as the group's new CEO in 2009. Over the last three financial years, MBSB has been charting high double-digit growth in loans granted and net income.

For FY2011, MBSB's growth exceeded that of its peers in the banking sector. Its loan growth jumped 42% to RM15.2 billion from RM10.7 billion in 2010 — far higher than the average growth of 13.6% recorded by the banks. The group's net income surged in tandem and more than doubled to RM325.43 million from RM146.03 million the year before.

"We target our loans to grow by 15% to 20% this year. We are on track to achieve a profit before tax of RM500 million this year," says Ahmad Zaini.

The group, which was mired in losses during the 1997/98 Asian financial crisis, has now emerged as an investor favourite among the stocks in the financial services sector that are listed on Bursa Malaysia.

Last year, MBSB's share price increased by 65%, closing the year at RM1.88. By comparison, the major commercial banks only recorded an average share price increase of 1% throughout the year.

In the finance sector, MBSB registered the highest returns to shareholders over three years of 77.37%. It was recognised as the best performing stock in the sector.

According to Ahmad Zaini, MBSB's strength lies in its relationship with the government. MBSB was formed 65 years ago under the British administration to promote property ownership among the people. The group continues to bank on a close relationship with the government to fuel its growth.

Government servants remain supportive of MBSB's personal financing products due to their affordability and the offer of several financing packages to suit various needs. For MBSB, this niche market offers it a stable source of income. The unique payment method of mandatory monthly salary deduction ensures that the personal financing loans are serviced on time and minimises default.

Also as a government-linked entity, it supports the Economic Transformation Programme initiatives by offering financing to small and medium enterprises (SMEs) and reputable companies that have been awarded government contracts.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	1,269.44	769.94	537.96	416.16
Profit Before Tax	428.26	207.40	80.31	54.04
Net Profit Attributable to Shareholders	325.43	146.03	57.20	32.58
Return on Equity	28.80%	38.31%	10.35%	6.37%

MBSB has also been innovative in product development, entering into strategic collaborations with other entities to enhance its product offerings and increase competitiveness. Such collaborations have resulted in the offering of Tawarruq via the As-Sidq platform for Personal Financing-i, a choice of insurance and takaful protection plans, and SME financing for government vendors.

To enhance its product development capabilities and improve operational efficiency, MBSB is also embarking on a capital-intensive investment to replace its core banking system.

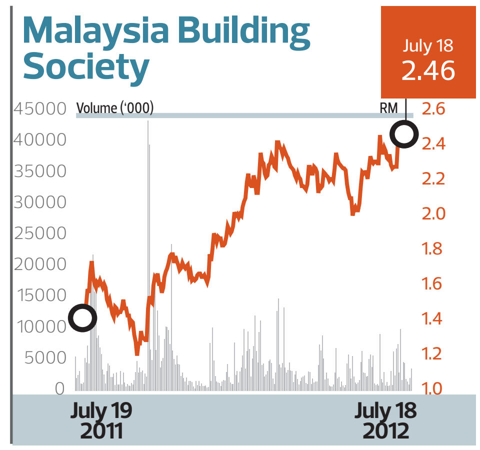
Besides offering mortgage and personal financing to its customers, MBSB recently diversified its products to include bancassurance, contract financing and SME Cash Express, aimed at SME customers. It also offers financing to property developers and affected buyers of abandoned housing projects.

Its high non-performing loan (NPL) ratio of about 7% as at the end of the first quarter of the year, however, has raised concerns among investors. The industry average was only about 2% to 3%.

"The high NPL ratio is due to corporate legacy accounts. Since 2009, with the transformation programme 'Taking MBSB To The Next Level', the new management has adopted a different approach to tackling these legacy accounts.

"The revival of abandoned projects by a new white knight enabled the group to reduce its net NPL ratio from 18.9% in 2008 to 7.3% as at the end of the first quarter of this year," says Ahmad Zaini.

Malaysia's banking system is regarded as stable with ample domestic liquidity, enabling the banks to stay highly capitalised to avoid a failure of the system. And within the domestic financial services system, MBSB is emerging as a significant player. E



ABOUT THE CEO

As the former CEO of AmIslamic Bank and an accredited panel member of the Asian Institute of Finance, Datuk Ahmad Zaini Othman has ample experience managing a bank. He is a member of the Association of Chartered Islamic Finance Professionals and currently serves as the association's vice-president.

A finance graduate of Southern Illinois University, Ahmad Zaini started his career with Bumiputera Merchant Bankers Bhd. He spent most of his career in corporate finance and corporate banking. With 27 years of experience in the banking industry, Ahmad Zaini has been the man behind the transformation of MBSB since taking the helm in 2009.

THE COMPANY

MBSB was set up in 1950 as the Federal and Colonial Building Society Ltd. In 1956, the company changed its name to Malaya Borneo Building Society Ltd with the Malaysian government as its major shareholder.

The company was listed in Malaysia and Singapore in August 1963. MBSB was incorporated on March 17, 1970, in Malaysia to take over the Malaysian operations and was listed on the Kuala Lumpur Stock Exchange on March 14, 1972.

MBSB is an exempt finance company, a status granted by the Ministry of Finance on March 1, 1972. This allows it to undertake a financing business in the absence of a banking licence. It is limited in its ability to provide a comprehensive range of financial products and services compared with its licensed peers.

BEST PERFORMING STOCK

PROPERTY AND REIT

EASTERN & ORIENTAL

Developer makes a strong comeback

BY ESTHER LEE

It came as no surprise when Eastern & Oriental Bhd (E&O) joined the big boys in the Billion Ringgit Club this year, making the headlines with a slew of prime land acquisitions. As at March 31, 2012, the company had a market capitalisation of RM1.7 billion.

This year, E&O took the award for best performing stock in the property and REIT category. Over a three-year period, E&O provided shareholders with a return of 50.18%.

It cannot be denied that E&O's financial performance has been rather inconsistent over the last four years. In 2008, the company saw its highest net profit in a decade, at RM180.45 million. However, the following year, it fell into the red with a net loss of RM37.28 million as a result of the global economic crisis. Nevertheless, the company was resilient and picked up the pace in 2010 to record a net profit of RM70.77 million.

E&O faced a couple of major challenges during the global financial crisis in 2008/09. Says E&O managing director Datuk Terry Tham Ka Hon: "Companies with substantial bank borrowings were facing nervous bankers, impatient analysts, reluctant buyers and edgy shareholders. As a company, it was incumbent upon us to ensure that the company survived and did well to rebuild confidence in our bankers, customers and shareholders.

"We addressed this with a concerted effort to restructure and focused on managing our balance sheet. A key measure that we took was to introduce a scheme of irredeemable convertible secured loan stocks, which was acknowledged by *The Edge* as one of the 'Deals of the Year' in 2009.

