THE EDGE BILLION RINGGIT Club 2023

RECOGNISING
MALAYSIA'S OUTSTANDING
CORPORATE PERFORMERS


EQS SUV
Progress Reimagined.
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Building value that lasts beyond quarterly performances

I bid you a warm welcome to the 2023 chapter of *The Edge* Billion Ringgit Club (BRC) Awards. This once-a-year gala dinner started in 2010 as an initiative by *The Edge* Malaysia to recognise, honour and celebrate the biggest and best of Corporate Malaysia — we believe this is possibly the only time in the year that top executives of companies across all sectors listed on Bursa Malaysia are gathered together for an evening like this.

Dinner invitations are extended to BRC members as recognition of having earned a place as a company with at least RM1 billion in market capitalisation as at our March 31 cut-off date.

I stress again that the awards are given purely on merit and cannot be bought because they are meant to spur continued excellence. Companies and individuals that win the awards must truly be deserving and acknowledged by peers.

The BRC awards methodology is transparent and the results are independently audited by Deloitte Malaysia.

We have stressed the importance of Corporate Responsibility (CR) since the inception of our BRC awards 13 years ago — well before ESG became a buzzword — not only by acknowledging CR efforts but also incorporating scores when selecting *The Edge* BRC Company of the Year.

This year, based on the March 31, 2023, cut-off date, there were 181 companies which made it into the BRC, down from our all-time high of 186 in 2021, but still slightly higher than the 178 last year.

The total market cap of the 181 companies, however, was slightly lower compared with 2021 and 2022 at RM1.49 trillion this year versus RM1.58 trillion in 2022 and RM1.59 trillion in 2021. The all-time high was RM1.69 trillion in 2018 when there were 170 members.

The RM1.49 trillion made up 90.4% of Bursa Malaysia's market cap as at March 31, 2023.

BRC members continue to be major taxpayers, collectively paying over RM42 billion in taxes to the government from the RM145 billion in pre-tax profits they made in 2022 — this is just over half the total company tax of RM82 billion collected by the government last year.

More importantly, the collective pre-tax profits of RM145 billion they made in 2022 is a sharp rebound from the two pandemic years of 2020 and 2021 of RM46 billion and RM95.8 billion respectively.

What this means is that BRC members have returned stronger than ever, proving the resilience of Corporate Malaysia. Congratulations.

The success of BRC as the benchmark awards for Corporate Malaysia would not be possible without the support of our partners and I would like to acknowledge them.

OCBC Malaysia has been our main partner since inception and I would like to thank its CEO Tan Chor Sen and his team for their continued support.

Our official car partner for the past nine years is Mercedes-Benz and our appreciation to Amanda Zhang, the president and CEO of Mercedes-Benz Malaysia and head of region, Southeast Asia II, and her team.

Our appreciation also to Tay Liam Khoon, managing director of Cortina Watch Malaysia, and Antoine Berardi, country manager of Cartier Malaysia, for their partnership since 2021.

Malaysia and the world have gone through a lot these past few years. Many challenges remain — and new ones have emerged — as we can see from the news every day.

If fire is the test of gold and adversity of strong men, or in our case, corporations, then many BRC winners have proven their worth — with not just resilient financial performance but also commitment towards sustainable practices and building value that lasts beyond quarterly and annual performances.

Congratulations to all winners. We look forward to hosting you again next year.

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

LOW YEN YEING/THE EDGE

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Celebrating Corporate Malaysia

BY CINDY YEAP

The evening shower and Kuala Lumpur traffic faded away as old friends and business associates caught up at *The Edge* Billion Ringgit Club (*The Edge* BRC) Awards 2023, Corporate Malaysia's biggest and most anticipated awards night, on Oct 23.

As always, the men looked dapper in tuxedos and bespoke suits and the ladies were chic in evening gowns at the black-tie event held at the Mandarin Oriental Kuala Lumpur. Most of the guests were comfortable not wearing masks, mingling and enjoying pre-dinner champagne, cocktails and mocktails as a string quartet played.

