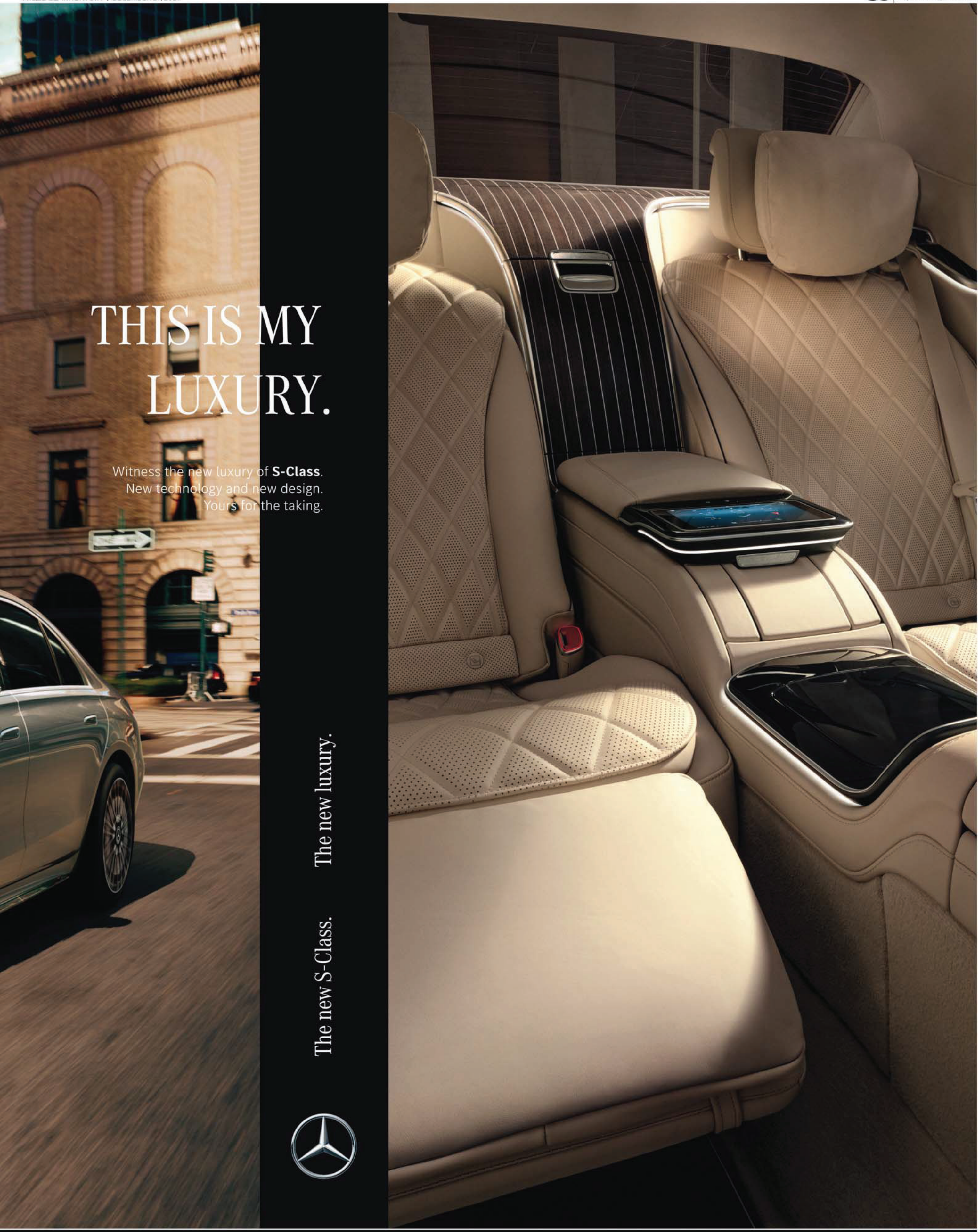
THE EDGE BILLION RINGGIT Club 2021

RECOGNISING
MALAYSIA'S OUTSTANDING
CORPORATE PERFORMERS


THIS IS MY LUXURY.
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Yours for the taking.
The new S-Class. The new luxury.

Tough times will not last, tough businesses will

There were no handshakes as winners of this year's *The Edge* Billion Ringgit Club (BRC) gathered once again to honour Corporate Malaysia's best performers in Kuala Lumpur on Dec 13.

Last year, for the first time since the awards began in 2010, we had to do without a physical awards ceremony because of social distancing measures that were in place to flatten the Covid-19 curve. For most of this year, we were hopeful that enough people in Malaysia were getting vaccinated fast enough for the country's economy to reopen and for businesses and lives to resume again. We prepared even as we awaited the green light and standard operating procedures (SOPs) from the authorities to once again be able to physically host Corporate Malaysia's most anticipated annual awards ceremony.

I am heartened to note how happy the crème de la crème of Corporate Malaysia was to gather again. As Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz mentioned in his dinner speech, there is something about face-to-face meetings that communicates ideas more clearly to build trust, something most of us took for granted previously that has been sorely missed since Covid-19 hit.

This year, owing to SOP-related capacity restrictions, dinner invites were sent only to the winners. I am told that invites to the annual *The Edge* BRC gala dinner are coveted precisely because they are given on merit, recognition of having earned a place as a company with at least RM1 billion market capitalisation, and not based on how many dinner tables a company is willing to pay for or the size of advertising spend. Similarly, *The Edge* BRC awards are given on merit and cannot be bought because they are meant to spur continued excellence.

Restrictions on gatherings have also prevented us from properly thanking and acknowledging all the companies and individuals who swiftly and generously stepped forward to lend a hand when the country needed help. We are happy to have the chance to acknowledge at least the first group, who got the ball rolling on *The Edge* Covid-19 pandemic funds (for details, see Pages 41 to 43).

This year's gala dinner saw 43 companies taking home 55 awards. We have 186 *The Edge* BRC members this year, a new all-time high, beating the previous record of 185 members in 2011. Earnings fell significantly because of sizeable losses booked by several large BRC members but, as a whole, BRC members continue to be the country's major taxpayers and investors.

This year's Value Creator: Malaysia's Outstanding CEO award went to Malayan Banking Bhd president and CEO Datuk Seri Abdul Farid Alias, who was at the helm of the country's largest listed company as it crossed the RM1 trillion market capitalisation mark in 2017. Maybank has also returned more than RM30 billion in dividends to shareholders in the past five years — no other company comes close, except perhaps Petroliam Nasional Bhd (Petronas).

ViTrox Corp Bhd took home the coveted *The Edge* BRC Company of the Year award. Started in 1998 by two graduates of USM Malaysia, the company had a market cap of only RM55 million at the end of its maiden trading day in 2005. Today, it is valued at almost RM10 billion, making it one of the largest automated testing equipment makers in the electronics sector, creating jobs and generating export earnings for Malaysia.

Last but not least, I would like to thank OCBC Bank Malaysia and Mercedes-Benz for their steadfast support of the BRC and welcome Cartier by Cortina Malaysia as a supporting sponsor. This prestigious annual gathering would not have become Corporate Malaysia's most anticipated awards ceremony without these excellent partners.

Congratulations to all the winners! We look forward to hosting you again next year. Until then, strive on Corporate Malaysia, strive on! Let's build back together stronger.

Datuk Ho Kay Tat
Publisher & Group CEO
The Edge Media Group

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THE EDGE BILLION RINGGIT Club 2021

Celebrating Corporate Malaysia's finest in the new normal

BY CINDY YEAP

Live music from a string quartet welcomed guests arriving at *The Edge* Billion Ringgit Club (BRC) Awards 2021 event, which took place at the Grand Ballroom of the Shangri-La Hotel Kuala Lumpur on Dec 13.

The annual gala dinner and awards ceremony made a comeback this year after a hiatus in 2020 owing to strict movement restriction measures to contain Covid-19 — the only break since *The Edge* BRC Awards were introduced in 2010 to celebrate the achievements of Corporate Malaysia's crème de la crème and encourage others to be successful and socially responsible.

As always, the men looked dapper in tuxedos and bespoke suits while the ladies were chic in evening gowns and fine jewellery. Many also took care to wear matching-colour masks to suit the black-tie event, which did not have the usual pre-dinner cocktail session as food and drinks were only served at the dinner table, where seating capacity was halved to comply with social-distancing rules. Guests were seen making use of individual hand sanitisers and masks prepared for them.

Dinner began slightly later than scheduled but guests hardly noticed that as they took the opportunity to catch up in person, just two months after the Klang Valley moved into Phase Four of the National Recovery Plan (NRP) on Oct 18. Photos taken to commemorate the occasion were taken with masks on, for the most part, in compliance with Covid-19 standard operating procedure (SOP). Guests were also seen posing with the sleek Mercedes 2022 w223 S-Class while watch enthusiasts admired the Cartier timepieces on display inside the ballroom.

Indeed, as pointed out by The Edge Media Group chairman Tan Sri Tong Kooi Ong during his welcome address, "the success of our vaccination programme has paved the way for an earlier reopening of the economy".

The evening's guest of honour, Finance Minister Tengku Datuk Seri Zafrul Aziz, apologised for arriving a tad later, explaining to guests that Budget 2022 had just been passed at the committee stage with a majority vote in parliament. He also assured members of *The Edge* BRC — which collectively paid RM23 billion in taxes to the government, or about half of the RM50 billion corporate tax collection last year — that the government could see green shoots of economic recovery and that additional collection from the one-time prosperity tax would be used to build the economy back better.

"This government believes in healthy and regular engagement with Corporate Malaysia to yield the best outcome for the country's economy. Tell us how we can help you perform better because that is key to the country's recovery," Zafrul said in his speech (available in full on Page 8). "Let us work together to ensure that the country, businesses and our people can stand resilient and strong in the face of future challenges."

A total of 55 awards were presented to 43 companies after dinner that evening. Zafrul presented the night's top awards, flanked by Tong and OCBC Bank (Malaysia) Bhd CEO Datuk Ong Eng Bin. Also on stage were The Edge Media Group publisher and group CEO Datuk Ho Kay Tat, *The Edge Malaysia* editor-in-chief Kathy Fong, Mercedes-Benz Malaysia vice-president (sales and marketing) Michael Jopp and Cortina Watch Malaysia managing director Tay Liam Khoon.

ViTrox Corp Bhd president and CEO Chu Jenn Weng accepted the trophy for *The Edge* BRC Company of the Year 2021 while Malayan Banking Bhd president and CEO Datuk Seri Abdul Farid Alias took home the trophy for Value Creator: Outstanding CEO of Malaysia.

Special recognition was also given to top donors of *The Edge* Covid-19 pandemic funds, an initiative that began in late March 2020 during the first Movement Control Order (MCO). "Within three months, we raised RM25.8 million to buy equipment for our hospitals and to provide financial support to healthcare workers infected by the virus while treating Covid-19 patients. Well done, Corporate Malaysia, and also to the many individuals who donated," Tong said.

Zafrul took his leave after the awards presentation but guests stayed on to enjoy a dessert of bittersweet chocolate tart with raspberry confit and vanilla ice cream as the night drew to a close.

SEE ALSO PAGES 26 TO 31 FOR MORE PICTURES OF THE GALA DINNER

Jopp, Ong, Ho and Tong welcoming Zafrul to the Awards gala dinner

From left: Jeffrey Teoh (OCBC Bank Malaysia Bhd), Sharon Teh (*The Edge*), Eszter Jopp, Tan Ai Chin (OCBC Bank Malaysia Bhd), Datin Karin Ho, Ho, Ong and Jopp

Ho, Karin, Tanny Tee and Tay Liam Khoon (Cortina Watch Malaysia) at the photo wall

Invest to build back better

Speech by
Yang Berhormat
Tengku Datuk Seri
Zafrul Aziz,
Minister of Finance,
Malaysia
(Shangri-La Hotel Kuala Lumpur, Dec 13, 2021)

Good evening, ladies and gentlemen.

Thank you, Tan Sri Tong Kooi Ong and *The Edge*, for inviting me to this evening's gala dinner to recognise and celebrate the best-performing companies on Bursa Malaysia.

Since *The Edge* Billion Ringgit Club began in 2010, I understand that last year was the only year that the awards ceremony could not be held due to strict containment measures to beat Covid-19.

In fact, I attended many Billion Ringgit Club award ceremonies before, when I was still in the banking industry and later as the group CEO of a regional bank. It is therefore a pleasure to be able to once again gather for this awards ceremony in this manner, just two months since the Klang Valley moved into Phase Four of the National Recovery Plan (NRP) on Oct 18.

There is something about face-to-face meetings that communicates ideas more clearly to build trust, something most took for granted previously but has been sorely missed since Covid-19 started.

Being a former banker and banking CEO not too long ago, I remember and fully understand the difference a handshake can make in business deals as well as expectations to deliver strong performance quarter after quarter, year after year. Prestigious corporate awards such as *The Edge* Billion Ringgit Club not only recognise pure profits, shareholder returns, but also acknowledge corporate responsibility initiatives that contribute to strong sustainable performance, all of which inspire others to achieve more.

All of you know the fiscal impact that Covid-19 has had on governments around the world. Global debt jumped 14% to a record high of US$226 trillion in 2020, with public debt rising to US$88 trillion, or close to 100% of GDP.

Malaysia's debt burden had already exceeded RM1 trillion before the pandemic when the government had to implement a series of stimulus and recovery packages totalling RM530 billion, of which RM83 billion or about 5.6% of GDP was direct fiscal injection.

At RM332 billion, Budget 2022 is not only the country's largest to date, but one that is highly focused on the rakyat's well-being, businesses' resilience as well as economic prosperity and sustainability.

From the businesses' viewpoint, Covid-19 may have been a nightmare for business continuity, causing many plans to be sent back to the drawing board. But what is most important is how it has encouraged all of us to build back better and stronger.

We must all emerge from Covid-19 a better, stronger version of ourselves with the aid of new technology, and our experience from new ways of working and living.

Building back better: ESG,SDGs and Keluarga Malaysia

Ladies and gentlemen,
In building back better, we need to embed into our operations not just ESG principles, but also the UN Sustainable Development Goals (SDGs) like building resilient infrastructure, fostering innovation as well as promoting decent work, sustainable industrialisation and inclusive growth. I am pleased to share that the Ministry of Finance (MoF) has begun mapping its measures to the UN SDGs and ESG considerations since my first budget tabled in 2021.

Related to that, I note that even *The Edge*'s *Responsible Business* annual magazine has evolved into what is simply called *ESG*, with a focus on the "Investing Revolution" for this year's issue, to reflect how ESG awareness has grown rapidly and is fast developing into global best practices of more and more industries.

And this is where I would like to highlight how the government's Keluarga Malaysia concept is, in essence, the operationalisation of ESG and the SDG goals. Its concept is both cogent and intuitive: that family members ought to support one another, especially in times of need.

Indeed, if there's one silver lining in the Covid-19 cloud, it is the fact that in many countries, both the government and private sector have realised how ESG considerations can help reduce the wealth and digital gap to secure a more stable society in future.

So, it is good to know that many Malaysian corporates — particularly those that represent the Billion Ringgit Club present here today — have also begun mapping their growth plans to the SDG and ESG concepts.

This makes commercial sense, too, because investors are increasingly looking beyond profits, to ensure their investments also result in more widespread and equitable socioeconomic and environmental benefits for the communities in which their investee companies operate.

Taxes: Literal livesavers during the pandemic

Ladies and gentlemen,
As Corporate Malaysia's Billion Ringgit Club members, I am sure lessons from the pandemic are already turned into opportunities and fresh competitive advantage, guided by ESG principles, to build resilience for future shocks.

In relation to that, I have been informed that this year's 186 members of *The Edge* Billion

Ringgit Club paid some RM23 billion in taxes to the government from RM69 billion profits made in 2020. This is sizeable, considering corporate tax collection was RM50 billion last year. For this, I sincerely thank all the taxpayers here for helping us to help, among others, the B40 households or micro/SME businesses in need of working capital. Equally important is how we have used your taxes to ramp up vaccination and support our public healthcare system.

In relation to this, I do realise I may not be popular among the Billion Ringgit Club members of Corporate Malaysia right now because of Cukai Makmur announced in Budget 2022.

Let me reassure all of you that Cukai Makmur is a one-off corporate tax on profits above RM100 million for assessment year 2022. The government recognises that big corporates have been diligently paying taxes, investing or reinvesting and contributing to Malaysia's economic development on top of hiring, training, nurturing and keeping Malaysia's talent.

Nonetheless, I strongly believe that all of us sitting here are truly privileged to further share the collective responsibility of ensuring that the nation recovers quickly, including in helping the nation to procure booster shots for 140% of our population. This is to ensure that our socioeconomic growth and development can be back on track as outlined in our 12th Malaysia Plan.

My promise to all of you is that the Ministry of Finance will disclose how taxes collected from the additional step up to 30% for just one year goes to aid the people and the economy. In fact, we have been issuing a weekly report on stimulus and budget measures' spending and outcome through the National Economic Implementation and Strategic Coordination Agency (Laksana) since April last year, and I am pleased to share that, next week, we will be issuing our 80th Laksana Report.

Malaysia's recovery: Constant engagement is key

Ladies and gentlemen,

This government believes in healthy and regular engagement with Corporate Malaysia to yield the best outcome for the country's economy. Tell us how we can help you perform better because that is key to the country's recovery.

In fact, we are already seeing green shoots of recovery, like unemployment numbers coming in at 4.3% in October 2021 compared to 5.3% in May 2020; and GDP growth of 3% for 9M2021 versus a 6.4% contraction for 9M2020 — all in line with the reopening of most economic and social sectors. This means that we are on track to achieve 3% to 4% projected GDP growth for 2021.

Moving forward, the government is ready to support corporate efforts towards shared prosperity as Malaysia endeavours to achieve between 5.5% and 6.5% GDP growth for next year. Let us work together to ensure that the country, businesses and our people can stand resilient and strong in the face of future challenges.

Last but not least, I would like to congratulate all those who will be receiving awards tonight. To the nation's corporate family, thank you for supporting the government in saving and supporting lives and livelihoods. I am confident that, together, all of us here can do so much in the spirit of #KeluargaMalaysia.

To *The Edge* and all guests, thank you for having me and enjoy the evening! E

Celebrating success, resilience and social responsibility

Welcome address by Yang Berbahagia Tan Sri Tong Kooi Ong, chairman, The Edge Media Group

Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz, Minister of Finance, Tan Sri-Tan Sri, Puan Sri-Puan Sri, Datuk-Datuk, Datin-Datin, Members of *The Edge* Billion Ringgit Club and the media, our partners, friends and colleagues.

On behalf of *The Edge*, I wish you all a warm welcome and thank you for joining us this evening. I wish to also express my appreciation to YB Minister for gracing us with his presence at the 2021 *The Edge* Billion Ringgit Club and Gala Dinner. Thank you, YB Minister.

Ladies and gentlemen,

After not having a gala dinner in conjunction with the BRC awards last year due to the Covid-19 pandemic, we are glad to be able to have one tonight, to celebrate the success and resilience of Corporate Malaysia before 2021 comes to an end.

The past 18 months have been challenging and proved to be a true test of resilience for many businesses. The Covid-19 pandemic has adversely affected global economies, including Malaysia, as lockdown and travel restriction measures were implemented to contain the virus and reduce the infection rate.

Public fear, closure of borders and ongoing market uncertainties resulted in a drastic contraction of the economy. Companies, particularly SMEs and MSMEs, were forced to cease their business, resulting in loss of jobs and rising household debts.

With vaccination seen as the only hope for an economic recovery, the race to inoculate its population as quickly as possible became the priority for many countries, including Malaysia. The success of our vaccination programme has paved the way for an earlier reopening of the economy.

After a sluggish 2020, this is a relief for Corporate Malaysia, as we are finally seeing some signs of market recovery, albeit at a slow pace, as the economy reopens.

Ladies and gentlemen,

A robust private sector contributes to the economic development of the nation, creates jobs, increases incomes and reduces poverty.

It is to this end that *The Edge* initiated the Billion Ringgit Club awards in 2010 to honour the best and the biggest of Corporate Malaysia. Our objective is to encourage Malaysian companies to be more successful and competitive, to grow, to invest, to create jobs and at the same time to be socially responsible.

Like all other *The Edge* awards, we take pride in ensuring that the BRC award methodology and evaluation criteria are transparent and independently audited.

I think it is important that awards given have genuine merits and companies are rightly honoured. In law, we say "justice must not only be done, but must be seen to be done". I think companies winning the awards must truly be deserving and generally acknowledged to be so by their peers. This is the reason that our awards, which measure performance over a three-year period, are coveted by Corporate Malaysia.

Tonight, a total of 55 awards will be presented to 43 companies, encompassing various categories. There are repeat winners as well as new ones. My congratulations to all of you for your outstanding performance in your respective sector as well as your focus on Corporate Responsibility initiatives.

Here, I must add that Corporate Malaysia rose to the occasion when *The Edge* started a campaign to raise money to support our hospitals and healthcare workers when the pandemic hit last year. Within three months, we raised RM25.8 million to buy equipment for our hospitals and to provide financial support to healthcare workers infected by the virus while treating Covid-19 patients.

Well done, Corporate Malaysia, and also to the many individuals who donated.

Before I end, I wish to thank financial advisory website, Absolutelystocks, for tabulating the financial performance data obtained from annual reports; Deloitte for verifying the computation; and our panel of judges for the corporate responsibility component.

A big thank you to our partners for tonight — Main Sponsor, OCBC Bank; Official Car, Mercedes Benz; and Supporting Sponsor, Cortina Watch. Congratulations once again to everyone and may you have an enjoyable evening celebrating your achievements. E

THE EDGE BILLION RINGGIT Club

CRÈME DE LA CRÈME

Finance Minister Tengku Datuk Seri Zafrul Aziz, accompanied by The Edge Media Group chairman Tan Sri Tong Kooi Ong and The Edge Media Group publisher and group CEO Datuk Ho Kay Tat, presented the top two awards of the night.

The other awards were presented by OCBC Bank Malaysia CEO Datuk Ong Eng Bin, Ho and *The Edge* editor-in-chief Kathy Fong.

Joining them in presenting the awards were Cortina Watch Malaysia managing director Tay Liam Khoon and Mercedes-Benz Malaysia vice-president, sales & marketing, Michael Jopp. They presented the awards for the Best CR Initiatives as well as the Construction, Consumer Products & Services, Energy, Financial Services, Healthcare, Industrial Products & Services, Plantation, Property, REIT, Technology, Telecommunications & Media, Transportation & Logistics and Utilities sectors (see also Pages 32 to 40).

COMPANY OF THE YEAR — ViTrox Corporation Bhd
(Chu Jenn Weng, president, CEO, managing director and director)

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA
(Datuk Abdul Farid Alias, group president and CEO, Malayan Banking Bhd)

THANK YOU

YANG BERHORMAT SENATOR
TENGKU DATUK SERI UTAMA
ZAFRUL BIN TENGKU ABDUL AZIZ

FINANCE MINISTER OF MALAYSIA

FOR GRACING

THE EDGE
BILLION
RINGGIT Club
2021

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Winners of *THE EDGE* BILLION RINGGIT CLUB corporate awards 2021

VALUE CREATOR
OUTSTANDING CEO OF MALAYSIA

DATUK ABDUL FARID ALIAS
Group president and CEO, Malayan Banking Bhd

COMPANY OF THE YEAR

VITROX CORP BHD

SUPER BIG CAP
Above RM40 billion market capitalisation

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Public Bank Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
NA

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Petronas Chemicals Group Bhd

BIG CAP
RM10 billion to RM40 billion market capitalisation

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Digi.Com Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Top Glove Corp Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Press Metal Aluminium Holdings Bhd

CONSTRUCTION

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Sunway Construction Group Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
NA

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Widad Group Bhd

CONSUMER PRODUCTS & SERVICES

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Carlsberg Brewery Malaysia Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Guan Chong Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Guan Chong Bhd

ENERGY

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Dialog Group Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Dialog Group Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Dayang Enterprise Holdings Bhd

FINANCIAL SERVICES
(RM10 bil and above market capitalisation)

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Public Bank Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Hong Leong Financial Group Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
RHB Bank Bhd

FINANCIAL SERVICES
(Below RM10 bil market capitalisation)

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Bursa Malaysia Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Allianz Malaysia Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Kenanga Investment Bank Bhd

HEALTHCARE

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Kossan Rubber Industries Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Kossan Rubber Industries Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Supermax Corp Bhd

INDUSTRIAL PRODUCTS & SERVICES

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Uchi Technologies Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Scientex Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Dufu Technology Corp Bhd

PLANTATION

HIGHEST RETURN ON EQUITY OVER THREE YEARS
United Plantations Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
United Plantations Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Far East Holdings Bhd

PROPERTY
(RM3 bil and above market capitalisation)

HIGHEST RETURN ON EQUITY OVER THREE YEARS
UOA Development Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
NA

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
NA

PROPERTY
(Below RM3 bil market capitalisation)

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Matrix Concepts Holdings Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Matrix Concepts Holdings Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
YNH Property Bhd

REIT

HIGHEST RETURN ON EQUITY OVER THREE YEARS
IGB REIT

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Axis REIT

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Axis REIT

TECHNOLOGY

HIGHEST RETURN ON EQUITY OVER THREE YEARS
MyEG Services Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Frontken Corp Bhd
&
D&O Green Technologies Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Frontken Corp Bhd

TELECOMMUNICATIONS & MEDIA

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Digi.Com Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Time dotCom Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Time dotCom Bhd

TRANSPORTATION & LOGISTICS

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Lingkaran Trans Kota Holdings Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
MMC Corp Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Westports Holdings Bhd

UTILITIES

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Gas Malaysia Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Mega First Corp Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Mega First Corp Bhd

BEST CR INITIATIVES
SUPER BIG CAP
Above RM40 billion market capitalisation
Tenaga Nasional Bhd

BEST CR INITIATIVES
BIG CAP
RM10 billion to RM40 billion market capitalisation
Nestlé (M) Bhd
&
Telekom Malaysia Bhd

BEST CR INITIATIVES
Below RM10 billion market capitalisation
Sunway Bhd
&
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Recognising CORPORATE EXCELLENCE for the 12th year

Rebuilding sustainably

BLOOMBERG

BRC COMPANY OF THE YEAR

SHAREHOLDER RETURNS VS FBM KLCI AND FBM EMAS PERFORMANCE AND TOTAL RETURNS

		PRICE CHANGE (%)	SHAREHOLDER RETURNS (%)	FBM KLCI PERFORMANCE (%)	FBM KLCI TOTAL RETURNS (%)	FBM EMAS PERFORMANCE (%)	FBM EMAS TOTAL RETURNS (%)
2010–2021	Supermax Corp Bhd	+229.86	+361.62	+17.38	+74.78	+28.12	+86.27
2011–2021	QL Resources Bhd	+351.58	+405.04	–1.64	+41.67	+5.06	+47.86
2012–2021	Genting Bhd	–59.36	–49.40	–2.40	+35.67	+3.92	+41.38
2013–2021	Digi.Com Bhd	–23.25	+10.04	–11.54	+18.72	–4.70	+25.35
2014–2021	Dutch Lady Milk Industries Bhd	–29.15	–8.42	–19.98	+4.04	–15.20	+8.18
2015–2021	Tenaga Nasional Bhd	–34.64	–10.57	–15.17	+6.84	–9.66	+11.83
2016–2021	Nestlé (Malaysia) Bhd	+80.25	+107.73	–11.73	+7.89	–7.58	+11.13
2017–2021	AirAsia Bhd	–65.72	–33.36	–9.00	+7.81	–4.94	+10.97
2018–2021	Petronas Dagangan Bhd	–18.38	–8.26	–16.85	–4.75	–15.78	–4.64
2019–2021	Press Metal Aluminium Holdings Bhd	+125.67	+131.16	–11.63	–1.81	–5.44	+3.89
2020–2021	Hartalega Holdings Bhd	+2.01	+16.30	–5.96	+1.05	–3.74	+2.48
2021	ViTrox Corp Bhd	+41.77	+42.15	–8.18	–4.40	–7.33	–4.14

Note: The figures are based on the adjusted share price at the start of the year in which the companies received their award to the last practicable date (Dec 8, 2021)

BY CINDY YEAP

At 186, the number of *The Edge* Billion Ringgit Club (BRC) members for 2021 — companies listed on Bursa Malaysia with a market capitalisation of at least RM1 billion on the cut-off date of March 31 — is the highest since the awards began in 2010. It beat the previous record of 185 in 2011 and is significantly higher than last year's 161.

The number of companies on Bursa Malaysia with at least RM1 billion in market cap would have been 180, with a combined market cap of RM1.53 trillion, if the cut-off date had been Dec 8, the last practicable publication cut-off date. The combined market cap expansion represents an annual average growth of 4.8%, from RM916.58 million in 2010, when the awards began.

This year's RM1.59 trillion combined market cap of BRC members — at 90% of the combined market cap of all Bursa Malaysia-listed companies — is slightly below the 90.9% recorded last year and below the peak of RM1.69 trillion in 2018, but it exceeds pre-pandemic 2019's RM1.55 trillion. Last year's 161 BRC members' combined market cap was RM1.41 trillion — the lowest since 2013's RM1.32 trillion.

With FY2020 being a pandemic year, it is no surprise that the combined profits of BRC members fell to a multiple-year low of only RM46 billion, owing to billion-ringgit losses booked by each of five BRC members — Genting Bhd, Malaysia Airports Holdings Bhd, Genting Malaysia Bhd, Sapura Energy Bhd and AirAsia Group Bhd.

The year-on-year fall in BRC members' collective net profit from RM80.5 billion in FY2019 was due largely to the RM17.5 billion combined losses of 28 BRC members in FY2020. Excluding these losses, the combined earnings of the 158 members that remained in the black were still 21% below FY2019 — a reflection of the unprecedented shock from the pandemic.

Still, BRC members continue to be the country's major taxpayers, paying an estimated RM23 billion in taxes for FY2020. This is below the RM28 billion they paid in FY2019, but is still sizeable relative to the RM50 billion corporate tax collection for 2020.

"History has shown time and again that tough times never last; tough people and businesses do."

— Ho

"Despite the difficult situation and gloomy outlook, there remain opportunities to do well if one is prepared to embrace them."

— Ong

SIX OF 12 STILL OUTPERFORM INDEX

Six of the 12 BRC Companies of the Year continue to outperform the bellwether FBM KLCI on total returns, measured from the start of the year in which each winner received its award to Dec 8 this year, according to Bloomberg data.

The six are QL Resources Bhd, Supermax Corp Bhd, Press Metal Aluminium Holdings Bhd, Nestlé (M) Bhd, ViTrox Corp Bhd and Hartalega Holdings Bhd. Being among the hardest hit by the pandemic, it is no surprise that Genting and AirAsia significantly underperformed the index.

BRC MEMBERSHIP STATISTICS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of companies	163	185	144	144	178	166	176	184	170	168	161	186
As a percentage of total listed companies	17% of 959 listed companies	19% of 955 listed companies	15% of 937 listed companies	15.4% of 937 listed companies	19.1% of 934 listed companies	18.3% of 906 listed companies	19.4% of 906 listed companies	20.4% of 904 listed companies	18.7% of 911 listed companies	18.3% of 919 listed companies	17.4% of 924 listed companies	19.9% of 933 listed companies
BRC members' combined market cap as at end-March (RM bil)	916.58	1,165.216	1,197.413	1,320.444	1,544.761	1,536.644	1,513.542	1,592.607	1,692.467	1,551.456	1,407.255	1,592.365
Y-o-y change (%)	↑ NA	↑ 25.5	↑ 2.8	↑ 10.3	↑ 17	↓ 0.5	↓ 1.5	↑ 5.2	↑ 6.3	↓ 8.3	↓ 9.3	↑ 13.2
BRC members' combined market cap as a percentage of total market cap of Bursa-listed companies (as at end-March/June) (%)	88	89	88	90.6	90.9	88.9	90.7	90.3	90.8	90.9	90.8	90

Note: Market capitalisation data as at end-March for 2010 to 2019 and as at end-June for 2020

That is already an improvement from last year, in which only five of the 11 BRC Companies of the Year outperformed the bellwether index at the practicable date, but still a far cry from 2019, in which nine out of 10 BRC Companies of the Year outperformed the index.

The pandemic also caused noticeable changes in members that occupy the annual BRC Top 20 list in terms of profits and market cap.

As at the membership cut-off date of March 31, Press Metal had surged from 24th place in 2020 to rank as the seventh-largest listed company on Bursa Malaysia, with a market cap of RM39.98 billion — a position it maintained as at Dec 8, with an even larger market cap of RM43.6 billion.

Malayan Banking Bhd and Public Bank Bhd remain the two largest companies by both market cap and net profit.

It is perhaps no surprise that Top Glove Corp Bhd surged to No 8 in terms of net profit among BRC member companies in 2020 from No 52 just a year earlier in 2020 (see "Top 20 BRC members by profits and market cap for 2021" on Page 47).

FOUR WITH THE MOST TROPHIES

With *The Edge* BRC Corporate Awards 2021 celebrating corporate excellence for the 12th year, we also looked back at all the companies that took home 428 BRC corporate awards and 15 corporate responsibility (CR) winners. (For uniformity, we included only those who won first place over the years and not the 41 silver awards given out in 2017.)

The four companies that have hitherto won the most BRC trophies over the past 12 years — Digi.Com Bhd, Public Bank, British American Tobacco (M) Bhd (BAT) and Hartalega — also won the most trophies in the Return on Equity (ROE) Over Three Years category. Digi.Com (2013 Company of the Year) has the highest overall trophy tally at 20, followed by Public Bank, with 13; BAT, 12; and Hartalega (2020 Company of the Year), 11 (see highlights of past BRC winners on Page 49).

That said, not all past winners of *The Edge* BRC Company of the Year award are multiple award winners. For example, QL Resources and Nestlé, both of which outperformed the FBM KLCI by far in terms of total returns, have won only two BRC trophies each, including the Company of the Year award in 2011 and 2016 respectively.

It is worth noting that corporate responsibility (CR) efforts constitute 30% of scores that go towards determining the annual Companies of the Year (for details on how *The Edge* BRC Companies of the Year are selected, see the methodology on Page 48).

As The Edge Media Group chairman Tan Sri Tong Kooi Ong has said, the BRC methodology is transparent and awards cannot be bought. Results are audited by Deloitte Malaysia.

CELEBRATING EXCELLENCE

This year's BRC also paid tribute to BRC members as well as other corporates and individuals who contributed funds in aid of healthcare frontliners (read more about *The Edge* Covid-19 Fund and donors on Pages 41 to 43).

The Edge Media Group publisher and group CEO Datuk Ho Kay Tat would have liked to have given recognition to more people at the gala dinner but was limited by SOP-related capacity restrictions. As such, only companies that were receiving awards (and not all BRC members) were invited to the event this year.

Still, the fact that Corporate Malaysia's most anticipated annual gala dinner could be held again barely two months after the Klang Valley entered Phase 4 of the National Recovery Plan (NRP) is worth celebrating.

Datuk Ong Eng Bin, CEO of OCBC Bank Malaysia Bhd, the main sponsor of *The Edge* BRC since 2010, congratulates this year's winners, noting that they continued to perform very well despite the challenging business climate.

Ong says: "These companies demonstrated that, despite the difficult situation and gloomy outlook, there remain opportunities to do well if one is prepared to embrace them. Their spirits were never dampened but were instead spurred to not just survive but thrive. Along with this, they demonstrated that the old adage still holds true, that good companies do well by doing good and perform well all the time. They have shown that sustainability can be a key driver to growth, especially in the current environment where ESG factors are becoming increasingly important to all stakeholders.

"Against this backdrop, OCBC Bank is indeed pleased to celebrate the 12th year as the main sponsor of this meaningful event since its inception in 2010. This underlines our own sustained commitment to the event and what it represents — to celebrate Malaysian corporates' best of the best as something real and that stands the test of time."

Returning as a sponsor for the seventh year is Mercedes-Benz Malaysia, which provides the award's official car. Cartier by Cortina Watch Malaysia, which supported the awards last year, is on board officially as supporting sponsor this year.

Michael Jopp, vice-president of sales & marketing (passenger cars) of Mercedes-Benz Malaysia, says: "I applaud the hard work and dedication put in by organisations that strive for continued success and excellence in their respective fields."

Tay Liam Khoon, managing director of Cortina Watch Malaysia, also applauds Corporate Malaysia's best in class and wishes everyone good fortune in the new year and many years to come: "May we continue to pave the way towards achieving sustainable growth and excellence."

"I thank OCBC and Mercedes-Benz for their steadfast support of the BRC and welcome Cartier by Cortina. This prestigious gathering would not continue being Corporate Malaysia's most anticipated corporate awards ceremony and gala dinner without these distinguished partners," Ho says.

"History has shown time and again that tough times never last; tough people and businesses do. We look forward to gathering together in greater numbers next year to celebrate excellence. Let's all build back stronger together. Strive on, Corporate Malaysia, strive on!" E


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Doing well by doing good despite Covid-19 headwinds

THE EDGE BRC 2017 FILE PICTURE

(From left) Koh, Dorothy Teoh, Nik Ramlah and Jeffrey Teoh return as judges for the CR portion of *The Edge* Billion Ringgit Club Awards 2021

BY CINDY YEAP

The Covid-19 pandemic created major disruptions the world over but responsible business conduct and sustainability efforts also shone brighter as tough times hit lives and livelihoods, say judges of the corporate responsibility (CR) component of *The Edge* Billion Ringgit Club (BRC) Corporate Awards 2021.

Jeffrey Teoh, managing director and head of corporate and commercial banking of OCBC Bank Malaysia Bhd — the main sponsor of the awards — said judging this year's frontrunners was a pleasure in light of the leaps they have made in sustainability and corporate responsibility.

"During these highly challenging pandemic times, these companies offer to us the proverbial silver lining that we can take encouragement and comfort from as we ponder the uncertain future," says Teoh, who returned as a CR judge this year. (There was no judging for CR last year owing to Covid-19-related constraints.)

"Corporate responsibility never goes out of fashion and the best companies keep centring their efforts to be good corporate citizens on both what is relevant and sustainable. Some of the initiatives showcased are world-class and deserving of the accolades," he adds.

Datuk Dr Nik Ramlah Mahmood, former deputy CEO of the Securities Commission of Malaysia, concurs, noting that the overall points for the top scorers are very close.

Many corporates made extra effort to improve the lives of those affected by the pandemic, a reflection of their long-term commitment towards being responsible institutions building sustainable businesses, adds Nik Ramlah.