"We even went against the trend and boldly launched our St Mary Residences in mid-2009 when most were still cautious and taking a wait-and-see stance. St Mary's was overwhelmingly well received and was 80% taken up in less than a month. That was a clear sign of buyer confidence in us, which helped us regain the confidence of shareholders and bankers.

"By taking these right steps, we managed to achieve a sterling turnaround, posting a profit after tax of RM70 million in FY2010, paring down our gearing significantly and fortifying our cash flow, thus regaining the confidence of our shareholders, bankers and customers."

Tham says the group's development in Seri Tanjung Pinang has been a key performance driver, contributing more than half of the company's earnings in the past three years.

"Converting Seri Tanjung Pinang from a mere concept to reality is a milestone achievement for us. Where there was not even land, just water, today there is a 240-acre vibrant, world-class residential enclave that is one of the most desired addresses in Penang island.

"With this as a hallmark of what E&O is capable of delivering, the group has gained the recognition of many parties, local and foreign, who choose to do business and be associated with us. This has garnered us the endorsement that has translated into strategic partnerships with giants like Mitsui Fudosan, Khazanah Nasional Bhd and Temasek Holdings as well as the entry of cornerstone investors like Sime Darby Bhd," he adds.

Tham says the next step for E&O, which has Sime Darby as a 30% shareholder, is to grow its brand regionally and internationally. "Our focus will be to expand and enhance the strength of the brand by looking out for development opportunities overseas as well as bringing buyers to invest in our projects in Malaysia. We will also aim to develop our existing landbank, coming up with even more exciting and innovative products that will unlock and realise greater value from these assets, hence enabling us to continue providing attractive returns to our shareholders." E

HARIS HASSAN/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	271.27	352.38	304.45	516.40
Profit Before Tax	48.15	93.28	-38.12	194.57
Net Profit Attributable to Shareholders	32.21	70.77	-37.28	180.45
Return on Equity	3.05%	6.78%	-4.58%	24.73%

ABOUT THE MANAGING DIRECTOR

Datuk Terry Tham Kar Hon, 58, is neither a contractor nor a developer by training, but he has built a successful career as a developer starting from scratch. His first few development projects in the mid-1980s failed because of the economic slowdown.

He later joined L&G Bhd to help it develop Bandar Sri Damansara. In the mid-1990s, Tham ventured on his own to develop parcels of land adjacent to Bandar Sri Damansara and has not looked back since.

Tham has been managing director of Eastern & Oriental Bhd since 1994. He also helms E&O Property Development Bhd. In addition, Tham is a director of the Performing Arts Centre of Penang.

ABOUT THE COMPANY

E&O is primarily involved in hospitality and lifestyle, property development and property investment. The group also owns The Delicious Group, a chain of restaurants operating in the Klang Valley, Penang and Singapore. Its property development ventures cater to a niche market of ultra high-end developments, such as the Dua Residency, located in the heart of Kuala Lumpur, and Idamansara located in Damansara Heights.

MOST PROFITABLE

PLANTATION

KUALA LUMPUR KEPONG

Leveraging its legacy of excellence

BY JENNY NG

In the 1990s, plantation company Kuala Lumpur Kepong Bhd (KLK) saw the coming short supply of suitable agricultural land in Malaysia and ventured into Indonesia where it bought 14,170ha of contiguous land in Belitung Island.

"KLK first ventured into Indonesia in 1994 to benefit from the country's vast agriculture potential, proximity and cultural similarity. Now, 56% of our landbank is located in Indonesia, providing a constant supply of young area," says Tan Sri Lee Oi Hian, executive director and CEO of KLK.

KLK has a landbank of 252,290ha in Malaysia and Indonesia. Of this, 28% is in Peninsular Malaysia, 16% in Sabah and 56% in Indonesia (Sumatera and Kalimantan).

"We have a promising tree maturity as those in the prime category (between 10 and 18 years) constitute 41% of the planted area," says Lee.

The weighted average age of KLK's palms is 10.7 years, which ensures a strong fresh fruit bunch (FFB) production growth in the future.

In fact, KLK has been showing impressive growth over the last four years. FFB production from its plantations grew 17.8% from 2.8 million tonnes in FY2008 ended Sept 30 to 3.3 million tonnes in FY2011.

Its profit before tax rose from RM1.4 billion in FY2008 to RM2 billion in FY2011, for a compound annual growth rate (CAGR) of 12.62%.

With a return on equity of 27.2% over three years, KLK was the most profitable among companies with billion-ringgit market capitalisation in the plantation sector.

"The past four years have indeed been a memorable journey for KLK. In terms of financial performance, FY2011 was a record-breaking year for us. Spurred by a surge in commodity prices and strong demand, the KLK group registered RM1.57 billion in net profit. This is a 51% growth compared with RM1.04 billion in FY2008 and translates into a net CAGR of 14.7%," says Lee.

He adds that during the period, the group embarked on various acquisitions, particularly in Indonesia. KLK's landbank increased from 219,005ha in FY2008 to 250,729ha in FY2011.

"These expansions, coupled with our concerted replanting programmes in Malaysia, enabled our annual FFB production to gradually improve from 2.8 million tonnes in FY2008 to 3.3 million tonnes in FY2011," Lee explains.

KLK has made growth and the use of sustainable palm oil a priority, given its emphasis on the Roundtable on Sustainable Palm Oil (RSPO) principles. In 2010, its entire operations in Sabah attained RSPO certification. This was followed by certification of its Kekayaan complex in Johor in 2011.

"With the certification, KLK has about 270,000 metric tons of certified sustainable palm oil available in the market. Our Jeram Padang Complex in Negri Sembilan and Mandau Complex in Indonesia have been assessed and are currently awaiting RSPO certification," Lee says.

KLK aims to achieve RSPO certification for all its other operating centres in Malaysia and Indonesia within the next two years.

Meanwhile, KLK's oleochemical operations also saw significant growth in the last four years. The group improved its capacities through acquisitions, plant expansions and realignment of its existing operations.

These efforts resulted in the increase of manufacturing revenue from RM3.2 billion in FY2008 to RM5.1 billion in FY2011.

According to KLK, one of the major challenges facing the industry is the disparity in feedstock prices between refineries in Indonesia and Malaysia resulting from the Indonesian export duty. The duties were revised last year to favour Indonesian refined products and severely disadvantaged crude palm oil that serves as feedstock for Malaysian refiners, it adds.