Many admired the black Mercedes-Benz S580 at the foyer and Mercedes-Benz EQS 580 4MATIC SUV in the ballroom. A showcase of Cartier 2023 novelties — the Santos, Tank, Ballon Bleu and Panthere de Cartier — was a feast for the eyes for watch enthusiasts and those who appreciate fine timepieces.

The Edge Media Group publisher and CEO Datuk Ho Kay Tat welcomed guests with a speech. This was followed by a keynote address by the guest of honour, Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz.

Zafrul presented the top award, flanked by Ho, *The Edge Malaysia* editor-in-chief Kathy Fong, OCBC Bank Malaysia CEO Tan Chor Sen, Mercedes-Benz Malaysia president and CEO and head of region, Southeast Asia II, Amanda Zhang and Cortina Watch Malaysia managing director Tay Liam Khoon.

Mega First Corp Bhd executive chairman Goh Nan Kioh accepted the trophy for *The Edge* BRC Company of The Year 2023. The Value Creator: Malaysia Outstanding CEO award was not given out this year, as in 2011, 2015 and 2020.

Many guests stayed on to take photos with their trophies after the awards presentation as well as to enjoy dessert, coffee and tea as the evening drew to a close.

SEE ALSO PAGES 34 TO 41 FOR MORE PICTURES OF THE GALA DINNER

Guest of honour Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz (centre) being greeted by Datuk Ho Kay Tat and Tan Sri Tong Kooi Ong of The Edge Media Group

THE EDGE BILLION RINGGIT Club 2023


Mega First Corp Bhd executive chairman Goh Nan Kioh walking up to the stage to accept the Company of The Year award


The Edge TV interviewing OCBC Bank Malaysia CEO Tan Chor Sen


Antony Barragry from IGB REIT (left) with M R Chandran from IRGA Sdn Bhd


(From left) Dillon Tan from Tropicana Corp with Tong and his wife Puan Sri Dawn Cheong


(From left) Shawn Chang, Chris Chong and Teh Chin Guan (IOI Properties Group Bhd) with Wong King Wai (*The Edge*)


Kevin Choo and Chin Kar Gian from OCBC Bank Malaysia with Goh from Mega First Corp Bhd


Jamalludin Obeng from Perdana Petroleum Bhd (extreme right) taking a group selfie with (from left) Zafrul, Datuk Mohamad Idham Nawawi, Joachim Rajaram and Datuk Kamal Khalid from CelcomDigi Bhd


Lee Chun Fai (IJM Corp Bhd) and Kathy Fong (*The Edge*)


Tan Sri Tay Ah Lek of Public Bank Bhd being congratulated by Zafrul, as Tong looks on


Mercedes-Benz Malaysia president and CEO Amanda Zhang being interviewed by The Edge TV

THE EDGE BILLION RINGGIT Club 2023

Keynote Speech by Yang Berhormat Tengku Datuk Seri Zafrul Abdul Aziz
Minister of Investment, Trade and Industry (Mandarin Oriental Kuala Lumpur, Oct 23, 2023)

CHAMPIONING A MISSION-ORIENTED APPROACH TO INNOVATION

Yang Berbahagia Tan Sri Tong Kooi Ong, chairman of The Edge Media Group; Yang Berbahagia Datuk Ho Kay Tat, group CEO and publisher of The Edge Media Group; award winners; distinguished guests of *The Edge* Billion Ringgit Club Awards 2023.

Ladies and gentlemen, a very good evening to all of you. Thank you, *The Edge*, for inviting me to the 14th edition of *The Edge* Billion Ringgit Club (BRC) Awards, to recognise and celebrate the biggest and best performing companies on Bursa Malaysia.

The BRC Corporate Awards, started in 2010, recognises the biggest and best-performing listed companies in Malaysia. It is a real honour to be here three years in a row now, under three different administrations — twice as the Minister of Finance and now as the Minister of Investment, Trade and Industry.