Nik Ramlah is chairman of edotco Group Sdn Bhd and also sits on the boards of Permodalan Nasional Bhd, the Securities Industry Development Corp, Institute for Capital Market Research Malaysia, International Centre for Education in Islamic Finance (INCEIF), Malaysia Deposit Insurance Corp (PIDM), Axiata Group Bhd and United Malacca Bhd.

Philip Koh Tong Ngee, senior partner of Mah-Kamariyah & Philip Koh Advocates & Solicitors, reckons that corporations that remained steadfast in their sustainability efforts throughout the pandemic "are all winners".

"It is notable that despite the pandemic, corporations suffering under slashed earnings still persevere in their CR efforts," Koh says, noting that many companies focused on contributing to society to alleviate the difficulties brought about by Covid-19.

"Most of the companies have done a fair and valiant job in fulfilling their corporate responsibilities," adds Koh, who likes Gamuda Bhd, Sunway REIT, Hap Seng Plantations Holdings Bhd and IOI Properties Bhd.

Among other initiatives, he says Sunway REIT provided its Sunway Pyramid Convention Centre, the first private large-scale vaccination centre, rent-free for 11 months in support of the National Covid-19 Immunisation Programme. SP Setia Bhd, meanwhile, committed more than RM2.7 million, including RM1 million to the government-linked companies' and government-linked investment companies' Disaster Response Network collective contribution.

He also likes initiatives by companies such as UEM Edgenta Bhd, which strived to reduce the environmental impact of the additional amount of clinical waste, including infectious waste, which resulted from measures to contain the spread of Covid-19.

Responsible corporations "will continue to play a vital role in rebuilding our nation's economic well-being", Koh adds. He commends companies such as UWC Bhd, which ensured that their employees were vaccinated as early as possible.

Dorothy Teoh, CEO of The Edge Education Foundation, also observes greater maturity in sustainability efforts and reporting.

"More and more companies are making sustainability an integral part of company strategy, with an increasing number appointing chief sustainability officers. When it comes to reporting, it's clear that sustainability is moving from the periphery to the front and centre. It's no longer about ticking the right boxes," she says.

"In terms of alignment with the UN Sustainable Development Goals (SDGs), there is a danger that companies may merely 'park' their CR programmes under the SDG that best fits instead of the other way around, that is, aligning their CR projects with the SDGs they adopt. As such, it's good to see that some BRC members are beginning to show a paradigm shift where this is concerned."

More companies are stating their commitment to a circular economy as well as becoming net zero by 2050, Teoh notes, encouraging those that have not done so to do the same.

"The recent UN report which stated that our planet has already warmed by 1.1°C since pre-industrial times and will likely reach 1.5°C within the next decade, earlier than envisioned, makes it more urgent for BRC companies, especially those which are still at the early stage of their sustainability journey, to consider climate change more seriously because it will affect us all," she says.

These efforts should bode well with socially conscious investors who have grown in numbers and are adding environmental, social and governance (ESG) criteria when screening for businesses to add to their portfolios.

"During a time when ESG is no longer an option but merely a question of degree, those who have gone the distance — and indeed the extra mile — have shown that there is really no trade-off between business gains and socially-minded returns. They have done well to take the 'natural middle' that Jed Emerson's blended value proposition calls us to. Businesses do indeed do well by doing good," OCBC's Teoh surmised, applauding corporations that go beyond just making money.

In recognition of the importance of CR, the component constitutes 30% of the score for *The Edge* BRC Company of the Year award. Judges abstained from the scoring and deliberations on BRC members where they are board members if there are potential conflicts of interest.

TOP SCORERS CR INITIATIVES — SUPER BIG CAP
(IN ALPHABETICAL ORDER)

- CIMB Group Holdings Bhd (2013 winner)
- Malayan Banking Bhd (2015 and 2019 winner)
- Petronas Chemicals Bhd (2018 winner)
- Tenaga Nasional Bhd (2017 and 2021 winner)

TOP SCORERS CR INITIATIVES — BIG CAP
(IN ALPHABETICAL ORDER)

- Digi.Com Bhd
- Kuala Lumpur Kepong Bhd
- Nestlé Malaysia Bhd (2012 winner, 2021 joint winner)
- RHB Bank Bhd
- Sime Darby Bhd (2014 winner, 2018 joint winner)
- Telekom Malaysia Bhd (2017 winner, 2021 joint winner)

TOP SCORERS CR INITIATIVES — BELOW RM10 BIL MARKET CAP
(IN ALPHABETICAL ORDER)

- Astro Malaysia Holdings Bhd
- Gamuda Bhd (2016 and 2021 joint winner)
- IOI Properties Bhd
- Sunway Bhd (2015 and 2018 winner, 2021 joint winner)
- United Plantations Bhd (2016 joint winner)

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Datuk Seri Abdul Farid Alias

Group president & CEO, Malayan Banking Bhd

STEADY HANDS BUILDING ON STRONG FOUNDATIONS

BY CINDY YEAP

Datuk Seri Abdul Farid Alias was a relatively fresh face when he joined the ranks of Corporate Malaysia chieftains upon being named CEO of Malayan Banking Bhd in August 2013.

The then 45-year-old head of global wholesale banking — who beat two other internal candidates for the post — had big shoes to fill, having taken over the helm of the country's biggest lender from Tan Sri Abdul Wahid Omar, who was tapped to join a newly formed Cabinet as senator and minister in the Prime Minister's Department heading the Economic Planning Unit (EPU).

Abdul Wahid (2013 Value Creator: Outstanding CEO of Malaysia) had in 2008 succeeded Tan Sri Amirsham Abdul Aziz, a seasoned banker who started his career at Maybank in 1977 and had helmed it for 14 years before being appointed minister in the Prime Minister's Department heading the EPU in 2008 and chairman of the National Economic Action Council (NEAC) in 2009.

Today, more than eight years on, Farid has proven his worth, especially to people who know how much harder it is for large companies and economies versus smaller ones to keep growing at high single-digit rates or more year after year. As an old Chinese proverb says, "守业更比创业难" (*shou ye geng bi chuang ye nan*) — keeping a business is more difficult than starting one.

And the business here is not just any business; it is the largest company by market capitalisation on Bursa Malaysia that is a Malaysian icon and today among Southeast Asia's top five banking groups (US$165 billion assets) and the top 500 companies on the Forbes Global 2000 list.

While the pressures of a professional manager differ from those of an entrepreneur, the burden of taking care of other people's money is not to be taken lightly. After all, it was unchecked decisions by a 28-year-old professional manager that brought down Barings Bank in 1995, then one of the world's oldest banks.

It was under Farid's watch that Maybank became the first Bursa Malaysia-listed company to breach RM100 billion in market capitalisation in 2017, for which a special award was conferred by *The Edge* Billion Ringgit Club to mark the occasion.

Maybank paid shareholders more than RM30 bil in dividends in the past five years

YEAR	DIVIDEND PAID (RM BIL)	GROSS YIELD (%)	DISTRIBUTION PER SHARE (SEN)	PAYOUT RATIO (%)
2016	4.93	6.3	52	78.1
2017	5.71	5.6	55	78.5
2018	6.27	6.0	57	77.3
2019	7.19	7.4	64	87.8
2020	5.91	6.1	52	91.2

Maybank continues to top *The Edge* BRC members' list in terms of total profits, and shareholders are reaping the rewards. Over the past five years alone, Maybank has paid more than RM30 billion in dividends or an average of RM5 billion a year — more than any listed company here. In FY2020, Maybank declared a dividend of 52 sen per share, a 91.2% payout, but it conserved cash — in line with conservatism signalled by global regulators in relation to dividend payouts by banks during the pandemic — by lowering the cash component to 34% versus an all-cash payout in FY2019.

A small-town boy from Negeri Sembilan, Farid rose through the ranks in investment banking, corporate finance and the capital markets riding on his professional training in accounting, finance and management. He is also president commissioner of PT Bank Maybank Indonesia Tbk and vice-chairman of the Asian Institute of Chartered Bankers, and sits on the board of Maybank Singapore Ltd, Cagamas Holdings Bhd and the Financial Industry Collective Outreach.

Apart from Maybank's reach in Malaysia and Southeast Asia, local golf enthusiasts would recognise how the 1962 Malaysian Open had grown by leaps and bounds since the banking group took over the title sponsorship in 2006 and, in 2016, rebranded it as the Maybank Championship, a professional golf tournament co-sanctioned by the Asian Tour as well as the European Tour. This is certainly an area in which Farid, who is a keen golfer himself and has made a conscious effort to make the sport more accessible to a larger group of aspiring players in the country, would want to bring back when practicable post-Covid-19.

Farid: It is only by looking into the well-being of all our stakeholder groups that we can truly create sustainable and meaningful value for the organisation

During the pandemic, Maybank's two topmost priorities have been to safeguard the well-being of its employees and customers. Knowing full well that many Malaysians would be in dire need of financial aid, Farid told shareholders in Maybank's 2020 annual report that the bank had started offering assistance in terms of restructuring and rescheduling loans as early as Feb 11, 2020 — 1½ months before the first six-month moratorium on loan repayment was announced.

According to Farid, Maybank's presence in Greater China gave it an advantage in terms of knowledge of the severity of the Covid-19 virus "the moment it emerged". "Reacting fast, we put into motion initiatives to brace for the challenges to come. In addition to strengthening our Business Continuity Management framework, we also developed a plan to protect our employees and customers," he says, telling shareholders that Maybank had already had at least 82% of its local workforce (representing half of the group's 42,000 employees) working from home. Assistance was also extended to customers in Singapore and Indonesia, among others.

In his message, Farid assured shareholders that Maybank was entering the pandemic in a position of strength, thanks to its past emphasis on healthy liquidity and capital levels. "While many may have thought we were being overly prudent in the past with our capital position, our strategy proved judicious, as this pandemic showed us how quickly an untoward event can take place and have a lingering effect.

"We entered the pandemic with a Group Common Equity Tier 1 capital ratio of 15.729% as at end-2019 and concluded 2020 at 15.313%," he wrote, noting that the group's liquidity coverage ratio remained stable at 142% as at end-2020, from 141% as at end-2019. While Common Equity Tier 1 ratio slipped to 14.2% in 1HFY2021, analysts reckon its asset base still has room to withstand lingering economic challenges. Asset quality should improve as the green shoots of recovery gain strength.

It looks like Farid is on a roll. After winning *The Edge* BRC Value Creator: Outstanding CEO of Malaysia 2021 award on Dec 13, he went on to become one of 15 to receive the Sri Sultan Ahmad Shah Pahang (SSAP) award on Dec 14 from the Regent of Pahang Tengku Hassanal Ibrahim Alam Shah Al-Sultan Abdullah, which carries the title "Datuk Seri".

Farid, 53, says the win is not his alone but one of many fruits of the hard work put in by his colleagues and predecessors over the decades to grow the group into an international network of more than 2,200 branches and offices in 18 countries.

"The value creation that Maybank has achieved in the short, medium and long term has been a culmination of the collective effort by all past and present Maybankers. It is the perseverance and hard work of all employees group-wide across our footprint of 18 countries, anchored by our mission of Humanising Financial Services, that have resulted in Maybank expanding, diversifying and growing its revenue sources through its 61 years of history and ensuring the sustainability as well as relevance of this organisation in a rapidly evolving marketplace," he tells *The Edge*.

"As we move into the next phase of our strategic journey, focusing heavily on digitalisation and sustainability, we will remain customer-centric in our solutions and digital innovations, leveraging data-driven insights, to better serve our existing customers and reach the underserved and unserved segments within the markets we operate.

"We aspire to continue delivering strong shareholder returns, premised on good governance, with the mindset of doing the right thing always — be it in business- or sustainability-led decisions — and remaining true to our core TIGER values [of teamwork, integrity, growth, excellence and efficiency, and relationship building]. It is only by looking into the well-being of all our stakeholder groups that we can truly create sustainable and meaningful value for the organisation," he says. E


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COMPANY OF THE YEAR

6 BRC AWARDS OVER THE YEARS

ViTrox Corp Bhd

TEST EQUIPMENT GIANT SETS ITS SIGHTS ON GREATER EXPANSION WHILE CONTRIBUTING TO THE WORLD

BY LIEW JIA TENG

While the storm of the Asian financial crisis was wreaking havoc in 1998, two young men quit their jobs at Hewlett-Packard Malaysia in Penang to start their own business. Few would have done that, especially in harsh economic conditions.

With the towering ambition to make the world better with technology, the two Universiti Sains Malaysia (USM) graduates — Chu Jenn Weng and Steven Siaw Kok Tong — began their entrepreneurial journey in a 100 sq ft rented bedroom in Sungai Dua, Gelugor, Penang, with RM20,000 in seed capital borrowed from family and friends. Yeoh Shih Hoong subsequently came on board and, two years later, the trio established ViTrox in 2000.

The little seed capital then helped cultivate the homegrown automated test equipment (ATE) maker, which today serves more than 600 customers locally, as well as in China, Taiwan, the US, Mexico and 40 other countries. It is an industry leader in machine vision technology.

Chu is the group's president and single-largest shareholder, with a 26.9% stake; Siaw and Yeoh sit on the board as executive directors and executive vice-presidents, with 19.04% and 10.23% equity interest respectively.

The trio takes pride in the fact that ViTrox is not a contract manufacturer. It makes machine vision inspection systems that scan for defects in semiconductors and other hi-tech gear.

The group has two main business segments — machine vision system (MVS), which provides component-level inspection solutions; and automated board inspection (ABI), which offers board-level inspection solutions.

Its MVS division serves mainly semiconductor manufacturers, including integrated device manufacturers (IDMs) and outsourced semiconductor assembly and test (OSAT) players; and its ABI business unit serves electronics manufacturing service (EMS) providers and contract manufacturers.

Remarkably, since its 2005 listing on Bursa Malaysia, ViTrox's share price has jumped 185-fold from 12 sen (adjusted price) to its historical high of RM22.16 on Dec 1.

The company's market capitalisation has grown from RM55.8 million on its first listing day to almost RM10 billion now, making it one of the country's largest ATE manufacturers.

Based on the latest semi-annual review of the FTSE Bursa Malaysia Index Series, ViTrox is now included on the FBM KLCI reserve list, comprising the five highest-ranking non-constituents of the index by market capitalisation.

The period between March 31,2018, and March 31,2020, is the best-performing for ViTrox's share price, which climbed from RM5.23 to a record high of RM14.90, a sharp gain of 185%.

This boosted the group's three-year compound annual growth rate (CAGR) returns to

shareholders between March 31,2018, and March 31, 2021, to 41.8%.

In fact, ViTrox has scored high on return on equity (ROE), earnings growth and returns to shareholders over the last three years. And that performance won the group the coveted *The Edge* Billion Ringgit Club (BRC) Company of the Year award this year.

ViTrox's ROE was 28.4% in 2018. Although it fell to 17.8% in 2019, it improved to 20.1% in 2020, giving it an adjusted weighted ROE over three years of 21.1%.

The group's profit after tax (PAT) climbed to a record high of RM105.62 million in the financial year ended Dec 31, 2020 (FY2020), riding on the semiconductor boom globally and after earnings contracted in FY2019, when it posted a PAT of RM79.65 million compared with RM105.48 million in FY2018.

The group's earnings grew at a three-year CAGR of 8.4%. On a longer horizon, its revenue and net profit have grown 19 times and 10 times respectively over the past 15 years.

For *The Edge* BRC review period, the total remuneration of its board was RM1.32 million in FY2018, RM1.21 million in FY2019 and RM1.38 million in FY2020. The three pioneers' remuneration ranges between RM361,000 and RM399,000 each.

Chu: As long as we can make a positive contribution to the world, we will go

In an exclusive interview with *The Edge* in July, Chu stressed that the management envisions much for the group to achieve, as it intends to grow beyond the ATE industry and semiconductor space.

"ViTrox will not be heading towards the sole direction of ATE. Perhaps two or three business units of ours will focus on ATE and be the best in the world. But, as a group, we want to move up the value chain, be an innovative technology company, and we want to use technology and equipment to expand into other areas such as precision smart farming.

"As long as we can make a positive contribution to the world, we will go," he said.

Those who have been to the corporate headquarters of ViTrox at the Batu Kawan Industrial Park usually leave impressed by the architecture of the building. A bird's eye view of ViTrox Campus 2.0, which has a built-up area of 450,000 sq ft, reveals an eye-shaped structure on a green building with its own solar photovoltaic (PV) system.

The facility also incorporates an eco-pond with a rainwater harvesting system for irrigation, a garden in the centre to promote a green working environment, and a sky herb garden to promote healthy eating habits.

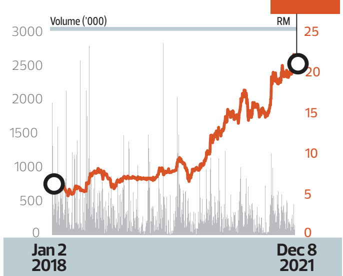
In ViTrox's V-Gallery, there is an old Pentax SLR camera on display. It is a second-hand camera that Chu's mother bought for him for his 20th birthday. That gift sparked Chu's interest in photography.

"I never thought the photography skills that I learnt would benefit me when I ventured into machine vision technology. So, I always tell others that it was a mother's selfless love for her son that led to the birth of ViTrox eight years later," he says.

Under its 10-year expansion master plan, ViTrox aims to invest more than RM2 billion as well as expand its floor space to between two million and three million sq ft, from 450,000 sq ft now. The group also intends to increase its workforce from less than 1,000 now to between 3,000 and 5,000 in the next five years.

"We plan to set up an institution of technology or a university that is people-oriented and emphasises work-based and practical learning. We want to produce talents who are creative, energetic and kind-hearted, who are competent and willing to work relentlessly to solve the world's problems," Chu says. E

ViTrox Corp Bhd



Major corporate milestones

- 2000 • ViTrox is established
- 2004 • Launches first 3D vision inspection system for semiconductor components
  - • Converted into public limited company
- 2005 • Listed on the ACE Market, previously known as Mesdaq
  - • Launches five-sided vision inspection system for semiconductor components
- 2006 • Moves to ViTrox Innovation Centre in Bayan Lepas
  - • Achieves first overseas sales and sets up support office in Suzhou, China
- 2009 • Forms Automated Board Inspection (ABI) business unit
  - • Launches first 2D advanced optical inspection (AOI) for electronics assembly
  - • Transfers to Main Market
- 2010 • Establishes machine vision system tray (MVST)
  - • Launches 3D advanced X-ray inspection (AXI) for electronics assembly
- 2011 • Forms its refined core values of Integrity, Accountability, Courage, Trust & Respect, Gratitude & Care
  - • Launches tray-based vision inspection handler
- 2014 • Launches Centre of Excellence for Machine Vision
- 2018 • Relocates to ViTrox Campus 2.0 in Batu Kawan
- 2019 • Begins operations of Penang Automation Cluster (PAC)
  - • Sets up overseas offices in Hamburg, Germany, and Shenzhen, China
- 2020 • Celebrates 20th anniversary
- 2021 • Acquiring land in Batu Kawan to execute 10-year expansion master plan
  - • Wins coveted *The Edge* Billion Ringgit Club Company of the Year award

Ong, Ho, Zafrul, Tong, Jopp and Tay

Cartier's Tank the ultimate mark of elegance

A symbol of understated elegance that has captivated many, Cartier's iconic Tank timepiece is appreciated for its pure design.

For the luxury brand, it all starts with design. Legend has it that Louis Cartier — the grandson of Louis-Francois Cartier, founder of the French jeweller which is today part of the Swiss Richemont Group — was inspired by the mechanised light tank said to have broken the stalemate in World War I.

Viewed from above, the parallel brancards (vertical sidebars) were the tank's tracks and the case, the turret. The first Cartier Tank was presented as a victory watch to US general John "Black Jack" Pershing in 1918.

The Tank, first developed in late 1917 but only launched in 1919, is also seen as an elegant update of the 1904 square Santos de Cartier watch, which marked an important stylistic achievement when its design broke away from the traditional round shape.

The Tank's design is a convergence of the four main principles governing Cartier's creative approach — purity of line, accuracy of shape, precision of proportion, and precious details.

The purity of line communicates the brand's desire to find the simplest expression of every object. On the accuracy of the shape, formal research made it possible to move from a square (the dial) to a rectangle (the bracelet). The precision of the proportion lies in the balance between the lines and the shapes, and the volume and harmony that emanate from the design and lend the Tank its remarkable elegance.

The precious details can be seen in the level of refinement applied to the watch by Cartier, from the set crown to the contrasting polished and satin-finished brancards, the finely detailed dial and the blued-steel hands.

Roman numerals mark the hours on the majority of the Tank watches. The dial features a "rail-track", a double line with a minute scale, which together with the Roman numerals intensifies the visual power of the dial. On the Tank watch, the strap attachments (horns) are incorporated into the case by the twin parallel lines of the brancards (the French word for "stretcher"). Beaded or with rounded sides, the winding crown is set with a precious stone.

Over the years, Cartier has produced many variations of the Tank, from the 1921 Tank Cintrée, whose curved design hugs the wrists and was a precursor of the Tank Américaine of the 1980s, to the 2012 Tank Anglaise, whose winding crown is set in the right brancard to achieve a more symmetrical case silhouette.

Andy Warhol, the late godfather of pop culture, said he wore the Tank because "it's the watch to wear". "I don't wear a Tank watch to tell the time. In fact, I never wind it," he said.

In June 2017, former US First Lady Jackie O Kennedy's 1962 Cartier Tank watch broke the record for the most expensive Cartier Tank ever auctioned when it was sold for US$379,500 to media personality Kim Kardashian.

The sportier Tank Française, which has a chain-link bracelet, was the choice of another former US First Lady. Michelle Obama wore a stainless-steel Tank Française in her first portrait as First Lady in the White House's Blue Room in 2009. The late Princess Diana of Wales has also been photographed wearing the Tank Française and the Tank Louis Cartier.

The timeless Tank Louis Cartier has also been worn by activist-actress Angelina Jolie, who epitomises effortless chic.

In 2021, Cartier introduced a pair of colourful Tank Louis Cartier watches as well as a new range of Tank Must with photovoltaic cells that harness solar energy, and eco-friendly straps produced using 40% plant matter that reduces Cartier's carbon footprint by up to six times.

THE EDGE BILLION RINGGIT Club 2021

THE EDGE BILLION RINGGIT Club 2021

ViTrox Corporation Bhd

Dialog Group Bhd

Matrix Concepts Holdings Bhd

Far East Holdings Bhd

RHB Bank Bhd

THE EDGE BILLION RINGGIT Club 2021

Lingkaran Trans Kota Holdings Bhd

Kossan Rubber Industries Bhd

Scientex Bhd

Sunway Bhd


Kenanga Investment Bank Bhd


Hong Leong Financial Group Bhd


Westports Holdings Bhd


Gamuda Bhd

THE EDGE BILLION RINGGIT Club 2021

Malayan Banking Bhd

The Edge Media Group chairman Tan Sri Tong Kooi Ong and Puan Sri Dawn Cheong

Mega First Corporation Bhd and D&O Green Technologies Bhd

UOA Development Bhd

Bursa Malaysia Bhd

MMC Corporation Bhd

Supermax Corporation Bhd

YNH Property Bhd

THE EDGE BILLION RINGGIT Club 2021

Digi.Com Bhd

Axis REIT Bhd

Telekom Malaysia Bhd

Petronas Chemicals Group Bhd

Top Glove Corporation Bhd

Gas Malaysia Bhd

Tenaga Nasional Bhd

Carlsberg Brewery Malaysia Bhd

THE EDGE BILLION RINGGIT Club

BEST CR INITIATIVES (below RM10 billion market cap)
Gamuda Bhd (Datuk Ir Paul Ha, deputy group managing director)

BEST CR INITIATIVES (below RM10 billion market cap)
Sunway Bhd (Sarena Cheah, executive director, Sunway Group)

BEST CR INITIATIVES (BIG CAP COMPANIES)
Nestlé (M) Bhd (Shaheen Mohamed Zaffar, manager, media relations)

BEST CR INITIATIVES (BIG CAP COMPANIES)
Telekom Malaysia Bhd (Izlyn Ramli, director, Yayasan Telekom)

BEST CR INITIATIVES (SUPER BIG CAP COMPANIES)
Tenaga Nasional Bhd (Yasmin Mohd Ramzi, senior general manager, strategy & transformation)

CONSTRUCTION — Highest Return on Equity Over Three Years
Sunway Construction Group Bhd (Chung Soo Kiong, group managing director)

CONSUMER PRODUCTS & SERVICES — Highest Return on Equity Over Three Years
Carlsberg Brewery Malaysia Bhd (Pearl Lai, director, corporate affairs)


DIALOG
DIALOG GROUP BERHAD
Celebrating another milestone that could only be achieved together with the support from our partners, customers and stakeholders.
Thank you!
THEEDGE
BILLION RINGGIT Club 2021
Energy
Highest Return On Equity
Over Three Years
Energy
Highest Growth In Profit After Tax
Over Three Years
Pengerang Deepwater Terminals

THE EDGE BILLION RINGGIT Club

ENERGY — Highest Growth in Profit After Tax Over Three Years & Highest Return on Equity Over Three Years
Dialog Group Bhd (Chan Yew Kai, deputy executive chairman, & Mustaffa Kamal, chief operating officer)

ENERGY — Highest Returns to Shareholders Over Three Years
Dayang Enterprise Holdings Bhd (Jamalludin Obeng, managing director, Perdana Petroleum Bhd)

FINANCIAL SERVICES (below RM10 billion market cap) — Highest Growth in Profit After Tax Over Three Years
Allianz Malaysia Bhd (Teeneswary K Jayaraman, manager, Allianz4Good)

FINANCIAL SERVICES (below RM10 billion market cap) — Highest Return on Equity Over Three Years
Bursa Malaysia Bhd (Datuk Muhamad Umar Swift, CEO)

FINANCIAL SERVICES (below RM10 billion market cap) — Highest Returns to Shareholders Over Three Years
Kenanga Investment Bank Bhd (Datuk Chay Wai Leong, group managing director)

FINANCIAL (RM10 billion and above market cap) — Highest Growth in Profit After Tax Over Three Years
Hong Leong Financial Group Bhd (Teh Tiong Khim, group chief financial officer)

FINANCIAL (RM10 billion and above market cap) — Highest Return on Equity Over Three Years
Public Bank Bhd (Tan Sri Datuk Sri Tay Ah Lek, managing director & CEO)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THE EDGE BILLION RINGGIT Club

FINANCIAL (RM10 billion and above market cap) — Highest Returns to Shareholders Over Three Years
RHB Bank Bhd (Datuk Khairussaleh Ramli, group managing director & group CEO)

HEALTHCARE — Highest Growth in Profit After Tax Over Three Years & Highest Return on Equity Over Three Years
Kossan Rubber Industries Bhd (Mohamed Shafeii Abdul Gaffoor, chairman)

HEALTHCARE — Highest Returns to Shareholders Over Three Years
Supermax Corporation Bhd (Datin Cheryl Tan, co-founder & vice-president)

INDUSTRIAL PRODUCTS & SERVICES — Highest Growth in Profit After Tax Over Three Years
Scientex Bhd (Lim Peng Jin, group CEO)

PLANTATION — Highest Returns to Shareholders Over Three Years
Far East Holdings Bhd (Datuk Asmin Yahya, executive director & chief operating officer)

PROPERTY (below RM3 billion market cap) — Highest Growth in Profit After Tax Over Three Years & Highest Return on Equity Over Three Years
Matrix Concepts Holdings Bhd (Ho Kong Soon, group managing director)

PROPERTY (below RM3 billion market cap) — Highest Returns to Shareholders Over Three Years
YNH Property Bhd (Allan Yu, group general manager)

THE EDGE BILLION RINGGIT Club

PROPERTY (RM3 billion and above market cap) — Highest Return on Equity Over Three Years
UOA Development Bhd (Frankie Choo, senior manager, sales & marketing)

REIT — Highest Growth in Profit After Tax Over Three Years & Highest Returns to Shareholders Over Three Years
Axis REIT (Leong Kit May, CEO & executive director)

TECHNOLOGY — Highest Growth in Profit After Tax Over Three Years & Highest Returns to Shareholders Over Three Years
Frontken Corporation Bhd (Nicholas Ng, CEO)

TECHNOLOGY — Highest Growth in Profit After Tax Over Three Years
D&O Green Technologies Bhd (Tan Sri Mohammed Azlan Hashim, group chairman)

TELECOMMUNICATIONS & MEDIA – Highest Return on Equity Over Three Years
Digi.Com Bhd (Eugene Teh, chief business officer)

TRANSPORTATION & LOGISTICS — Highest Growth in Profit After Tax Over Three Years
MMC Corporation Bhd (Badrulhisyam Fauzi, group chief financial officer)

TRANSPORTATION & LOGISTICS — Highest Return on Equity Over Three Years
Lingkaran Trans Kota Holdings Bhd (Syah Rizal Sahari, senior manager)

TRANSPORTATION & LOGISTICS — Highest Returns to Shareholders Over Three Years
Westports Holdings Bhd (Eddie Lee, CEO)

UTILITIES — Highest Growth in Profit After Tax Over Three Years & Highest Returns to Shareholders Over Three Years
Mega First Corporation Bhd (Goh Mei Sze, executive director)

UTILITIES — Highest Return on Equity Over Three Years
Gas Malaysia Bhd (Mohd Nisharuddin Mohd Noor, CEO, Gas Malaysia Distribution Sdn Bhd)

BIG CAP COMPANIES (RM10 billion to RM40 billion market cap) — Highest Growth in Profit After Tax Over Three Years
Top Glove Corporation Bhd (Lim Cheong Guan, executive director)

BIG CAP COMPANIES (RM10 billion to RM40 billion market cap) — Highest Return on Equity Over Three Years
Digi.Com Bhd (Eugene Teh, chief business officer)

BIG CAP COMPANIES (RM10 billion to RM40 billion market cap) — Highest Returns to Shareholders Over 3 Years
Press Metal Aluminium Holdings Bhd (Datuk P T Koon, director)

SUPER BIG CAP COMPANIES (RM40 billion and above market cap) — Highest Return on Equity Over Three Years
Public Bank Bhd (Tan Sri Datuk Sri Tay Ah Lek, managing director & CEO)

SUPER BIG CAP COMPANIES (RM40 billion and above market cap) — Highest Returns to Shareholders Over Three Years
Petronas Chemicals Group Bhd (Chng Guan How, chief innovation & technology officer)

Appreciating Corporate Malaysia's contribution in the fight against Covid-19

BY HO KAY TAT

In March 2020, when Covid-19 hit our shores, many people were quickly infected. Our hospitals and healthcare workers were suddenly under intense pressure, and we were short of personal protective equipment (PPE) and ventilators.

Our chairman Tan Sri Tong Kooi Ong called me to say a few of his friends were prepared to donate money if we could buy ventilators. But we had no idea where to source for ventilators and the whole world also wanted them.

What started as a few people wanting to donate quickly led to the launch of *The Edge* Covid-19 pandemic funds — The Equipment Fund and The Healthcare Workers (HCW) Support Fund. The idea to have a separate fund for HCW was mooted by Datuk Chung Hon Cheong (Rexit Bhd) and Seow Lun Hoo (Newfields Advisors) when I asked them for support.

Within a few days after we announced the fundraising on March 23, 2020, we managed to raise RM19 million and eventually we closed at RM25.8 million. The donations ranged from as low as RM50 from individuals to RM1 million from big corporates. By March 30, we had bought and sent a million three-ply face masks and 35,000 personal protection suits to more than 30 designated hospitals.

So far, we have delivered 2,505,650 three-ply face masks, 33,600 PPE, 19,740 face shields, 190 oxygen concentrators, 141 ventilators, 11,400 safety goggles and 158,440 KN95 masks to more than 30 hospitals in both East and West Malaysia and more than 60 district clinics in the Peninsular. What remains to be disbursed is the HCW Fund of RM5.8 million, which we are currently working out with the Ministry of Health.

There are many people to thank, but I would like to single out the first group who got the ball rolling. Aside from Tong, Chung and Seow, the others were Tan Sri Ngau Boon Keat of Dialog Group Bhd, Tan Sri Paul Koon of Press Metal Aluminium Bhd, Tan Sri K K Lau of Magnum Corp Bhd, Tan Sri G Gnanalingam of Westports Holdings Bhd, Tan Sri Krishnan Tan of IJM Corp, Kuan Kam Hon of Hartalega Holdings Bhd, Datuk Seri Kalimullah Hassan of ECM Libra Foundation, Tan Sri David Cheng of GPL Group and the late Datuk Teo Chiang Quan of Paramount Corp Bhd.

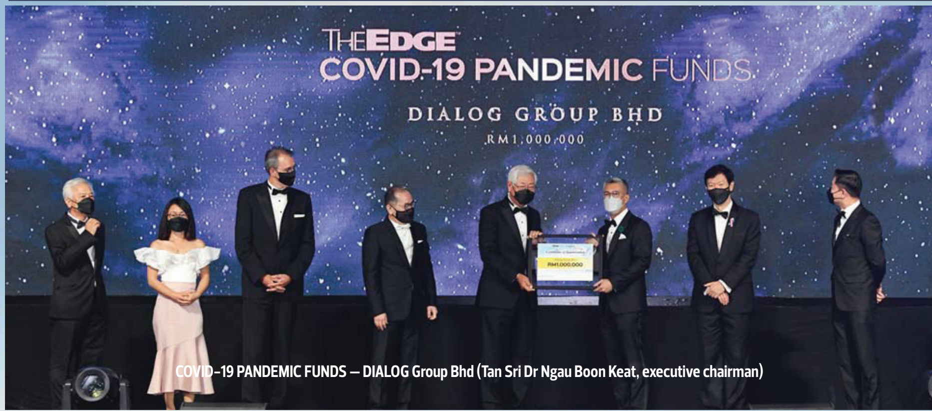
Tan Sri Ter Leong Yap (Sunsuria Bhd) and Chia Song Kun (QL Resources Bhd) also organised donations from members of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM). KPMG Malaysia agreed to be auditor of the funds and also made a donation. Mr DIY Group (M) Bhd volunteered to be our logistics partner; and NGOs such as MRA and IMARET provided invaluable assistance in sending equipment to hospitals.

The pandemic and restrictions on gatherings have prevented us from properly thanking and acknowledging all the companies and individuals who came forward when the country needed help.

The Edge Billion Ringgit Club Awards 2021 gala dinner held on Dec 13 gave us the chance to do that. Unfortunately, not all could be invited because of capacity restrictions. Therefore, only four companies that attended the dinner because they were receiving BRC awards were given acknowledgement: Dialog, Matrix Concepts Holdings Bhd, Press Metal and Westport (see the full list of donors on Pages 42 and 43).