"In order to protect our upstream and downstream operations in Indonesia, we have taken remedial steps to overcome this disadvantage. Facilitated by our healthy balance sheet, we have commenced construction of three refineries and an oleochemical plant in Indonesia to benefit from the more favourable duty structure for refined palm oil products. We expect completion of two refineries by end-2012 and the others by mid-2013," says Lee.

KLK's short-term target is to grow its total plantation landbank to 300,000ha.

"We have acquired 18,276ha [in a deal] that is pending completion. To increase our landbank, we will continue to explore Indonesia and other parts of the world but will remain selective to ensure quality plantation land," Lee adds.

KLK will also focus on increasing productivity of its estates by implementing more yield enhancement programmes, improving oil extraction rates and increasing the hectarage of young trees. Ageing and low-yield rubber plantations will be converted into oil palm plantations and KLK has already set aside 5,000ha for conversion.

To ensure sustainable production growth, the group targets new oil palm plantings of 5,000ha to 8,000ha per year. It is also exploring strategic alliances in Indonesia to enhance its competitive edge.

For its oleochemical business, Lee says KLK will continue to improve its operating efficiencies and cost competitiveness.

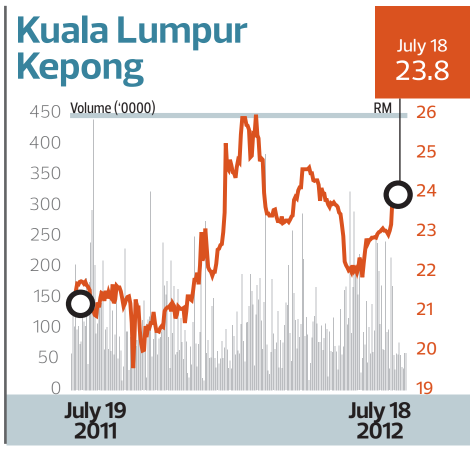
He adds that KLK will continue to uphold the principles that have steered the group to where it is today.

"Such legacy of excellence stemmed from the vision of our founders, sustainable policies and practices implemented by management, and the good working relationship between shareholders and all stakeholders will guide us through our journey in the years ahead."

SUHAIMI YUSUF/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	10,743.25	7,490.63	6,658.31	7,855.43
Profit Before Tax	2,066.20	1,382.83	887.36	1,445.48
Net Profit Attributable to Shareholders	1,571.41	1,012.34	612.50	1,445.48
Return on Equity	22.22%	16.86%	10.87%	26.04%



ABOUT THE CEO

Tan Sri Lee Oi Hian is the executive director and CEO of KLK. He joined the company in 1974 as an executive and was appointed to the board in 1985. He is also the chairman of Batu Kawan Bhd and serves as a trustee of several charitable organisations. He was formerly the chairman of the Malaysian Palm Oil Council.

Lee graduated with a Bachelor of Agricultural Science (Hons) degree from Universiti Malaya and got his Master's in Business Administration from Harvard Business School.

ABOUT THE COMPANY

KLK has a rich history that stretches back more than 100 years with the inception of London-based The Kuala Lumpur Rubber Company Ltd in 1906 to manage 600ha of rubber plantations in Malaysia. After a name change to Kuala Lumpur Kepong Amalgamated Ltd (KLKA) in 1960 and through various acquisitions, its landbank expanded to 30,000ha of rubber and oil palm plantations.

In 1973, under the leadership of KLK's founding father, the late Tan Sri Lee Loy Seng, KLK was incorporated and took over all the assets and liabilities of KLKA. Today, KLK is one of Malaysia's top plantation companies with a landbank of 252,290ha in Malaysia and Indonesia.

MOST PROFITABLE

TRADING/SERVICES, HOTELS, IPC AND TECHNOLOGY

BERJAYA SPORTS TOTO

Efficient capital management boosts returns to shareholders

BY KATHY FONG

Berjaya Sports Toto Bhd (BToto) achieved the highest return on equity (ROE) of 76.98% among companies with billion-ringgit market capitalisation in the trading and services sector.

This is the third year in a row that the number forecast operator (NFO) has outshone its peers in the sector, including blue chips such as Genting Bhd, Sime Darby Bhd and the telcos in terms of profitability.

BToto may not have beaten its peers in revenue growth, but its asset-light business model and efficient capital management strategy have enhanced shareholder value.

Its generous dividend payout plus two rounds of hefty capital repayments over the past 10 years lightened its balance sheet and, in turn, boosted ROE.

Last year, the group declared a dividend per share of 21 sen for FY2011 ended April 30. In FY2010, the payout was 27 sen per share, plus a share dividend of 30.5 sen.

BToto's net profit was down 8.8% to RM349.7 million or 26.15 sen per share for FY2011, from RM383.5 million or 29.02 sen a share in the preceding financial year. Revenue was marginally higher at RM3.43 billion compared with RM3.39 billion for FY2010.

The lower earnings were due mainly to the pool-betting duty hike from 6% to 8% of net revenue effective June 2010. On top of that, some of the special draws were on the same days as those of its rivals Magnum Corp Sdn Bhd and Pan Malaysia Pools Sdn Bhd.

BToto cannot rest on its laurels, considering the competition from its rivals and illegal operators. In recent years, the group has successfully reinvented and modified its lotto games in response to the changing needs and expectation of its customers.

In June, the group introduced a revised prize structure for its Mega Toto 6/52 game, which incorporates a new Jackpot II with a minimum payout of RM100,000 and a cascading feature for Jackpot I.

To defend its market share in four-digit games, BToto last year introduced a variant of the traditional Toto 4D by incorporating a jackpot feature. The product is marketed under the name Toto 4D Jackpot.

BToto has the most games and the largest number outlets among the three NFOs in the country. However, it has lost its monopoly on the lotto games as its competitors managed to obtain approval to launch jackpot games as well.

Last year, Berjaya Group's chief Tan Sri Vincent Tan was mulling over the sale of a 49% stake in BToto's unlisted unit Sports Toto Sdn Bhd, which holds the NFO licence. However, this did not materialise.

To unlock value, BToto in June proposed to inject Sports Toto into a trust called Sports Toto Malaysia (STM) Trust, which will be listed on the Singapore Exchange. The proposed asset restructuring deal values the group's prized gaming asset at RM6 billion.

As a transfer consideration, BToto will receive 4.43 billion units in STM Trust valued at RM5.47 billion (S$2.21 billion) based on an issue price of S$0.50. The remaining consideration of about RM527.4 million will be satisfied by way of promissory notes in favour of BToto.

Under the proposal, BToto is expected to distribute a special dividend to its shareholders using cash proceeds from an offer for sale of 540 million STM Trust units for the listing exercise.

Based on an illustrative offer price of S$0.50 each, the offer for sale could garner RM667.4 million cash, which works out to 50.14 sen per BToto share.

BToto may also consider distributing to its shareholders all or a substantial portion of its 3.89 billion units of STM Trust.

Analysts' views on the deal are divided. They concur that it is a positive move to unlock asset value and subsequently shareholders would be able to pocket bumper dividend plus trust units.

However, in the long run, some analysts note, the restructuring exercise will reduce BToto to a holding company with only its Philippine operations and the STMM (Sports Toto Malaysia Management Pte Ltd) trustee-manager as revenue sources.

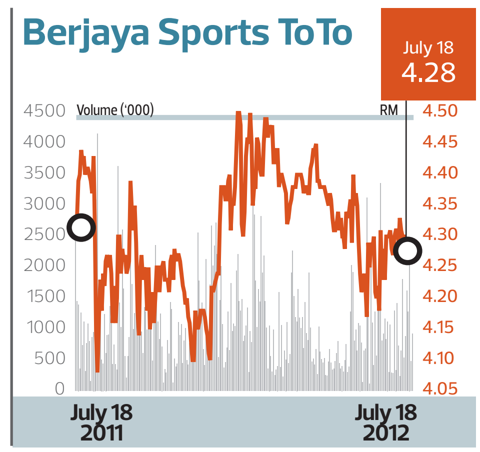
Consequently, investors may prefer STM Trust, which offers direct exposure unlike BToto.

By the same token, with an expanded war chest resulting from the STM Trust exercise, some analysts say BToto could focus on expanding its presence regionally. E

SUHAIMI YUSUF/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	3,433.22	3,392.81	3,695.69	3,277.80
Profit Before Tax	508.402	548.19	585.54	502.63
Net Profit Attributable to Shareholders	349.761	383.50	413.55	348.66
Return on Equity	76.98%	85.32%	85.63%	105.44%



ABOUT THE CEO

Datuk Robin Tan Yeong Ching took over BToto from his father Tan Sri Vincent Tan and became its CEO in December 2006.

In February this year, Vincent passed the baton to Robin, who became interim chairman and CEO of Berjaya Corp Bhd, the ultimate parent of BToto and other Berjaya group companies.

Robin is also the executive chairman of Berjaya Food Bhd, chairman of Berjaya Media Bhd and Sun Media Corp Sdn Bhd, and an executive director of Sports Toto Malaysia Sdn Bhd.

He serves on the board of Berjaya Sompo Insurance Bhd, Berjaya Hills Bhd, Berjaya Golf Resort Bhd and KDE Recreation Bhd.

Robin, 38, graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, UK, in 1995. He joined Berjaya Group Bhd (now Berjaya Corp) in the same year as an executive and subsequently became the general manager of corporate affairs in 1997. He was appointed to the board of Berjaya Group in February 1998 as an executive director.

THE COMPANY

BToto is the largest number forecast operator (NFO) in the country in terms of branch network. The NFO has 680 outlets nationwide and the most variety of lotto games. Its unit Sports Toto offers a total of seven games.

BToto was incorporated on Nov 24, 1969, and has been listed on the Main Market of Bursa Malaysia since May 4, 1972.

The principal activities of its subsidiary companies are 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 (ILTS).

Its key markets are Malaysia and the Philippines.

HIGHEST PROFIT GROWTH

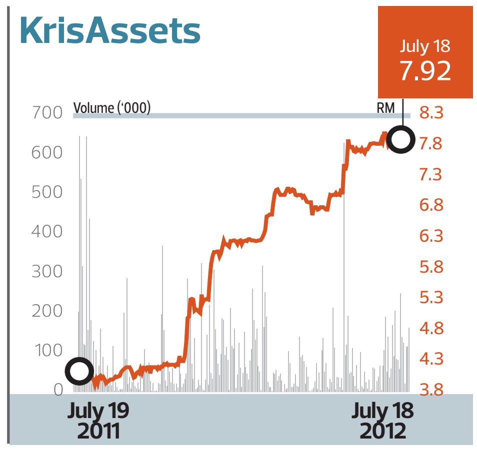
MOST PROFITABLE

PROPERTY AND REIT

KRISASSETS HOLDINGS

Thriving within its boundaries

BY SIOW CHEN MING



While most real estate firms expand by stretching the boundaries of their development, KrisAssets Holdings Bhd has achieved impressive growth by just staying within the Mid Valley City perimeter.

The owner of Mid Valley Megamall and The Gardens Mall, KrisAssets was the most profitable and showed highest profit growth among companies with billion-ringgit market capitalisation in the property and REIT sector.

The acquisition of The Gardens Mall in July 2011 and continued strong patronage at the two popular shopping malls have supported KrisAssets' growth, which is further boosted by significant fair value gains on investment properties.

The numbers are impressive. Between 2008 and 2011, KrisAssets' pre-tax profit grew over five times, from RM115.34 million to RM747.81 million, or an average compound annual growth rate of 105% over three years.

Return on equity, meanwhile, was equally strong at 27.9% last year, which is quite an achievement for a property investment company with a huge balance sheet.

With a three-year shareholders' return of 43% (as at March 31, 2012), KrisAssets' investors have been handsomely rewarded. In fact, its share price continued to climb another 17% after end-March to reach over RM7.90, as the company unveiled more details about an exercise to turn itself into a REIT.

"By injecting Megamall and The Gardens Mall into a REIT, we can unlock the value of the assets and provide more value to shareholders," said Robert Tan, managing director of KrisAssets and its parent IGB Corp Bhd recently.

KENNY YAP/THE EDGE

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	371.63	340.99	227.88	216.63
Profit Before Tax	747.81	292.58	180.56	115.34
Net Profit Attributable to Shareholders	555.48	214.67	136.02	98.19
Return on Equity	27.85%	12.52%	11.96%	9.51%

With investors' strong appetite for high-yield retail properties, Megamall and The Gardens Mall will be injected into the REIT at a whopping RM4.61 billion — a significant premium to their combined book value of RM3.3 billion.

Under the exercise, KrisAssets' shareholders will get RM2.43 cash per share as well as 5.24 units in the REIT — to be called IGB REIT. They can look forward to more generous and steady dividends going forward, courtesy of the tax benefits accorded to a property trust.

KrisAssets' future as IGB REIT will continue on a steady growth path, riding the ever-increasing patronage and spending at its two huge shopping malls located strategically between Petaling Jaya and the Kuala Lumpur city centre.

Meanwhile, the acquisition of new yield accretive assets in the future will further enlarge the asset size of the REIT while improving returns to shareholders.

The injection of new assets into IGB REIT may take place in another few years, analysts say, as IGB Corp recently announced a couple of large-scale mixed development projects that include building a Megamall equivalent in Johor and another one in Jakarta, Indonesia.