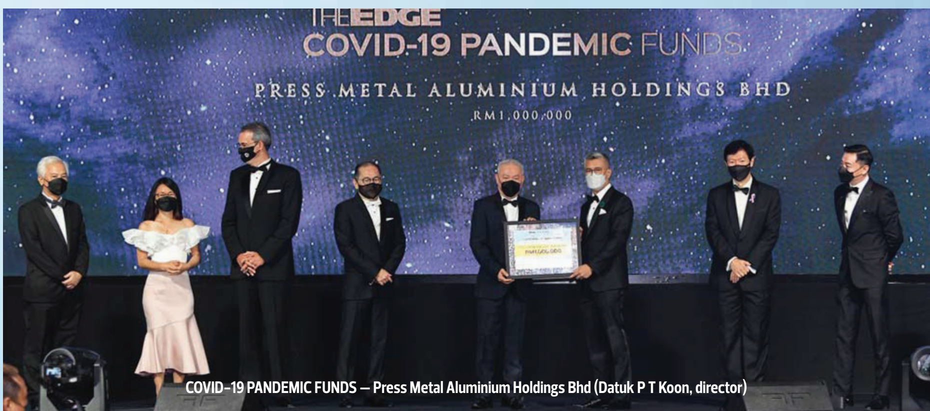
I would like to express my heartfelt appreciation to everyone. E

Minister of Finance Tengku Datuk Seri Zafrul Aziz presented certificates of appreciation to selected donors



COVID-19 PANDEMIC FUNDS — DIALOG Group Bhd (Tan Sri Dr Ngau Boon Keat, executive chairman)

COVID-19 PANDEMIC FUNDS — Matrix Concepts Holdings Bhd (Ho Kong Soon, group managing director)



COVID-19 PANDEMIC FUNDS — Press Metal Aluminium Holdings Bhd (Datuk P T Koon, director)

COVID-19 PANDEMIC FUNDS — Westports Holdings Bhd (Eddie Lee, CEO)

THE EDGE COVID-19 PANDEMIC FUNDS

"The economic problems we face can be solved faster once the health crisis is contained."
— Tengku Zafrul Tengku Abdul Aziz, Minister of Finance

"We must show our healthcare workers that while we can't be there with them, they are not alone."
— Ho Kay Tat, Publisher, *The Edge*

THANK YOU, CORPORATE MALAYSIA

"We pledge our full support to our frontline medical personnel."
— Ter Leong Yap, ACCIM

"We salute our healthcare workers for their work and are happy to do what we can."
— Liew Hau Seng, IJM Corp

"Making sure they are safe by giving them the equipment they need is the least we can do."
— Kalimullah Hassan & Lim Kian Onn, ECM Libra Foundation

"Our prayers and utmost gratitude are with the frontline and with each and every one who has come forth to assist."
— Joseph Lau, Perdana ParkCity Sdn Bhd

"We are touched by the effort, tenacity and undivided commitment of the heroic frontliners. Thank you for all that you do."
— Shahril Shamsuddin, Sapura Holdings

"We hope our contribution goes some way towards supporting these heroes at this unprecedented time in our history."
— Kuan Kam Hon, Hartalega

"Happy to be part of this initiative to help our healthcare workers who have dedicated themselves to serving the nation."
— Seow Lun Hoo, Newfields

"We want to show our appreciation of our healthcare workers who are working tirelessly under difficult conditions."
— Ian Tong, UPP

"We are taking a sustainable approach working with our network of community partners to bring relief to frontline workers, assist medical efforts and reach out to vulnerable groups in society."
— Lee Lung Nien, Citi Malaysia

"In times like this, those who are in a position to contribute must do so to help our overstretched health services."
— Ngau Boon Keat, Dialog Group Bhd

THE EDGE COVID-19 EQUIPMENT FUND

1	The Associated Chinese Chambers of Commerce & Industry of Malaysia (ACCCIM)	RM1.0 mil
2	Perdana ParkCity Sdn Bhd	RM1.0 mil
3	Taliworks Corporation Bhd Group	RM1.0 mil
4	Westports Malaysia	RM750,000
5	Tan Sri Shahril Shamsuddin & Dato' Shahriman Shamsuddin (Sapura)	RM750,000
6	Anonymous	RM500,000
7	Dialog Group Bhd	RM500,000
8	ECM Libra Foundation	RM500,000
9	Magnum Corporation Bhd	RM500,000
10	Matrix Concepts Holdings Bhd	RM500,000
11	OSK Foundation	RM500,000
12	Press Metal Aluminium Holdings Bhd	RM500,000
13	QL Resources Bhd	RM500,000
14	YTL Power International Bhd	RM500,000
15	Tan Sri David Cheng & Datuk Allan Lim (GPL Group Sdn Bhd)	RM500,000
16	Tan Sri Nazir Razak	RM500,000
17	Tan Sri Tong Kooi Ong (UPP Pulp & Paper [M] Sdn Bhd)	RM500,000
18	Waz Lian Group	RM500,000
19	Hiap Teck Venture Bhd	RM500,000
20	Lee Foundation, States of Malaya	RM500,000
21	Past & Present Partners of PwC	RM315,000
22	Batu Kawan Bhd	RM250,000
23	Datuk Simon Foong & Datin Mina Cheah-Foong/InNature Bhd	RM250,000
24	Syarikat Takaful Malaysia Keluarga Bhd	RM250,000
25	Citi Malaysia	RM250,000
26	Jaya Grocer and Staff	RM244,010
27	The Edge Communications Sdn Bhd	RM100,000
28	TSH Resources Bhd	RM100,000
29	Yvonne Lam	RM100,000
30	Eco World Foundation	RM100,000
31	Dewan Perniagaan Tionghua Tawau Sabah	RM100,000
32	Dr & Mrs Loke Kwok Kheong	RM100,000
33	BHP Shared Services Malaysia Sdn Bhd	RM87,260
34	Yu Chee Hoe	RM50,000
35	Howden Insurance Brokers & Malene Insurance Brokers and their staff	RM36,000
36	Kenwingston Sdn Bhd	RM30,000
37	Brunsfield Engineering Sdn Bhd	RM30,000
38	GT Tropicana Golf	RM25,000
39	Lim Ghee Keong	RM25,000
40	DCD Technology Sdn Bhd	RM25,000
41	Professional Golf of Malaysia	RM20,000
42	Ng Choon Lee	RM15,000
43	OCBC Bank Bhd	RM12,000
44	Suria Kumar	RM10,888
45	Oh Chong Peng OCP Wai Sek Group	RM10,000
46	Hitachi eBworx Sdn Bhd	RM10,000
47	BFM Media Sdn Bhd	RM10,000
48	Ng Geok Mooi	RM10,000
49	Sanctuary Health Sdn Bhd	RM10,000
50	Sreesanthan A/L Elia	RM10,000
51	Yeoh Boon Lim	RM10,000
52	Lew Kok Sin	RM10,000
53	Java Offshore Sdn Bhd (Asian Geos Sdn Bhd)	RM10,000
54	Yeoh Boon Lim	RM10,000
55	Tang Sun Lee	RM10,000
56	Lian Yi Golf Family and Friends	RM6,500
57	Nomura Asset Management Malaysia Sdn Bhd	RM5,000
58	Foo Yuk Meng	RM5,000
59	Others	RM89,042
Total		**RM14.74 mil**

THE EDGE COVID-19 HEALTHCARE WORKERS SUPPORT FUND

1	FWD Group	RM2.0 mil
2	The Associated Chinese Chambers of Commerce & Industry of Malaysia (ACCCIM)	RM1.0 mil
3	Hartalega Foundation	RM1.0 mil
4	IJM Corporation Bhd	RM1.0 mil
5	Lee Foundation, States of Malaya	RM800,000
6	Dialog Group Bhd	RM500,000
7	Magnum Corporation Bhd	RM500,000
8	Press Metal Aluminium Holdings Bhd	RM500,000
9	Paramount Corporation Bhd	RM500,000
10	Affin Hwang Asset Management Bhd	RM250,000
11	Newfields Group	RM250,000
12	Rexit Software Sdn Bhd	RM250,000
13	Westports Malaysia	RM250,000
14	Tan Sri Shahril Shamsuddin & Dato' Shahriman Shamsuddin (Sapura)	RM250,000
15	Dato' Teo Chiang Quan & Family	RM250,000
16	Syarikat Takaful Malaysia Keluarga Bhd	RM250,000
17	Citi Malaysia	RM250,000
18	KPMG PLT	RM150,000
19	Silverlake Axis Sdn Bhd	RM100,000
20	City Lite Letrik Sdn Bhd	RM50,000
21	Opus Asset Management	RM50,000
22	Land and General Bhd	RM30,000
23	GT Tropicana Golf	RM25,000
24	DCD Technology Sdn Bhd	RM25,000
25	Lee Foong Yin	RM20,000
26	Lim Ghee Keong	RM12,000
27	Oh Chong Peng OCP Wai Sek Group	RM10,000
28	Ong Liang Heng	RM10,000
29	Superlon Worldwide Sdn Bhd	RM10,000
30	Liu Lee, Hsiu-Lin	RM10,000
31	Paulian Class of 1990	RM10,000
32	Lian Yi Golf Family and Friends	RM6,880
33	Sreesanthan A/L Elia	RM5,000
34	Nomura Asset Management Malaysia Sdn Bhd	RM5,000
35	Foo Yuk Meng	RM5,000
36	Others	RM202,985
Total		**RM10.55 mil**

THE FUNDRAISING CAMPAIGN ENDED ON JUNE 30, 2020, AND THE TOTAL COMBINED AMOUNT RAISED IS RM25.775 million

A BIG THANK YOU TO ALL DONORS, BIG AND SMALL

AN AUDITED REPORT ON THE UTILISATION OF THE FUNDS WILL BE PUBLISHED AT A LATER DATE

HO KAY TAT
PUBLISHER & GROUP CEO
THE EDGE MEDIA GROUP

"It is the right thing for us to do."
— Johan Idris, KPMG

"The frontliners are fighting a war not just for the patients but also for all of us."
— Ruben Emir Gnanalingam, Westports Holdings

"If I were sick, I would want healthy and properly equipped people and hospitals to look after me."
— Mina Cheah-Foong, InNature Bhd

"They are risking their lives for us and it is only right that we support them."
— Chung Hon Cheong, Rexit Bhd

"I thank *The Edge* for giving us the platform to do our part to fight this war to defend our lives and livelihoods."
— Nazir Razak

"We are doing our part to assist in this fight against Covid-19."
— Ho Kong Soon, Matrix Concepts

"This is the least we could do in providing financial assistance."
— Mohamed Hassan Kamil

"Our frontline healthcare workers have done so much for our country."
— Arshad Raja Tun Uda

"During this difficult period, we would like to do our part in countries where we operate. We are heartened that this donation will alleviate the situation for frontline medical workers in key hospitals in Malaysia."
— Hiew Yoon Khong, Mapletree Investments

As part of our commitment to contributing to communities and countries where we do business, BHP Kuala Lumpur is honoured to support the funding of PPE for our healthcare workers. Thank you for ensuring the health and safety of our people against the threat of Covid-19."
— Patricia Remulla, BHP

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2,505,650 THREE-PLY FACE MASKS, 33,600 PPE, 19,740 FACE SHIELDS, 190 OXYGEN CONCENTRATORS, 141 VENTILATORS, 11,400 SAFETY GOGGLES AND 158,440 KN95 MASKS HAVE BEEN DELIVERED TO MORE THAN 30 HOSPITALS IN EAST AND WEST MALAYSIA AND MORE THAN 60 DISTRICT CLINICS IN THE PENINSULA.

YOUR GENEROSITY HAS REACHED OUR HOSPITALS

Hospital Ampang | Hospital Banting | Hospital Dungun | Hospital Enche' Besar Hajjah Khalsom | Hospital Kemaman | Hospital Kota Tinggi | Hospital Kuala Lumpur

Hospital Pakar Sultanah Fatimah | Hospital Permai | Hospital Raja Perempuan Zainab II | Hospital Raja Permaisuri Bainun | Hospital Rembau | Hospital Segamat | Hospital Selayang

Hospital Seri Manjung | Hospital Slim River | Hospital Sultan Ismail | Hospital Sultanah Nur Zahirah | Hospital Sungai Buloh | Hospital Teluk Intan | Hospital Tengku Ampuan Afzan

Hospital Tengku Ampuan Rahimah | Hospital Tuanku Fauziah | Hospital Tuanku Jaafar | Hospital Tumpat | Hospital UIAM | Hospital Universiti Sains Malaysia | Hospital Wanita Dan Kanak-Kanak Kuala Lumpur

Jabatan Kesihatan Negeri Perak | Pusat Kesihatan Kuala Lumpur | Pusat Perubatan Universiti Malaya | Klinik Kesihatan Greentown Ipoh | Pejabat Kesihatan Daerah Kangar | Pejabat Kesihatan Daerah Kinta | Pejabat Kesihatan Daerah Kuala Kangsar

Pejabat Kesihatan Daerah Kuala Pilah | Pejabat Kesihatan Daerah Pekan | Pejabat Kesihatan Daerah Alor Gajah | Pejabat Kesihatan Daerah Barat Daya | Pejabat Kesihatan Daerah Batang Padang | Pejabat Kesihatan Daerah Cheras | Pejabat Kesihatan Daerah Dungun

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Pejabat Kesihatan Daerah Kota Bharu | Pejabat Kesihatan Daerah Kuantan | Pejabat Kesihatan Daerah Lembah Pantai | Pejabat Kesihatan Daerah Marang | Pejabat Kesihatan Daerah Petaling | Pejabat Kesihatan Daerah Pontian | Pejabat Kesihatan Daerah Putrajaya

Pejabat Kesihatan Daerah Sabak Bernam | Pejabat Kesihatan Daerah Seberang Perai Selatan | Pejabat Kesihatan Daerah Seberang Perai Utara | Pejabat Kesihatan Daerah Seremban | Pejabat Kesihatan Daerah Tanah Merah | Pejabat Kesihatan Daerah Titiwangsa | Pejabat Kesihatan KLIA

#theedgecovidhelp #kitajagakita

Pressing need for financial education

The Edge Education Foundation's two CSR programmes seek to educate youth on the importance of saving

BY DOROTHY TEOH AND MUNITA TAN

The recent revelation that only 3% of Malaysians can afford to retire on their savings with the Employees Provident Fund (EPF) is, frankly, frightening.

The fact that most Malaysians will not have enough to retire on is not new. But the pandemic has made things worse as Covid-19-related withdrawals have resulted in critically low savings for many.

According to EPF chief strategy officer Nurhisham Hussein, a panellist at the Perdana Fellows Alumni Association Speaker Series webinar on Oct 31, by the end of this year, over half (54%) of EPF members aged 54 and under would have less than RM50,000 in their savings account. Those who had withdrawn money from their EPF funds over the past two years would have to work an extra four to six years just to cover the withdrawals, he said.

The recommended minimum amount of basic savings at age 55 is RM240,000, according to Malaysia's National Strategy for Financial Literacy 2019-2023. That would allow a withdrawal of RM1,000 per month for 20 years following retirement. But not only do most Malaysians not have enough to retire on, they have few sources of post-retirement income other than EPF. The National Strategy says that four in 10 Malaysians rely on their EPF savings as their main source of income following retirement.

The situation makes the need for financial education for Malaysians even more pressing. Companies are recognising that too. Over the past few months, TEEF has received enquiries from companies and organisations about financial literacy training for their employees. One even wanted to know about trainer profiles, course outline and whether the cost could be claimed from the Human Resources Development Fund. Unfortunately, we were unable to oblige.

While TEEF does provide financial literacy training, it is in the form of two programmes for students and youth called Money and Me: Youth Financial Empowerment Programme and Cekap Duit: Cakap Tentang Duit. Both are corporate social responsibility programmes carried out for free with the help of partners from the corporate, charity and academic sectors.

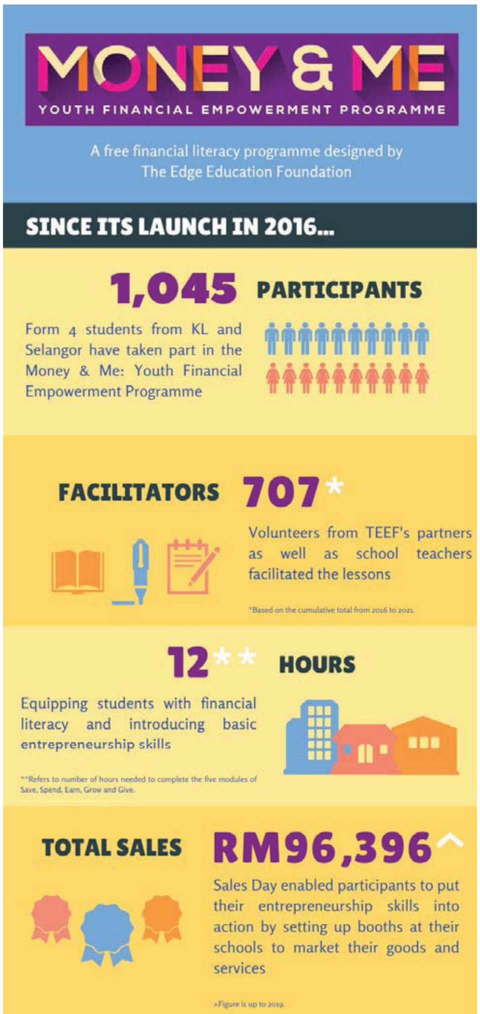
Money & Me

Money and Me: Youth Financial Empowerment Programme is a financial literacy and basic entrepreneurship skills training programme in English for Form Four students. It was launched with a grant from Citi Foundation, which supported the programme from 2016 until 2019, and is approved by the Ministry of Education. Five schools in Kuala Lumpur and Selangor took part when the programme was launched in 2016. The number of schools grew to 13 in 2019 before the programme took a break last year because of Covid-19.

During that time, TEEF worked on adapting the programme so it could be carried out online instead of face-to-face in schools. Much of the content was converted into short videos so teachers and volunteers from Money and Me partner organisations could deliver the programme virtually, via Google Classroom.

Using Google Classroom made sense as teachers and students had become familiar with the platform since classes moved online last year. But it was new to our partners so in April this year, TEEF held a train-the-trainers workshop via Zoom for some 76 participants comprising teachers and volunteers from Money & Me partners. This year, Money & Me partners are Baker Hughes, BHP, Deloitte, Ernst & Young (EY), General Electric (GE), Inti International University in Nilai, Pricewaterhouse-Coopers (PwC) and the Rotary Club of Sentul. Three — EY, GE and PwC — have been partners since 2016.

Despite the challenges of switching from a face-to-face programme in schools to an online format where students are in their homes, nine schools, including three new ones, signed up for Money & Me this year. As expected, although enrolment in the programme is down compared with previous years, to be able to get students to sign up for co-curricular activities at all this year is no small feat on the part of teachers.



"We were told that this year Money and Me will be conducted online, so we only took in students who have ICT devices and are willing to attend online meetings in the afternoon," said one teacher.

Access to devices — whether handphones or personal computers — is certainly a problem. The programme targets students from the B40 category and most of them were following online lessons using handphones. Some had to share handphones with siblings. At SMK La Salle Sentul, a few students were missing Money & Me sessions because their siblings had online classes at the same time and had priority for use of the shared handphones.

On learning about the problem, Phua Keng Yong of GE, our partner at La Salle Sentul, contacted several of his friends and, overnight, managed to raise the funds to buy three Huawei tablets for the school to loan to the students who were sharing handphones with their siblings.

Phua said it took a teacher's call to students to find out why they were missing Money & Me sessions to make him "really aware that the issue of lack of equipment for those students to join this online class is real".

This is where BRC members can play a part in helping students acquire much-needed financial literacy skills in the Money & Me programme — by donating used but still good laptops for students to use, especially if your company is replacing your computer hardware.

SOLS Academy of Innovation students taking part in the Cekap Duit programme in March last year, before the MCO.
(Above) Learning about budgeting as part of the virtual grocery shopping trip.
(Below) Taking part in the post-programme assessment. Both Money & Me and Cekap Duit conduct pre- and post-programme assessments to monitor their impact on participants.

Cekap Duit

Cekap Duit: Cakap Tentang Duit is TEEF's other financial literacy programme that targets an out-of-school audience. It was co-developed in 2016 with local NGO, Malaysian Care (MCare), which customised it for youths aged 16 to 25 at Sekolah Integriti Kajang (SIK) at Kajang Prison. This Bahasa Malaysia programme is based on Money & Me.

MCare piloted the programme at SIK in 2017 with weekly sessions for three months. SIK has since been relocated to Puncak Alam Correctional Centre (PKPA) in Selangor. With the help of volunteers, MCare continued to run Cekap Duit at PKPA until the pandemic caused it to be temporarily suspended. Before that, five batches of students had benefitted from the programme at both SIK and PKPA.

In January last year, SOLS 24/7 adopted Cekap Duit as a co-curricular programme for 58 students enrolled in SOLS Academy of Innovation (SOLS.ai) at their Youth Development Centre in Segambut, Selangor. Aged from 17 to 28, the students — who are mostly Orang Asli — were taking courses that include digital and computer skills, solar PV installation and maintenance and project management.

The pre- and post-assessment results for this pioneer batch showed an improvement of 75% in the students' financial literacy score. One student, Rokiah Sudin, shared: *"Saya belajar macam mana untuk membuat perancangan bajet kewangan saya ... Kita juga perlu ada simpanan dan itu penting untuk kecemasan dan masa depan."* ("I learnt how to do budgeting ... We also need to have savings, it is important for emergencies and the future.")

The National Strategy for Financial Literacy says that 52% of Malaysians would find it hard to raise RM1,000 in an emergency, so this is an important lesson. Based on the encouraging results, Danutcha Catriona Singh, managing director of SOLS 24/7, said the centre intends to conduct the programme again. E

Dorothy Teoh and Munita Tan are CEO and programme manager respectively at The Edge Education Foundation. To find out more about Money & Me or Cekap Duit and how your company can play a part, email TEEF at enquiries@teef.org.my.

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THE EDGE BILLION RINGGIT Club 2021

Members of *THE EDGE* BILLION RINGGIT CLUB 2021

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAP AS AT MARCH 31, 2021 (RM MIL)	PRE-TAX PROFIT FY2020 (RM MIL)	NET PROFIT FY2020 (RM MIL)
AEON Co (M) Bhd	1,811	102	41
AEON Credit Service (M) Bhd	3,135	390	292
Affin Bank Bhd	3,598	394	230
AirAsia Group Bhd	3,736	(5,551)	(5,112)
Alliance Bank Malaysia Bhd	4,102	568	424
Allianz Malaysia Bhd	2,392	730	520
AMMB Holdings Bhd	8,814	1,783	1,341
Ann Joo Resources Bhd	1,085	(74)	(100)
Apex Healthcare Bhd	1,393	70	56
Astro Malaysia Holdings Bhd	5,006	863	655
ATA IMS Bhd	3,512	107	76
Axiata Group Bhd	33,480	1,171	365
Axis REIT	2,821	142	125
Batu Kawan Bhd	7,046	1,265	417
Berjaya Assets Bhd	1,138	(122)	(124)
Berjaya Corp Bhd	2,276	145	(117)
Berjaya Land Bhd	1,993	185	(65)
Berjaya Sports Toto Bhd	2,835	227	133
Bermaz Auto Bhd	1,672	132	101
BIMB Holdings Bhd	7,841	1,097	720
Bintulu Port Holdings Bhd	1,923	127	93
Boustead Holdings Bhd	1,216	(420)	(551)
Boustead Plantations Bhd	1,310	83	43
British American Tobacco (M) Bhd	3,740	329	242
Bumi Armada Bhd	2,472	128	126
Bursa Malaysia Bhd	7,241	507	378
Cahya Mata Sarawak Bhd	2,320	6	195
CapitaLand Malaysia Mall Trust	1,390	(85)	62
Carlsberg Brewery Malaysia Bhd	7,295	210	162
Chin Hin Group Bhd	1,010	25	21
CIMB Group Holdings Bhd	43,066	1,530	1,194
Comfort Gloves Bhd	1,090	42	33
D&O Green Technologies Bhd	4,800	66	50
Dagang Nexchange Bhd	2,027	0	0
Dataprep Holdings Bhd	1,117	(10)	(10)
Datasonic Group Bhd	1,443	63	60
Dayang Enterprise Holdings Bhd	1,690	88	56
Dialog Group Bhd	17,487	747	630
Digi.Com Bhd	28,301	1,622	1,221
DRB-Hicom Bhd	3,712	540	554
Dufu Technology Corp Bhd	2,007	69	52
Duopharma Biotech Bhd	1,942	76	59
Dutch Lady Milk Industries Bhd	2,285	98	73
Eco World Development Group Bhd	1,826	169	135
Eco World International Bhd	1,248	114	80
Ekovest Bhd	1,307	91	47
Euro Holdings Bhd	3,769	2	1
Far East Holdings Bhd	1,692	112	98
FGV Holdings Bhd	4,925	346	146
Focus Dynamics Group Bhd	3,727	22	17
Fraser & Neave Holdings Bhd	11,003	523	410
Frontken Corp Bhd	5,324	114	82
Gamuda Bhd	8,998	585	372
Gas Malaysia Bhd	3,441	291	213
GDEx Bhd	1,993	24	19
Genting Bhd	19,368	(1,527)	(1,024)
Genting Malaysia Bhd	17,355	(2,138)	(2,264)
Genting Plantations Bhd	8,165	323	254
GHL Systems Bhd	1,975	21	14
Globetronics Technology Bhd	1,841	52	51
Greatech Technology Bhd	6,661	90	88

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAP AS AT MARCH 31, 2021 (RM MIL)	PRE-TAX PROFIT FY2020 (RM MIL)	NET PROFIT FY2020 (RM MIL)
Guan Chong Bhd	3,249	267	223
Hap Seng Consolidated Bhd	20,789	1,107	750
Hap Seng Plantations Holdings Bhd	1,471	108	90
Hartalega Holdings Bhd	30,609	555	434
Heineken Malaysia Bhd	7,794	199	154
Hengyuan Refining Company Bhd	1,560	256	251
Hextar Global Bhd	1,034	57	45
Hibiscus Petroleum Bhd	1,272	25	(49)
Hong Leong Bank Bhd	39,020	2,989	2,495
Hong Leong Capital Bhd	1,464	96	94
Hong Leong Financial Group Bhd	19,990	3,300	1,858
Hong Leong Industries Bhd	3,000	323	169
Hong Seng Consolidated Bhd	1,491	(7)	(7)
IGB Bhd	2,442	148	9
IGB REIT	6,201	237	260
IHH Healthcare Bhd	46,705	568	289
IJM Corp Bhd	6,114	518	251
IJM Plantations Bhd	1,479	(50)	(63)
Inari Amertron Bhd	10,952	172	156
IOI Corp Bhd	26,245	827	601
IOI Properties Group Bhd	7,874	897	456
Iris Corp Bhd	1,028	18	14
JAKS Resources Bhd	1,097	(110)	(85)
JF Technology Bhd	1,100	8	8
JHM Consolidation Bhd	1,059	30	21
Keck Seng (M) Bhd	1,293	(85)	(65)
Kejuruteraan Asastera Bhd	1,720	9	5
Kenanga Investment Bank Bhd	1,311	135	102
Kerjaya Prospek Group Bhd	1,633	120	91
Kim Loong Resources Bhd	1,344	60	41
KLCCP Stapled Group	12,601	547	432
Kossan Rubber Industries Bhd	8,320	1,441	1,087
KPJ Healthcare Bhd	4,409	151	110
Kretam Holdings Bhd	1,490	55	50
Kuala Lumpur Kepong Bhd	24,742	1,186	773
Lagenda Properties Bhd	1,260	216	142
Leong Hup International Bhd	2,519	157	113
Lingkaran Trans Kota Holdings Bhd	2,067	343	262
Lotte Chemical Titan Holding Bhd	5,796	204	149
LPI Capital Bhd	5,434	434	337
Magni-Tech Industries Bhd	1,010	157	122
Magnum Bhd	3,162	144	21
Mah Sing Group Bhd	2,051	154	100
Malakoff Corp Bhd	4,227	445	287
Malayan Banking Bhd	94,165	8,657	6,481
Malayan Cement Bhd	2,209	(211)	(174)
Malaysia Airports Holdings Bhd	10,370	(1,764)	(1,116)
Malaysia Building Society Bhd	4,604	428	269
Malaysia Marine and Heavy Engineering Holdings Bhd	1,040	(401)	(397)
Malaysian Pacific Industries Bhd	7,737	211	153
Malaysian Resources Corp Bhd	2,030	(153)	(176)
Matrix Concepts Holdings Bhd	1,610	338	237
Maxis Bhd	35,360	1,852	1,382
MBM Resources Bhd	1,341	207	159
Mega First Corp Bhd	3,448	389	321
MI Technovation Bhd	2,977	56	54
MISC Bhd	30,443	(124)	(43)
MMC Corp Bhd	3,136	654	375
MNRB Holdings Bhd	1,018	151	133
Mr DIY Group (M) Bhd	25,860	458	337
MSM Malaysia Holdings Bhd	1,286	36	(71)

CONTINUES NEXT PAGE

THE EDGE BILLION RINGGIT Club 2021

TOP 20
RANKED BY NET PROFIT

2021	2020	CHG	COMPANY	NET PROFIT FY2020 (RM MIL)
1	1	–	Malayan Banking Bhd	6,481
2	2	–	Public Bank Bhd	4,872
3	4	▲	Tenaga Nasional Bhd	3,593
4	6	▲	Hong Leong Bank Bhd	2,495
5	7	▲	RHB Bank Bhd	2,033
6	9	▲	Petronas Gas Bhd	2,010
7	10	▲	Hong Leong Financial Group Bhd	1,858
8	52	▲	Top Glove Corp Bhd	1,753
9	5	▼	Petronas Chemicals Group Bhd	1,628
10	11	▲	Maxis Bhd	1,382
11	12	▲	AMMB Holdings Bhd	1,341
12	18	▲	PPB Group Bhd	1,317
13	14	▲	Digi.Com Bhd	1,221
14	3	▼	CIMB Group Holdings Bhd	1,194
15	159	▲	Sime Darby Plantation Bhd	1,185
16	78	▲	Kossan Rubber Industries Bhd	1,087
17	28	▲	Telekom Malaysia Bhd	1,016
18	19	▲	Sime Darby Bhd	820
19	30	▲	Kuala Lumpur Kepong Bhd	773
20	17	▼	Hap Seng Consolidated Bhd	750

TOP 20
RANKED BY PROFIT BEFORE TAX

2021	2020	CHG	COMPANY	PRE-TAX PROFIT FY2020 (RM MIL)
1	1	–	Malayan Banking Bhd	8,657
2	2	–	Public Bank Bhd	6,285
3	4	▼	Tenaga Nasional Bhd	4,235
4	6	▼	Hong Leong Financial Group Bhd	3,300
5	8	▼	Hong Leong Bank Bhd	2,989
6	7	▼	RHB Bank Bhd	2,644
7	11	▼	Petronas Gas Bhd	2,610
8	61	▲	Top Glove Corp Bhd	2,166
9	89	▲	Sime Darby Plantation Bhd	1,990
10	9	▼	Petronas Chemicals Group Bhd	1,857
11	13	▼	Maxis Bhd	1,852
12	12	▼	AMMB Holdings Bhd	1,783
13	14	▼	Digi.Com Bhd	1,622
14	3	▼	CIMB Group Holdings Bhd	1,530
15	80	▲	Kossan Rubber Industries Bhd	1,441
16	19	▼	PPB Group Bhd	1,421
17	27	▲	Telekom Malaysia Bhd	1,279
18	18	▼	Sime Darby Bhd	1,275
19	26	▲	Batu Kawan Bhd	1,265
20	33	▲	Kuala Lumpur Kepong Bhd	1,186

TOP 20
RANKED BY MARKET CAPITALISATION

2021	2020	CHG	COMPANY	MARKET CAP AS AT MARCH 31, 2021 (RM MIL)
1	1	–	Malayan Banking Bhd	94,165
2	3	▲	Public Bank Bhd	81,525
3	4	▲	Petronas Chemicals Group Bhd	63,992
4	2	▼	Tenaga Nasional Bhd	57,731
5	5	–	IHH Healthcare Bhd	46,705
6	9	▲	CIMB Group Holdings Bhd	43,066
7	24	▲	Press Metal Aluminium Holdings Bhd	39,977
8	16	▲	Hong Leong Bank Bhd	39,020
9	7	▼	Top Glove Corp Bhd	36,178
10	8	▼	Maxis Bhd	35,360
11	15	▲	Axiata Group Bhd	33,480
12	11	▼	Sime Darby Plantation Bhd	31,944
13	13	–	Petronas Gas Bhd	31,660
14	14	–	Nestlé (M) Bhd	31,658
15	6	▼	Hartalega Holdings Bhd	30,609
16	10	▼	MISC Bhd	30,443
17	12	▼	Digi.Com Bhd	28,301
18	18	–	PPB Group Bhd	26,318
19	17	▼	IOICorp Bhd	26,245
20	NA	▲	Mr DIY Group (M) Bhd	25,860

1) The revenue and profit-before-tax figures are as at March 31, 2021, and may be audited or unaudited, depending on whether the company's annual report had 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 CAP AS AT MARCH 31, 2021 (RM MIL)	PRE-TAX PROFIT FY2020 (RM MIL)	NET PROFIT FY2020 (RM MIL)
MyEG Services Bhd	7,117	269	269
Nestlé (M) Bhd	31,658	725	553
Oriental Holdings Bhd	3,220	108	112
OSK Holdings Bhd	2,041	411	339
PIE Industrial Bhd	1,306	57	46
Padini Holdings Bhd	1,974	107	75
Panasonic Manufacturing Malaysia Bhd	1,883	141	117
Pavilion REIT	4,267	46	126
Pentamaster Corp Bhd	3,989	113	71
Petron Malaysia Refining & Marketing Bhd	1,242	(22)	(13)
Petronas Chemicals Group Bhd	63,992	1,857	1,628
Petronas Dagangan Bhd	19,909	386	276
Petronas Gas Bhd	31,660	2,610	2,010
PMB Technology Bhd	1,218	25	23
PPB Group Bhd	26,318	1,421	1,317
Press Metal Aluminium Holdings Bhd	39,977	655	460
Public Bank Bhd	81,525	6,285	4,872
QL Resources Bhd	14,748	307	239
RHB Bank Bhd	21,534	2,644	2,033
Sapura Energy Bhd	2,317	(4,552)	(4,561)
Sarawak Oil Palms Bhd	2,274	302	204
Scientex Bhd	6,218	544	390
Serba Dinamik Holdings Bhd	6,306	0	0
Shangri-La Hotels (M) Bhd	1,606	(138)	(97)
Sime Darby Bhd	16,326	1,275	820
Sime Darby Plantation Bhd	31,944	1,990	1,185
Sime Darby Property Bhd	4,421	(445)	(479)
SKP Resources Bhd	2,762	96	73
S P Setia Bhd	4,260	(157)	(321)
Sunway Bhd	8,311	513	363
Sunway Construction Group Bhd	2,321	102	73
Sunway REIT	5,103	208	248

COMPANY (IN ALPHABETICAL ORDER)	MARKET CAP AS AT MARCH 31, 2021 (RM MIL)	PRE-TAX PROFIT FY2020 (RM MIL)	NET PROFIT FY2020 (RM MIL)
Supercomnet Technologies Bhd	1,099	30	24
Supermax Corp Bhd	9,973	680	525
Syarikat Takaful Malaysia Keluarga Bhd	3,946	427	362
Ta Ann Holdings Bhd	1,255	126	47
Taliworks Corp Bhd	1,673	79	59
Telekom Malaysia Bhd	23,133	1,279	1,016
Tenaga Nasional Bhd	57,731	4,235	3,593
Time dotCom Bhd	8,641	423	328
TMC Life Sciences Bhd	1,272	22	16
Top Glove Corp Bhd	36,178	2,166	1,753
Tropicana Corp Bhd	1,260	238	91
TSH Resources Bhd	1,449	108	79
Uchi Technologies Bhd	1,415	85	84
UEM Edgenta Bhd	1,472	47	13
UEM Sunrise Bhd	2,200	(195)	(277)
UMW Holdings Bhd	3,809	401	205
Unisem (M) Bhd	6,142	164	143
United Malacca Bhd	1,087	8	16
United Plantations Bhd	6,000	506	400
UOA Development Bhd	3,823	480	391
UWC Bhd	6,439	73	58
VS Industry Bhd	5,365	153	116
Velesto Energy Bhd	1,397	(477)	(492)
Vitrox Corp Bhd	7,053	110	106
Westports Holdings Bhd	14,322	865	654
Widad Group Bhd	1,601	5	4
Yinson Holdings Bhd	5,742	331	210
YNH Property Bhd	1,476	17	7
YTL Corp Bhd	7,401	419	(189)
YTL Hospitality REIT	1,517	10	127
YTL Power International Bhd	5,915	425	68
7-Eleven Malaysia Holdings Bhd	1,581	63	30

METHODOLOGY

Membership in this elite group is automatic and complimentary for all companies listed on Bursa Malaysia as at March 31, 2021, that have at least RM1 billion in market capitalisation. There are 186 members in the club this year.

As recognition is the best reward for accomplishments, it is the hope of *The Edge* that the awards continue to encourage more companies to strive even harder for excellence.

THE AWARDS

- Company of the Year award
- Value Creator(s): Outstanding CEO(s) of Malaysia award(s)
- Best Corporate Responsibility (CR) Initiatives award(s)
- 51 sectoral corporate awards — three categories for 15 sectors plus two categories for large companies

The sectoral awards are:

- *The Edge* BRC Highest Return on Equity Over Three Years
- *The Edge* BRC Highest Growth in Profit After Tax Over Three Years
- *The Edge* BRC Highest Returns to Shareholders — for best-performing stock

The 17 categories are:

- Super Big Cap — companies with a market capitalisation of more than RM40 billion
- Big Cap — companies with a market capitalisation of RM10 billion to RM40 billion
- Construction
- Consumer Products & Services
- Energy
- Financial Services — below RM10 billion market cap;
- Financial Services — RM10 billion and above market cap
- Healthcare
- Industrial Products & Services
- Plantation
- Property — below RM3 billion market cap;
- Property — RM3 billion and above market cap;
- Real Estate Investment Trust
- Technology
- Telecommunications and Media
- Transportation and Logistics
- Utilities

THE EDGE BRC SECTORAL CORPORATE AWARDS

To be eligible for the corporate awards, a BRC member must have been listed at least four calendar years before the end-March cut-off date of the current year, as companies are evaluated on their financial performance over three years.

The methodology for the corporate awards is both stringent and transparent, with the results audited by **Deloitte Malaysia**. The data used to determine the companies that qualify for *The Edge* BRC membership and winners of *The Edge* BRC Corporate Awards is provided by **Asia Analytica Data Sdn Bhd**.

Members eligible for the Highest Return on Equity over Three Years and Highest Growth in Profit after Tax over Three Years awards must be profitable every year throughout the evaluation period. For this year, the evaluation period is from FY2017 to FY2020. Calculation for PAT growth is also subject to a risk-weight factor component to recognise the importance of consistency in profit delivery throughout the evaluation period.

Winners of *The Edge* BRC Highest Returns to Shareholders award are judged based purely on total return, consisting of share price gains and dividends over a three-year period. The cut-off date this year was March 31.

The annual end-March cut-off date for BRC membership was unchanged, owing to the need to source CR information for the judges' consideration.

In determining the winner, companies with scores within 0.5 percentage point of each other are deemed to be of the same rank. There could, therefore, be cases of joint winners for the awards.

THE EDGE BRC BEST CR INITIATIVES AWARD

The CR initiatives of eligible companies are evaluated by a panel of judges. *The Edge* BRC Best CR Initiatives award is presented to companies with the top average scores in three categories: Super Big Cap (companies with over RM40 billion in market cap); Big Cap (companies with RM10 billion to RM40 billion in market cap); and companies with less than RM10 billion market cap. The panel is selected by *The Edge* and the evaluation criteria are based on the three focal areas spelt out by Bursa Malaysia's Sustainability Reporting Guide for Public Listed Companies — economic, social and environmental. CR scores account for 30% of the evaluation for *The Edge* BRC Company of the Year award.

THE EDGE BRC COMPANY OF THE YEAR AWARD

The Company of the Year award recognises the year's best company based on the following factors:

Evaluation component weightage to overall score	
QUANTITATIVE	
Returns to shareholders over three years	20%
Growth in profit after tax over three years	30%
Return on equity over three years	20%
QUALITATIVE	
Corporate responsibility initiatives	30%

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

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

The winner of this award — of whom there may be more than one — is determined by *The Edge* based on an assessment of the person's contribution to value creation for his/her company. Here, value creation is reflected in the company's market valuation, return to shareholders and stakeholders, revenue and profit growth as well as employment creation. To be chosen, the CEO must have achieved outstanding success in all these areas. Assessment starts from when the person became CEO of the company.

The Edge has absolute discretion in deciding on this exclusive award and can choose not to name a winner — as was the case in 2011, 2015 and 2020.

In 2010, the award went to **Tan Sri Teh Hong Piow** and **Datuk Seri Nazir Razak** for their outstanding contribution to their respective banking groups, Public Bank Bhd and CIMB Group Holdings Bhd.

In 2012, the recipients were AmBank Group founder and chairman **Tan Sri Azman Hashim** and AirAsia Bhd co-founder and group CEO **Tan Sri Tony Fernandes**. Azman remains a financier for all seasons, whereas Fernandes won for his role in transforming Asia's aviation industry.

In 2013, the award went to **Tan Sri Abdul Wahid Omar** and **Tan Sri Liew Kee Sin**, former president and CEO of S P Setia Bhd. Abdul Wahid was recognised for his leadership during his tenure as CEO of Renong Bhd (2001 to 2004), Telekom Malaysia Bhd (2004 to 2008) and Malayan Banking Bhd (2008 to 2013). Liew won for his contribution at S P Setia, which he left in April 2015 (after about 18 years) for niche developer Eco World Development Holdings Bhd.