Until then, the current windfall from the REIT exercise, followed by a generous recurring dividend stream, should be enough to keep shareholders excited for some time. E

ABOUT THE MANAGING DIRECTOR

Robert Tan Chung Meng, 60, pressed ahead with the development of Mid Valley City during the Asian financial crisis of 1997/98. It was a daring move, with the Tan family and their listed flagship IGB Corp having to divest certain assets in order to develop Mid Valley. But that bet paid off, and very handsomely for IGB Corp.

IGB Corp subsequently injected Mid Valley Megamall into KrisAssets in 2004, hence gaining control of the latter, then a company dealing in precision stamping. After that, Tan joined KrisAssets' board as managing director while retaining his position in IGB Corp.

Tan studied Business Administration in the UK. Upon graduation, he was attached to a quantity surveying firm for a year and also developed a housing project in Central London before returning to Malaysia.

ABOUT THE COMPANY

KrisAssets was formerly Kris Components Bhd, a precision metal stamping outfit before being taken over by IGB Corp in 2004 via the injection into it of Mid Valley Megamall. In July 2011, IGB Corp injected The Gardens Mall into KrisAssets to prepare the company for a REIT exercise with its two prized retail assets.

HIGHEST PROFIT GROWTH

PLANTATION

KULIM

Working to improve its productivity

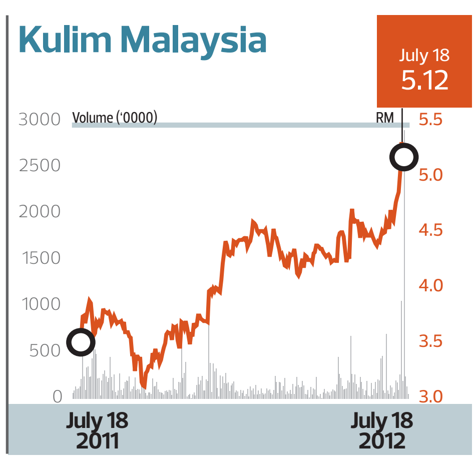
BY M SHANMUGAM

The plantation sector is cyclical in nature. But these companies provide steady income in both good and bad times because the cost of production in Malaysia is at a steep discount to the international prices of crude palm oil.

Kulim (M) Bhd's large plantations are not the only advantage it has over its peers. It also has a majority stake in Malaysia's largest quick service restaurant franchise — KFC Holdings (M) Bhd — which provides it with steady cash flow of more than RM300 million a year to complement its earnings from its plantation business.

KFC became Kulim's subsidiary in 2009 and the latter, which controls the fast-food chain via QSR Bhd, has not looked back since.

It recorded the highest profit growth among companies with billion-ringgit market capitalisation over a three-year period.



Kulim is in the process of divesting its interest in both QSR and KFC to a consortium headed by its parent company Johor Corp (JCorp).

With the divestment, it will become a pure plantation player. In fact last year, it acquired plantation land worth some RM700 million from JCorp.

Kulim also has 55% equity interest in UK-listed New Britain Palm Oil Ltd, which obtained certification from the Roundtable on Sustainable Palm Oil (RSPO) in 2008. The following year, Kulim's plantations were certified RSPO compliant. This certification was key to the company establishing itself as a serious plantation player.

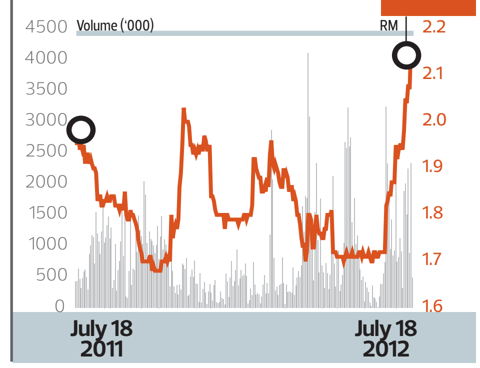
Moving forward, Kulim's managing director Ahamad Mohamed says the twin challenges for the company are the increasing scrutiny by various stakeholders of the palm oil business and the relatively stagnant growth in productivity that is below its expectations.

"We have been witnessing, at best, incremental improvement in productivity of around 22 to 25 tonnes per hectare a year in the industry compared with the desired level of, say, around 30 tonnes per hectare," he tells *The Edge* in an email reply.

As for the scrutiny faced by the industry, he says a recurring test for the producers of palm oil products, especially in the overseas markets — such as negative images and claims about the impact of palm oil operations on the environment and biodi-

BEST PERFORMING STOCK

TRADING/SERVICES, HOTELS, IPC AND TECHNOLOGY



SEG INTERNATIONAL

Going downstream into the international market

BY SYARINA HYZAH ZAKARIA

KENNY YAP/THE EDGE

Malaysia's largest private higher education provider, SEG International Bhd (SEGi), is a firm favourite with analysts and fund managers, given its strong financial performance in recent years.

The fact that an exercise to privatise the company, initiated a few months ago by major shareholders Datuk Seri Clement Hii Chii Kok and private equity firm Navis Capital, saw low acceptance shows that investors are willing to stay with the company because of its long-term potential.

SEGi was the best performing stock among companies with billion-ringgit market capitalisation in the trading/services, hotels, IPC and technology sector. It registered an annual shareholders' return of 169.7% over the past three years and has a market capitalisation of RM1.4 billion.

SEGi's revenue more than tripled to RM278.29 million in 2011 from RM86.26 million in 2007, representing a compound annual growth rate of about 26.4%. Meanwhile, net profit soared to RM72.31 million in 2011 from RM5.16 million in 2007.

SEGi attributes its commendable performance to the introduction of new programmes, particularly niche and high-margin homegrown programmes as well as its upgrade to university college status in 2008.

"SEGi Group experienced rapid earnings growth in recent years principally due to economies of scale," says the company.

Even though SEGi was affected by the economic downturn of 2008, it was able to stay afloat due to its large scope of programmes; it does not rely on any one category of courses to maintain and generate profits.

Furthermore, students with loans from the National Higher Education Fund Corporation (PTPTN) only made up close to a third of SEGi's overall students. The bulk of its student population was self-funded while the rest used financing from the Employees Provident Fund, Majlis Amanah Rakyat or bank loans. This made SEGi less susceptible to PTPTN's decision to cut loans to students.

However, enrolment numbers were drastically affected when the government announced tighter entry requirements in 2010 for all nursing courses. By then, the company had started new programmes in allied health sciences, such as diplomas in healthcare, medical laboratory technology and environmental health.

In the short term, the company is in the midst of building a new campus near Ipoh, Perak, which will be able to accommodate up to 8,000 students and is expected to be completed by end-2013.