In 2014, the award went to Sunway Group founder and executive chairman **Tan Sri Jeffrey Cheah** and Axiata Group Bhd president and group CEO **Tan Sri Jamaludin Ibrahim** for having shown exemplary leadership in building businesses and creating value for all stakeholders.

In 2016, the award went to Khazanah Nasional Bhd managing director **Tan Sri Azman Mokhtar**, who was instrumental in not only transforming the institution but also the collective transformation of 20 government-linked companies across varied industries.

In 2017, the award went to self-made billionaire **Tan Sri G Gnanalingam**, executive chairman and co-founder of Westports Holdings Bhd. Regarded as Malaysia's first home-grown marketing guru, "Tan Sri G" transformed backwater Pulau Indah into a transshipment hub that has also changed the livelihood of the locals.

In 2018, the award went to **Tan Sri Ngau Boon Keat**, executive chairman and co-founder of Dialog Group Bhd. The passionate engineer, who helped negotiate Malaysia's first production-sharing contract (PSC) with foreign oil companies in 1974, steered Dialog from strength to strength in the past decade while most oil and gas companies were ravaged as oil prices fell.

In 2019, the award went to **Chia Song Kun**, executive chairman of QL Resources Bhd, which was transformed from a local feedstock trader into a multinational agro-food corporation under his watch in less than four decades. A true rags-to-riches story, his inspiring tale of a seashell seller from the swampy, backwater coastal village of Sungai Burong in Selangor proves that education and ingenuity can help lift more than one's own family out of poverty.

COMPANY OF THE YEAR

- 2021 — Vitrox Corp Bhd
- 2020 — Hartalega Holdings Bhd
- 2019 — Press Metal Aluminium Holdings Bhd
- 2018 — Petronas Dagangan Bhd
- 2017 — AirAsia Bhd
- 2016 — Nestlé (Malaysia) Bhd
- 2015 — Tenaga Nasional Bhd
- 2014 — Dutch Lady Milk Industries (M) Bhd
- 2013 — Digi.Com Bhd
- 2012 — Genting Bhd
- 2011 — QL Resources Bhd
- 2010 — Supermax Corp Bhd

VALUE CREATOR: OUTSTANDING CEO OF MALAYSIA

2021 – Malayan Banking Bhd
Group President and CEO
Datuk Abdul Farid Alias

2019 – QL Resources Bhd
Executive Chairman
Chia Song Kun

2018 — Dialog Group Bhd
Executive Chairman
Tan Sri Ngau Boon Keat

2017 — Westports Holdings Bhd
Executive Chairman
Tan Sri G Gnanalingam

2016 — Khazanah Nasional Bhd
Managing Director
Tan Sri Azman Mokhtar

2014 — Axiata Group Bhd
President and Group CEO
Tan Sri Jamaludin Ibrahim; and
Sunway Group
Chairman
Tan Sri Jeffrey Cheah

2013 — S P Setia Bhd
President and CEO
Tan Sri Liew Kee Sin; and
Malayan Banking Bhd
President and CEO
Tan Sri Abdul Wahid Omar

2012 — AMMB Holdings Bhd
Chairman
Tan Sri Azman Hashim; and
AirAsia Group CEO
Tan Sri Tony Fernandes

2010 — Public Bank Group
Chairman
Tan Sri Teh Hong Piow; and
CIMB Group CEO
Datuk Seri Nazir Razak

Note: No awards were given in 2011, 2015 and 2020

Trophy tally of BRC members (2010 to 2021)

BRC MEMBERS THAT HAVE WON AT LEAST ONE CORPORATE AWARDS TROPHY IN THE PAST 12 YEARS

20 Trophies
- Digi.Com Bhd

13 Trophies
- Public Bank Bhd

12 Trophies
- British American Tobacco (M) Bhd

11 Trophies
- Hartalega Holdings Bhd

10 Trophies
- Mudajaya Group Bhd
- Supermax Corp Bhd

9 Trophies
- AEON Credit Services (M) Bhd
- IGB REIT
- Press Metal Aluminium Holdings Bhd

8 Trophies
- UOA Development Bhd

7 Trophies
- Dialog Group Bhd
- Guan Chong Bhd
- Malaysia Building Society Bhd
- Matrix Concepts Holdings Bhd
- Mega First Corp Bhd
- Syarikat Takaful Malaysia Keluarga Bhd

6 Trophies
- Gamuda Bhd
- IOI Corp Bhd
- Tenaga Nasional Bhd
- Time dotCom Bhd

5 Trophies
- Astro Malaysia Holdings Bhd
- CIMB Group Holdings Bhd
- Frontken Corp Bhd
- Kerjaya Prospek Group Bhd
- KLCC Stapled Group
- Kuala Lumpur Kepong Bhd
- Kulim (M) Bhd
- Lingkaran Trans Kota Holdings Bhd
- Maxis Bhd
- Muhibbah Engineering Bhd
- Top Glove Corp Bhd
- ViTrox Corp Bhd

4 Trophies
- Axis REIT
- Dutch Lady Milk Industries Bhd
- Gas Malaysia Bhd
- Genting Bhd
- Hap Seng Consolidated Bhd
- Hong Leong Bank Bhd
- Mah Sing Group Bhd
- TSH Resources Bhd

3 Trophies
- AirAsia Bhd
- AirAsia Group Bhd
- Berjaya Sports Toto Bhd
- Cahya Mata Sarawak Bhd
- Eco World Development Group Bhd
- Far East Holdings Bhd
- IJM Corp Bhd
- Inari Amertron Bhd
- Kim Loong Resources Bhd
- Kossan Rubber Industries Bhd
- Malaysia Airports Holdings Bhd
- MyEG Services Bhd
- Pentamaster Corp Bhd
- Petron Malaysia Refining & Marketing Bhd
- Petronas Chemicals Group Bhd
- RHB Bank Bhd
- Scientex Bhd
- Sunway Construction Group Bhd
- United Plantations Bhd
- VS Industry Bhd
- Yinson Holdings Bhd

2 Trophies
- ATA IMS Bhd (formerly Denko Industrial Corp Bhd)
- Batu Kawan Bhd
- Carlsberg Brewery Malaysia Bhd
- Dayang Enterprise Holdings Bhd
- Dufu Technology Corp Bhd
- Goldis Bhd
- Hock Seng Lee Bhd
- Hong Leong Capital Bhd
- Hup Seng Industries Bhd
- KrisAssets Holdings Bhd
- KSL Holdings Bhd
- Malayan Banking Bhd
- MISC Bhd
- Nestlé (M) Bhd
- OSK Holdings Bhd
- Padini Holdings Bhd
- Petronas Dagangan Bhd
- Petronas Gas Bhd
- QL Resources Bhd
- Sarawak Oil Palms Bhd
- SEG International Bhd
- Sunrise Bhd
- Sunway Bhd
- Tradewinds (M) Bhd
- Tropicana Corp Bhd
- Uchi Technologies Bhd
- Westports Holdings Bhd
- Widad Group Bhd

1 Trophy
- Al-'Aqar Healthcare REIT
- Allianz Malaysia Bhd
- Apex Healthcare Bhd
- Bandar Raya Development Bhd
- Berjaya Land Bhd
- Boustead Holdings Bhd
- Bursa Malaysia Bhd
- Coastal Contracts Bhd
- DKSH Holdings Bhd
- DRB-Hicom Bhd
- Eastern & Oriental Bhd
- George Kent (M) Bhd
- GHL Systems Bhd
- Hibiscus Petroleum Bhd
- Hong Leong Financial Group Bhd
- Hong Leong Industries Bhd
- IGB Bhd
- IGB Corp Bhd
- IHH Healthcare Bhd
- Kawan Food Bhd
- Kenanga Investment Bank Bhd
- KPJ Healthcare Bhd
- LBS Bina Group Bhd
- LPI Capital Bhd
- MMC Corp Bhd
- MRCB-Quill REIT
- Panasonic Manufacturing (M) Bhd
- Perisai Petroleum Teknologi Bhd
- Pharmaniaga Bhd
- Rimbunan Sawit Bhd
- Sime Darby Bhd
- S P Setia Bhd
- Sunsuria Bhd
- Sunway City Bhd
- Tan Chong Motor Holdings Bhd
- Tasek Corp Bhd
- TDM Bhd
- UEM Edgenta Bhd
- UEM Sunrise Bhd
- UMW Holdings Bhd
- YNH Property Bhd
- YTL Hospitality REIT

Note:
■ Companies named 'The Edge BRC Company of the Year'

BRC MEMBERS THAT HAVE WON AT LEAST THREE EARNINGS-RELATED TROPHIES

5 Trophies
- CIMB Group Holdings Bhd
- Dialog Group Bhd

4 Trophies
- Malaysia Building Society Bhd
- Press Metal Aluminium Holdings Bhd

3 Trophies
- AEON Credit Services (M) Bhd
- AirAsia Group Bhd
- Frontken Corp Bhd
- Genting Bhd
- Guan Chong Bhd
- Hartalega Holdings Bhd
- IGB REIT
- IJM Corp Bhd
- Kulim (M) Bhd
- Mega First Corp Bhd
- Mudajaya Group Bhd
- Tenaga Nasional Bhd

BRC MEMBERS THAT HAVE WON AT LEAST THREE ROE-RELATED TROPHIES

17 Trophies
- Digi.Com Bhd

12 Trophies
- British American Tobacco (M) Bhd

10 Trophies
- Public Bank Bhd

7 Trophies
- Hartalega Holdings Bhd

5 Trophies
- Kuala Lumpur Kepong Bhd
- Matrix Concepts Holdings Bhd
- Maxis Bhd
- UOA Development Bhd

4 Trophies
- AEON Credit Services (M) Bhd
- IGB REIT
- IOI Corp Bhd
- KLCC Stapled Group
- Mudajaya Group Bhd

3 Trophies
- Berjaya Sports Toto Bhd
- Gas Malaysia Bhd
- Lingkaran Trans Kota Holdings Bhd
- Sunway Construction Group Bhd

BRC MEMBERS THAT HAVE WON AT LEAST THREE SHAREHOLDER RETURNS-RELATED TROPHIES

6 Trophies
- Supermax Corp Bhd

4 Trophies
- Guan Chong Bhd
- Hong Leong Bank Bhd
- Mega First Corp Bhd
- Press Metal Aluminium Holdings Bhd
- Syarikat Takaful Malaysia Keluarga Bhd
- Time dotCom Bhd

3 Trophies
- Dutch Lady Milk Industries Bhd
- Eco World Development Group Bhd
- Far East Holdings Bhd
- Kerjaya Prospek Group Bhd
- Kim Loong Resources Bhd
- Mudajaya Group Bhd

THE EDGE BILLION RINGGIT Club 2021

How the TOP 3 performed

Super Big Cap
Companies with more than RM40 bil market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Public Bank Bhd	12.1%
2	Malayan Banking Bhd	9.2%
3	Petronas Chemicals Group Bhd	8.9%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
–	None	NA

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Petronas Chemicals Group Bhd	1.7%

Big Cap
Companies with RM10 bil to RM40 bil market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Digi.Com Bhd	212.7%
2	Nestlé (M) Bhd	96.3%
3	Top Glove Corp Bhd	32.0%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Top Glove Corp Bhd	24.0%
2	Dialog Group Bhd	19.4%
3	Hartalega Holdings Bhd	15.3%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Press Metal Aluminium Holdings Bhd	33.6%
2	Inari Amertron Bhd	26.1%
3	QL Resources Bhd	22.1%

Construction

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Sunway Construction Group Bhd	17.3%
2	Kerjaya Prospek Group Bhd	11.2%
3	Widad Group Bhd	6.7%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	None	NA

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Widad Group Bhd	15.5%

Consumer Products & Services

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Carlsberg Brewery Malaysia Bhd	129.9%
2	Nestlé (M) Bhd	96.3%
3	British American Tobacco (M) Bhd	80.7%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Guan Chong Bhd	22.5%
2	Hong Leong Industries Bhd	14.4%
3	Fraser & Neave Holdings Bhd	8.3%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Guan Chong Bhd	70.8%
2	QL Resources Bhd	22.1%
3	MBM Resources Bhd	17.3%

Energy

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Petron Malaysia Refining & Marketing Bhd	15.5%
2	Dialog Group Bhd	12.9%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Dialog Group Bhd	19.4%
2	Yinson Holdings Bhd	1.7%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Dayang Enterprise Holdings Bhd	23.8%
2	Yinson Holdings Bhd	12.0%

Industrial Products & Services

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Uchi Technologies Bhd	46.2%
2	Dufu Technology Corp Bhd	24.5%
3	ATA IMS Bhd	18.3%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Scientex Bhd	15.1%
2	Dufu Technology Corp Bhd	10.3%
3	PMB Technology Bhd	8.9%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Dufu Technology Corp Bhd	130.8%
2	PMB Technology Bhd	47.3%
3	PIE Industrial Bhd	37.1%

Plantation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	United Plantations Bhd	14.0%
2	IOI Corp Bhd	12.7%
3	Far East Holdings Bhd	7.7%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	United Plantations Bhd	0.3%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Far East Holdings Bhd	14.1%
2	United Plantations Bhd	6.4%
3	Kim Loong Resources Bhd	5.3%

Property
RM3 bil and above market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	UOA Development Bhd	7.9%
2	IOI Properties Group Bhd	3.1%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	None	NA

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	None	NA

Property
Below RM3 bil market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Matrix Concepts Holdings Bhd	17.1%
2	OSK Holdings Bhd	7.4%
3	Mah Sing Group Bhd	4.7%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Matrix Concepts Holdings Bhd	8.6%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	YNH Property Bhd	26.3%
2	Lagenda Properties Bhd	21.6%
3	Matrix Concepts Holdings Bhd	6.0%

Real Estate Investment Trust

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	IGB REIT	8.0%
2	Axis REIT	6.2%
3	Sunway REIT	6.1%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Axis REIT	8.4%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Axis REIT	22.7%
2	IGB REIT	10.5%
3	Pavilion REIT	5.9%

Technology

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	MyEG Services Bhd	29.5%
2	ViTrox Corp Bhd	21.1%
3	Datasonic Group Bhd	20.8%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Frontken Corp Bhd	15.0%
1	D&O Green Technologies	15.0%
2	Pentamaster Corp Bhd	10.2%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Frontken Corp Bhd	133.7%
2	Dataprep Holdings Bhd	105.4%
3	D&O Green Technologies Bhd	90.7%

Financial Services
RM10 bil and above market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Public Bank Bhd	12.1%
2	Hong Leong Bank Bhd	10.2%
3	Hong Leong Financial Group Bhd	10.0%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Hong Leong Financial Group Bhd	9.0%
2	Hong Leong Bank Bhd	6.5%
3	RHB Bank Bhd	1.7%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	RHB Bank Bhd	5.5%
2	Hong Leong Bank Bhd	2.4%
3	Dialog Group Bhd	1.7%

Financial Services
Below RM10 bil market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Bursa Malaysia Bhd	34.7%
2	Syarikat Takaful Malaysia Keluarga Bhd	29.7%
3	AEON Credit Service (M) Bhd	21.2%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Allianz Malaysia Bhd	21.8%
2	Syarikat Takaful Malaysia Keluarga Bhd	20.6%
3	Bursa Malaysia Bhd	11.5%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Kenanga Investment Bank Bhd	58.5%
2	Syarikat Takaful Malaysia Keluarga Bhd	16.4%
3	Bursa Malaysia Bhd	12.2%

Healthcare

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Kossan Rubber Industries Bhd	36.7%
2	Top Glove Corp Bhd	32.0%
3	Supermax Corp Bhd	25.3%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Kossan Rubber Industries Bhd	30.0%
2	Top Glove Corp Bhd	24.0%
3	Hartalega Holdings Bhd	15.3%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Supermax Corp Bhd	87.2%
2	Supercomnet Technologies Bhd	75.4%
3	Top Glove Corp Bhd	47.2%

Telecommunications & Media

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Digi.Com Bhd	212.7%
2	Astro Malaysia Holdings Bhd	92.0%
3	Maxis Bhd	21.4%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Time dotCom Bhd	23.2%
2	Telekom Malaysia Bhd	2.3%
3	Astro Malaysia Holdings Bhd	1.2%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Time dotCom Bhd	22.9%
2	Telekom Malaysia Bhd	7.9%

Transportation & Logistics

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Lingkaran Trans Kota Holdings Bhd	27.1%
2	Westports Holdings Bhd	23.8%
3	Bintulu Port Holdings Bhd	8.8%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	MMC Corp Bhd	21.4%
2	Lingkaran Trans Kota Holdings Bhd	5.8%
3	Westports Holdings Bhd	0.1%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Westports Holdings Bhd	9.0%
2	MISC Bhd	3.6%

Utilities

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Gas Malaysia Bhd	19.1%
2	Petronas Gas Bhd	15.1%
3	Mega First Corp Bhd	14.5%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Mega First Corp Bhd	18.0%
2	Gas Malaysia Bhd	9.7%
3	Petronas Gas Bhd	4.9%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Mega First Corp Bhd	32.6%
2	Taliworks Corp Bhd	29.1%
3	Malakoff Corp Bhd	5.2%

Note: Joint winners (difference of less than 0.5 percentage point)
**NA (only top three with positive scores mentioned)*

HIGHEST RETURN ON EQUITY OVER THREE YEARS

SUPER BIG CAP — ABOVE RM40 BIL MARKET CAPITALISATION

FINANCIAL SERVICES — RM10 BIL AND ABOVE MARKET CAPITALISATION

13 BRC AWARDS OVER THE YEARS

Public Bank Bhd

ANOTHER HOME RUN DESPITE CHALLENGES

BY SUPRIYA SURENDRAN

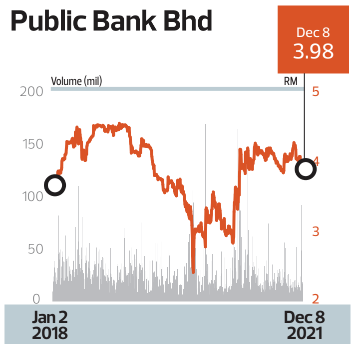
Public Bank Bhd has scored another home run in the RM10 billion and above market capitalisation-financial services category despite prevailing challenges in the operating environment due to the Covid-19 pandemic.

For the fourth year in a row, the country's third-largest bank with RM451.26 billion in total assets took home *The Edge* Billion Ringgit Club award for the highest return on equity (ROE) over three years.

Public Bank's adjusted weighted ROE over its three financial years stood at 12.1% — the highest among its financial services sector peers with a market cap of RM10 billion and above. It also earned the accolade of highest ROE among the Super Big Cap Companies, whose market capitalisation is above RM40 billion.

The banking group delivered an ROE of 10.7% to its shareholders for its financial year ended Dec 31, 2020 (FY2020). However, the return is lower than the 13% in FY2019 and 14.3% in FY2018.

Last year, Public Bank managed to maintain its track record for unbroken profitability for 54 consecutive years. Its net profit attributable to shareholders came in at RM4.87 billion in FY2020, 11.6% lower than in FY2019. The decline in profit was attributed mainly to a one-off net modification loss arising from Covid-19-related relief measures offered to individuals and businesses; a reduction in the overnight policy rate (OPR) by 125 basis points, which affected Public Bank's net interest margin; as well as a higher pre-emptive provisioning set aside due to the pandemic.



The group's net income increased by 1.9% year on-year to RM11.31 billion in FY2020, owing mainly to higher operating income and higher net income from its Islamic banking business. Its net interest income, which accounted for 63.5% of the group's total net income, dropped by 3.4% y-o-y to RM7.18 billion in FY2020 as a result of interest margin compression.

Aside from achieving the highest ROE among the public-listed local banks in FY2020, Public Bank also achieved the lowest cost-to-income ratio at 34.6%, and the lowest gross impaired loans ratio at 0.4%.

The group completed its four-for-one bonus issue — a pleasant surprise that it sprang during the trying times brought by the pandemic — on Jan 29, 2021. Its issued share capital expanded five-fold to 19.41 billion shares, from 3.88 billion shares. The bonus issue resulted in Public Bank shares being more affordable, and enhanced its appeal to a wider group of investors.

Between Dec 31, 2017, and Dec 31, 2020, Public Bank lost 12% of its market value as its shares slipped from a high of RM4.55 on Jan 22, 2019 to a low of RM2.41 on March 19, 2020. Since then, its shares have gained some lost ground, closing at RM4.12 on March 31, 2021.

Public Bank's shareholders have received regular dividend cheques in the past three years. It declared a dividend per share of 13.8 sen for FY2018, and this increased to 14.6 sen for FY2019, with a payout ratio of 47.9% and 51.4 % respectively. In FY2020 the group declared a lower dividend of 13 sen per share, with a higher payout ratio of 51.8%.

In a Nov 5 research note, CGS-CIMB Research says it has reduced its FY2022 net profit forecast for Public Bank by 10.1% to RM5.43 billion from RM6.04 billion, owing to Cukai Makmur, but its FY2023 net profit forecast was raised by 1.5% from RM6.6 billion to RM6.7 billion on an OPR hike assumption.

The earnings forecasts had factored in Cukai Makmur, which was announced during Budget 2022, and an assumption of a 25bps hike in OPR in the middle of next year.

Cukai Makmur is a one-off special tax proposed by the government, where a higher tax rate of 33% versus the current statutory tax rate of 24% will be imposed on companies' FY2022 pre-tax profit in excess of RM100 million.

CGS-CIMB Research recommends that its clients add more Public Bank shares to their portfolio, as the brokerage believes it is the most defensive group against credit risks from the pandemic, supported by the strongest asset quality, with the lowest gross impaired loan ratio of only 0.35% and the highest loan loss coverage of 275.1% as at June 30, 2021. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

BIG CAP — RM10 BIL TO RM40 BIL MARKET CAPITALISATION

Top Glove Corp Bhd

5 BRC AWARDS OVER THE YEARS

SET TO STRETCH SUPERNORMAL PROFIT GROWTH

BY KANG SIEW LI

The performance of rubber glove companies in the past two years has been particularly spectacular when viewed against their past mediocre performances.

And they have continued to outperform and register supernormal profits well into the first half of 2021 amid the emergence of the highly contagious Delta variant, which fuelled the rise of new Covid-19 cases across the globe.

Top Glove Corp Bhd's earnings growth pattern was uneven in *The Edge* Billion Ringgit Club's (BRC) review period between 2018 and 2020.

However, the exponential earnings growth in the financial year ended Aug 31, 2020 (FY2020), when the world's largest rubber glove maker achieved a 381% quantum jump in profit after tax (PAT), lifted its three-year PAT compound annual growth rate to 74.4%. This won Top Glove *The Edge* BRC's award for highest growth in PAT over three years among companies with RM10 billion to RM40 billion market capitalisation listed on Bursa Malaysia.

The group's PAT passed the RM1 billion mark for the first time in its financial history to post RM1.8 billion in FY2020. In the two years prior to FY2020, the glove maker's PAT increased 26% to RM428.8 million in FY2018 from FY2017. It then dipped 15% year on year to RM364.7 million in FY2019.

In September 2020, Top Glove undertook a two-for-one bonus share issue to reward shareholders.

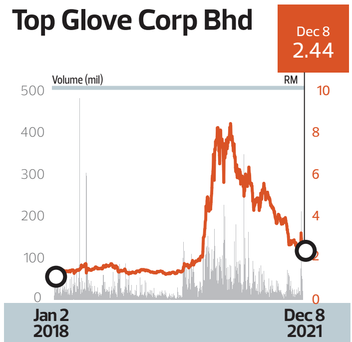
Additionally, shareholders also received big dividend cheques in FY2020 when Top Glove declared a hefty dividend of 11.83 sen per share for the year — a 372% increase over FY2019's dividend of 2.50 sen per share — which represented a net profit payout ratio of 55%.

Given the ballooning cash pile, Top Glove also spent RM1.4 billion on share buyback between September 2020 and February 2021.

The group's net cash position stood at RM2.05 billion as at Aug 31, 2021.

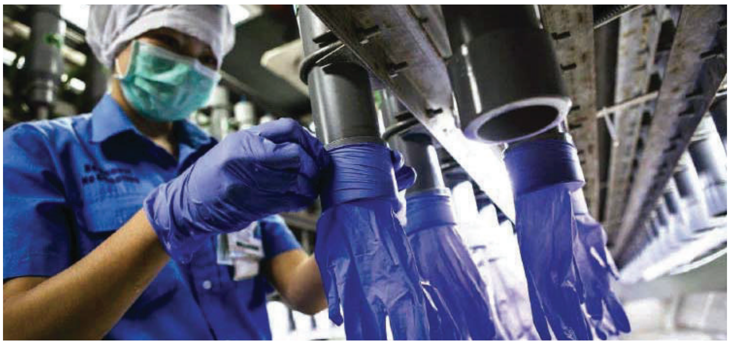
The rewards did not stop there. In FY2021, Top Glove paid a net dividend of 65.1 sen, including a special dividend of 15 sen per share.

But it has not been entirely smooth sailing for Top Glove while benefiting from the unprecedented strong demand for disposable rubber gloves. In July 2020, the US Customs and Border Protection (CBP) slapped an import ban on its gloves produced in Malaysia over forced labour allegations. However, it managed to resolve all



indicators of forced labour in its operations, which was verified by London-based ethical trade consultant Impactt Ltd, in April this year.

In September, Top Glove announced that its Malaysia operations have been allowed to resume exporting gloves to the US, which accounts for 15% of the group's total sales. This positive development is expected to boost sales from Top Glove's home operations.



Top Glove was also affected by 2021's lockdown restrictions, which saw the temporary shutdown of its factories located in areas affected by the Enhanced Movement Control Order. Its remaining factories in Malaysia were under 60% workforce due to MCO regulations and had a utilisation rate of 70% to 75% during the period.

Despite bumps in the road, the group went on to deliver its best-ever performance in FY2021, posting a whopping RM7.9 billion in PAT — up 349% from FY2020.

Looking past supernormal profits brought about by the spike in cases due to the pandemic, analysts believe that long-term glove demand growth remains intact — even after Covid-19 ends — and that glove makers' fundamentals remain steady for the next few years.

Top Glove intends to undertake a dual primary listing exercise on the Hong Kong Stock Exchange (HKEX). Owing to the turn of sentiment on glove manufacturers, Top Glove has had to scale down its IPO in Hong Kong.

It had on Oct 28 resubmitted its application for the Hong Kong IPO. It plans to raise net proceeds of RM2 billion to RM2.3 billion, which is significantly lower than its plans to raise RM4.2 billion in April and RM7.7 billion in February. Upon completion of the exercise, Top Glove's shares will be listed and traded on Bursa, the Singapore Exchange and HKEX.

However, analysts caution on the dilutive effect caused by the dual listing. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

SUPER BIG CAP — ABOVE RM40 BIL MARKET CAPITALISATION

Petronas Chemicals Group Bhd

3 BRC AWARDS OVER THE YEARS

CR award 2018

INHERENT RESILIENCE ENABLES IT TO WITHSTAND INDUSTRY DOWNCYCLE

BY KAMARUL AZHAR

It has been a tough three years for Petronas Chemicals Group Bhd (PetChem), the leading petrochemical group in Southeast Asia.

The group was facing a downcycle in the chemical industry that suppressed product pricing over the past three years. The already-harsh operating environment worsened with the outbreak of Covid-19 and crude oil prices collapsed to sub-zero at one point.

As a result, PetChem's earnings declined in FY2019 and FY2020 ended Dec 31. FY2018 was a good year, however, as the group's profit after tax (PAT) jumped nearly 15% to RM4.78 billion from RM4.16 billion in FY2017.

Nonetheless, the industry downcycle sent its earnings downwards in the following two years. PetChem's PAT fell rather sharply to RM2.81 billion in FY2019, and further to RM1.62 billion in FY2020.

"The crash in oil prices impacted the petrochemical industry, as petrochemical prices are strongly linked to crude oil prices. In the second quarter of 2020, sectoral demand dampened due to disruptions in manufacturing from Covid-19-related challenges," says PetChem managing director and CEO Datuk Sazali Hamzah in the company's latest annual report.

The earnings contractions drove down PetChem's share price from RM7.30 on March 31, 2018, to a low of RM4.18 in mid-March 2020. The selldown in the first quarter of 2020 was compounded by the pandemic.

Nonetheless, its share price staged a strong rebound after the global equity rout. Apart from bargain-hunting activity after the big drop in share price, the recovery in petrochemical prices also helped fuel the upward trend.

PetChem's share price surged to RM7.68 on March 31, 2021. The stock gained 5.2% during *The Edge* Billion Ringgit Club's review period of March 31, 2018, to March 31, 2021. Meanwhile, the share prices of its big-cap peers had yet to return to pre-pandemic levels.

Despite the declining earnings, PetChem shareholders were rewarded with regular dividends, albeit lower as a result of the decline in PAT.

The group declared a dividend per share (DPS) of 32 sen in FY2018, 18 sen in FY2019 and 12 sen in FY2020 — a total DPS of 62 sen over three financial years. This translates into a three-year compound annual growth rate of 1.7% — the highest among companies with a market capitalisation above RM40 billion.

Looking ahead, the prices of chemical and petrochemical products are expected to rise further in the next few quarters, buoyed by already-high and still-increasing crude oil prices and supply chain bottlenecks brought

HIGHEST RETURN ON EQUITY OVER THREE YEARS

TELECOMMUNICATIONS & MEDIA
BIG CAP — RM10 BIL TO RM40 BIL MARKET CAPITALISATION

20 BRC AWARDS OVER THE YEARS

Company of the year 2013

Digi.Com Bhd

PROVIDING CONSISTENT RETURNS IN ADVERSE CONDITIONS

BY AHMAD NAQIB IDRIS

Digi.Com Bhd has retained its position as the company with the highest return on equity (ROE) over three years in the telecommunications and media segment of *The Edge* Billion Ringgit Club (BRC).

Despite the challenges brought about by the Covid-19 pandemic, investors still enjoyed decent returns from Digi.Com. The telco did not stop sending its shareholders dividend cheques every quarter in 2019 and 2020. The dividend declared was in the range of 3.6 to five sen each quarter.

Digi.Com has been a long-time winner in this category since *The Edge* BRC was introduced in 2010.

But the group's ROE has been trending downward over the past three years in tandem with its earnings pattern.

Digi.Com reported a 14.8% decline in its financial year 2020 (FY2020) net profit to RM1.22 billion, its second consecutive year of contraction after the 7% fall recorded in FY2019, translating into a compound annual growth rate (CAGR) of -7.5%.

The drop in net profit was due to the Covid-19 headwinds in 2020, as well as higher depreciation and amortisation due to Malaysian Financial Reporting Standard (MFRS) 16 adjustments and the recognition of asset retirement obligations.

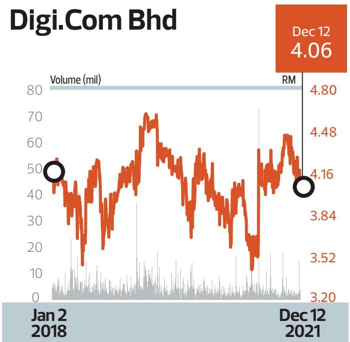
Its earnings before interest, taxes, depreciation and amortisation (Ebitda) remained steady at RM3.08 billion in FY2020, growing

1.5% from the RM3.03 billion it recorded in FY2017, while its Ebitda margin has breached the 50% mark to 51.44% for FY2020, from 46.5% in FY2018.

Revenue, however, has been declining over the period under review, to RM6.15 billion in FY2020 from RM6.53 billion in FY2018. In its FY2020 annual report, the group attributed the softening to sustained pressure on consumer and business spending.

Still, the telco achieved three-digit ROE — 258.5% in 2018, 215% in 2019 and 192.9% in 2020. This translates into a weighted ROE over three years of 212.7%.

The returns are decent, with most ana-



lysts recommending that investors hold on to their Digi.Com shares. There are 14 "hold" calls on the telco, four "buy" calls and four "sell" recommendations. Target prices on Digi.Com are between RM3.40 and RM6, based on Bloomberg data.

For the nine months ended Sept 30, 2021, the group reported a fall in its cumulative net profit to RM857.55 million from RM950.79 million a year earlier, although its revenue climbed to RM4.75 billion from RM4.59 billion.

The group aims to continue to execute its strategy of focusing on strengthening mobile offerings and digital services for its subscribers, adding that it remains highly committed to its efforts to support society's recovery from the Covid-19 pandemic and to expand its mobile telecommunications network coverage in rural areas.

Meanwhile, the market is also closely following the proposed merger between Celcom Axiata Bhd and Digi Telecommunications Sdn Bhd.

The parties to the merger had concluded the due diligence exercise and signed the relevant agreements in June this year.

On Nov 24, the Malaysian Communications and Multimedia Commission (MCMC) received the proposal for a merger between Digi.Com's unit Digi Telecommunications Sdn Bhd and Axiata Bhd's unit Celcom Axiata Bhd.

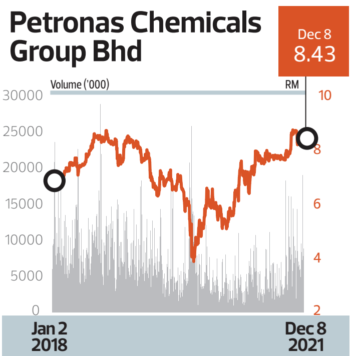
On a pro forma basis, the merged entity will serve an estimated 19 million customers and have revenue of RM12.4 billion, pre-tax earnings of RM5.7 billion, profit after tax of RM1.9 billion and free cash flow of RM4 billion.

Axiata and Telenor will each hold equal stakes of 33.1% in the merged entity, which is expected to have a combined pre-synergy equity value of close to RM50 billion.

The merged company would be named Celcom Digi Bhd and continue to be listed on Bursa Malaysia.

In its latest quarterly financial report, the group indicated that the merger is progressing as planned, adding that the completion of the proposed transaction is subject to receipt of regulatory approvals, approval by all shareholders and other customary terms and conditions.

The group said the expected dates for approval and completion of the transaction within the second quarter of next year remain unchanged. E



about by the pandemic.

This augurs well for PetChem's earnings prospects. In fact, its latest results have reflected the recovery.

For the nine months ended Sept 30, 2021, the group's PAT leaped several fold to RM5.28 billion versus RM1.16 billion a year earlier. Revenue grew nearly 53% to RM16.04 billion from RM10.5 billion previously. The greater cheer

is that PetChem declared a total dividend of 66 sen per share for the nine-month period.

Analysts covering the stock have a consensus target price of RM9.33 over the next 12 months.

Hong Leong Investment Bank Research analyst Jeremie Yap upgraded PetChem in mid-October to a "buy" call from a "hold" and assigned a target price of RM10.65. According to Yap, PetChem is expected to deliver strong earnings in the second half of the year, with its performance lifted by both the firm product spreads for its olefins and derivatives (O&D) segment, as well as skyrocketing urea and methanol prices.

"Based on our tabulation from Bloomberg data, we find that average polyethylene product prices remained somewhat firm, with a slight decline of about 3% to 9% in 3QFY2021 from 2QFY2021. With that, we will not be surprised should there be a slight decline in profit contribution quarter on quarter from PetChem's O&D segment in 3QFY2021," he comments.

Meanwhile, Sean Lim, an analyst with RHB Research, says PetChem's plant utilisation is expected to improve to 97% in the third quarter of 2021, from 94% in the first half. The average plant utilisation rate could be higher than the earlier management guidance of 93% to 94%, as the group has postponed the turnaround of some plants to the second quarter of next year to ride the favourable average selling prices of petrochemicals, he adds. E

THE EDGE BILLION RINGGIT Club 2021

Company of the year 2019

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

BIG CAP — RM10 BIL TO RM40 BIL MARKET CAPITALISATION

Press Metal Aluminium Holdings Bhd

9 BRC AWARDS OVER THE YEARS

ROBUST PROSPECTS BUOYED BY LOW CARBON FOOTPRINT

BY LEE WENG KHUEN

Who are the big beneficiaries of the 2021 commodity boom that has inflated prices of edible oil, metals as well as grains and fuels? The shareholders of Press Metal Aluminium Holdings Bhd are certainly among them.

The group's share price has been on a steady climb after it hit a low of RM1.53 (adjusted price for bonus issue) in March 2020 during the global equity rout sparked off by the Covid-19 pandemic.

The counter has rebounded to its pre-pandemic level and continues to hike new peaks in 2021, buoyed by the sharp rise in aluminium prices, coupled with expectations of strong demand ahead. It leaped to an all-time high of RM6.29 on Oct 15 this year, a 50% jump from RM4.20 as at end-December 2020.

For the period between March 30, 2018, and March 31, 2021, the group's share price soared from RM2.16 to RM5.06. This translated into a 33.6% three-year compound annual growth rate (CAGR) returns to shareholders, making it the winner of *The Edge* Billion Ringgit Club's Highest Returns to Shareholders among big cap companies, whose market capitalisation is between RM10 billion and RM40 billion.

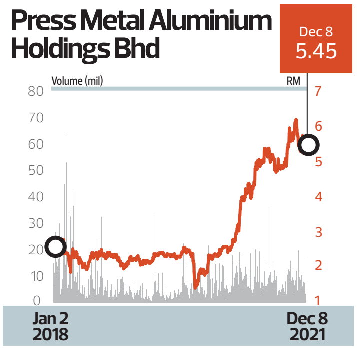
Besides the big leap in share price, Press Metal shareholders have also been receiving dividend cheques continuously. The group declared a dividend per share of 3.2 sen for the financial year ended Dec 31, 2018 (FY2018), 2.6 sen for FY2019 and 2.1 sen for FY2020.

Press Metal has always struck a balance between expansion investments for future growth and dividend payouts for shareholder reward.

It is the largest aluminium producer in Asean with a total annual production capacity of 760,000 tonnes for its smelting segment and 210,000 tonnes for its extrusion segment.

This year, Press Metal's smelting capacity will be expanded by 320,000 tonnes when its new Phase 3 Samalaju smelter in Bintulu reaches full capacity, bringing its total smelting capacity to 1.08 million tonnes.

Press Metal has two smelting plants in Sarawak — in Mukah and Bintulu — from which it exports over 85% of its smelting products, including to Vietnam (17.6%), South Korea (15.9%), China (8.5%) and Europe (8.3%). At home, it has a market share of about 37.7%.



In the first six months ended June 30, 2021, Press Metal achieved a nearly 140% surge in net profit to RM461.3 million from RM192.63 million in the previous corresponding period, after experiencing a slight fall in earnings in FY2020.

"Moving forward to 2022, we will be on a stronger footing with higher production volume from Phase 3, healthy aluminium prices and the anticipated economic rebuilding," it said of its business outlook next year.

Year to date, aluminium prices have averaged at US$2,398/tonne and it last chalked up to US$2,915/tonne. The price of the metal has recovered from a low of US$1,465/tonne in April 2020.

HLIB Research remains upbeat about Press Metal's earnings prospects in the next 12 to 18 months on the back of soaring London Metal Exchange aluminium spot prices; the progressive ramping up of the group's Phase 3 Samalaju expansion project; and an additional earnings boost from its 25%-owned PT Bintan Alumina Indonesia refinery (Phase 2), which is targeted to be fully commissioned by 1HFY2022.

"We are expecting a sustained bull run in global aluminium prices over the next 12 to 18 months with the synchronised decarbonising movements to achieve net zero carbon emission and the general recovery post-pandemic across most countries.

"We envision the world at large entering an aluminium deficit in 2022/23, in which demand would severely outstrip supply globally," HLIB Research says in an Oct 7 research note.

The research house highlights that Press Metal deserves a premium in its valuations to reflect its favourable cost structure as the bulk of its energy costs are locked in via a 15- to 25-year power purchase agreement with Sarawak Energy Bhd; as well as its low carbon footprint as its smelters are hydro powered, making its environmental, social and governance profile more favourable to investors.

Meanwhile, RHB Research believes that the introduction of a one-off windfall tax in Budget 2022 is unlikely to have a pertinent impact on Press Metal going into 2022, given the ongoing pioneer status tax holiday for its primary smelting hub in Samalaju. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

CONSTRUCTION

Sunway Construction Group Bhd

3 BRC AWARDS OVER THE YEARS

COPING IN A HARSH LANDSCAPE

BY KAMARUL AZHAR

It is clear that the construction industry has had a rough ride over the past three years. The operating landscape has had to weather political uncertainties that have caused either delays in or revisions of public infrastructure projects, a soft property market resulting in less construction work and, the least anticipated, the Covid-19 pandemic with its Movement Control Orders and consequent shortage of foreign labour.

But as the saying goes, when the going gets tough, the tough get going. Although the harsh operating conditions have weighed on Sunway Construction Group Bhd (SunCon), it achieved the highest return on equity (ROE) among its big-cap peers in the construction

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

CONSTRUCTION

Widad Group Bhd

2 BRC AWARDS OVER THE YEARS

STILL ON RADAR SCREENS DESPITE INTEREST IN CONSTRUCTION SECTOR COOLING

BY JOSE BARROCK

While Widad Group Bhd may not be among the more prominent construction companies on Bursa Malaysia, there seems to be investing interest in its shares.

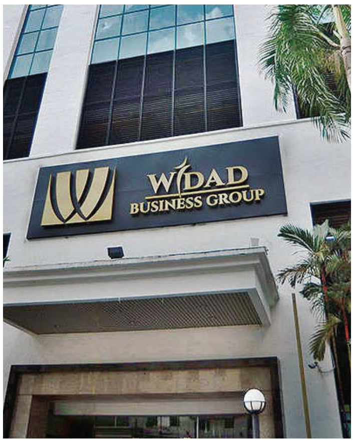
Construction stocks have fallen out of favour in the past three years or so, partly because the government needs to be extra prudent in infrastructure building due to its tight fiscal position. The Covid-19 pandemic has added to the government's fiscal burden.

Furthermore, the slowdown in the property market has resulted in a dearth of construction work.

However, judging by its share price pattern, Widad does not seem to be off investors' radar screens. From 38 sen on March 31, 2018, its share price soared to an all-time high of 81 sen in late December 2020.

The counter then retreated from the peak to 58.5 sen at end-March 2021. Still, the rise in share price is rather sharp at 54% for the three-year period. This translates into a three-year compound annual growth rate of 15.5% for Widad's return to shareholders, edging out other more illustrious rivals in the industry.

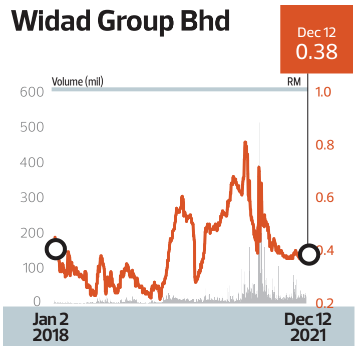
To put things in perspective, the benchmark Bursa Malaysia Construction Index fell close to 36% during the same period, from 282 points in March 2018 to about 181 points at end-March 2021.



It is noteworthy that Widad's market capitalisation has largely been in the RM1 billion band, in contrast to other better known construction companies, which have faltered over the years.

Widad took over the listing status of Ideal Jacobs (M) Corp Bhd via a reverse takeover (RTO) exercise — valued at RM520 million in a mix of shares and cash — in August 2017.

The RTO of Ideal Jacobs triggered a mandatory general offer at 23 sen per share. Consequently, businessman Tan Sri Muhammad Ikmal Opat Abdullah's private vehicle, Widad Business Group Sdn Bhd, ended up controlling close to 52% of Ideal Jacobs, which is now known as Widad.



The low-profile Muhammad Ikmal, who hails from Kedah, also controls 34.37% of IT company Dataprep Holdings Bhd, where he took the reins from Datuk Lim Chee Wah, the youngest son of the late Tan Sri Lim Goh Tong, founder of Genting group.

Muhammad Ikmal was in the news at end-2019 when he and Widad Business Group put in a RM5.3 billion cash offer to take over the North-South Expressway (PLUS) from Khazanah Nasional Bhd and the Employees Provident Fund. But the deal was later axed by the Pakatan Harapan government.

A chunk of Widad's current order book of RM1.62 billion is derived from Serendah Heights Sdn Bhd, its newly acquired 90%-owned subsidiary. According to Widad's annual report, the 90% stake was valued at RM114.62 million.

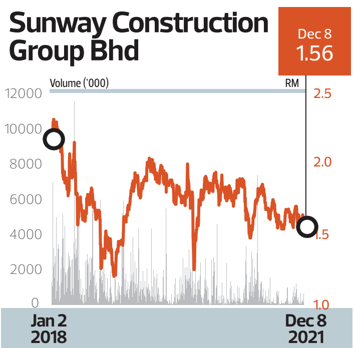
The appeal of Serendah Heights was a RM791 million concession to construct facilities and infrastructure and to carry out asset management services at a Universiti Teknologi Mara campus in Jasin, Melaka.

There have also been other contracts secured lately, such as the construction of a road from Kota Baru to Kuala Krai in Kelantan, from the Ministry of Works, valued at RM244.3 million; upgrading works of roads linked to Northport in Port Klang, valued at RM194.32 million (up 28% from RM151.8 million previously); a RM129.4 million contract to upgrade a water treatment plant in Kuala Muda, Kedah; and a RM53.2 million job from the Ministry of Works to build a school in Bangi, Selangor, which should augur well for the company.

For the six months ended June 30, 2021, Widad posted a net profit of RM2.73 million on revenue of RM48.31 million. Compared with the previous corresponding period, net profit was down 9.6%, despite a more than 30% increase in revenue.

Widad explains in its results announcement that included in the administrative cost is a one-off expense related to the acquisition of Serendah Heights, namely stamp duty and professional fees, amounting to RM2.47 million.

"If not for these expenses, the group would have recorded a profit before tax of RM5.85 million for the current quarter and RM7.4 million for the financial period to date," it says. E



sector over the three years under review by *The Edge* Billion Ringgit Club (BRC) — 2018 to 2020. This is the third consecutive year in which the company has won the award.

It is no surprise that the construction group's ROE was trending downward from the financial year ended Dec 31, 2018 (FY2018) to FY2020. The group's ROE was 25.5% in FY2018, and fell to 21.3% in FY2019 and 11.6% in FY2020.

This translates into a weighted ROE of 17.3% over the three-year period, which was still the highest in its category.

The declining ROE is the result of a drop in profit after tax (PAT). SunCon's PAT came in at RM144.4 million in FY2018 — the highest ever since FY2014. However, it fell to RM129.3 million in FY2019 and dropped further to RM72.7 million in FY2020 as the pandemic dealt a big blow across the board.

Nonetheless, investment analysts who track the group see promising prospects ahead.

SunCon is one of the companies expected to benefit from the government's highest-ever development expenditure of RM400 billion over the next five years, as described under the 12th Malaysia Plan.

Eight of 13 analysts who cover SunCon have a "buy" recommendation on the stock; the remaining three have a "hold" call. The highest target price is RM2.20 and the lowest, RM1.50.

SunCon, one of the country's biggest construction companies, is expected to secure more jobs as the government rolls out more infrastructure projects, including mega infrastructure ones such as the MRT Line 3, to drive economic growth.

One factor that makes SunCon stand out among its peers is its strong parentage as part of the Sunway Group.

While SunCon is a strong construction company on its own, able to secure projects from outside the Sunway Group, it helps to be part of a large property development, retail and hospitality group as well.

Furthermore, SunCon's focus on improving its construction methods, including using pre-fabricated construction technology, has enabled the group to widen its profit margins over the years. Its strong balance sheet allows SunCon to take on big projects.

While analysts are still lukewarm over the prospects for the construction sector, owing to the Covid-19 pandemic and stagnated property development, SunCon remains one of their top picks in the sector.

Edwin Woo, an analyst at Hong Leong Investment Bank Research, recommends SunCon as his top pick because of its strong balance sheet, extensive track record of infrastructure projects and strong support from its parent company.

"The company's ability to secure overseas contracts and source ... jobs from parent-co provides a shield from a weak flow of government projects," Woo says in an Oct 5 report on the construction sector.

SunCon has guided for an overall job win, including the supply of precast products, of RM2 billion in FY2021. This year, up to October, the group has secured new jobs worth a total of RM620 million, while its outstanding construction and precast product order backlogs stand at almost RM5 billion.

Joshua Ng, an analyst at AmInvestment, says that while it is still cautious on the outlook for the local construction sector, he believes SunCon can weather the sector's downturn better than its peers, given its proven ability to compete under open bidding, coupled with the availability of building jobs from its parent and sister companies. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURN ON EQUITY OVER THREE YEARS

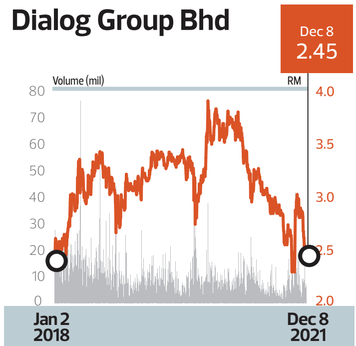
ENERGY

Dialog Group Bhd

7 BRC AWARDS OVER THE YEARS

THRIVING DESPITE HARSH ENVIRONMENT

BY JOSE BARROCK



It is difficult to write about local oil-and-gas (O&G) stalwart Dialog Group Bhd and not come across as sounding overly bullish on its prospects.

With a market capitalisation in excess of RM16 billion, up from RM55 million in 1996, and businesses spread out in the provision of technical services in all sectors from upstream to downstream, Dialog is among the largest O&G companies in Malaysia.

Of the 18 analysts who cover Dialog's stock, 17 have "buy" calls, while the odd one out is calling a "hold".

Dialog's strengths include engineering, procurement, construction and commissioning (EPCC), plant maintenance, fabrication and tank terminal operations. It has a 20% participating interest in a Production Sharing Contract for three oilfields off the Sarawak coast up to 2034, and wholly owns Dialog Bayan Petroleum Sdn Bhd, which has an oilfield services contract until 2036.

The company's RM700 million investment in tank terminal facilities provides a strong growth catalyst. Its operations include a 30% stake in Kertih Centralised Tankage Facilities, the three wholly-owned Langsat Terminals, a 46% stake in Pengerang Deepwater Terminal, 25% in Pengerang Terminal 2 and 25% in Pengerang LNG Facilities.

Analysts reckon Dialog's stake in Pengerang Phase 3, the first phase of which was launched in April, to be between 25% and 49%.

With such choice assets, it is no wonder that Dialog bags the accolades not only for the highest return on equity (ROE) over three years, but also the highest growth in profit after tax over the same period in the energy sector. This is also the second consecutive year of its registering the highest profit-after-tax growth in the sector.

Dialog's three-year weighted ROE beginning from the financial year ended June 30, 2018 (FY2018) was 15.5%. Its annual ROE rose from 15.4% in FY2018 to 15.9% after three years.

It had a 19.4% three-year profit after tax compound annual growth rate beginning from FY2017. Net profit has trended upward, from RM370.6 million in FY2017 to RM510.4 million, RM535.8 million and RM630.4 million in the next three financial years.

As at end-September 2021, Dialog had RM1.47 billion in cash and cash equivalents, RM362.28 million in short-term debts and RM1.6 billion in long-term borrowings, with reserves of RM3.05 billion.

While other O&G companies have been ravaged over the past few years by low oil prices and more recently the adverse impacts of Covid-19, Dialog seems likely to maintain its strong profitability in FY2022 ending June. For the three months ended Sept 30, 2021, Dialog posted a net profit of RM128.82 million from RM505.45 million in sales.

On its prospects, Dialog "remains confident that its business model is well structured to manage and sustain itself through periods of economic uncertainty, oil price volatility and currency movements", it says in the release of its financial results for the first quarter ended Sept 30, 2021.

Noting that the global economic outlook is showing signs of improvement, Dialog cautions, however, that it is still uncertain how long the impact of the prolonged pandemic as well as supply chain disruption and inflation will last.

The company says it has maintained a prudent approach and taken proactive steps in managing the group's finances. It expressed optimism that economic activities will pick up and, barring any unforeseen circumstances, it will remain profitable in FY2022.

Much of Dialog's success can be attributed to its executive chairman, Tan Sri Ngau Boon Keat, who is the co-founder and the largest shareholder, with 19.12% equity interest.

Next year marks 50 years of Ngau's O&G career. He started out in Mobil Singapore Pte Ltd in 1972, before coming back to join national oil company Petroliam Nasional Bhd in 1975, and then setting up Dialog in 1984. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

CONSUMER PRODUCTS & SERVICES

Carlsberg Brewery Malaysia Bhd

2 BRC AWARDS OVER THE YEARS

2 CR awards 2014 2019

CHEERS TO BETTER DAYS AHEAD

BY KANG SIEW LI

Carlsberg Brewery Malaysia Bhd, which currently holds a 40% share of the country's malt liquor market with its beer brands such as Carlsberg, Kronenbourg 1664, Asahi and Connor's, is one of the companies on Bursa Malaysia that have been consistently paying dividends over the years. Despite the unprecedented impact, uncertainty and volatility of the Covid-19 pandemic, the group paid out 75.4% of its net profit as dividends in the financial year ended Dec 31, 2020 (FY2020).

Carlsberg Malaysia paid out 100 sen per share consecutively for FY2019 and FY2018, representing 105.1% and 110.3% of net profit respectively. However, its dividend payments fell to 40 sen per share last year, following a bumpy first-half with the decision to suspend quarterly dividends in favour of protecting its financial position and managing costs.

Profit after tax (PAT) for FY2020 declined 44% year on year (y-o-y) to RM162.2 million from RM291 million, due to a poorer-than-expected recovery in sales volumes. It achieved PAT of RM277.2 million in FY2018 and RM221.2 million in FY2017.

Carlsberg Malaysia's return on equity (ROE) had risen to 183.3% in FY2019 from 118.4% in FY2018, but fell to 102.5% in FY2020. This works out to an adjusted weighted ROE over three years of 129.9% — outperforming its peers. It

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

CONSUMER PRODUCTS & SERVICES

Guan Chong Bhd

7 BRC AWARDS OVER THE YEARS

SWEET TASTE OF DOUBLE SUCCESS

BY LIEW JIA TENG

It is almost becoming a habit. Johor-based Guan Chong Bhd again takes home two awards at this year's *The Edge* Billion Ringgit Club (BRC). The world's fourth-largest cocoa grinder is recognised with double awards for highest returns to shareholders over three years and highest growth in profit after tax over three years in the consumer products and services sector, for two years in a row.

In fact, Guan Chong has, for three consecutive years — between 2019 and 2021 — won The Edge BRC award for highest returns to shareholders over three years, while this year is a second consecutive year the group has been honoured with the award of highest growth in profit after tax over three years.

During the period under review, Guan Chong delivered an impressive three-year compound annual growth rate (CAGR) shareholder return of 70.8%. Its adjusted share price had more than tripled from RM1.03 on March 30, 2018, to RM3.14 on March 31 this year.

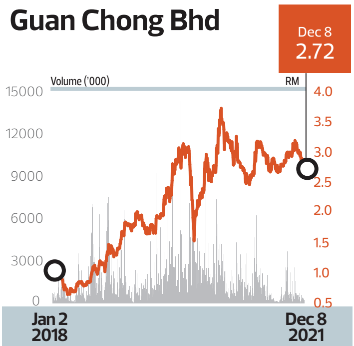
According to absolutelystocks.com, Guan Chong's market capitalisation has grown about five times in three years, from RM659.5 million on March 30, 2018, to RM3.249 billion on March 31 this year.

Besides the expanded share base — owing partly to its bonus issue exercise in 2019 — and rising investor interest in the counter, another contributing factor to Guan Chong's stronger share price performance and bigger market capitalisation is its higher stock valuation.

On March 30, 2018, Guan Chong traded at a historical price-earnings ratio (PER) of 7.4 times and price-book value (P/BV) of 1.4 times. Three years later, it is being valued at a historical PER of 14.5 times and P/BV of 2.7 times.

It should be noted, however, that shares in Guan Chong had been on a downward trend between April and July — dropping to as low as RM2.66 on July 12 — before it staged a rebound to close at RM3.04 on Oct 21, giving it a market capitalisation of RM3.23 billion. At the time of writing, the counter was trading at 19 times historical earnings.

Main Market-listed Guan Chong's net profit rose 2.2% to another record high of RM222.71 million in the financial year ended Dec 31, 2020, (FY2020) from RM217.95 million in FY2019, owing largely to the one-off gain on the disposal of associate Fuji Global Chocolate (M) Sdn Bhd to industrial chocolate producer Fuji Oil Asia Pte Ltd in February 2020, as the latter exercised a call option to acquire Guan Chong's 27.75% stake in the associate.



As compared to its net profit of RM91 million in the FY2017, Guan Chong had achieved a three-year CAGR profit growth of 34.7% in the FY2020.

Shares in Guan Chong are tightly held by the founding Tay family via Guan Chong Resources Sdn Bhd, with a 49.53% stake.

The second-largest shareholder is Misi Galakan Sdn Bhd, with a holding of 5.31%. Misi Galakan is controlled by Datuk Dr Mohamad Musa Md Jamil, who stepped down as Guan Chong's non-independent non-executive chairman in April this year.

Guan Chong has been on expansion mode in recent years. Its annual grinding capacity is set to increase to 317,000 tonnes — from 257,000 tonnes at present — upon the completion of its Ivory Coast plant by 2Q2022, which will allow the company to capture a larger share of the global cocoa ingredients market.

Its existing facilities are located in Pasir Gudang, Johor; Batam, Indonesia; and Mannheim, Germany. In October last year, it completed the purchase of a 17.8-acre parcel of land in Glemsford, near Sudbury in south Suffolk in the UK, to gain direct access to Europe, the world's largest chocolate-consuming market.

In a research report dated Aug 25, AmInvestment Bank maintains its "buy" call on Guan Chong with an unchanged fair value of RM3.12, using an unchanged PER of 15 times on earnings per share in FY2022.

"In the long term, we are optimistic about the group's Ivory Coast, UK and Germany expansion capability to enter more lucrative markets in the West," the research house wrote. E

once again snagged the pole position in this year's *The Edge* Billion Ringgit Club (BRC) Award for highest ROE over three years (2017 to 2020) in the consumer products and services sector.

While dine-in has been allowed for fully vaccinated individuals in Malaysia, Carlsberg Malaysia's outlook remains mixed. The group's brewery operations resumed from Aug 16, after an 11-week suspension since June, with 80% of its personnel on-site.

CARLSBERG MALAYSIA ANNUAL REPORT 2020

Five-year financial highlights
For the financial year ended Dec 31

	2016	2017	2018	2019	2020
Net profit (RM mil)	205.0	221.2	277.2	291.0	162.2
Dividend amount declared and proposed for the year (RM mil)	220.1	266.0	305.7	305.7	122.3
Dividend as % of net profit	107.4	120.3	110.3	105.1	75.4
Dividend per ordinary share (sen)	72.0	87.0	100.0	100.0	40.0

"Hurdles remain; notably, entertainment venues and bars in Malaysia remain closed and Covid-19 cases in Malaysia continue to rise, leading us to believe consumers may be reticent to return to available on-trade venues for the time being," Hong Leong Investment Bank Research wrote in an Aug 23 note to clients.

The group will remain focused on preserving cash and liquidity in the near to medium term, Carlsberg Malaysia said on Aug 20, when announcing its financial results for the six months ended June 30, 2021 (1HFY2021).

In 1HFY2021, net profit came in 24% higher at RM103.59 million compared with RM83.6 million a year ago, as revenue rose by a marginal 0.5% y-o-y to RM881.2 million.

The group also expressed concern that the lockdown in Malaysia has led to the proliferation of the illicit beer trade. The Confederation of Malaysian Brewers Bhd estimates that 20% of the beer and stout market in Peninsular Malaysia is illicit, while that number is much higher in Sabah and Sarawak — estimated at up to 80%.

According to CGS-CIMB Research, since the pandemic began in March 2020, brewers have been focusing on increasing operating efficiency. Efforts include digitalisation and streamlining of operations, including headcount optimisation.

"With these cost containment exercises since the first Movement Control Order (MCO), both Carlsberg Malaysia and Heineken Malaysia Bhd should benefit from margin expansion in the long term. In addition, both brewers have stated plans to further raise their products' selling prices. Despite mainly passing on higher raw material costs, we expect the quantum of price increases to be more than sufficient, leading to better margins," the research firm said in a Sept 9 report.

CGS-CIMB Research likes Carlsberg Malaysia based on an expected stronger recovery in sales given its exposure to the Singapore market (accounting for 32% of 1HFY2021 revenue) and strong traction in its premium beer segment, leading to a more profitable sales mix.

While analysts believe the worst is over for Carlsberg Malaysia with the loosening of MCO rules, CGS-CIMB Research says another lockdown leading to another suspension of brewers' operations and/or a weaker-than-expected malt liquor market sales volume are downside risks for the group. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

FINANCIAL SERVICES — RM10 BIL AND ABOVE MARKET CAPITALISATION

3 BRC AWARDS OVER THE YEARS

RHB Bank Bhd

CHALKING UP GOOD RETURNS IN HARSH CONDITIONS

BY LEE WENG KHUEN

This is the second consecutive year that RHB Bank Bhd has won the award for the highest returns to shareholders over three years, from March 30, 2018, to March 31, 2021, in the financial services sector with a market capitalisation of RM10 billion and above.

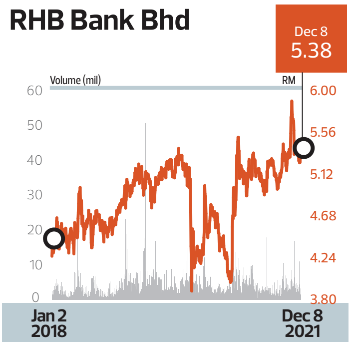
The country's fourth largest banking group recorded a 5.5% return for the three-year period despite the extra volatile share price pattern due to the Covid-19 pandemic, which rocked global equity markets in the first half of 2020, including Malaysia's.

RHB Bank's share price lost ground when the pandemic took centre stage last year. From RM5.70 in early March, it slid to a low of RM4.17 in November last year as banking stocks were among the selling targets at the time and RHB Bank's prospects are highly sensitive to the economic weather. The poor sentiment was then further dampened when banks globally were told to conserve cash by putting the brakes on dividend payments.

Nonetheless, the stock rebounded strongly last December, reaching a peak at about RM6. It closed at RM5.37 on March 31 this year.

It could be a saving grace for shareholders who have held onto the stock during the three-year period, that it still yielded a little gain.

In addition, shareholders did receive dividends over the past three financial years, although the bank needed to conserve cash to build a buffer.



RHB Bank declared a gross dividend per share of 20.50 sen in financial year 2018 (FY2018), 31 sen in FY2019 and 17.65 sen in FY2020. A total of 69.15 sen per share has been declared for the three-year period, with the payout ratio in the range of 35% to 50%.

The banking group's net profit stayed above RM2 billion between FY2018 and FY2020. It is worth noting that its loan impairment ratio has been on the decline from 2.23% in FY2017, to 2.06% in FY2018 and 1.71% in FY2020.

For the cumulative six months ended June 30, 2021 (1HFY2021), the group's net profit expanded 39% to RM1.35 billion from RM971.65 million in the same period a year ago, underpinned by higher net fund-based income and lower net modification loss.

Its gross loans and financing grew 5.7% year on year to RM191 billion, mainly supported by growth in mortgage, auto finance, small and medium enterprises and the Singapore market.

Gross impaired loans stood at RM3.1 billion as at end-June 2021, while the gross impaired loans ratio dipped further to 1.63% compared with RM3.4 billion and 1.87% respectively as at end-June 2020.

Year to date, RHB Bank's share price has declined 0.55% against the 0.99% drop in the Bursa Malaysia Financial Services Index.

CGS-CIMB Research said in a Nov 9 note that the implementation of a prosperity tax will cause an 8.7% reduction in RHB Bank's FY2022 net profit forecast, as the impact will more than offset the positive impact of overnight policy rate hikes. For FY2023, its net profit is forecast to grow 3.7%.

CGS-CIMB sees potential rerating catalysts from RHB Bank's above-industry loan growth and a potential pick-up in the bancatakaful income from its tie-up with Syarikat Takaful Malaysia Keluarga Bhd with improvements in market conditions following the decline in new daily Covid-19 cases.

It is worth noting that RHB Bank is keen to venture into digital banking. Last June, it signed a heads of agreement with Boost Holdings Sdn Bhd, a subsidiary of Axiata Group Bhd, to form a consortium to apply for a digital banking licence from Bank Negara Malaysia. Under the agreement, RHB Bank would hold a 40% stake and Boost would own the remaining 60%.

Analysts believe both parties have a good chance of securing a licence as Axiata's unit Celcom is already serving the under-banked while the group itself already has the framework to provide financial services. In addition, RHB Bank provides assurance of the digital bank's ability to operate.

The Employees Provident Fund is the single largest shareholder of RHB Bank with a 41.83% stake. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

ENERGY

2 BRC AWARDS OVER THE YEARS

Dayang Enterprise Holdings Bhd

BRIGHTER DAYS AFTER WEATHERING PANDEMIC

BY ADAM AZIZ

This is the second year in a row that Dayang Enterprise Holdings Bhd has bagged *The Edge* Billion Ringgit Club award for highest total returns over three years among the energy companies listed on Bursa Malaysia.

The Sarawak-based oil and gas (O&G) services group is involved in offshore topside maintenance services; minor fabrication operations; and offshore hook-up and commissioning activities. It also operates marine vessels through its listed subsidiary, Perdana Petroleum Bhd, in which it owns a 63.77% stake.

The group's largest shareholders include Naim Holdings Bhd with 24.22% equity interest, followed by Datuk Ling Suk Keong with an effective stake of 12.66%. Urusharta Jamaah Sdn Bhd owns 7.97% of the company.

Dayang's share price rose from 77 sen on March 30, 2018, to RM2.94 in February 2020, before the global equity rout in the following month as the fear of a global economic crisis brought about by the Covid-19 pandemic affected equity markets worldwide.

Its share price plummeted to a low of 75 sen in March 2020, when crude oil prices dropped to below zero. It then rebounded to close at RM1.46 on March 31, 2021, amid the recovery in energy prices.

The stock price climbed nearly 91% for the period between March 31, 2018 and end-March 2021. This translated into a 23.8% three-year compound average rate of return to its shareholders — the highest among O&G companies with more than RM1 billion market capitalisation.

Dayang has a healthy balance sheet, with net gearing of 0.1 times and cash ratio of 1.36 times. The company managed to raise fresh cash of RM88.76 million and RM132.34 million via two private placements in December 2019 and March 2021 respectively.

Its strong balance sheet has certainly put it on a firm footing to withstand not just the industry downturn that had lasted longer than expected but also the headwinds brought by the Covid-19 pandemic.

In terms of earnings performance, the group's annual net profit swelled 44% year on year to RM230.9 million for the financial year ended Dec 31, 2019 (FY2019), as full-year revenue breached the RM1 billion mark at RM1.046 billion.

The O&G services group was among a handful that remained profitable in most of the years during the industry downturn that began in late 2014, following the collapse of crude oil prices.

Dayang showed resilience as it remained in the black with a net profit of RM57.58 million on revenue of RM731.44 million in FY2020 when the oil market was reeling from the twin shocks of the Covid-19 pandemic and a fall in demand. This helps explain the continued investing interest in Dayang's shares.

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

FINANCIAL SERVICES — RM10 BIL AND ABOVE MARKET CAPITALISATION

Hong Leong Financial Group Bhd

1 BRC AWARD OVER THE YEARS

STAYING STRONG IN TOUGH TIMES

BY SUPRIYA SURENDRAN

Times have undoubtedly been hard for the financial services industry, which is highly sensitive to economic conditions, over the past three years. In addition to intense competition, banks are facing challenges such as margin compression, rising credit costs, asset quality and high bad debt provision.

Yet, Hong Leong Financial Group Bhd (HLFG) has weathered the storm pretty well.

The group has achieved a three-year compound annual growth rate of 7.2% in its profit after tax — the highest among its big-cap peers with a market capitalisation of RM10 billion or above in the financial services sector, although the group experienced an earnings contraction in the financial year ended June 30, 2020 (FY2020).

HLFG's net profit had been on an upward trend since FY2017. The group's net profit grew 26.6% year on year (y-o-y) to RM1.91 billion in FY2018, from RM1.5 billion in FY2017. The improved performance was partly attributed to a lower effective tax rate of 19.1% in FY2018 versus 25% in FY2017.

Its net profit grew marginally by 0.6% y-o-y to RM1.92 billion in FY2019 despite the net interest margin compression seen at its commercial banking business. Meanwhile, its total income was lower at RM5.28 billion in FY2019 compared with RM5.35 billion in FY2018.

The health and economic crisis brought about by the Covid-19 pandemic has disrupted

HLFG's growth pattern. Its net profit declined 3.2% to RM1.86 billion in FY2020. The lower earnings were due to the effects of lower interest rates and a one-off Day 1 modification loss taken at Hong Leong Bank Bhd (HLB).

Over the three financial years (FY2018-FY2020), HLFG's book value per share has increased from RM14.52 as at June 30, 2017, to RM18.43 as at June 30, 2020.

For FY2020, HLFG recorded a lower return on equity at 9.3%, compared with 10.4% in FY2019, as a result of the drop in net profit. The group's return on equity stood at 11.1% in FY2018.

The financial group did not stop rewarding shareholders with dividends. It declared a net dividend of 40 sen in FY2018, 42 sen FY2019 and 38 sen FY2020. Dividend declared was lower in FY2020 because it adopted a more prudent approach in respect of dividend payments, given the tougher economic conditions as a result of the pandemic.

The financial group's three core businesses are commercial and Islamic banking under HLB, insurance and takaful under HLA Holdings Sdn Bhd, as well as investment banking and asset management under Hong Leong Capital Bhd.

"The group's philosophy continues to embody an entrepreneurial vision focused on building long-term sustainable value for all its stakeholders," says HLFG chairman Tan Sri Quek Leng Chan in its FY2021 annual report.

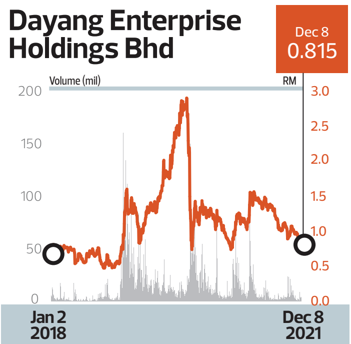
"This vision guides our operating businesses to remain relevant and be trustworthy, progressive, competitive and sustainable in pursuit

of growth and the creation of business value.

"We believe the key to ensuring sustainability is the continued co-existence of entrepreneurialism and professional business management, and relevant transformation through technological innovation, together with a strategic approach in managing environmental, social and governance (ESG)-related risks and impacts on our business," Quek says.

He adds that the group is committed to investing in and embracing suitable digital technological platforms that will deliver sustainable business growth and operational excellence that are fit for the future.

"Digitalisation is a core part of the group's business strategy to embrace technology and deliver a world-class digital experience to our customers across all our operating businesses," he says. E



But the prolonged pandemic eventually took a toll on its performance in FY2021. The group dipped into the red in the first half of FY2021 (1HFY2021) as it was hit by movement restrictions and impairment loss on its assets.

For the first six-month period ended June 30, Dayang posted a net loss of RM49.43 million or 4.4 sen per share. Revenue came in lower at RM243.74 million, down 29% from RM343 million in 1HFY2020.

Another factor that dragged on its performance is its subsidiary Perdana Petroleum, which is heading towards its seventh consecutive year of losses in FY2021, even though the unit had been Ebitda (earnings before interest, taxes, depreciation and amortisation) positive from FY2018 to FY2020.

Perdana Petroleum, which operates 16 vessels, saw its vessel utilisation rate fall to 36% in 1HFY2021, from 51% in 1HFY2020. In view of that, analysts have adopted a cautious view on Dayang, expecting its annual earnings for FY2021 to be lower than in FY2020, but pointed to a gradual pickup in upstream O&G activities from FY2022 onwards.

"Earnings from FY2022 onwards will improve, however, on the back of a healthy outstanding order book of RM2.3 billion as well as improved efficiencies given the gradual relaxation on SOPs post-Covid-19 vaccinations," PublicInvest Research says in a September note.

In its results note, Hong Leong Investment Bank Research says Dayang should see a decent recovery in terms of its maintenance, construction and modification and integrated hook-up and commissioning activities from the third quarter of 2021 (3Q2021) onwards. "Moreover, its cost optimisation measures carried out in FY2020 should be able to cushion any unforeseen decreases in work activity," says the research house. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

FINANCIAL SERVICES — BELOW RM10 BIL MARKET CAPITALISATION

Kenanga Investment Bank Bhd

1 BRC AWARD OVER THE YEARS

RIDING A TRADING SWELL

BY ADELINE PAUL RAJ

A surge in stock market trading activities, which started in 2020 after the global equity rout, has been a boon for Kenanga Investment Bank Bhd (KIBB).

The group turned in its best earnings in the financial year ended Dec 31, 2020 (FY2020) since obtaining an investment banking licence in 2007.

Main Market-listed KIBB is the country's largest independent investment bank by equity trading volume and value, and one of the top three brokerage houses.

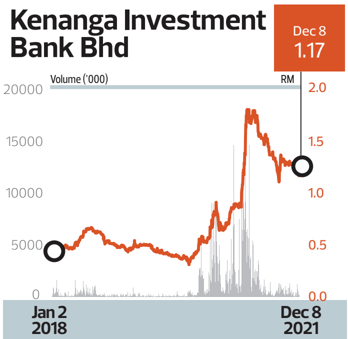
Thanks to a strong run in its share price and regular dividends, KIBB clinched *The Edge* Billion Ringgit Club (BRC) award for highest returns to shareholders over three years in the financial services industry.

It churned out a rate of return of 53.5% over the BRC review period between March 30, 2018 and March 31, 2021 — the best among its peers.

KIBB's share price gained a solid 206.8% over the period, from 59 sen (March 30, 2018) to RM1.81 (March 31, 2021). It peaked at RM1.90 several times in February this year.

A penny stock for many years, KIBB began trading above the RM1 threshold only in January this year. Since the BRC cut-off date of March 31 this year, its share price has fallen by 35.4% to RM1.17 as at Dec 8, giving the company a market capitalisation of RM860.84 million.

KIBB's net profit jumped to a record RM102.08 million in the financial year ended Dec 31, 2020 (FY2020) from just RM26.39 million in FY2019 and RM11.91 million in FY2018 as a spike in trading activity over the local bourse helped boost income from its stockbroking and investment management businesses.



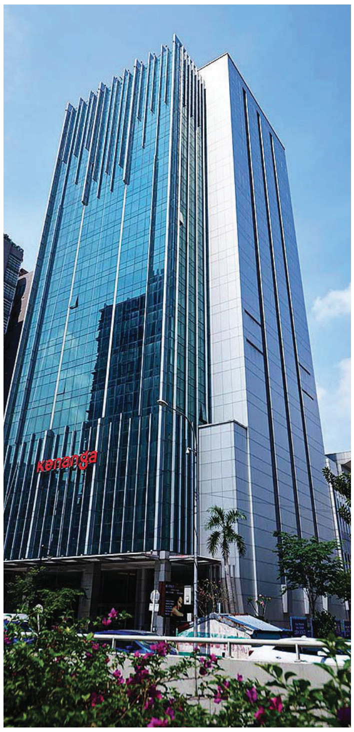
Recall that in 2020, the average daily trading value of securities on the local bourse had doubled to RM4.2 billion, driven mainly by retail investors.

Given its exceptionally strong earnings in FY2020, the group rewarded shareholders with a total dividend per share (DPS) of 8.8 sen, of which 4.8 sen was a special dividend.

This was a big leap from the dividends that shareholders received in FY2019 (3.25 sen) and FY2018 (1.1 sen).

Like most financial institutions, KIBB has been making concerted moves to up its digital game in recent years.

Notably, its joint venture with Japan's Rakuten Securities Inc to create the first fully online stock trading platform in Malaysia, Rakuten Trade Sdn Bhd, had proved particularly fruitful during the Covid-19 lockdowns as investors, particularly first-time millennial traders, sought online trading channels.



Its next planned venture is in digital banking. On June 29, KIBB applied for a digital banking licence from Bank Negara Malaysia as part of a consortium with the Sarawak state government and payment solutions specialist Revenue Group Bhd.

KIBB's largest shareholder is Sarawak-based conglomerate Cahya Mata Sarawak Bhd, which has an 18.75% stake held through CMS Capital Sdn Bhd.

It remains to be seen whether the consortium will be successful, as Bank Negara, which received 29 applications for digital bank licences, plans to issue only up to five. It will name the successful applicants in the first quarter of next year.

In October last year, KIBB acquired a 4.99% stake in Merchantrade Asia Sdn Bhd, a fast-growing digital payments and money services player. This came about after it partnered Merchantrade to develop the country's first stockbroker e-wallet, Kenanga Money.