It also plans to increase the number of international students, who account for only 10% of its student population, and enter the adult learning market.

In the longer term, the company says it will be going downstream into international schools and building foreign campuses in countries where there is most potential.

"Setting up private or international schools would not only help build the SEGi brand, but it would help boost its top-line growth in the long term. There will be growing demand for such schools, considering the fact that the number of government schools have not kept up with growth in the student population over the past five years," it says. E

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	278.29	217.62	166.37	127.41
Profit Before Tax	88.22	54.31	14.61	9.88
Net Profit Attributable to Shareholders	72.31	43.06	10.02	7.27
Return on Equity	39.35%	21.25%	5.93%	4.59%

ABOUT THE MANAGING DIRECTOR

Datuk Seri Clement Hii Chii Kok, 54, started his career in journalism and was the first editor-in-chief of *The Borneo Post* in Sarawak.

Realising opportunities were limited without a tertiary education, Hii, then 32, enrolled in tiny college IBMS in Kuching. Upon graduation, he convinced the owners to sell the college to him and embarked on expanding the business in 2001.

He later merged the institute with PRIME College Subang Jaya and together, the two entities launched a reverse takeover of Systematic Education Group Bhd or what would later be called SEG International (SEGi) Bhd.

Hii left SEGi to join Star Publications (M) Bhd in 2009 as executive deputy chairman. He spent two years at Star and returned to SEGi in 2011.

ABOUT THE COMPANY

SEGi was incorporated in 1985 as Systematic Professional Centre Sdn Bhd and changed its name to Systematic Education Group Bhd in 1994 when it listed on the Main Market of Bursa Malaysia. It assumed its current name in 2002.

SEGi has six tertiary institutions and four training centres across the country offering a range of programmes. It has 27,000 students, making it the largest private higher education institution in Malaysia.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	7,041.77	5,488.94	4,702.40	3,989.34
Profit Before Tax	1,364.80	777.90	551.73	667.85
Net Profit Attributable to Shareholders	565.01	385.59	145.84	351.23
Return on Equity	13.16%	10.81%	4.33%	10.81%

versity — cannot be taken lightly and needs to be addressed effectively.

Towards this end, Ahamad says Kulim's membership in the RSPO and its certification provide it with an avenue to partially address these challenges. The accreditation gives the assurance that its operations comply with the highest standards at the environmental and social levels.

"The added benefits from process improvement due to the RSPO also assist in partially raising our productivity by reducing wastage and improving the efficiency of our operations," Ahamad adds.

To improve the productivity of its plantation business, Kulim is looking at optimal replanting and utilising high-yield materials. It is targeting around 3,000ha for replanting In Malaysia and 6,400ha in Papua New Guinea and the Solomon Islands.

Kulim is also the cradle for developing and nurturing small and medium enterprises in Johor via joint ventures with Intrapreneur Ventures. This came about after the company took over Sindora Bhd last year.

Ahamad concedes that 10 years down the road, Kulim's business mix may change with the expectation of higher contribution from Intrapreneur Ventures. "But we believe the underlying drive among our teams at Kulim to deliver sustainable value to our stakeholders will remain."

If Kulim is able to stay on course, it should be able to continue with the performance seen over the last four years where revenue grew almost threefold while profit before tax more than doubled. E

ABOUT THE MANAGING DIRECTOR

Ahamad Mohamed, 58, joined Johor Corp as company secretary in 1979, three years after graduating from Universiti Malaya with an honours degree in economics.

He came on board Kulim in 1991, but was involved in several landmark projects, especially in Johor, before that, including the Johor Specialist Hospital, a prefabricated housing project and the Kotaraya Complex in Johor Baru.

During his tenure at Kulim, the company morphed from a mere plantation outfit into a diversified company with interests ranging from fast food franchise to nurturing small and medium enterprises.

ABOUT THE COMPANY

Kulim (M) Bhd is the single most important asset of Johor Corp, the investment arm of the state. It controls a slew of companies, but oil palm plantations in Malaysia, Papua New Guinea and the Solomon Islands are its mainstay.

Last year, Kulim's plantations produced a total of 2.4 million tonnes of fresh fruit bunches. It has a subsidiary — New Britain Palm Oil Ltd that is listed on the London Stock Exchange — and wholly owns Sindora Bhd, which it took private last year.

BEST CSR INITIATIVES (FIRST PLACE)

NESTLÉ (M)

Continuing its long tradition of social responsibility

BY JANICE MELISSA THEAN

Nestlé (M) Bhd has had a long tradition of social responsibility. After all, the company's Swiss founder Henri Nestlé developed the infant milk formula to save the life of a child who could not be fed mother's milk.

Today, Nestlé's value creation concept is embedded in its corporate business principles, founded on sound human values. The company emerged as the winner of the inaugural corporate social responsibility (CSR) award.

"Nestlé Malaysia is honoured to have won such a prestigious award, which recognises some of the best companies listed on Bursa Malaysia," says managing director Peter R Vogt. "We believe it is our continuous drive to create value, not only for our shareholders, but also for the community in which we operate, that has brought about our success."

Nestlé has a unique CSR concept — Creating Shared Value (CSV) — which rides the belief that for the group to achieve long-term success, it must create value for both its shareholders and society.

"Creating Shared Value is more than just a CSR activity for us as it is embedded in our business strategy and at the relevant stages of the value chain. It is incorporated into our values and corporate business principles and is the underlying philosophy of everything we do," says Vogt.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	4,700.99	4,026.32	3,744.23	3,877.07
Profit Before Tax	558.81	465.74	440.26	441.35
Net Profit Attributable to Shareholders	456.30	391.40	351.79	340.89
Return on Equity	71.20%	63.81%	62.03%	66.09%

Nestlé's CSV efforts are focused on the three areas of nutrition, water and rural development. The implementation of CSV, however, has not been without its challenges.

"When carrying out our Creating Shared Value initiatives, we often find that the initial community engagement, awareness and education stage is the most challenging as it takes a lot of time and patience to introduce new ways of practice — albeit beneficial — to local communities," Vogt explains.

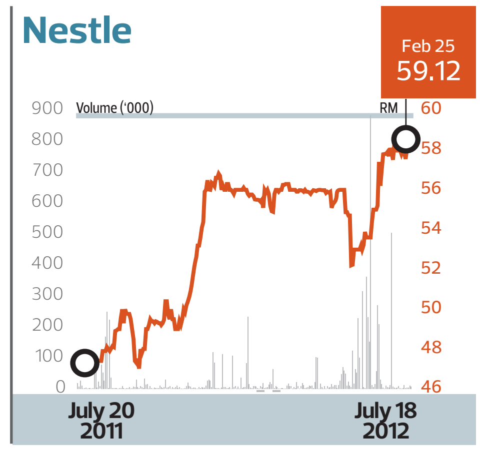
"However, once they have fully understood, and more importantly, seen and experienced the benefits that they can attain for themselves, they fully embrace the initiative and are the best ambassadors for the programme."

One of Nestlé's programmes is a contract farming scheme in Kedah — the Nestlé Paddy Club — which aims to commercialise the Semi Aerobic Rice Intensification (SARI) method of padi farming that brings about efficient use of water. Nestlé started with 20 farmers cultivating 49ha of fields and now boasts 105 farmers cultivating 273ha. It has a target of 500 to 600 members and cultivating over 800ha by September this year.

Nestlé is collaborating with the Malaysian Agricultural Research & Development Institute (Mardi), the Agricultural Research Centre (ARC) Sarawak and the Sarawak Department of Agriculture on the Red Rice Contract Farming Scheme involving 100 farmers across 120ha in Sarawak. Red rice is an ingredient of Nestlé's infant cereal.

The Nestlé Healthy Kids programme aims to raise nutritional awareness among schoolgoing children while the Nestlé RiLeaf Project in Kinabatangan is a conservation and reforestation initiative. RiLeaf also supports capacity building within the local community by purchasing forest seedlings from KAPOK (Komuniti Anak Pokok Kinabatangan), a local community-based seedling producer, and acquires its services to manage the planting of these seedlings.

Nestlé, which celebrates its 100th year in Malaysia this year, will no doubt continue its focus on helping to improve the nutrition and health of Malaysians while conserving water and developing the rural areas. E



ABOUT THE MANAGING DIRECTOR

Swiss national Peter R Vogt has been managing director of Nestlé (M) Bhd and regional head of Nestlé Malaysia and Singapore since September 2009. He comes from an accounting and finance background, with 30 years' experience with Nestlé internationally, working in countries such as Hong Kong, Japan, Sri Lanka and Indonesia.

Vogt is also the president of the Malaysian International Chamber of Commerce and Industry and a member of the Federation of Malaysian Manufacturers Council as well as the Swiss-Malaysian Business Association.

ABOUT THE COMPANY

Nestlé was founded in 1866 and is still headquartered in Vevey, Switzerland. It is the world's leading nutrition, health and wellness company, employing 28,000 workers in more than 80 nations worldwide. In Malaysia, Nestlé started out as the Anglo-Swiss Condensed Milk Company in 1912 in Penang. Today, with its head office in Mutiara Damansara, the consumer products giant operates out of seven factories in the country. In 1989, Nestlé was listed on the Kuala Lumpur Stock Exchange.

BEST PERFORMING STOCK

PLANTATION

RIMBUNAN SAWIT

Becoming a planter to be reckoned with

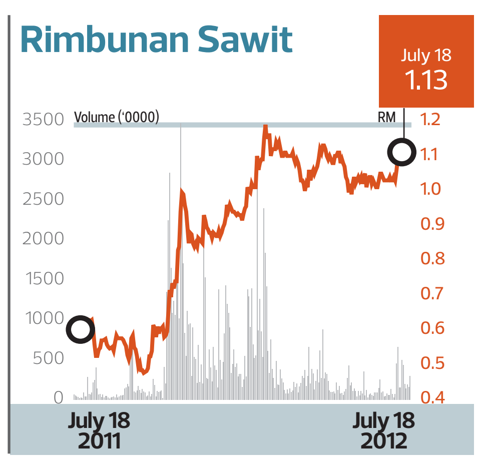
BY MAX KOH

Rimbunan Sawit Bhd has come a long way from having just 13,000ha of plantations in Miri, Sarawak. It is today one of the top planters in Sabah and Sarawak. Since its listing on the Main Market of Bursa Malaysia in 2006, the group has expanded its plantation landbank to 95,000ha in 17 estates in Sarawak. Over a third of its palm trees are mature.

Rimbunan Sawit is part of conglomerate RH Group, controlled by tycoon Tan Sri Tiong Hiew King. RH Group's businesses include timber, publications, hotel operations and property development. As at June 19, Tiong held a 52.6% stake in Rimbunan Sawit.

Since its listing, Rimbunan Sawit has been on a steady acquisition trail, acquiring more than 17 subsidiaries to grow its landbank and boost its fresh fruit bunch (FFB) production. For FY2011, its FFB production grew to 420,000 metric tons (mt) compared with 144,634mt in FY2006.

Last year, Rimbunan Sawit's palm oil mill produced 62,000mt of crude palm oil (CPO) and 14,000mt of palm kernel, representing 14% and 12% growth respectively from the previous year.



Its average annual FFB yield per hectare last year was 12.87mt. This is set to increase as its trees mature. The group's oil extraction rate was 20.8% and kernel extraction rate 4.6%.

For FY2011, Rimbunan Sawit's net profit grew 26% to RM68 million from RM54 million the year before. Revenue grew 24% to RM360 million.

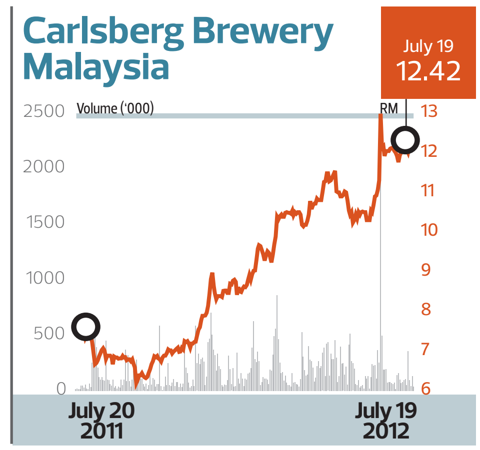
Over the last three years, Rimbunan Sawit has declared an average dividend payout of 2.3 sen per share. In FY2009, the group paid out 3.5 sen dividend per share followed by two sen in FY2010. Last year, the group declared a final single-tier dividend of 1.5 sen amounting to RM19.6 million. The dividends were passed at the company's recent AGM and will be accounted for in its FY2012 books.

The group has told *The Edge* that it is considering a dividend policy in the future.

Given Rimbunan Sawit's share price performance and steady dividend payout, it emerged as the best performing stock among companies with billion-ringgit market capitalisation in the plantation sector. It recorded the highest returns to shareholders of 60.69% over three years.