Continuing with its digital agenda, KIBB announced in February this year that its wholly owned subsidiary Kenanga Private Equity Sdn Bhd would buy a 19% stake in digital asset exchange operator Tokenize Technology (M) Sdn Bhd. The latter operates Tokenize Xchange which allows trading of cryptocurrencies like Bitcoin and Ethereum.

KIBB, whose stock is not widely covered by analysts, reported a net profit of RM86.17 million in 9MFY2021, a 37.2% increase from the same period a year earlier. Stockbroking accounted for the bulk, or 64.5%, of its profit before tax of RM106.59 million, followed by investment and wealth management (19.3%) and investment banking (12.3%) E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

FINANCIAL SERVICES — BELOW RM10 BIL MARKET CAPITALISATION

Bursa Malaysia Bhd

1 BRC AWARD OVER THE YEARS

UNEXPECTEDLY GOOD PERFORMANCE IN STORMY WEATHER

BY KATHY FONG

When the powerful equity rout, spooked by the Covid-19 outbreak, rocked stock markets worldwide in March 2020, the nerve-wracking selling pushed the benchmark index FBM KLCI to a low of 1,219.72 points on March 19, down 18.2%, or 271.3 points, and caused the FBM Small Cap Index to plunge 40%, or 5,113.2 points, to 7,689.27 points, in a span of 10 trading days.

At the peak of the equity rout, more than 700 companies were valued at below RM500 million on the local bourse. The heavy selldown cascaded to margin calls, which in turn added more selling pressures to the market.

The expectation then was that the global equity markets, including Malaysia, would be in the doldrums for at least 12 months, given the uncertainties on the horizon.

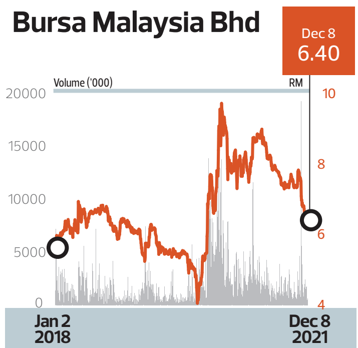
Many anticipated the unprecedented health crisis that led to an economic downturn would have cast a pall on Bursa Malaysia Bhd's prospects.

In stark contrast, the financial year ended Dec 31, 2020 (FY2020) turned out to be a record-breaking year for the stock exchange operator on several fronts.

As the equity bulls — particularly retail investors who had not been investing much over 10 years — returned to the market sooner than anticipated, trading volume on Bursa soared to a new high of 27.8 billion shares while trading value reached a fresh peak of RM10.5 billion in August 2020.

There were 423,264 new Central Depository System accounts opened in 2020, of which 64% were investors aged 26 to 45 — a record number achieved since the exchange operator was listed in 2005 — compared with 159,333 in 2019 and 146,590 in 2018.

This boosted the average daily trading volume to a record high as well to 7.48 billion shares in FY2020, nearly tripling from 2.515 billion shares in FY2019 and 2.54 billion in FY2018. The average daily trading value also climbed to new heights at RM4.21 billion, more than double the RM1.93



billion in FY2019 and RM2.39 billion in FY2018.

Total net buy by retail investors amounted to RM14.3 billion for 2020 while total retail average daily value traded hit a record RM1.6 billion, a 235.6% increase from RM473.5 million in 2019.

A low interest rate environment, government stimulus packages, such as loan moratoriums, and a buying frenzy of healthcare-related stocks,

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

FINANCIAL SERVICES — BELOW RM10 BIL MARKET CAPITALISATION

Allianz Malaysia Bhd

1 BRC AWARD OVER THE YEARS

CR award 2017

WITHSTANDING DISRUPTIONS AND DELIVERING ROBUST RESULTS

BY SUPRIYA SURENDRAN

The domestic general insurance sector remained weak in 2020, with a 0.6% decline in gross written premiums (GWP), while the life insurance industry saw a 0.4% fall in annualised new premiums.

Yet, insurer Allianz Malaysia Bhd achieved a growth in net profit in the last three financial years starting from FY2018 ended Dec 31. That year, its net profit grew 30.9% year on year to RM377 million, and the momentum continued in FY2019 with a 30.6% increase in net profit to RM492.5 million.

The insurer was not spared from the adverse impact brought about by the Covid-19 pandemic, but it managed to stay on the growth path despite the pace slowing down to 5.6% y-o-y to RM520.3 million in FY2020. This was backed by higher underwriting profit from its general business segment.

Between FY2018 and FY2020, Allianz's net profit grew at a three-year compound annual growth rate of 21.8% — the highest among its peers in the financial services sector (below RM10 billion market capitalisation).

Allianz General remains the market leader in the general insurance segment, with a market share of 13.3%, while its life insurance unit Allianz Life Insurance Malaysia Bhd continued to maintain its No 5 position in the segment, with a market share of 7.7%.

Allianz General achieved a GWP of RM2.36 billion in FY2020, an 11% growth from RM2.13 billion in FY2017. It achieved a profit before tax of RM432.1 million in FY2020, an increase of 62% from RM266.88 million in FY2017.

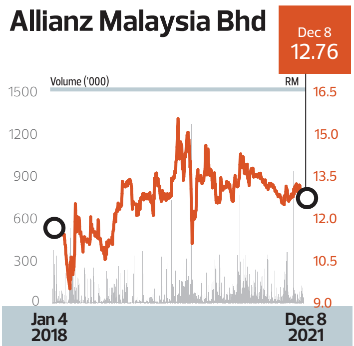
Allianz Life recorded a 37% increase in GWP to RM2.95 billion in FY2020 from RM2.15 billion in FY2017.

Allianz's total assets expanded 11.1% y-o-y to RM21.9 billion as a result of the growth of its investment portfolio.

The group's investment portfolio grew 16.4% to RM18.73 billion as at Dec 31, 2020. The investment mix remained relatively stable during the year, comprising government and government-related bonds, unquoted bonds of corporations, quoted equity securities and unit trusts, and loans and deposits with banks.

Allianz has rewarded shareholders with regular dividends. It is worth noting that the insurer has been more generous over the past three years as its earnings ballooned.

The group declared a dividend per share of 40 sen for ordinary shares in FY2018, 65 sen in FY2019 and 58 sen in FY2020. Ordinary shareholders enjoyed total dividends of RM1.63 per share in that three-year period.



For irredeemable convertible preference shares, the group declared a dividend of 48 sen per share in FY2018, 78 sen in FY2019 and 69.6 sen in FY2020.

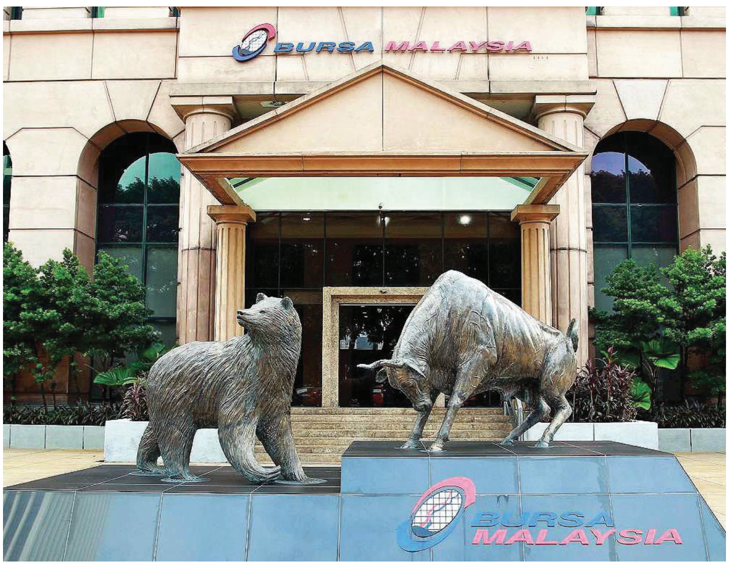
To provide equal opportunity to repairers, along with the prospect of raising the standard of service given to Allianz Motor Comprehensive policyholders, Allianz General in 2020 became the first insurer to hold an open tender inviting car workshops under the PIAM Approved Repairers Scheme to join its panel of Allianz Authorised Repairers.

While this move allowed for greater transparency concerning the selection process, it was met with resistance from repairers nationwide, wrote the group's CEO Zakri Mohd Khir in its FY2020 annual report. However, he stressed that Allianz Malaysia remained undeterred in its pursuit of good governance.

Zakri pointed out that while both the life and general businesses faced varying challenges, the ramifications were amplified for the life business, and there was a sense of urgency to regain lost ground during the lockdown.

"The life insurance penetration rate remains at 54%, and there needs to be a paradigm shift in the products and services that Allianz Life can offer to its customers and the community at large to shift the needle. This includes adapting to an alternative, more agile operating model and leveraging new value pools such as Pos Malaysia," the chieftain wrote in the annual report.

"The general business will continue to prioritise growth, especially in our non-motor business, while the strategy moving forward will include innovation, adjusting to economic disruptions and adopting more digital practices." E



especially glove makers, wooed retail investors to the local bourse when foreign funds exited the region, including Malaysia.

The intense investing interest lifted Bursa's profit after tax (PAT) to RM377.7 million, or earnings per share of 46.7 sen — the highest ever achieved. Its PAT was at RM185.9 million in FY2019 and RM224 million in FY2018.

The exceptionally good performance in FY2020 pushed the group's weighted return on equity (ROE) over three years, between FY2018 and FY2020, to 34.7% — making Bursa the winner of The Edge Billion Ringgit Club (BRC) award of highest ROE over three years in the financial services sector for the category of market capitalisation below RM10 billion as at March 31, 2020.

The exchange operator's ROE shot up to 45.5% in FY2020 after it dipped to 22.7% in FY2019, from 26% in FY2018.

In terms of dividend, Bursa shareholders might have little to complain about. The group declared a special dividend of eight sen in two of the three years under review, thanks to its cash pile. Its shareholders received a dividend per share of 33.6 sen in FY2018, 20.8 sen in FY2019 and 51 sen in FY2020.

"We strive to build a diversified exchange that is ready to respond to the changing market landscape. Conditions brought about by the pandemic have emphasised the urgent need to future-proof our businesses.

"In response, we have rolled out a new Strategic Roadmap. Our aim is to further expand our offerings and become a multi-asset exchange. These objectives are guided by our Strategic Roadmap 2021-2023, in which we outline our key initiatives," Bursa CEO Datuk Muhamad Umar Swift writes in its 2020 annual report.

The group's strategic roadmap is built on five pillars: Strengthening Our Core Business — Securities Market; Diversifying the Derivatives Business; Positioning Bursa Malaysia as the Global Hub for Islamic Capital Markets; Providing New and Improved Services to the Capital Market; and Embedding Sustainability in Our Organisation and Marketplace. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HEALTHCARE

Kossan Rubber Industries Bhd

3 BRC AWARDS OVER THE YEARS

EARNINGS CONTINUE TO SCALE NEW HIGHS ON PANDEMIC-INDUCED DEMAND FOR GLOVES

BY JUSTIN LIM

It is certainly not hard to fathom why Kossan Rubber Industries Bhd, one of the big four glove makers in the country, has clinched two *The Edge* Billion Ringgit Club (BRC) awards.

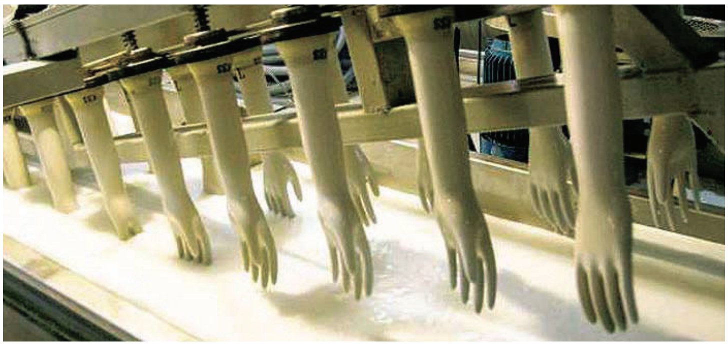
One is for highest return on equity and the other is for the highest growth in profit after tax (PAT) over three years from 2018 to 2020 among companies with a market capitalisation of between RM1 billion and RM40 billion in the healthcare sector.

The sudden spike in global demand for personal protective equipment, including disposable rubber and nitrile gloves, as a result of the Covid-19 pandemic put Kossan in a high growth era in 2020 that was unprecedented.

Given its record-breaking performance boosted by a swelling sales volume and rising average selling price (ASP), Kossan achieved a three-year compound average growth rate of 81.4% in PAT, a rate that is higher than that of bigger players.

Kossan's PAT was already on an upward trend even pre-pandemic, although the increase was not as sharp. The glove maker posted a PAT of RM199.77 million in FY2018, a 9.7% growth from RM182.06 million a year ago. Its earnings grew further to RM224.65 million in FY2019 as revenue grew 3.6% year on year to RM2.22 billion from RM2.14 billion.

Its earnings growth in FY2020 was exponential. Kossan's PAT surged almost five times to RM1.09 billion on revenue of RM3.64 billion — a quantum leap that it has not had before.



The big jump on PAT enabled the company to obtain a whopping return on equity (ROE) of 57.1% in FY2020, from a decent rate of 16.2% in FY2018 and 16.4% in FY2019. This translates into an adjusted weighted ROE of 36.7% over the three years — the highest among the companies listed in the healthcare sector of Bursa Malaysia.

Kossan shareholders got to enjoy the bumper profit instantly. The rubber glove manufacturer declared a dividend per share of 14 sen in FY2020, up from three sen in FY2018 and FY2019.

On top of that, Kossan undertook a one-for-one bonus issue in FY2020, the second time it has done so in seven years.

As its profit kept rising, Kossan has raised its dividend to 36 sen per share for the nine months ended Sept 30, 2021 (9MFY2021) — the highest so far.

On its prospects, Kossan says demand for gloves has eased while ASP has been declining gradually, with the ongoing vaccinations and higher vaccination rates recorded in developed and developing countries, and falling number of severe Covid-19 cases.

According to Bloomberg, 11 research analysts who cover Kossan have rated "hold" calls, versus eight "buy" calls and two "sell" recommendations. The average target price is RM3.52.

CGS-CIMB Securities wrote in its Oct 22 quarterly results review: "We keep our 'add' call on Kossan in view of its attractive valuations (it is trading at a 17.8% discount to Kossan's five-year mean of 16 times), its strong balance sheet (net cash of RM2.5 billion as at end-9MFY2021, 43% of the current market cap), and the inelastic global demand for gloves in the long run."

Even so, the research outfit has slashed its target price to RM3 in tandem with earnings-per-share cuts on projected weaker quarter-on-quarter (q-o-q) results in FY2022 and FY2023.

The anticipated weaker q-o-q results were on the back of declining ASPs and lower sales volume, owing mainly to aggressive expansion plans from new and existing glove producers, less aggressive buying patterns of customers and lower spot orders, the research house said.

Meanwhile, AmInvestment Bank Research — which has a "hold" call on the counter, with a lower fair value of RM2.55 compared with RM3.06 previously — wrote that while the upside for Kossan is capped as the ASP downtrend continues, the downside is limited, as its share price has fallen below the pre-pandemic level of RM2.45, which was last recorded on Jan 31, 2020. As at 12.30pm on Dec 6, it was RM1.93.

"As Kossan's capacity has expanded with a much stronger balance sheet, we believe our valuation is fair, as its fundamentals remain intact," it said in an Oct 22 note to clients. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

HEALTHCARE

Supermax Corp Bhd

10 BRC AWARDS OVER THE YEARS

Company of the year 2010

RESUMES DIVIDEND PAYMENT AMID RECORD-BREAKING RESULTS

BY JUSTIN LIM

Supermax Corp Bhd's powerful share price rally has surely produced many millionaires in town, had they cashed out in time.

Supermax saw the biggest-ever jump on its share price in 2020 when the coronavirus was spreading fast globally. From 60.1 sen, the stock price climbed to RM3.81 — more than six times, between March 31, 2018, and March 31, 2020.

For an investor who bought one million Supermax shares at end-March 2018, the value of the investment would have been worth RM3.81 million from RM601,000.

In addition, Supermax declared regular dividends each year in *The Edge* Billion Ringgit Club's (BRC) review period between 2018 and 2020.

The glove maker declared a dividend of eight sen per share in the financial year ended June 30, 2018 (FY2018) and 1.5 sen in FY2019. On top of that, Supermax also undertook share dividend distribution in FY2019 and FY2020, which turned out to be a better form of reward, as its share price rose to fresh peak in the second half of 2020.

Supermax distributed one treasury share for every 65 existing ordinary shares held then. Some 20.88 million treasury shares were distributed at the cost of RM1.09 per treasury share.

For FY2020, the group gave shareholders one treasury share for every 45 existing shares held.

With that, Supermax shareholder return grew at a compound annual growth rate of 87.2% over three years.

Thus, Supermax has once again bagged *The Edge* BRC award for the highest return to shareholders over three years in the healthcare sector — its second consecutive win.

The company's profit was already on the rise pre-pandemic for the three-year period of FY2018 to FY2020. It posted profit after tax of RM110.14 million in FY2018, which grew to RM123.10 million in FY2019 and RM534.78 million in FY2020. Annual revenue expanded from RM1.30 billion in FY2018 to RM1.54 billion in FY2019 and RM2.13 billion in FY2020.

FY2021 proved to be an even better year as global demand for rubber gloves swelled. Supermax's net profit surged to a record high of RM3.81 billion as its annual revenue hit an all-time high of RM7.16 billion.

The ramp-up in production output and allocation of a larger percentage of its capacity to direct sales to end-users allowed the group to capture strong market share and improved profitability amid soaring global demand. This enabled the group to register a strong performance each quarter since the onset of the pandemic, according to its FY2021 annual report.

On prospects, noting that average selling prices (ASPs) of gloves are gradually moving back to pre-pandemic levels, Supermax says

HIGHEST RETURN ON EQUITY OVER THREE YEARS

INDUSTRIAL PRODUCTS & SERVICES

Uchi Technologies Bhd

STRENGTH IN CONSISTENCY

BY SEAH EU HEN

No stranger to *The Edge* Billion Ringgit Club (BRC), Uchi Technologies Bhd bagged its second consecutive award for highest return on equity (ROE) over three years in the industrial products and services sector.

According to the data curated, Uchi's ROE had been on the rise during the review period of 2018 to 2020. It came in at 35.6% in FY2018, climbed to 48.5% in FY2019 and rose further to 49.1% in FY2020. This translated into an adjusted weighted ROE of 46.2% over three years.

During the period under review, Uchi's profit after tax (PAT) dropped slightly to RM69 million in FY2018 from RM70.5 million in FY2017. It returned to its growth path in FY2019 with a PAT of RM75.95 million, and expanded further to a record high of RM83.8 million in FY2020.

The group's earnings was without doubt helped by its pioneer status granted by the Ministry of International Trade and Industry, which allows the company to be exempted from income tax for a period of five years from Jan 1, 2018.

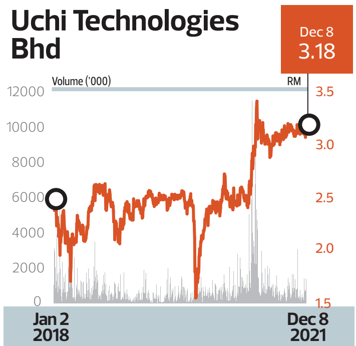
What is even more impressive is Uchi's net cash while keeping up its dividend policy to distribute at least 70% of its net profit since 2003. The group is known for its regular dividends. In FY2020, it declared a dividend per share of 17 sen — a payout ratio of 91%. In FY2019 and FY2018, it declared 16 sen and 14 sen respectively.

Uchi was founded in 1981 in Taiwan (then known as Uchi Electronic Co Ltd) by a Taiwanese, Ted Kao De-Tsan. The 62-year-old is currently executive director and majority shareholder of the company with 19.8% equity interest.

Kao moved the manufacturing company from Taiwan to Perai, Penang, after eight years in business, setting up Uchi Electronic (M) Sdn Bhd and Uchi Optoelectronic (M) Sdn Bhd.

Since then, the group has been primarily operating as an original design manufacturer (ODM) that specialises in the design, R&D and manufacturing of electronic control systems, which includes software development, hardware design and system construction.

Uchi Optoelectronic is the group's main subsidiary. It is involved in the design and manufacturing of real-time centralised energy measurement and control systems, high-precision hot fluid temperature control systems,



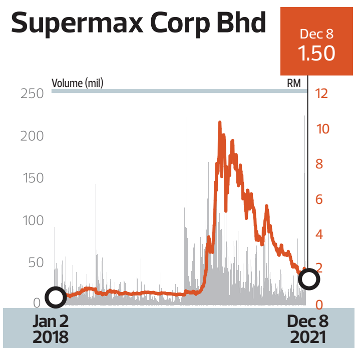
ultra-low temperature and mass-sensing control systems, as well as touchscreen advance displays, high-precision light measurement equipment and mixed-signal control systems. The assembly of its products is done through Uchi Electronic and Uchi Dongguan, in Malaysia and China respectively.

Uchi counts European multinational corporations, especially those from Switzerland and Germany, among its biggest clients — something Kao did back in 1980 when he was engaged by German company Robert Krups GmbH & Co KG to design electronic bathroom scales.

Perhaps unsurprisingly, many premium household and commercial appliances made by global companies such as coffee machines and laboratory and industrial instruments such as precision weighing scales, deep freezers and centrifuges use modules developed by Uchi.

In its 2020 annual report, Uchi managing director Charlie Ong Chye Lee remarked that despite the challenges brought on by the Covid-19 pandemic, the group managed to act quickly and execute responsive strategies to deliver superior and sustained value for its customers and shareholders. For the eighth consecutive year, the group had kept its customer rejection rate below 0.2%, recording a commendable rate of 0.13% in 2020 — something Ong took pride in.

Another key highlight was that Uchi managed to improve upon its on-time shipment performance to 84.49% and that the group will continue to monitor, evaluate and respond with urgency to the impact of the Covid-19 pandemic, which will continue to cause an imbalance in the global supply of freight containers, according to Ong. E



the demand for gloves continues to be strong, owing to the structural changes that have taken place in the markets, with heightened hygiene and healthcare awareness among users.

Nonetheless, US Customs and Border Protection imposed an import ban on Supermax's products because of allegations of forced labour.

For the long term, the group says the glove industry is optimistic that rubber glove demand growth can be sustained, owing to positive factors such as a growing population, a rising number of countries imposing tighter healthcare regulations, increasing health and hygiene awareness, the lack of a viable alternative to disposable gloves and the huge growth potential in large and growing economies such as India and China, where per capita spending on healthcare still lags behind developed countries.

Kenanga Research analyst Raymond Choo Ping Khon says the sanction is negative to Supermax and is likely to affect its earnings, considering that the US commands premium ASPs and accounts for 20% of sales.

"The severity to earnings depends on how fast Supermax can replace loss of sales in the US and how long it takes for the group to resolve the issue. Note that it took almost a year for Top Glove Corp Bhd to be cleared of the ban," Choo says in a client note dated Oct 22. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

INDUSTRIAL PRODUCTS & SERVICES

Scientex Bhd

3 BRC AWARDS OVER THE YEARS

UNINTERRUPTED RECORD-BREAKING EARNINGS

BY TAN SIEW MUNG

Scientex Bhd's continuous growth pattern, which began in 2009, was not disrupted by the Covid-19 pandemic, which has wreaked havoc on the global economy. Despite the harsh economic conditions, the company achieved record-high revenue as well as profit after tax (PAT) in *The Edge* Billion Ringgit Club's (BRC) review period between 2018 and 2020.

Incorporated in 1968, Scientex, which started out as a manufacturer of polyvinyl chloride leather cloth and sheeting, is now one of the world's largest producers of industrial stretch film. It is also an established property developer in Malaysia and aims to build 50,000 affordable homes by 2028.

The company's PAT was RM255.9 million in the financial year ended July 31, 2017 (FY2017), which was then the record high. The earnings growth gathered steam, pushing it to fresh records in the following years.

Scientex's PAT leaped to RM284.5 million in FY2018 and surpassed the RM300 million mark in FY2019, with RM333.7 million. In FY2020, while many companies were struggling to stay above water, it delivered another stellar set of results, with a record-high PAT and revenue of RM390 million and RM3.52 billion respectively.

With that, Scientex achieved a three-year profit after tax compound annual growth rate of 15.1%, the highest among listed companies with a market capitalisation above RM1 billion in the industrial products and services sector.

Revenue generated by the industrial packaging segment expanded from RM1.67 billion in FY2017 to RM2.55 billion in FY2020; its operating profit climbed from RM98 million in FY2017 to RM251 million in FY2020.

Meanwhile, property revenue climbed to RM967.5 million in FY2020, from RM733.5 million in FY2017. In line with the increase in revenue, the segment's operating profit increased to RM298.4 million from RM227.1 million for the three years under review.

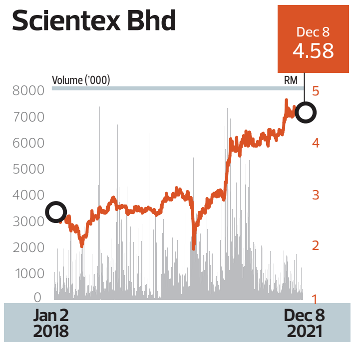
Through mergers and acquisitions, the group has substantially expanded its packaging business in the past three years. It bought a 42.48% stake in Daibochi Bhd in February 2019. Upon completion of the mandatory general offer, the company obtained 61.89% equity interest in Daibochi for RM322.1 million, which was satisfied by the issuance of 26.03 million Scientex shares and cash consideration of RM93.1 million.

Two years later, the group launched a takeover bid to take its 71.9%-owned subsidiary Daibochi private, but the attempt was unsuccessful.

In FY2020, the group also approved the proposed 2-for-1 bonus issue of shares and 1-for-5 free warrants issue.

The group's net profit continued to climb in FY2021, rising 17.2% to RM457.23 million from RM390.11 million a year earlier. It achieved record revenue of RM3.66 billion in FY2021, an increase of 3.9% compared with RM3.52 billion a year earlier.

In 2021, it acquired a total of six parcels of land totalling 1,944 acres for RM547.5 million, and committed to acquire four others parcels totalling 1,527 acres for RM966.9 million.



Amid continuing challenges faced by the global economy because of Covid-19, the group says it remains cautiously optimistic about prospective growth opportunities across both of its dual core businesses.

Owing to ongoing market uncertainties, the group says its packaging division continues to face enhanced operational challenges, including volatility of raw material prices, rising logistics costs and heightened financial market volatility.

Scientex says it will continue to monitor global developments and manage such volatility to minimise any material adverse impact on its operations.

As for property development, it expects the demand for affordable housing to continue as economic activity picks up. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

INDUSTRIAL PRODUCTS & SERVICES

Dufu Technology Corp Bhd

2 BRC AWARDS OVER THE YEARS

GROWING FROM STRENGTH TO STRENGTH

BY LIEW JIA TENG

For the second consecutive year, Penang-based Dufu Technology Corp Bhd walks away with *The Edge* Billion Ringgit Club (BRC) award for the highest returns to shareholders over three years in the industrial products and services sector — demonstrating that it belongs in the big boys' club.

Main Market-listed Dufu is a Taiwanese-run firm that supplies disk spacers and other precision machining components to the hard disk drive (HDD) industry.

During the period under review, Dufu delivered a stunning three-year compound annual growth rate (CAGR) shareholder return of

130.8%. Its adjusted share price jumped from 34 sen on March 30, 2018, to RM3.61 on March 31 this year. Notably, Dufu had completed a one-for-one bonus issue on Aug 5 last year, which benefitted close to 7,800 account holders.

The company also rewarded its shareholders with a total dividend payout of RM26.1 million in the financial year ended Dec 31, 2020 (FY2020), which was its highest distribution declared within a financial year. The dividend per share of five sen represented a payout ratio of 57% — slightly higher than its 50% dividend policy.

In fact, Dufu was already acknowledged for its earning prowess two years ago before it became a billion-ringgit company. It won *The Edge Malaysia* Centurion Club Corporate Awards 2019 for the highest growth in profit after tax over three years in the industrial products and services sector. The Centurion Club acknowledges promising companies with a market capitalisation of below RM1 billion.

Dufu became a BRC member in 2020, with its market capitalisation crossing the RM1 billion mark required for membership on

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

PLANTATION

United Plantations Bhd

3 BRC AWARDS OVER THE YEARS

CR award 2016

HIGHEST ROE AND PROFIT GROWTH CULTIVATED IN JENDARATA

BY SEAH EU HEN

United Plantations Bhd made its debut on *The Edge* Billion Ringgit Club (BRC) in 2016 when its sustainable initiatives saw it bagging the Best CR Initiatives: Below RM10 Billion Market Capitalisation award.

This year, United Plantations returned to the BRC by winning two awards in the plantation category: the highest return on equity (ROE) over three years and the highest growth in profit after tax (PAT) over three years.

The Perak-based plantation group achieved a three-year compound annual growth rate for PAT of 0.6%, beating its peers whose market capitalisation is above RM1 billion.

It also achieved a record-high net profit of RM399.5 million in the financial year ended Dec 31, 2020 (FY2020), up nearly 42% year on year from RM283.3 million. It posted a PAT of RM372.4 million in FY2018, down from RM393 million in FY2017, as crude palm oil (CPO) prices were on a decline.

The bumper profit in FY2020 was achieved partly because of higher CPO and palm kernel (PK) prices, along with the company's focus on timely manuring, harvesting and fruit evacuation as well as increased mechanisation.

Its CPO production in FY2020 stood at 242,857 tonnes, up 7.7% y-o-y, whereas PK production rose 6.2% y-o-y to 48,911 tonnes. CPO yield also saw an uptick of 4% to 5.93 tonnes per hectare in FY2020.

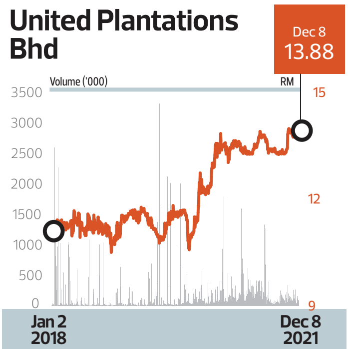
The record profit helped lift United Plantation's weighted ROE over three years to 14%, the best return among its big cap peers.

The group rewards shareholders with regular dividends. It raised its dividend to 85 sen per share in FY2020 — the highest payment since FY2015, when it declared RM1 per share — compared with 67.5 sen in FY2019 and 70 sen in FY2018. Its three-year average dividend payout ratio stood at 88.45%.

Besides higher dividends, the group also undertook a one-for-one bonus issue in May 2020 to reward its shareholders.

Because of its conservative cash policy, the group built up a warchest of RM465 million, which enabled it to acquire the 3,642ha Tanarata Estate near Teluk Intan, Perak, in 2019 for RM401 million, fully funded by internal funds.

United Plantations did not start with



the oil palm and coconut plantations that it is known for today; it was a rubber planter when it was founded in 1906. The group started planting oil palm only 12 years later.

The plantation group has a storied past that begins in 1885, when Aage Westenholz, a young engineer from Denmark, found himself deeply involved in the development of electric trams in Thailand, which was known as the Kingdom of Siam at the time.

A decade later, he had found himself involved in the development of the Kingdom through his involvements in the Siam Land, Canals and Irrigation Co and the Siam Electricity Co in 1898.

While in Bangkok, Westenholz had made himself a wealthy man and was actively involved in ventures of his own, which led to the establishment of the precursor to the modern-day United Plantations Bhd, the Jendarata Rubber Company in Perak in 1906.

Today, United Plantations has a total cultivated land bank of about 51,000ha spread over Malaysia (80%) and Indonesia (20%) for its plantation activities while also operating two palm oil refineries — the Unitata Refinery, built in 1976; and the Optimill and UniFuji palm oil mill and refinery complex, set up in 2019.

Its largest shareholder is the Bek-Nielsen family, with a stake of 49.98% held via United International Enterprises Ltd and the family's holding company, Maximum Vista Sdn Bhd; the Employees Provident Fund (EPF), with a 12.58% stake; and the Perak State Agriculture Development Corporation (6.30%).

On the group's prospects and outlook, United Plantations chief executive director Datuk Carl Bek-Nielsen says in the group's 2020 annual report that it will face its biggest risk in the labour shortage caused by Covid-19, a change in Indonesia's biodiesel policy and the El Niño weather patterns.

"In 2021, special attention will continue to be given towards addressing the present acute labour shortages as well as improving cost efficiencies and increasing yields and productivity as a vital part of sustaining our positive development. To further improve on weaknesses identified in respect of our sustainability journey, much more attention must also be given to operationalise and mainstream the principles of our sustainability commitments, so these are 'built in' and not just 'bolted on'," Bek-Nielsen adds. E

Jan 16, 2020, and stayed past that level during the membership cut-off measured that year.

According to absolutelystocks.com, Dufu's market capitalisation has grown more than 11 times in three years, from RM175.71 million on March 30, 2018, to RM2.007 billion on March 31, 2021.

The counter continued to rise over the past six months, and at the closing of RM4.26 on Oct 15, the company was valued at RM2.271 billion. Bloomberg data shows that the stock is currently trading at a historical price-earnings ratio of about 35 times, and price-sales ratio of 6.8 times.

It is also worth noting that Dufu has been in a net cash position over the years. Its cash pile stood at RM71.8 million as at June 30 this year.

Executive chairman Li Hui Ta says he feels blessed that while Dufu's operations in Malaysia and China had both been impacted during the various stages of the Covid-19 pandemic, the group manages to remain resilient amid the uncertainty.

"It (FY2020) was a year of significant milestones for both the group's financial and non-financial performance," the 62-year-old wrote in the company's annual report.

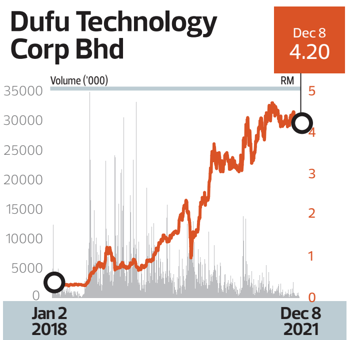
During FY2020, Dufu reported a new record-high revenue of RM298 million, which represents a turnover growth of 19% compared to RM249.1 million a year ago.

Meanwhile, the group's profit for FY2020 grew 16% year on year to RM51.8 million, compared with RM44.5 million a year before. The stronger financial performance was driven by the volume growth in the shipment of components for enterprise memory storage devices.

Li was appointed executive director and chief financial officer of Dufu in September 2006. He was redesignated as executive chairman in June 2015.

Li is the major shareholder of Dufu, with 20.339% equity interest as at June 25. He commenced his career as an engineering supervisor with He Li Ying Precision Industry, Taiwan, in 1981 dealing with precision components. About two years later, Li was promoted to managing director, where he was responsible for the company's entire operations.

In 1984, Li co-set up Lee Bai Corp Ltd in



Taiwan to manufacture precision quick die change systems for stamping and tooling of component parts. Six years later, he co-founded Dufu Industries Sdn Bhd to manufacture precision tooling and precision machining parts for computer-related components.

In total, Li has about three decades of experience in the precision tooling industry and in the computerised numerical control (CNC) precision machining industry.

Looking ahead, Dufu expects the operating environment to remain volatile due to the challenges stemming from the pandemic. But Li opines that Malaysia is well-positioned for an economic recovery, leveraging on the uptrend in external demand for commodities and manufacturing.

"For us at Dufu, we are seeing healthy order flow from existing customers, coupled with confirmed orders from new customers. The demand from the HDD business remains strong with the proliferation of cloud-related demand leading the charge to fuel the group's growth," he wrote in the annual report.

Li added that Dufu is also optimistic about the group's non-HDD segment as semiconductor capital equipment and tech hardware spending remains strong from domestic equipment exporters.

"Our engineering and manufacturing team have been kept busy of late, focusing on execution of production process verification activities, and aligned to customers' product design requirements and specifications." E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

REIT

Axis REIT

4 BRC AWARDS OVER THE YEARS

STILL DEFENSIVE IN FACE OF HEADWIND

BY KANG SIEW LI

Axis Real Estate Investment Trust (Axis REIT), which has a dominant position in the industrial/warehousing space, has continued to uphold its status as an investment safe haven for investors, showing persistently steady levels of incomes despite a difficult operating environment and paying attractive dividends.

Unlike REITs focusing on the hospitality, office and retail sectors that have been adversely impacted by the Covid-19 pandemic, Axis REIT's realised income after taxation continues to grow during the period in review, rising 8.5% to RM124.9 million in the financial year ended Dec 31, 2020 (FY2020) from RM115.2 million in FY2019. It posted realised income after taxation of RM113.4 million and RM90.8 million in FY2018 and FY2017 respectively. This represented a compound annual growth rate of 11.2% over the three-year period — the highest among companies listed under the REIT sector of Bursa Malaysia.

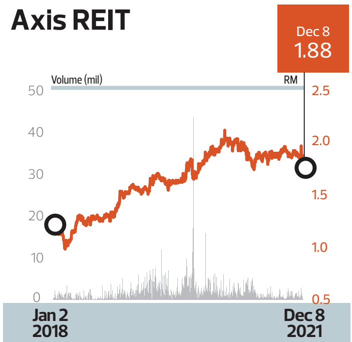
Its net property income, likewise, saw steady increases, coming in at RM198.5 million in FY2020 — up from RM191.7 million, RM182.8 million and RM146.2 million in FY2019, FY2018 and FY2017 respectively.

Axis REIT has also provided consistent distributions to unitholders through growing its property portfolio. The REIT declared a total distribution per unit (DPU) of 8.75 sen for FY2020, which translated into a distribution yield of 4.3% based on the fund's closing unit

price of RM2.03 as at Dec 31, 2020. However, the DPU was 5.5% lower compared with FY2019's DPU of 9.26 sen, owing to the enlarged units in circulation following its placement exercise completed in the fourth quarter of 2019. Axis REIT paid out DPU of 8.74 sen and 8.26 sen in FY2018 and FY2017.

Its stellar financial performance has also led to the REIT's unit price rising from RM1.29 on March 31, 2018, to RM1.95 on March 31, 2021, reflecting a 51% return over three years. However, the unit price has fallen 10% year to date to close at RM1.88 on Dec 8. Nevertheless, it has outperformed the FBM KLCI, which has fallen 7% over the same period.

Consequently, Axis REIT achieved the high-



est total return to shareholders over three years for the period of March 30, 2018, to March 31, 2021 in the REIT category at 22.7%. This led Axis REIT to once again win this year's *The Edge* Billion Ringgit Club (BRC) awards for highest growth in profit after tax over three years and highest returns to shareholders over three years in the REIT category.