Rimbunan Sawit's share price rose from 35 sen on Dec 31, 2009, to 92.5 sen on Dec 31,

BEST CSR INITIATIVES (THIRD PLACE)



CARLSBERG BREWERY MALAYSIA

Sharing with the community unconditionally

BY ANNE WONG

Carlsberg's founder J C Jacobsen was not only passionate about the art of making beer, but also encouraged the brewery to go beyond mere profit, adopting responsible and honourable practices in everything it did. Building on this legacy, Carlsberg Brewery Malaysia Bhd has become well known in Malaysia for its charitable contributions, guided by its principle of "sharing with the community unconditionally".

It is particularly focused on and committed to opening doors in education for the younger generation as it believes education is essential to provide opportunities for youths, regardless of race and background.

For its efforts, Carlsberg came in third, with CIMB Group Holdings Bhd, in best CSR initiatives this year.

Carlsberg has been actively organising and supporting various fundraising activities for the development of educational institutions and associations since the early 1980s. One of its main community engagements is the "Top Ten Charity Campaign", a fundraising project that has been running for 26 years and which has raised more than RM370 million for over 600 Chinese schools and institutions throughout the country. The campaign is listed as the "Longest Running" and "Highest funds raised through Chinese charity shows" in the *Malaysian Book of Records*.

The brewery has also been sponsoring two fundraising programmes: the Royal Stout Charity Concert for schools in the northern region and the I Love Chinese Education Charity Concert for those in Sabah and Sarawak.

In total, Carlsberg has raised about RM490 million for the development of hundreds of local schools in Malaysia.

Carlsberg also supports Tamil primary schools through a free English language programme for teachers and school children. Last year, 400 teachers from 282 Tamil schools, which make up 53% of all Tamil schools in Malaysia, were trained under the programme.

The company also funded the printing and distribution of 100,000 copies of the *English Essentials* workbooks for teachers and students and will continue to run the programme this year.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	1,489.36	1,368.16	1,045.48	960.21
Profit Before Tax	220.37	176.54	102.56	101.29
Net Profit Attributable to Shareholders	166.16	133.24	76.14	76.15
Return on Equity	26.50%	23.00%	14.79%	16.27%

The brewery also provides basic school essentials for underprivileged students in rural areas. Since 2009, the company has sponsored about 10,000 school bags, pens and books to Indian and Orang Asli students in the country.

Apart from education, Carlsberg is also committed to its "Enjoy Responsibly" campaign, launched last year to educate its employees and consumers about consuming alcohol responsibly.

Under the campaign, pamphlets offering tips on safe drinking and taxi contact numbers will be circulated while personal breathalyzer devices will be distributed. Carlsberg has also extended its "Enjoy Responsibly" campaign to business partners, distributors, bar managers, bartenders and outlet operators.

"As we set our sights on delivering sustainable growth, we will ensure that we balance our financial performance with responsible social and environmental practices. Through ensuring the delivery of impactful and tangible CSR outcomes in the areas of the marketplace, community, workplace and environment, we hope to create sustainable value and establish enduring ties with our stakeholders," says Soren Ravn, Carlsberg's managing director, on its future CSR plans. E

ABOUT THE MANAGING DIRECTOR

Soren Ravn was appointed managing director of Carlsberg Brewery Malaysia Bhd in 2008. He graduated as a market economist from Aarhus Business College in 1997 and went on to gain a diploma in Leadership and Organisation from Copenhagen Business School in 2001.

He has been with the Carlsberg Group since 1998 and is currently the chairman of Carlsberg Distributors Taiwan Ltd (Taiwan) and Carlsberg Cottingham Ltd (Taiwan).

ABOUT THE COMPANY

Carlsberg Brewery Malaysia Bhd was incorporated in December 1969 and began brewing Carlsberg Green Label beer locally in 1972. The group manufactures, distributes and sells beers, stouts and other beverages, mainly for the Malaysian market and has secondary markets in Sri Lanka, Taiwan and Singapore.

Apart from Carlsberg, its key products include Asahi Super Dry from Japan, Kronenbourg 1664 from France, Corona Extra from Mexico, Stella Artois and Hoegaarden from Belgium, Budweiser from the US and SKOL from Brazil.

4-YEAR FINANCIALS

RM MIL	FY2011	FY2010	FY2009	FY2008
Revenue	359.57	291.00	151.89	211.99
Profit Before Tax	95.31	77.50	18.39	54.07
Net Profit Attributable to Shareholders	68.15	54.44	13.63	39.00
Return on Equity	7.71%	12.75%	15.52%	49.37%

2011, representing a capital growth of 164%. YTD, its share price has risen 21%. The company's performance was supported by its active acquisitions and corporate exercises during the period.

Last year, the group completed a renounceable rights issue of 490 million new shares. The exercise was oversubscribed by 8.37% and managed to raise RM390 million fresh funds for the group. The exercise also reduced its gearing ratio to 0.2 times from 1.0 times the previous year.

To reward its shareholders, the group also completed a bonus issue of 654 million new shares. As a result of these two exercises, the group's total number of ordinary shares rose to 1.3 billion. It had a market capitalisation of RM1.4 billion as at July 18.

With the expected growth in crop production in the coming years, Rimbunan Sawit plans to construct two CPO mills in Kuching and Miri. For this purpose, the group recently acquired 100% of RSB Palm Oil Mill Sdn Bhd. While still a dormant company, the subsidiary is earmarked to undertake the palm oil milling business.

Moving forward, Rimbunan Sawit's FFB yield is expected to increase, given the young profile of its trees. About 24% of its estates are planted with young palms under 10 years while 44% of its total landbank is still unplanted. E

ABOUT THE MANAGING DIRECTOR

Tiong Chiong Ong, 53, has been the managing director of Rimbunan Sawit since 2006. He holds a Bachelor of Law and Economics degree from Monash University in Australia.

He joined Rimbunan Sawit group in 1986 and has more than 21 years of experience in various capacities in the plantation and timber industries. Tiong is also the chairman of the Risk Management Committee.

Tiong is an associate member of CPA Australia and is a member of the Victorian and Sarawak Bar and the Malaysian Institute of Accountants. He also holds directorships in several private limited companies.

ABOUT THE COMPANY

Rimbunan Sawit, a Sarawak-based plantation company, made its debut on Bursa Malaysia in 2006. It began with a relatively small landbank of about 13,000ha, comprising two oil palm estates and a palm oil mill. Rimbunan Sawit then embarked on a series of acquisitions and managed to grow its landbank to 95,000ha in seven years. Currently, the group has 17 estates throughout Sarawak with over 32,000ha of mature plantations.

The group is controlled by timber and media tycoon Tan Sri Tiong Hiew King, who holds a 52.6% stake in Rimbunan Sawit.

The group completed a rights and bonus issue last year, which improved its liquidity and financial flexibility. The exercise also increased Rimbunan Sawit's shareholders' funds to over RM884 million with total assets worth RM1.6 billion.