When announcing its financial results for 3QFY2021 on Oct 21, Axis REIT Managers Bhd, the manager of Axis REIT, said it remains cautious of the current pandemic, which has caused a global economic downturn.

"While the pandemic's impact on Axis REIT's operations and financials has been manageable thus far, should the pandemic prolong or worsen unexpectedly, this may impact its performance for the rest of the financial year ending Dec 31, 2021," it said, adding that the current gearing level of 37% provides headroom for Axis REIT to continue its yield-accretive acquisition strategy should good opportunities come along.

The REIT's portfolio size stood at 57 properties valued at RM3.46 billion as at Sept 30, 2021, comprising 10.9 million sq ft of space and 152 tenants with an average occupancy rate of 94%.

Axis REIT Managers pointed to the REIT's increasing focus on manufacturing and logistics warehouse facilities over the years, which has raised the proportion of single-tenanted properties in its portfolio. The proportion of single-tenanted properties rose to 75% as at Sept 30, 2021.

"These properties provide stable, long-term organic rental income growth, as their leases are typically long-term leases with pre-agreed rental step-ups. Single-tenanted properties also usually feature lower operating costs as maintenance costs are borne by tenants. Our single-tenanted properties are typically tenanted by multinational companies or government-linked companies that present a lower risk of default," it added.

In a July 22 report, RHB Research says it likes Axis REIT for its key positioning as an industrial player that leverages on the e-commerce boom and its strong management team, which is experienced in aggressive acquisitions — allowing it to remain a key defensive play going forward. "Downside risk is the REIT's exposure to the oversupply office segment, which may adversely impact its office properties' occupancy and rental rates," it notes. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

PLANTATION

Far East Holdings Bhd

3 BRC AWARDS OVER THE YEARS

HIGHER CPO PRICES DRIVE PERFORMANCE

BY SEAH EU HEN

Far East Holdings is not often mentioned in the same breath as plantation giants Sime Darby Plantation Bhd, IOI Corp Bhd or Kuala Lumpur Kepong Bhd because of its small market capitalisation of RM1.75 billion compared with these companies'.

The Pahang-based oil palm planter and refiner remains under the radar of many investors despite a long history that can be traced back to its inception in 1973. It was listed on Bursa Malaysia in 1991.

Nevertheless, Far East has generated a total return to shareholders, inclusive of dividend payments, of 14.1% over FY2018 to FY2020. It is the winner of the highest returns to shareholders over three years accolade (plantation sector) for *The Edge* Billion Ringgit Club 2021.

Far East declared a dividend of seven sen per share for its financial year ended Dec 31, 2020 (FY2020), which is higher than the 2.5 sen per share declared in FY2019 and three sen per share in FY2018.

Shareholder returns were boosted by a split-adjusted 45.32% gain in Far East's share price over the three years under review — from its closing price of RM2.03 on March 30, 2018, to RM2.85 as at March 31, 2021.

This is in contrast to its big-cap peers, such as IOI Corp, Sime Darby Plantation, Kuala Lumpur Kepong and Hap Seng Plantations, whose share prices trended lower in the period under review.

Despite the Covid-19 pandemic sending shock waves throughout the world, 2020 was a bumper year for plantation companies.

Boosted by the sharp rise in crude palm oil (CPO) prices, Far East registered a 22.45% increase in net profit to RM97.98 million in FY2020 from RM80.02 million in the previous year. In FY2018, it posted a profit of RM49.80 million.

The growth in net profit in FY2020 comes on the back of a strong revenue of RM669.05 million, almost double its FY2019 and FY2018 revenue of RM381.13 million and RM379.83 million respectively.

The strong momentum in CPO prices

was one of the key drivers for Far East's financial performance. It recorded an average CPO price of RM2,719 and an average palm kernel (PK) price of RM1,640 in FY2020, an increase of 28% and 30% respectively when compared to FY2019.

According to Far East, the Malaysian Sustainable Palm Oil (MSPO) and the International Sustainability Carbon Certificate (ISCC)

HIGHEST RETURN ON EQUITY OVER THREE YEARS

REIT

IGB REIT

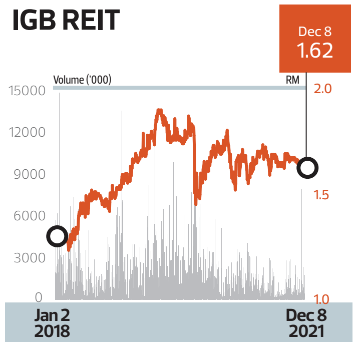
9 BRC AWARDS OVER THE YEARS

FUNDAMENTALS REMAIN INTACT DESPITE COVID-19 SHOCKWAVE

BY TAN SIEW MUNG

Mid Valley Megamall (MVM), one of the two core assets of IGB Real Estate Investment Trust (IGB REIT), was built during the Asian financial crisis. The group's massive investment in building offices, a big shopping mall as well as a hotel was met with scepticism at the time.

But the group — co-founded by brothers, the late Datuk Tan Kim Yeow and late Datuk Tan Chin Nam — has proved the sceptics wrong. The developments on the plot of prime land have made the IGB group the largest landlord in town while going through several economic cycles.



The Covid-19 pandemic, however, seemed to have caught IGB REIT off guard, just as it did most retail malls around the world. The coronavirus outbreak resulted in the implementation of the Movement Control Order (MCO), and the usually bustling MVM and The Gardens Mall became quiet because footfall fell drastically as shops were ordered to close.

The group's net property income (NPI) declined 20.6% to RM316.68 million in the financial year ended Dec 31, 2020 (FY2020), from RM398.79 million in FY2019. This is the first income contraction IGB REIT has seen since it was listed in 2012.

In *The Edge* Billion Ringgit Club's (BRC) review period, from 2018 to 2020, the retail REIT's NPI was on an upward trend before the Covid-19 outbreak. Its NPI increased to RM386.25 million in FY2018 from RM373.56 million in FY2017, climbing further to RM398.78 million in FY2019 — the highest level achieved so far.

The REIT rewarded its unitholders with a distribution per unit (DPU) of 9.19 sen in FY2018, and 9.16 sen in FY2019, compared with earnings per unit (EPU) of 9.45 sen and 8.91 sen respectively. In FY2020, as a result of the income fall, it declared a lower DPU of 6.75 sen versus EPU of 6.65 sen.

The group's return on equity (ROE) remained at 9.1% in FY2018 and FY2019, but declined to 6.9% in FY2020.

With that, IGB REIT delivered a weighted ROE over FY2018-FY2020 of 8%, which still outperformed its peers with a market capitalisation above RM1 billion.

The group's NPI remained under pressure in FY2021, owing to the resurgence of new Covid-19 cases and the emergence of new variants. Its NPI fell 18.8% to RM181.4 million for the nine months ended Sept 30, 2021 (9MFY2021), from RM223.6 million a year ago, while gross revenue dropped 11.8% to RM280.16 million from RM317.73 million.

Despite the current reopening of retail trades and some initial signs of a recovery in business and economic conditions, IGB REIT says its prospects remain cautiously optimistic.

"IGB REIT is determined to stay resilient throughout the Covid-19 pandemic and the subsequent endemic phase. It remains committed to bringing about long-term value for its stakeholders," it says.

Among the 13 investment analysts who track the REIT, seven have a "buy" call while six are recommending a "hold". There is no "sell" call on the stock.

CGS-CIMB Research says in an Oct 27 note that although 9MFY2021 was a challenging period for the retail sector, it gathered that both MVM and The Gardens Mall managed to sustain healthy occupancy rates of over 90%, while average weekend footfall since late September has improved to 80% to 85% of pre-Covid-19 levels.

The research house maintains its EPU forecast on IGB REIT for FY2021 to FY2023. It also projects robust core EPU/DPU growth of 21% year on year in FY2022, amid expectation of a recovery in the retail sector.

It retains an "add" rating on IGB REIT, with a target price of RM1.88. The rating is supported by the group's FY2021 to FY2023 dividend yields of 3.7% to 5.3%.

"We believe IGB REIT's flagship malls' strong neighbourhood appeal is well-positioned to benefit from the turnaround in retail mall sentiment and a recovery in retail sales, which is its key medium-term potential share price catalyst," it says.

The downside risks, however, are weak tenancy renewals, a prolonged negative rental reversion and resurgence of Covid-19 infections that result in movement restrictions. E

"The strong momentum in CPO prices was one of the key drivers for Far East's financial performance."

certifications that its estates hold have enabled it to fetch premium CPO and PK prices.

Another contributing factor to its impressive performance is its relatively young trees.

Far East counts 65% of its planted oil palms as prime palms between seven and 18 years, which is why the group saw stronger fresh fruit bunch (FFB) production in FY2020 of 316,710 tonnes compared with 298,849 tonnes in FY2019. The group also replanted 232ha in FY2020 to maintain the age profile of its plantings and achieve better yields.

The group has 15 oil palm estates in Pahang, including three that are managed by its associate company, Kampong Aur Oil Palm Company Sdn Bhd. Its total oil palm planted area measures 18,791ha and its weighted average palm age is 11.5 years.

Far East acquired 796.21ha of oil palm estate from Perbadanan Setiausaha Kerajaan Negeri Pahang and 124.5ha of oil palm plantation land, inclusive of a palm oil mill with the capacity of 40 tonnes of FFB per hour, from Harn Lern Corp Bhd. The two assets, which cost the group RM198.86 million, are located in Rompin, Pahang.

Despite a strong performance in the last three years, Far East expects its performance for FY2021 to continue to be challenging owing to the Covid-19 pandemic, rising operation costs, higher wages and labour shortage. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

PROPERTY — BELOW RM3 BIL MARKET CAPITALISATION

Matrix Concepts Holdings Bhd

7 BRC AWARDS OVER THE YEARS

THE INCUMBENT AWARD WINNER FOR A REASON

BY LIEW JIA TENG

If there is such a thing as a serial winner, Matrix Concepts Holdings Bhd probably fits the bill. The Seremban-based property developer, which has since 2017 taken home *The Edge* Billion Ringgit Club (BRC) award for the highest return on equity (ROE) over three years for companies with a market capitalisation not exceeding RM3 billion, did it again for the fifth straight year.

Its adjusted weighted three-year ROE of 17.1% for the period under review is the highest among developers with a market capitalisation of between RM1 billion and RM3 billion. ROE, which is calculated by dividing net income by shareholders' equity, is considered the return on net assets. Essentially, the ratio measures how effectively management is using a company's assets to create profits.

The challenge of keeping up the streak is no small feat. Numbers collated based on *The Edge* BRC's award methodology shows that Matrix Concepts' ROE slipped from 19.1% in 2018 to 17.2% in 2019, before skidding further to 16.2% in 2020. Still, its consistent double-digit ROEs over the past few years — well above the industry average of 3% — has certainly not gone unnoticed.

In a research note dated Oct 20, UOB Kay Hian Research estimated that Matrix Concepts' ROE could maintain at a double-digit level of 13.5% in the financial year ending March 31, 2022 (FY2022), which will be higher than the projected industry average of 5.2%.

Notably, Matrix Concepts has also, for the first time this year, won the BRC award for the

highest growth in profit after tax over three years among developers with a market capitalisation of between RM1 billion and RM3 billion.

The group's net profits have been growing steadily from RM185.3 million in FY2017 to RM213.3 million in FY2018, and increased further to RM218.4 million in FY2019 and RM237.4 million in FY2020. The three-year profit after tax compound annual growth rate (CAGR) of 8.6% helped the company beat other competitors in the category.

Matrix Concepts has gone a long way since its inception in 1996. It launched its maiden project at Taman Bahau in Negeri Sembilan, a mixed residential and commercial development comprising 595 units.

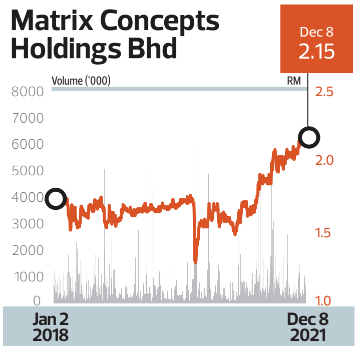
In 2013, it went for listing on the Main Market of Bursa Malaysia. Three years later, the group launched its first overseas project — M Carnegie Boutique Apartment in Melbourne, Australia.

As in previous years, Matrix Concepts' property development revenue was mainly driven by the recognition of its Sendayan Developments, which accounted for RM924.001 million or 82% of the group's revenue in FY2021.

As at March 31, total unbilled property sales for the group stood at RM1.02 billion. Ongoing developments stood at RM2.34 billion in gross development value (GDV), while the average take-up rate across all property projects was 78.1%.

Notably, the total potential GDV of its land bank stands at RM9.11 billion. This excludes the GDV for Sendayan Icon Park, which is estimated at over RM6 billion.

In FY2022, Matrix Concepts aims to launch RM1.64 billion worth of properties, which includes launches at Sendayan Developments, Bandar Seri Impian and Australia. New launches include those at Hijayu Residence, which will comprise 183 double-storey homes with a GDV of RM133.6 million, followed by 46 two-storey bungalows at Hijayu Resort Villa with a GDV of RM110 million.



According to UOB Kay Hian research analyst Chloe Tan Jie Ying, Matrix Concepts is an under-appreciated property gem that ticks all the boxes, as the company boasts quality earnings with strong management.

"It is poised to benefit from the economic reopening [and] pent-up demand as it focuses on affordable landed homes. We expect a resilient earnings outlook amid sustainable take-up," she writes.

Tan opines that Matrix Concepts is attractive as the stock is trading at six times FY2023 price-earnings ratio (PER), offering a 6% yield.

"Its strong value propositions should propel it to trade at a higher multiple. Above average price-to-book value is justifiable with its efficient capital recycling," she explains. As at Oct 20, UOB Kay Hian has a "buy" call and RM2.50 target price based on a 35% discount to its revised net asset value (RNAV) per share. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

PROPERTY — RM3 BIL AND ABOVE MARKET CAPITALISATION

UOA Development Bhd

8 BRC AWARDS OVER THE YEARS

STRIVING TO CONTINUE OUTPERFORMING IN TRYING TIMES

BY LEE WENG KHUEN

Notwithstanding the sluggish property market exacerbated by the pandemic for close to two years, UOA Development Bhd continued to beat its peers by delivering the highest weighted return on equity (ROE) of 7.9% for three years, from the financial year ended Dec 31, 2018 (FY2018), to FY2020.

That said, its ROE has been on a downward trend — from 8.4% in FY2018 to 8.2% in FY2019 and 7.5% the year after.

A look at the property developer's financial statements shows that its net profit was marginally lower at RM391.29 million in FY2020 versus RM399.47 million in FY2019, owing to slower property sales and the absence of new project launches.

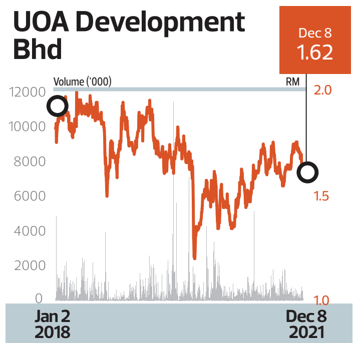
The temporary suspension of construction activities during the Movement Control Order also resulted in a delay in progressive revenue recognition.

However, the delay was mitigated by a fair value gain from the disposal of UOA Corporate Tower in Bangsar South to UOA Real Estate Investment Trust (UOA REIT) for RM700 million.

In the first six months ended June 30, 2021 (1HFY2021), UOA Development's net earnings contracted 38.6% to RM90.44 million from RM147.4 million in the previous corresponding period. Its earnings performance was mainly dragged down by the contraction in the financial quarter ended March 31, 2021 (1QFY2021), in which its net profit fell nearly 71% due to higher progressive recognition from certain projects a year ago.

The company achieved total new property sales of about RM197.6 million in 1HFY2021, mainly derived from the Goodwood Residence, Sentul Point, Aster Green Residence and United Point Residence. Total unbilled sales stood at about RM101.3 million.

UOA Development is one of the few property developers in Malaysia with a comprehensive integrated in-house development and construction division. This allows the



group to execute its developments efficiently on a "fast-track basis" — that is, within a shorter development cycle.

Moving forward, the group will continue to look out for land that fits its strategic development requirements. Recognising the cautious economic outlook, it will maintain

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

PROPERTY — BELOW RM3 BIL MARKET CAPITALISATION

1 BRC AWARD OVER THE YEARS

YNH Property Bhd

SHARE PRICE RALLY THAT OUTSHINES OTHERS

BY ESTHER LEE

The domestic property sector has yet to regain its lustre after the previous boom, having suffered a slowdown for five years.

The Covid-19 pandemic has only worsened the situation, as property developers had to cease operations temporarily because of the lockdown measures. On top of that, they are facing a labour shortage and there were no sales to be made as their sales galleries were closed owing to the Movement Control Order.

Against such a backdrop, waning interest in property stocks in recent years is no surprise, with many of them seeing their prices on a downward slope.

Yet, YNH Property Bhd's share price has managed to buck the trend, rising nearly 32% from RM1.42 on March 30, 2018, to RM2.81 on March 31, 2021, giving its shareholders a return of 26.3% over a three-year period.

For that, YNH Property has emerged the winner of *The Edge* Billion Ringgit Club's Highest Returns to Shareholder award for property companies with a market capitalisation of RM3 billion or below.

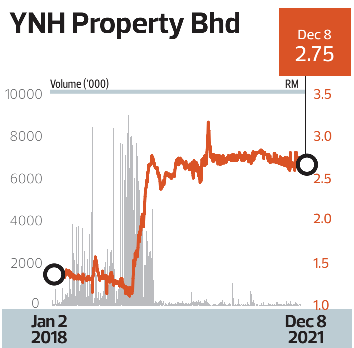
The property stock had a strong rally between April and July 2019, when its share price soared from RM1.15 to RM2.79. Since then, it has been hovering in the tight range of RM2.60 to RM2.80.

The stock closed at RM2.75 on Dec 8, giving the company a market capitalisation of RM1.426 billion. YNH Property was trading at 1.6 times its net asset value of RM1.68 per share based on the prevailing share price.

In comparison, the Kuala Lumpur Property Index (KLPRP) had an average price-to-book value of 0.45 times.

It is worth noting that YNH Property chairman Datuk Yu Kuan Chon was actively trading the company's shares almost daily between April 1 and Aug 31, 2019. Yu, the largest shareholder of the company, made 80 transactions involving 59 million shares during that period. As at May 19, 2021, he held a 32.58% stake, according to the company's FY2020 annual report.

The property firm's earnings had been volatile over the three financial years, FY2018 to FY2020 ended Dec 31. Its net profit grew from RM15.6 million in FY2018 to RM41.08 million in FY2019 but contracted to RM6.8 million in FY2020.



YNH Property, which was set up in Sitiawan, Perak, has ongoing projects in the state, including the Pusat Perniagaan Manjung Point 2 and Pantai Remis Taman Bintang projects. It has a remaining 700 acres of undeveloped land bank in the Manjung Point Township.

YNH Property owns parcels of land that have often been talked about. One of them is its 95 acres of land bank in Genting Highlands adjacent to the Genting Highlands Resort.

According to its FY2020 annual report, the proposed development on the 95 acres includes commercial units, bungalows, a condominium and retail units, estimated to have a gross development value (GDV) of RM1.96 billion.

The first phase of the proposed development, which has an estimated GDV of RM700 million, will see the group developing a 35-storey serviced apartment building.

YNH Property says it is in the final stages of planning and aims to launch the project in 2022, subject to prevailing market conditions.

The company also owns a three-acre tract of prime land in Jalan Sultan Ismail, opposite Concorde Hotel and dubbed Menara YNH. It has already obtained an approved development order for the project, which will comprise an office tower and mall.

Besides that, it has a six-acre freehold development in Mont'Kiara called The Kiara 163, which has a total GDV of about RM1 billion, and a development in Dutamas consisting of three blocks of serviced apartments, with a total of 1,159 units. E

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its focus on the mid-end residential segment within the Klang Valley.

"The group will cautiously time its future project launches in line with the property market sentiment, the pandemic situation as well as the overall economic condition.

"Whilst there is no specific timeline for our future project launches, the group continues its planning for future development projects in locations such as Bangsar South and Sri Petaling," UOA Development says in its 2020 annual report.

It is worth noting that the group has built up its net cash position over the years to RM1.93 billion as at end-June 2021. Given its expanding war chest, UOA Development, in which UOA Holdings Sdn Bhd controls a 71.35% stake, has been able to maintain its dividend policy of paying out 30% to 50% of realised profit after tax.

Kenanga Research has an "outperform" call on the group with a target price of RM1.76.

The research house believes that the

planned new launches of RM1.05 billion in 4QFY2021 will have a greater earnings impact starting late FY2022, once construction enters a more advanced stage. These launches include Desa 3 landed properties with a gross development value of RM18 million, as well as Laurel Residence at Bangsar South (RM550 million), and Sri Petaling Phase 2 (RM480 million).

"Due to the overall uncertainties, the group continues to remain cautious, compromising on short-term earnings by holding out on launches backed by its high cash reserves of RM1.9 billion (or 89 sen per share)," Kenanga Research opines.

There are two "buy" and three "hold" calls on UOA Development, with a consensus target price of RM1.79, according to Bloomberg data.

Since early this year, its share price has been flat at around the RM1.70 level.

UOA Development does not intend to rest on its laurels. While strategising its new launches to sustain earnings growth, it is also cultivating new income sources.

Last May, the company announced its plan to diversify into the provision of caregiving services involving patients and senior citizens under a proposed joint venture, which will enable it to venture into the new business. The caregiving business will be set up at the Komune Living and Wellness Centre in Cheras, which is owned by its wholly-owned subsidiary UOA Golden Pines Sdn Bhd. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

TECHNOLOGY

MyEG Services Bhd

3 BRC AWARDS OVER THE YEARS

REMAINING RESILIENT AND PROFITABLE

BY JOSE BARROCK

MyEG Services Bhd has come out tops for the highest return on equity (ROE) over three years among companies with a market capitalisation of more than RM1 billion in the technology sector.

The e-government services provider reported an ROE of 18.4% in 2018, which doubled to 37.9% a year later but tapered off to 28.9% in 2020, based on annualised earnings. Nonetheless, this translates into a three-year weighted ROE of 29.5% for the three years in review — the highest among its big-cap peers.

MyEG had changed its financial year end twice between 2018 and 2019. In June 2018, it was changed from June 30 to Sept 30. Consequently, the financial period of 2018 (FP2018) was made up of results for 15 months, from July 1, 2017, to Sept 30, 2018.

On Sept 27, 2019, MyEG again changed its financial year end, from Sept 30 to Dec 31. FP2019 was also made up of results for 15 months, from Oct 1, 2018, to Dec 31, 2019.

The company posted a net profit of RM128.95 million for FP2018, down from RM201.5 million the year before. Its earnings growth gathered steam in FP2019, delivering a net profit of RM303.09 million on revenue of RM593.57 million. In the financial year ended Dec 31, 2020 (FY2020), it achieved a lower net profit of RM268.6 million after its revenue fell to RM530.4 million.

MyEG was listed on Mesdaq on Jan 16, 2007, raising RM14 million in proceeds. Over the next decade, it became the country's leading e-government services company and provided a wide range of government and commercial services, with its market capitalisation testing the RM8 billion band. Apart from Malaysia, it has also established a foothold in the Philippines, Indonesia and Bangladesh.

The company has remained resilient despite the ups and downs on the economic and political front. It has consistently reported a profit since its initial public offering, undeterred by the pandemic or any other calamity that has battered many other companies.

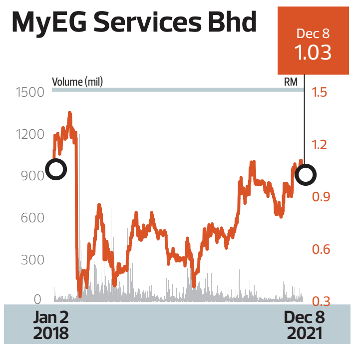
Among others, MyEG handles online payments for various government services such as the renewal of road tax for vehicles, foreign worker permits and, more recently, health screening and quarantine management as well as the supply of machines such as road tax and insurance kiosks, foreign worker insurance and vehicle financing and trading.

As the company itself says in its annual report for FY2020, "In essence, MyEG is a key proponent within the government's digital agenda."

And it appears that MyEG is likely to maintain its strong performance in the current year. While many companies are grappling with the effects of Covid-19, it registered a net profit of RM156.97 million on revenue of RM333.19 million for the six months ended June 30, 2021 (1HFY2021).

If the first six months' financials are taken as a yardstick, MyEG is likely to post a record profit and turnover in FY2021. In 1HFY2021, MyEG's net cash from its operations stood at RM275.63 million, after taking into account long-term debt of RM107.5 million.

Retained profits were RM727.16 million at end-June.



On its prospects, MyEG says, "The Covid-19 pandemic has adversely impacted economies around the world and Malaysia has not been spared. Although this pandemic is ongoing, we are optimistic that our business will remain resilient while we remain vigilant for new opportunities.

"For instance, during these trying times, we continue to introduce innovative online services such as our Covid-19 health screening service as well as new concession services such as the online renewal of motorcycle insurance and road tax and online renewal of competent driving licence for the convenience of Malaysians."

Meanwhile, MyEG has a 10% stake in S5 Systems Sdn Bhd, which is currently undertaking a reverse takeover of Ancom Logistics Bhd.

Some analysts expect its holding in S5 Systems to be a fresh growth catalyst for MyEG to take part in more e-government projects. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS (JOINT WINNER)

TECHNOLOGY

D&O Green Technologies Bhd

1 BRC AWARD OVER THE YEARS

PUSHED BY GREEN TREND INTO STRONG GROWTH ERA

BY ESTHER LEE

D&O Green Technologies Bhd started attracting interest during the first Movement Control Order in March 2020, when fears of the Covid-19 pandemic spread globally.

The spike in interest was due mainly to investors who were scouting around for stocks along the supply chain of electric vehicles (EVs), and this Melaka-based company that makes LED products for the automotive industry fitted the bill.

The counter, which had been trading below RM1 for a long time, soared from a low of 45 sen on March 25, 2020, to a record high of RM6.15 on Sept 23, 2021. It closed at RM5.85 on Dec 8, which puts the market value of the automotive smart LED player at RM7.05 billion.

The steep rise in its share price is justified, judging from its earnings performance.

Its profit after tax (PAT) stood at RM22.4 million in the financial year ended Dec 31, 2017 (FY2017), and more than doubled to RM49.7 million in FY2020.

With an impressive three-year PAT compound annual growth rate (CAGR) of 30.4%, D&O is this year's Billion Ringgit Club joint winner for the technology sector in the category of Highest Growth in PAT over Three Years.

Its revenue rose steadily during *The Edge* BRC's review period between 2018 and 2020. From RM463.34 million in FY2017, it climbed to RM490.7 million in FY2018 and RM504.3 million in FY2019. It hit a record high of RM575.7 million in FY2020.

Its managing director Tay Kheng Chiong once told *The Edge* in a November 2020 interview that the industry has a lot of growth potential, given how automakers are changing from internal combustion engines to hybrid EVs and, eventually, autonomous vehicles.

With more advanced and complex technology involved in the automotive industry, more LEDs and sensors will be required in a

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS (JOINT WINNER)

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

TECHNOLOGY

Frontken Corp Bhd

5 BRC AWARDS OVER THE YEARS

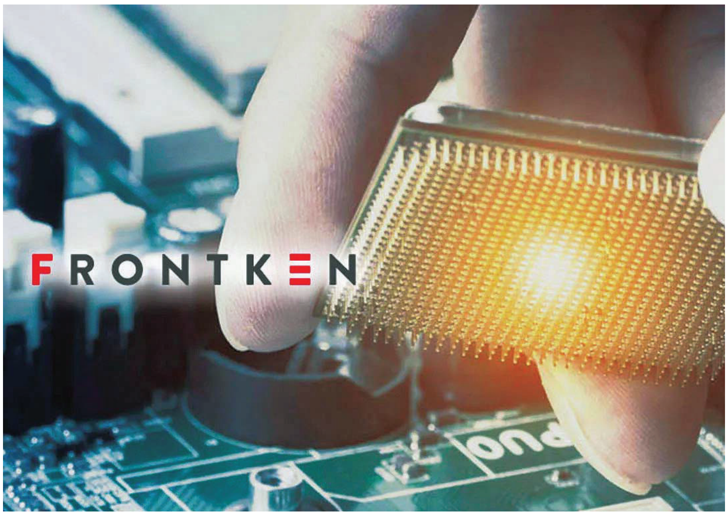
RIDING THE DIGITALISATION WAVE FOR GREATER GROWTH

BY AHMAD NAQIB IDRIS

While the outbreak of Covid-19 has affected many industries over the past two years, Frontken Corp Bhd has not been fazed by the headwinds brought about by the pandemic, as demand for its services grew amid the push for digitalisation.

The group has once again outperformed its peers in the technology sector, recording the highest growth in profit after tax and the highest returns to shareholders over three years between 2018 and 2020.

This makes Frontken the winner of two *The Edge* Billion Ringgit Club awards — the highest growth in profit after tax over three years and the highest returns to shareholders over three years. This is the third consecutive year that it has the winner in the two categories since it made the cut as a member of *The Edge*'s Billion Ringgit Club in 2018.



Frontken provides semiconductor-related services including assembly and testing. It claims to be the largest precision cleaning service provider in Malaysia, covering industries such as semiconductor, photovoltaic and organic light-emitting diodes.

Besides Malaysia, the group has operations in Thailand, Taiwan, Singapore, Indonesia and the Philippines.

Its net profit has more than doubled from RM29.9 million for the financial year ended Dec 31, 2017 (FY2017) to a record high of RM82 million in FY2020, translating into a three-year compound annual growth rate of 40%.

In its FY2020 annual report, Frontken chairman and CEO Ng Wai Pin said its semiconductor business remained resilient as the world pushed towards greater digital adoption amid the pandemic.

"[The semiconductor industry] has been the driver of the accelerating digitalisation of business and society, and we have been fortunate to be a part of this value chain.

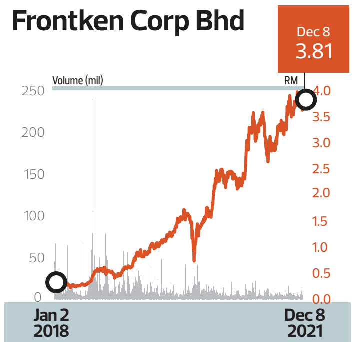
"As witnessed throughout the pandemic, the group's semiconductor business has been incredibly resilient. In FY2020, our semiconductor division contributed 85% of the group's total revenue, with an improved profit after tax of 32% compared to the year before," said Ng.

Its operations in Taiwan contributed the most to the group's performance for the financial year, accounting for about 65% of its total revenue and 73% of pre-tax profit for the year.

Frontken's impressive earnings growth — in addition to a growing interest in semiconductor-related companies amid expectations of strong demand for semiconductor chips — has driven up its share price to fresh peaks.

Its share price rocketed from 28 sen (the adjusted price after a one-for-two bonus issue in April 2021) on March 31, 2018 to RM3.39 on March 31, 2021 — a gain of 12 times in the three-year period. Its market capitalisation has exceeded RM6 billion.

Furthermore, Frontken declared regular dividends in the three years to reward shareholders. It had steadily raised its payouts through the years as its profit expanded.



The company announced a total dividend per share of 1.5 sen for FY2018, 2.5 sen for FY2019 and four sen per share for FY2020. Over the three years, the group paid out a total of RM83.84 million in dividends, or eight sen per share.

The big leap in its share price, coupled with the dividend payments, has enabled shareholders' returns to grow at a compound average growth rate of 133.7% over the past three years starting FY2018.

Going forward, the group is planning to expand its capacity in Taiwan with a new state-of-the-art facility, as it anticipates an increase in demand for its services, especially relating to tools used in the manufacturing of the latest nodes of chips.

It says there are indications of multi-year strong demand and growth among its customers, which is evident in their record capex spending. E

lished in the second quarter of 2021), and there had been signs of steady improvements in the global economy, putting the demand for automotives on a recovery path.

D&O cited a report by IHS Markit that EV sales volume reached 2½ million units in 2020, about 3% of total car sales volume.

"With continuous favourable government policies and support, the share of EV sales is expected to expand rapidly to 10% and 16% by 2025 and 2030 respectively," said the company.

It also cited another forecast by MarketsandMarketsTM, which expects the global automotive lighting market to grow from US$27 billion in 2020 to US$34.9 billion by 2025, representing a 5.3% CAGR during the forecast period.

D&O believes it is well positioned to benefit from the trend. To remain ahead of the curve, the company will continue to focus its resources in developing innovative products to meet changing customer demands and requirements, it says.

A Sept 10 report by PublicInvest Research said the D&O management had indicated that the automotive LED industry was at the start of an explosive growth momentum over the next five years.

"We believe the higher adoption of automotive LED, coupled with the structural shift from combustion engine to electric battery, will bring multiple growth for the automotive LED makers in the next five years," the research house said.

It pegged a 12-month target price of RM6.31 for D&O, with an "outperform" call on the stock amid anticipation of multi-year earnings growth prospects. E

vehicle. This implies more orders for D&O, auguring bright prospects for the company.

In its 2020 annual report, D&O highlighted that the global car industry took a beating from supply chain disruptions and closure of assembly plants while global demand for automotives waned.

Nevertheless, it believed the worst was over, as global vaccination programmes were underway (the annual report was pub-

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

TELECOMMUNICATIONS & MEDIA

Time dotCom Bhd

6 BRC AWARDS OVER THE YEARS

DELIVERING SPEED, CONNECTIVITY AND STELLAR RETURNS

BY ADELINE PAUL RAJ

Despite cut-throat competition, tighter regulation and many other challenges over the last few years, not least of which is the Covid-19 pandemic, Time dotCom Bhd (TDC) continues to deliver commendable earnings and returns to shareholders. Notably, it was one of very few companies to reward investors with a higher dividend last year, amid the coronavirus gloom.

The broadband provider chalked up 4.5% growth in net profit to RM328 million for the financial year ended Dec 31,2020,(FY2020) from RM314 million in FY2019, despite various setbacks as a result of the Covid-19 lockdowns.

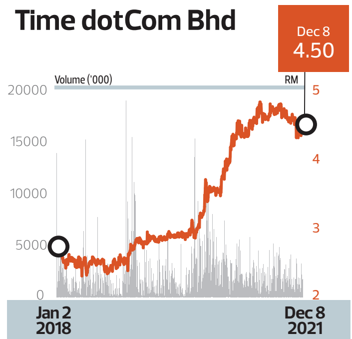
This was achieved mainly through its efforts to meet the growing demand for broadband and internet connectivity as customers adapted to the new normal of working and studying from home. Revenue that year grew 10% to RM1.22 billion as all its products, except for the voice segment, posted an increase in revenue. In FY2018, it turned in a net profit of RM288.7 million and, in FY2017, RM175.4 million.

Over FY2017 to FY2020, the three-year period under review for *The Edge* Billion Ringgit Club Corporate Awards, TDC's earnings grew at a compound annual growth rate (CAGR) of 23.2% — the best among its peers. This makes it our winner for highest growth in profit after tax over three years in the telecommunications and media sector.

TDC also clinched the award for highest returns to shareholders, delivering a CAGR of 22.9% for the three-year review period between March 30, 2018 and March 31, 2021, thanks to a strong run in its share price and regular dividends.

Its (adjusted) share price climbed 71% from RM2.79 as at March 30, 2018 to RM4.77 as at March 31, 2021. Shortly after the country went into its first lockdown on March 18 last year, the stock slumped to a low of RM2.97 (March 20) but thereafter moved up in a broad upward trend, gaining a solid 60.6% as at our awards cut-off date of March 31, 2021. From there, it went on to peak at RM4.83 on April 1 and 2, before tapering off. The company earlier this year announced a two-for-one bonus issue involving 1.21 billion new shares, which went ex on Aug 4.

The telco's total dividend per share (DPS), which included a special dividend in each of the years under review, came in at 20.56 sen in FY2018, 29.03 sen in FY2019 and 33.10 sen in FY2020.



The DPS of 33.10 sen in FY2020, of which 20.6 sen comprised a special dividend, was remarkable, considering that many other companies had taken a conservative stance and held back dividends, given uncertainty over how long the pandemic might last.

The ordinary dividend was consistent with TDC's policy to pay shareholders up to 25% of normalised profit after tax, while the special dividend was meant to reward shareholders for their loyalty and support in trying times.

It remains to be seen whether TDC will continue to be as generous. One recent concern is that it may be subject to a so-called "prosperity tax", a one-off tax measure introduced by the government under Budget 2022, whereby corporates earning above the RM100 million mark will be taxed at a rate of 33% instead of the blanket 24% previously. TDC's share price sank 4.6% to RM4.31 on Nov 1, the first trading day after the tax was announced, giving it a market capitalisation of RM7.87 billion.

The company is, nevertheless, in a sweet spot to benefit from continuous expansion of the home fibre footprint via the government's Jendela (Jalinan Digital Negara) initiative, aimed at improving broadband coverage in the country. Despite extended lockdowns this year, the company is on track to meet its 1.2 million premises pass target by year-end.

In 9MFY2021, TDC's net profit rose 21.8% to RM284.57 million and it declared a special interim DPS of 8.22 sen. "We expect the full-year DPS to hover around 12 sen (or around 60% of earnings payout) in line with the historical payout level," UOB Kay Hian Research said in a Nov 29 report. It had a "buy" call and a RM4.80 target price on the stock. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

UTILITIES

Gas Malaysia Bhd

4 BRC AWARDS OVER THE YEARS

RESILIENT COMPANY SCORES HAT-TRICK ON ROE

BY KAMARUL AZHAR

For a third straight year, Gas Malaysia Bhd has won *The Edge* Billion Ringgit Club award for the highest return on equity (ROE) over three years in the utilities sector.

Gas Malaysia chalked a three-year weighted ROE of 19.1% from financial years 2017 to 2020, the period considered for this year's BRC corporate awards. In 2019 — the first year in which Gas Malaysia won a BRC corporate award — it also took home the award for growth in profit after tax over three years.

Lending stability to the operating environment is the Incentive-Based Regulation (IBR) framework introduced in Malaysia in 2014 under the Energy Commission as part of the modernisation of the electricity supply industry.

Gas Malaysia's earnings are expected to remain resilient over the next few years under the new Regulatory Period, which will cover the period of 2023 to 2025. Its management has guided that volume growth of natural gas would grow alongside the economy.

The stability provided by the IBR framework as well as the encouraging demand foreseen in the years ahead as the economy recovers have led analysts to upgrade their earnings estimates for Gas Malaysia.

Kenanga Research analyst Teh Kian Yeong writes in a report dated Aug 18: "We have forecast 3.8% demand growth in FY2021 and, for beyond, a flat 3% growth. On the other hand, given the solid results in the past three straight quarters, we believe our total margin spread of RM2.10 per mmBtu is too conservative.

"As such, we raised our total margin spread assumption to RM2.20 per mmBtu. This compels us to upgrade FY2021 to FY2022 estimates by 8% and 5% while net dividend per share is also upgraded proportionally based on an unchanged payout ratio of 90%."

In the first half of the current financial year, Gas Malaysia recorded a healthy

THE EDGE BILLION RINGGIT Club 2021

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

UTILITIES

Mega First Corp Bhd

7 BRC AWARDS OVER THE YEARS

BRINGING IN MEGA PROFITS AND RETURNS FOR SHAREHOLDERS

BY ESTHER LEE

Mega First Corp Bhd is no stranger to *The Edge* Billion Ringgit Club. This year, the company bags two awards — the highest growth in profit after tax over three years and the highest returns to shareholders over the past three years from 2018 to 2020.

If an investor had put in his money with Mega First on March 30, 2018, he would have seen his value of investment more than double by March 31, 2021. Its share price climbed to RM7.28 from RM3.25, yielding a return of 32.6% on a three-year compound annual growth rate (CAGR) basis in that period.

Mega First's share price has been on a steady upward trend since June 2019, as its Don Sahong Hydropower Project in Laos — a 260MW run-of-river hydropower project capable of generating about 2,000GWH of electricity per year — was falling into place. Investors began to gain confidence that the company would be able to pull it through in the land-locked Asean nation.

Shortly after the stock price hit an all-time high of RM8.01 on Feb 5, 2021, Mega First proposed a share split — one existing ordinary share into two subdivided shares — to improve liquidity, after which the company's issued share capital ballooned to 947.4 million shares.

Its share price was then adjusted to RM3.75 on June 10. Since then, the stock has been hovering around RM3.49 and RM3.75.

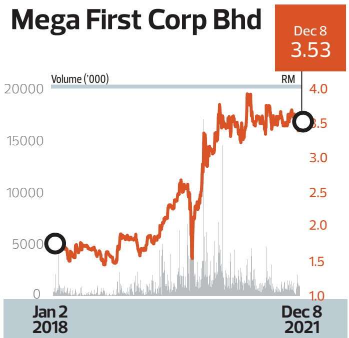
The steady climb in share price has been powered by earnings contribution from its hydropower plant at the Sahong channel, one of seven major channels of the Mekong River in the Siphandone (Four Thousand Islands) area. The project utilises 15% of the total Mekong flow.

Mega First's profit after tax had grown steeply between the financial year ended Dec 31, 2017 (FY2017) and FY2020. The company enjoyed its first full year energy sales in FY2020, in which its net profit reached RM321.3 million from RM138.3 million in FY2017 — representing a three-year profit after tax CAGR of 32.4%.

There might have been doubts when Mega First started the hydropower project as the company needed to resolve many issues, including environmental matters. The long wait has proved to be fruitful, the Don Sahong Hydropower plant is now a core earnings contributor with steady and lucrative recurring income.

That said, Mega First does not wish to rely solely on a single project, it wants to diversify its earnings.

Renewable energy (RE) is an area where Mega First wants to spread its wings. The company has been looking out for RE projects in the region and has reiterated that such projects take time to materialise.



Currently, its RE segment derives the bulk of its revenue from the Don Sahong hydropower plant. The segment made up 66.5%, or RM510.21 million, of the group's revenue and 95.7%, or RM372.09 million, of its pre-tax profit in FY2020.

In addition, the company is involved in the quarrying of limestone and manufacturing lime products; packaging material manufacturing; and oleochemicals, its most recent venture.

While it may be a little quiet on the RE front for now, Mega First has kept itself busy with expansion in other segments.

In 2021, the year that many companies are conserving cash to weather the economic and health crisis brought about by Covid-19, Mega First bought a flexible packaging film manufacturer Stenta Films (M) Sdn Bhd, which is expected to complement its downstream packing business under the Hexachase group.

Mega First, together with 9M Technologies Sdn Bhd, acquired Emery Oleochemicals (M) Sdn Bhd and Emery Specialty Chemicals Sdn Bhd. The two hold equal stakes in the Emery group of companies.

The oleochemical business is currently bleeding losses. However, Mega First says it is confident that it will be able to turn around the oleochemical business in the next 12 months.

PublicInvest Research writes in a Sept 3 research note that the new deals will not only bring in additional earnings contribution to the group, but also assist in lifting the group's return on equity, even as it might experience a slowdown in both the resources and downstream packaging businesses due to escalating cost pressures and more competitive pricing.

The research outfit adds that the company's RE business continues to remain strong. It has an "outperform" call on Mega First, with a target price of RM4.36. E

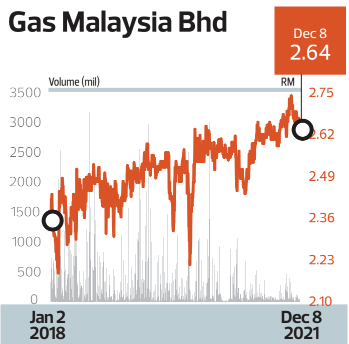
net profit growth of 27.55% year on year to RM117.97 million, despite the third round of the Movement Control Order implemented by the government during the period.

This is despite revenue falling 19.64% y-o-y during the period to RM2.53 billion. The better performance was attributed to higher gross profit, which was in line with a higher volume of natural gas sold, coupled with the recognition of revenue cap adjustment, as well as lower finance cost.

While earnings growth for regulated business is unexciting, there is growth from non-regulated business to add value to the gas utilities companies, including Gas Malaysia, says Teh in a sectoral report dated Sept 30.

Teh adds in the report that over the next 1½ years, under the current Regulatory Period, there is little earnings risk for Gas Malaysia from its regulated business.

Nevertheless, it remains to be seen how the global energy crisis will affect the Malaysian economy and the gas utilities regulatory framework. At the moment, the country's energy supply is still secure, according to Deputy Energy and Natural Resources Minister Datuk Ali Biju.



This does not mean that the domestic market is insulated from the surge in natural gas prices. Spot prices for natural gas have more than quadrupled to record levels in Europe and Asia, and the persistence and global dimension of these price spikes are unprecedented, says the International Monetary Fund (IMF).

"Our expectation is that these prices will revert to more normal levels early next year when heating demand ebbs and supplies adjust. However, if prices stay high as they have been, this could begin to be a drag on global growth," the IMF says in a blog post in late October.

Economists and analysts are split on whether natural gas price will remain high over the next few years. While there is not enough gas supply in the international market, they are uncertain whether demand will remain high.

Still, with natural gas being a transitory energy fuel towards green energy, more countries will be needing it to meet their global environment pledge, especially with many countries pledging to cut down on coal in their energy mix. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

TRANSPORTATION & LOGISTICS

Lingkaran Trans Kota Holdings Bhd

5 BRC AWARDS OVER THE YEARS

DRIVING PREMIUM RETURNS

BY ADELINE PAUL RAJ

Lingkaran Trans Kota Holdings Bhd (Litrak) has managed to outdo rivals with its solid return on equity (ROE) to shareholders over the last three financial years.

Litrak's weighted ROE over the last three financial years stood at 27.1%, the best in the transportation and logistics sector. However, its ROE had trended down over each of those years, from 29.7% in the financial year ended March 31, 2018 (FY2018) to 26.9% in FY2019 and 26.1% in FY2020, even as the highway concessionaire's net profit climbed steadily.

Litrak's net profit grew 14.6% to RM261.9 million, a record high earnings in FY2020 compared with RM236.1 million in FY2019. The group attributed the increase in earnings to lower finance costs and maintenance expenses.

For FY2018, its net profit stood at RM228.6 million.

Over the same period, its net asset per share increased to RM2.02 from RM1.56. Meanwhile, the group's borrowings were pared down from RM1.13 billion in FY2018, to RM780.74 million in FY2020.

Note that Litrak's FY2020 ended less than one month after the government imposed the first Movement Control Order (MCO) to curb the Covid-19 outbreak.

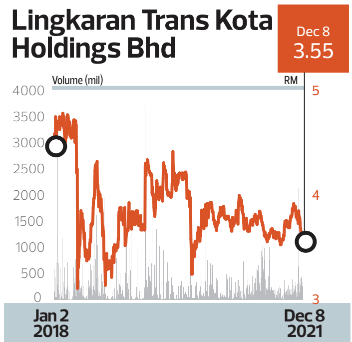
That said, the intra-city toll road operator did not have a lucky escape from the lockdown.

Litrak's net profit uptrend over the last few years was broken in FY2021, no thanks to the pandemic and various movement restrictions that kept motorists off the road.

That year, its net profit slipped 21.4% year-on-year (y-o-y) to RM205.8 million, even as its revenue slumped to RM392.8 million from RM503.8 million before.

The group's two major tolled highways in the Klang Valley — namely, the Lebuhraya Damansara-Puchong (LDP) and the Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT) — used to be well-utilised prior to the pandemic, as they provide important inter-urban connectivity.

"Our [FY2021] financial year began with an unenviable steepest drop in tollable traffic volumes for LDP and SPRINT ever registered in the history of the group," its chairman Tan Sri Ambrin Buang said in its latest annual report.



Given the various lockdowns throughout that year, the average weekday tollable traffic on the LDP dropped to 353,000 vehicles from 447,000 in FY2020, while that on SPRINT dropped to 126,000 vehicles from 199,500 before.

To mitigate the financial impact during the lockdowns in FY2021, Litrak — whose biggest shareholder is Gamuda Bhd with a 43.2% stake — cut operating costs and undertook a staff headcount optimisation programme. Additionally, Litrak's board of directors voluntarily opted for a 10% reduction in fees that year while its higher management saw temporary salary reductions.

Despite the challenges, it managed to declare a dividend per share of 20 sen compared with 25 sen in FY2020.

Going forward, barring any more unexpected lockdowns, Litrak's prospects look brighter now that the economy has progressively been opening up, and inter-state travel has resumed.

In 2020, the government froze toll rate hikes for all highways that had been eligible for an increase that year. As such, toll rates on the LDP and SPRINT highways remained the same, but there is expected to be compensation payable by the government.

According to Litrak, there are no further scheduled toll increases for the LDP until the end of the concession period (2030); hence, revenue growth can only be achieved by tollable traffic growth.

However, for SPRINT's Damansara Link and Kerinchi Link, there is still one remaining scheduled toll rate increase for both toll plazas in 2022. As such, revenue growth can be expected from both tollable traffic growth and toll rate increases.

It will be interesting to see how Litrak performs in 3QFY2022, as that is when much of the economy had already opened up.

In 1HFY2022, given movement control restrictions, its net profit fell 22.8% to RM75.4 million. This was however within analysts' expectations.

Maybank Investment Bank Research notes that, as a pure tolled highway concession group, Litrak's ESG (environmental, social and governance) risks are low, with no major reported deviations observed over the years.

"We like the stock due to its strong cash flows. Its dividend capacity will rise as debts of the LDP are repaid [fully in FY2024]," it said in a Sept 22 report. It currently has a "buy" call and RM4.85 target price on the stock. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

TRANSPORTATION & LOGISTICS

MMC Corp Bhd

1 BRC AWARD OVER THE YEARS

GROUP WITH LONG HISTORY TAKEN PRIVATE

BY KAMARUL AZHAR

MMC Corp Bhd achieved continuous earnings growth in *The Edge* Billion Ringgit Club's (BRC) three-year review period between 2018 and 2020. Its revenue, however, was on a reverse trend.

Its earnings growth was driven mainly by the contribution from its port assets, especially Port of Tanjung Pelepas (PTP), in which the group owns a 70% stake. PTP is the third largest transshipment port in Asean after Port of Singapore and Port Klang.

Over the three-year period between the financial year ended Dec 31, 2018 (FY2018) and FY2020, MMC Corp's profit after tax (PAT) grew at a compound annual growth rate (CAGR) of 21.4%, from RM209.8 million to RM375.3 million.

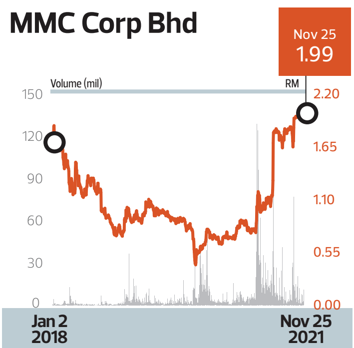
That performance won MMC Corp *The Edge* BRC award for the highest growth in PAT over three years in the transportation and logistics sector.

This will be the last time that MMC Corp can win the award in its current form as the infrastructure asset owner has been taken private by its controlling shareholder Tan Sri Syed Mokhtar Albukhary via a selective capital repayment of RM2 per share. Permodalan Nasional Bhd was the second largest shareholder, holding 20.31% prior to the selective capital repayment.

MMC Corp completed the exercise on Dec 3. It is probably one of the largest — if not the largest — infrastructure asset owners in the country, with holdings ranging from seaports and airports to power generation plants and logistics.

Besides a 70% stake in PTP, it also wholly-owns Penang Port, Johor Port and has a 99% stake in NCB Holdings Bhd, which owns and operates the Northport terminal in Port Klang, as well as 70% equity interest in Tanjung Bruas Port in Malacca.

In addition, the group holds a 20% stake in the Red Sea Gateway Terminal in Jeddah Islamic Port in Saudi Arabia.



MMC Corp's ports have a combined container throughput capacity of 21.3 million twenty foot equivalent units (TEUs), some 50% more than Westports Holdings Bhd's 14 million TEUs.

Apart from ports, MMC Corp has an engineering and construction division that holds

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

TRANSPORTATION & LOGISTICS

Westports Holdings Bhd

2 BRC AWARDS OVER THE YEARS

RECORD-HIGH PROFIT ALTHOUGH HIT BY PANDEMIC

BY ESTHER LEE

Westports Holdings Bhd has bagged *The Edge* Billion Ringgit Club award for the highest returns to shareholders over three years in the transportation and logistics sector, in which its peers are MISC Bhd, Malaysia Airports Holdings Bhd and MMC Corp Bhd.

For an investor who invested in Westports three years ago on March 31, 2018, his return grew at a compound annual growth rate of 9% during the three-year period ended March 31, 2021.

It is a commendable achievement, given how the port operator also took a hit from the pandemic, as various lockdowns across the world caused supply disruptions and congested ports.

While some of its peers' share prices have yet to bounce back to pre-pandemic levels, Westports, however, has gained 28.4% in the three-year period. Its stock price climbed from RM3.20 to RM4.11.

The port operator's resilient earnings appeared to be the main fuel that helped sustain its share price despite the uncertainties brought by the Covid-19 pandemic.

Westports' net profit was on the rise, reaching a record high in FY2020 after an earnings contraction in the financial year ended Dec 31, 2018 (FY2018).

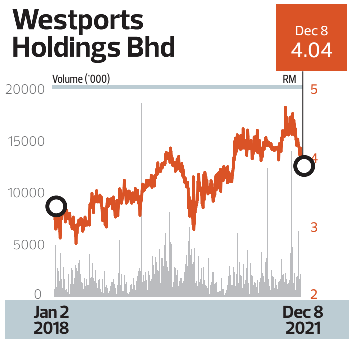
The group posted net profit of RM533.7 million in FY2018, down from RM651.5 million in FY2017, as revenue dipped below RM2 billion to RM1.614 billion. Its earnings returned to the growth path with net profit of RM590.89 million in FY2019 and RM654.48 million in FY2020 — the highest level recorded so far.

In FY2018, container throughput stood at 9.5 million twenty-foot equivalent units (TEUs), improving to 10.9 million TEUs in FY2019 before declining slightly to 10.5 million TEUs in FY2020.

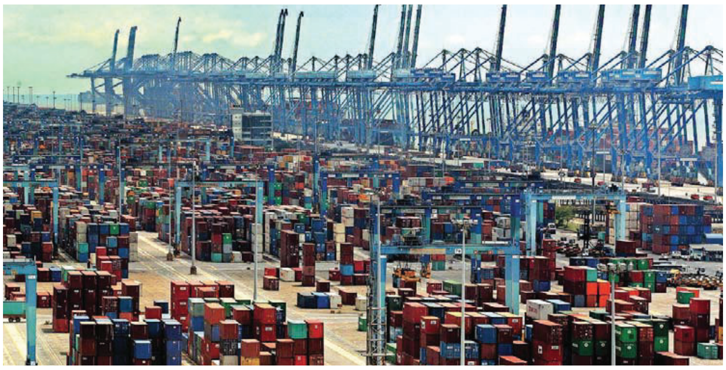
It is worth noting that Westports has declared dividends every year since being listed in 2013.

The port operator adopts a dividend policy payout ratio of 75%. However, in FY2020, it had a lower dividend payout ratio of 60%, as it decided to be in cash conservation mode in preparation for the Westports container terminal expansion.

Between FY2018 and FY2020, shareholders have been rewarded with a total dividend of 36.22 sen per share. It declared a dividend per share of 11.7 sen in FY2018, 13 sen in FY2019 and 11.52 sen in FY2020.



Nevertheless, the lower payout is temporary, as the company plans to revert to its 75% payout ratio in the coming financial year.



For the nine-month period ended Sept 30, 2021, Westports recorded revenue of RM1.5 billion, a 9% improvement compared with a year ago. Its net profit also grew to RM585.35 million, from RM490.99 million in the previous year. The improved earnings was contributed by the growth in container revenue.

Notably, Westports has been affected by ongoing disruptions in the supply chain in the second half of 2021. In a report, AmInvestment Research says the disruption has impacted its efficiency.

"This pile-up of containers was caused by the reintroduction of movement restrictions in Malaysia as well as other countries in Asia on rising Covid-19 infections, and the ripple effect from the port congestion in some countries including Bangladesh and Vietnam," says the research house.

AmInvestment Research believes that the throughput of seaports, including for Westports, will continue to grow in 2021 as global trade recovery gains further momentum, backed by the reopening of economies, businesses and borders.

Westports is expecting to see a single-digit throughput growth in 2021.

According to Hong Leong Investment Bank Research, the current yard utilisation is at 95% to 99%, which has caused a bottleneck at the port.

"Management expects the supply chain disruption to likely linger for at least one to two years as some countries may still impose lockdowns if resurgence of cases happens," it says. E

equity interest in various joint ventures with Gamuda Bhd. These JVs are involved in the construction of the Klang Valley Mass Rapid Transit Line 1 and 2, as well as the SMART Tunnel. MMC Corp has a 50% stake in the toll concession of the SMART Tunnel.

In addition, the group holds a 37.6% stake in independent power producer Malakoff Corp Bhd and 30.9% equity interest in gas distribution company Gas Malaysia Bhd. Through NCB, it also owns Kontena Nasional Bhd. Senai Airport Terminal Services Sdn Bhd, the owner and operator of Senai Airport in Johor, is part of the group as well.

MMC Corp turned 110 last year. Its history dates back to 1911 when it was founded in London as Malayan Tin Dredging Ltd. The company transferred its domicile to Malaysia by incorporating Tin Dredging (M) Bhd (MTD) in 1976. It was then the largest tin dredging group in Malaysia and made its debut on the local stock exchange in July 1977.

In 1981, MTD merged with New Tradewinds Sdn Bhd, which had earlier taken over London Tin Corporation, the world's largest tin mining company. The merged entity adopted the name Malaysia Mining Corporation Bhd and became the world's largest integrated tin producer.

At the turn of the millennium, it exited the mining business and transformed into a utility and infrastructure group.

The group's prospects, at least in the near term, are expected to be bright as the Covid-19 pandemic slowly transitions into the endemic phase. As the global economy continues to recover, trade volumes will grow, benefitting ports in general, including MMC Corp's.

Will the group have a new structure should it return to tap the equity market? Some industry observers see the privatisation as the precursor to the listing of a pure port company by Syed Mokhtar. E

BEST CR INITIATIVES

SUPER BIG CAP — ABOVE RM40 BIL MARKET CAPITALISATION

Tenaga Nasional Bhd

6 BRC AWARDS OVER THE YEARS

Company of the year 2015

2 CR awards 2017 2021

CONTRIBUTING TO THE UPLIFTMENT OF COMMUNITIES

BY SULHI KHALID

Tenaga Nasional Bhd believes in helping people make their lives better by equipping them with the necessary skills and improving their livelihoods. The national utility company — which took the top spot for *The Edge* Billion Ringgit Club's Best CR Initiatives, Super Big Cap, Above RM40 billion Market Capitalisation — seeks to leave a long-lasting positive impact on people and communities and protect the environment with its various programmes.

In 2020, despite being limited by the Covid-19 pandemic, TNB invested RM62.93 million in CSR activities and initiatives that span economic and social fields, the environment and education, including RM2.45 million for sports-related programmes.

A major part of the amount spent on CSR, RM49.22 million, was used for economic and social transformation. TNB not only advocates equal access to electricity, which it recognises as a basic need for daily life and socioeconomic growth, but also helps communities by providing liveable spaces with proper sanitation and opportunities to earn a livelihood.

"We are proud to collaborate with the government in achieving these ambitions, from ensuring electricity supply in rural areas to building homes for those in need.

"We have progressed with our Home Rewiring Programme to refurbish and rewire the homes of the underprivileged in Peninsular Malaysia. Our target is to rewire 1,000 homes and, to date, 316 homes have been rewired with a total contribution of RM141,915 in FY2020," the group said in its latest Annual Report 2020.

TNB has also, with the support of the Ministry of Rural Development, supplied power to villages and Orang Asli settlements that are not within the operational area of local authorities. To date, TNB has improved connectivity in 30 villages and utilised off-grid alternatives such as solar hybrids, generator sets and mini hydro for remote rural settlements.

"The government established the Village Street Lighting (LJK) programme in 2002, with the purpose of ensuring public areas in remote villages are well lit at night, thus facilitating community safety. TNB is collaborating on the implementation of LJK, and this year we installed 20,634 streetlights in 6,397 villages," the company shares.

The utility company is also empowering rural communities by providing financial assistance to selected areas. In 2020, TNB donated RM277,000 to two villages in Kedah — Kampung Kuala Temoyong and Kampung Weng — for various projects that would help

BEST CR INITIATIVES

BIG CAP — RM10 BIL TO RM40 BIL MARKET CAPITALISATION (JOINT WINNER)

Telekom Malaysia Bhd

2 CR awards 2017 2021

NURTURING THE LEADERS OF TOMORROW

BY IZZUL IKRAM

National telecommunications company Telekom Malaysia Bhd (TM), joint winner in *The Edge* Billion Ringgit Club's Best CR Initiatives award among Big Cap Companies — RM10 billion to RM40 billion market cap, is committed to helping communities thrive in a digital Malaysia, with a focus on creating invaluable, long-term benefits for the nation's communities.

It operates on the principle of creating value by putting people first and does so via three key thrusts: education, entrepreneurship and empowerment.

Through its foundation, Yayasan TM (YTM), the company has since 1994 aided many youths by providing them with scholarships. It has disbursed RM561 million worth of scholarships to develop over 15,000 scholars into dynamic digital leaders.

In 2020 alone, YTM supported 106 students, empowering them to study in well-established institutions in Malaysia and abroad. In the same year, it provided structured development programmes designed to nurture digital leaders. These included webinar sessions with YTM's board of trustees, online engagement sessions with scholars and an induction programme for a new scholarship intake.

"YTM also collaborated with the Ministry of Education to raise awareness of scholarships and career opportunities for Sekolah Berasrama Penuh (SBP). Some 69 SBPs from seven regions participated in this programme, reaching 1,154 students," TM said in its Annual Report 2020.

Likewise, entrepreneurship is an important target area for the group owing to its potential to drive innovation, spur economic growth and promote social change.

"At TM, we actively support entrepreneurship development. We understand the role that [entrepreneurs] play in socio-economic growth. Therefore, we deliver training opportunities to equip budding entrepreneurs with essential digital and future-ready skills. We also provide funding for B40 communities to help grow their business for greater income opportunities," TM said.

It also implemented programmes such as the TM-GIATMARA TVET Start-Up Programme in 2020, which digitally empowered technical and vocational education and training (TVET) graduates and entrepreneurs from GIATMARA, and the TM Koperasi Programme, which enhanced the socioeconomic status of rural communities through cooperative entrepreneurship development and business coaching.

Meanwhile, as Covid-19 wreaked havoc across Malaysia and the world, TM took on a proactive role in addressing the social issues communities faced due to the pandemic.

"We established an internal fundraising campaign to help mitigate the Covid-19 impact. Our volunteers, TM ROVers (Reaching Out Volunteers), helped distribute care packages, consisting of cash, dry food and other essential items, to communities affected by the Movement Control Order (MCO).

"We also distributed care packages to other group beneficiaries, such as asnaf groups [parties eligible to receive zakat, or tithes], NGOs, Lembaga Zakat and Baiturnal and Covid-19 frontliners," TM added.

Overall, TM channelled more than RM6.7 million into nation-building initiatives in response to the Covid-19 outbreak in 2020.

These included over RM2 million in cash for the government's Covid-19 fund; RM2 million worth of TM care packages distributed nationwide comprising cash, essential items and dry food; RM1 million pledged to the To Malaysia with Love (TMWL) humanitarian relief campaign, an industry initiative; RM1 million channelled into the GLC and GLIC Disaster Response Network Covid-19 Fund (GDRN) for the Ministry of Health's efforts to battle the pandemic; and RM700,000 raised by TM employees for affected communities under the TM Tabung Kebajikan Covid-19.

As co-chair of GDRN, TM also helped coordinate the RM95.4 million raised through crowdfunding efforts with GLCs (government-linked companies) and GLICs (government-linked investment companies), of which RM79.8 million went to medical supplies and the remaining RM15.6 million to non-medical supplies. E

improve the residents' job prospects and incomes. The villages were selected based on certain criteria and supported for two years, the company says.

In addition, through the LED Streetlight Replacement Programme, TNB replaces high-pressure sodium vapour street lights with LED lights, which leads to both cost and energy efficiency, in all state capitals. It has so far installed 483,776 such lights across Peninsular Malaysia, up from 326,053 in FY2019.

TNB also took a step forward in protecting the environment via its annual Mangrove Planting Programme, which aims to enhance the protection of coastal environments and encourage sustainable fisheries in the vicinity of Janamanjung, Perak.

"In FY2020, some 10,600 mangrove saplings were planted in Sungai Limau, Manjung, with a total spend of RM250,000. This year's initiative was in collaboration with the non-governmental organisation Global Environmental Centre and the Manjung District Office, along with the Sungai Limau community, Sahabat Hutan Bakau Kuala Gula and Sahabat Hutan Bakau Lekir Sitiawan," it said.

TNB has also continued to protect the country's firefly colonies with conservation efforts in areas such as Kampung Kuantan, Kuala Selangor, which has one of the largest firefly colonies in Southeast Asia, as well as Kampung Yak Yah, Kemaman, Terengganu; Kampung Sungai Timun, Rembau, Negeri Sembilan; and Kampung Dew, Taiping, Perak. The group has so far spent RM36,000 on infrastructure, community development and promotion and publicity for these areas.

In addition, since tourism was severely affected by the Covid-19 pandemic, TNB further contributed RM33,500 to 76 boatmen in the four firefly colonies. E

BEST CR INITIATIVES

BIG CAP — RM10 BIL TO RM40 BIL MARKET CAPITALISATION (JOINT WINNER)

Nestlé (Malaysia) Bhd

2 BRC AWARDS OVER THE YEARS
Company of the year 2016
2 CR awards 2012 2021

NOURISHING MALAYSIANS WITH MEANINGFUL SOLUTIONS

BY SHAZNI ONG

Operating commercially in Malaysia since 1912, Nestlé (M) Bhd — with its philosophy of "Good Food, Good Life" — is highly conscious of its responsibility to nourish individuals and families by providing high quality, accessible and affordable nutrition, while ensuring that the communities around it prosper and respect the planet for future generations. The leading food and beverage (F&B) manufacturer, was a winner in the Best CR Initiatives, Super Big Cap RM10 billion to RM 40 billion market capitalisation in *The Edge* Billion Ringgit Club.

In 2020, through its Creating Shared Value (CSV) approach, Nestlé saw a greater need to focus on driving sustainability for the long term, remaining single-minded in unlocking the power of food to deliver meaningful progress to everyone, while helping those whose lives were adversely affected by the Covid-19 pandemic.

According to its 2020 annual report, Nestlé pledged to contribute RM15 million to Covid-19 relief efforts to help alleviate the socioeconomic impact of the pandemic on vulnerable Malaysians. This included partnering with the Malaysian Red Crescent Society and other organisations to donate food and other necessities to frontliners and people in need, apart from spearheading a wide range of programmes to uplift the B40 group and lower-income communities, as well as local F&B operators.

To support local F&B operators that were hard hit by the movement restrictions, Nestlé

channelled RM5 million to trade assistance programmes and cash contributions. These efforts were complemented by its iconic brands such as Maggi, Milo and Kit Kat, which rallied together to help Malaysians, investing more than RM6.7 million to support their livelihoods.

These initiatives included Maggi's first-ever mentorship programme to empower Malaysian women from all walks of life with business, digital and cooking capabilities and knowledge as it trained 900 participants via a series of digital workshops; and 10,000 packs of Milo *kosong* products to help nourish B40 families.

While supporting the community, the company also invested more than RM60 million to safeguard its people and protect their jobs and incomes, while putting in place measures in line with strict government guidelines to

ensure supply continuity of its products in its role as an essential F&B provider.

On the sustainability front, Nestlé remained dedicated to reducing plastic waste as part of its pledge to make its packaging fully recyclable or reusable by 2025 through innovative packaging solutions. It made tangible progress in this with the successful implementation of 100% paper straws across its entire UHT range, which can eliminate more than 200 million plastic straws per year.

It also continued to support sustainable food systems via rural development initiatives and contract farming schemes (Nestlé Paddy Club, Nestlé Chilli Club and Nescafé Grown Respectfully), all aimed at elevating the quality of life of local farmers while securing a stable supply of responsibly sourced raw ingredients.

The Nescafé Grown Respectfully programme marked a new milestone in 2020 by producing Nestlé's first-ever 100% Malaysian home-grown coffee, Nescafé Classic Kopi Kedah, which the company believes will lay the foundation for revitalising coffee growing in the country.

At the same time, it achieved its target of planting one million trees along Sabah's Kinabatangan River via the Kinabatangan RiLeaf Project. It has now embarked on a more ambitious target to plant three million trees in Malaysia by 2023 through Project RELeaf, which will contribute to its commitment to net zero greenhouse gas emissions by 2050.

"We believe that a sustainable business will drive long-term growth. As we weather the challenges of the pandemic, our commitment to sustainability remains unchanged. We will continue to deliver on our environmental and societal commitments and lead the way in shaping a more sustainable future for future generations," said Nestlé chairman Tan Sri Syed Anwar Jamalullail. E

BEST CR INITIATIVES

BELOW RM10 BIL MARKET CAPITALISATION (JOINT WINNER)

Gamuda Bhd

6 BRC AWARDS OVER THE YEARS

2 CR awards ... 2016 2021

CLEAR MEASUREMENTS DEMONSTRATE WEIGHT OF SUSTAINABILITY GOALS

BY JUSTIN LIM

Gamuda Bhd is among only 12 *The Edge* Billion Ringgit Club (BRC) members that have not only won corporate awards but also been recognised for their corporate responsibility (CR) efforts. This is the second time the company has won a BRC CR award, the first time being in 2016.

Stakeholders reading sustainability-related pages appended in its annual report will see not only Gamuda's environmental, social and governance (ESG) journey mapped out over two decades as well as the environmental, economic and social impact the group has had, but also its key strategic priorities in each area. That is a good sign, as what gets measured matters and gets managed.

Among other things, Gamuda aims to achieve a 40% reduction in carbon dioxide equivalent (CO2e) emissions by 2030 as well as cut its Scopes 1 and 2 emissions intensity by 30% and 45% by 2025 and 2030, respectively, across its construction and general operations.

According to its recently released 2021 annual report, the group had also planted 302,081 trees, or about 30% of the one million saplings that it aims to plant and nurture by 2023. More than 334,333 cu m of water had also been recycled across Gamuda Land's construction sites.

At its Gamuda Gardens sales gallery, for example, the installation of solar photovoltaic (PV) panels saves 250,00kWH of energy and RM90,000 a year. Stakeholders interested in economic impact would probably note sizeable savings from sustainable e-procurement processes.

Gamuda also aims to scale up its community investment and people development efforts via Yayasan Gamuda, established in 2016 to put into action the group's commitment to making a continued positive impact on society.

Every year, the home-grown construction outfit allocates about 2% of its annual profits to Yayasan Gamuda.

"Gamuda strongly believes in contributing back to build the community that made us, and Yayasan Gamuda is our way to institutionalise the efforts to reinvest the profits earned in areas that will bring about a significant social and economic difference in the places we do business," the company says on its website.

Gamuda also set up an Enabling Academy to empower young adults on the autism spectrum to be gainfully employed as well as to raise awareness and enlarge the network of partner corporates to provide administrative or professional jobs to individuals with high-functioning autism. Since its inception in 2016, the Enabling Academy has trained 66 candidates, of which 80% have secured and sustained jobs. Gamuda remains among the earliest, if not the earliest, corporations to operate such an employment transition programme in Malaysia.

To further extend the impact of this programme, the company made its training resources and materials available in the public domain without charge.

"The sharing of the intellectual property is intended to help develop more trainers and teachers in this niche field in Malaysia," it says in its 2021 annual report.

Gamuda also offers young Malaysians scholarships to pursue a university education and sustainably contribute to community development.

Since its inception in 1996, Gamuda Scholarship has awarded 471 scholarships — providing hundreds of deserving young adults with the opportunity to pursue tertiary education and, subsequently, go on to successful careers in a wide range of professional fields. In FY2021, Gamuda awarded 27 scholarships, of which 24 were local and three were international, with a cumulative value of RM3.9 million.

"We have doubled the scholarship quantum offered for the year, with plans to increase the allocation for overseas studies and place greater emphasis on students from low-income families," it says.

In the past, scholarships were typically offered to those pursuing courses in engineering, quantity surveying, development and urban planning, property and real estate management, and architecture. Starting this financial year, applications have been extended beyond engineering-related courses to include environmental science, safety and health, landscape architecture, biodiversity management and horticulture.

When it comes to its own talent pool, Gamuda not only emphasises training but also commits to respecting and championing human rights. Having complied with the Malaysian Employment Act 1955 and all other relevant local laws and regulations, the group is currently drafting its own human rights and modern slavery policy to integrate respect for human rights into its operations. E

BEST CR INITIATIVES

BELOW RM10 BIL MARKET CAPITALISATION (JOINT WINNER)

Sunway Bhd

2 BRC AWARDS OVER THE YEARS

3 CR awards ... 2015, 2018 2021

MORE THAN JUST GOING GREEN

BY SYAFIQAH SALIM

Since its inception in 1974, Sunway Bhd has prioritised sustainability long before sustainable development became a global concern. This long journey has culminated in the company's walking away with *The Edge* Billion Ringgit Club (BRC) award for Best CR Initiatives: Below RM10 Billion Market Capitalisation.

Founder and chairman Tan Sri Jeffrey Cheah has always made sustainability — which it defines as more than just being green — an integral part of Sunway's business and decision-making processes, which culminated in the group's adoption of the United Nations Sustainable Development Goals (SGDs) in 2015. The company has also set a goal to be carbon neutral by 2050.

In 2020, despite the unprecedented challenges posed by the nova coronavirus, the diversified group remains steadfast to its goal, owing to its long-term sustainability strategies that focus on risk management and reducing energy and water consumption.

"On the environmental front, we have reduced 11,611 tonnes of carbon dioxide emissions through tree planting, energy efficiency, renewable energy and waste management," it says in its 2020 annual report. "This is largely due to our robust environmental initiatives, which include the installation of solar panels. In 2020, our solar energy consumption increased from 1% to 3%, saving 7,408MWh."

It also reduced water consumption by 28% from a year ago and kept 4% of its waste out of landfills, thanks to its food composting facilities and e-bins, which collect old and obsolete appliances and digital technology for recycling.

Meanwhile, the group's flagship township, Sunway City Kuala Lumpur, has been selected as one of the three overarching hubs of the United Nations Sustainable Development Solutions Network (UN-SDSN), alongside New York City and Paris, to coordinate continent-wide sustainability initiatives for Asia, the Americas and Europe, as well as Africa, respectively.

"Reflecting Sunway's incorporation of the sustainability agenda and its commitment to advancing the UN-SDGs in the Asian region, the SDSN centre for Asia will be housed in Sunway University," the group says, adding that the centre will be the head office of the SDG Academy, the education arm of the centre, which is developing a curriculum on sustainable development that will be a compulsory subject from kindergarten to Year 12 around the world.

It has also, through the Sunway Innovation Labs (iLabs), established to nurture youths to develop transformative ideas that will power the future, set up Sunway FutureX — the country's first skill-building hub for urban farming innovations. The group says that, besides being its first foray into the agri-food sector, this marked its contribution to the country's food security.

In addition, with French tech school Ecole43, the group has launched a pioneering programming school with a tuition-free education model called "42KL" to equip young people with the skills and capabilities needed to thrive in the digital economy amid the new normal.

Aside from its sustainability-focused initiatives, the group, throughout 2020, contributed to communities in need and those whose incomes were affected by the pandemic, as well as frontliners, who tirelessly battled the spread of the virus. The initiatives included providing medical supplies to government hospitals and pledging RM12 million for the decanting of non-Covid-19 patients from public health facilities; sponsoring more than 26,000 room nights worth about RM2.9 million for quarantined people under surveillance; working with Yayasan Kebajikan Negara Malaysia and various non-governmental organisations to feed B40 families; and raising funds for hygiene essentials to be given to the underprivileged.

Looking ahead, the group remains committed to building a sustainable future by using technology and innovation, and to ensure long-term value creation. "The impact of the Covid-19 pandemic has accelerated our digitalisation journey. This will continue to motivate us to become more data-driven and digitally connected to stay relevant and promote new technologies as we adapt to the demands of the information economy," it adds. E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