On with the awards, we all know that membership in *The Edge* BRC is based on the criterion of market capitalisation of at least RM1 billion on Bursa Malaysia on the last trading day of the first quarter of the current year, that is, March 31.

I was informed that there are currently 181 members of the BRC, up from 178 last year. This gives us hope that post-pandemic and despite the current operational challenges, many of our bigger companies have remained resilient and have been able to prosper, with fresh targets achieved.

MITI'S POLICY TARGET AREAS TOUCH MOST SECTORS

Ladies and gentlemen, tonight, 55 awards will be presented to companies across 14 sectors. From the full list of sectors, I can see that perhaps only two really belong to the manufacturing sector, that is, consumer products and services, and industrial products and services.

For your information, Malaysia's manufacturing sector contributes 24% to our GDP and roughly 80% of exports. In short, the health of the manufacturing sector will have an impact on the other supportive sectors on the BRC list, including construction, energy and utilities, financial services, technology, transport and logistics as well as telecommunications and media.

Before I delve further into policies, allow me to briefly frame the problem that all economies and multinationals face today.

At last year's BRC, I talked about the tightening of financial conditions which raised government borrowing costs, the prolonged Russia-Ukraine conflict and China's zero-Covid policy. This year, the challenges are:

a) First, the global economy and trade growth are slowing — we thought China's full reopening of its borders would mitigate this, but it did not. Early this month, the International Monetary Fund's latest report forecast that global growth would slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. Growth for Emerging Market and Developing Economies (EMDEs) is projected to decline slightly from 4.1% in 2022 to 4.0% in both 2023 and 2024. Malaysia's GDP is still expected to grow by 4% to 5% in both 2023 and 2024, barring any unforeseen circumstances. The World Trade Organization now expects the volume of world merchandise trade to grow by 0.8% this year, down from the 1.7% forecast in April.

b) Second, geopolitical tensions have become more intense. US-Sino strained relations are fast turning into a trade war. While the Ukraine-Russia conflict heads into its 20th month, we now have a fresh, escalated Israel-Palestinian conflict and humanitarian crisis in the Middle East, which began on Oct 7. For businesses and economies, the key concern is the impact on the oil supply chain, should the situation escalate further. Five decades ago, the world used roughly one barrel of oil to produce US$1,000 worth of GDP. By 2019, the figure was 0.43 barrels — a 56% decline. But oil still matters. This is why the government is monitoring events in the Middle East carefully.

c) Third, the pursuit and management of ESG issues are not even close to achieving the targets set by, for example, the Sustainable Development Goals (SDGs). The annual funding required to achieve the SDGs has an estimated US$4.2 trillion gap. This funding gap will exacerbate risks on rising wealth gaps, climate change, increasing digital gaps and cybersecurity, to name a few. These must be addressed quickly if we want to ensure a more sustainable foundation for our future growth.

So, how can Malaysia build its manufacturing industry's resilience to navigate future uncertainties? To answer that, allow me to briefly share the thinking behind our New Industrial Master Plan 2030 (NIMP 2030) as well as on how Miti is steering our policies to ensure the survivability, resilience, prosperity and sustainability of Malaysia's manufacturing and export sectors.

SHARED MISSIONS ARE OUR KEY TO INDUSTRIAL REFORM SUCCESS

Ladies and gentlemen, when we crafted NIMP 2030, we made a drastic departure from the past policy-crafting practice of focusing on sectors to a totally new approach based on broad-based acknowledgement of the biggest key issues facing our industrial reform agenda. Huge planet-wide challenges, such as climate change, and global supply chain risks cannot, and will never, be solved by championing only a handful of sectors in any country.

Instead, what we need to champion is a mission-oriented approach to innovation, industrial strategy or finance, which is not business as usual. So, Miti shifted its focus from marginal improvements driven by ideas of "value for money" to a notion of public value-creation driven by public purpose.

As a "market shaper", the government and Miti's key task is to encourage, enable and provide a sense of direction for industry-centric global-scale challenges that impact us locally, while recognising that we cannot decide in advance what the best solutions might look like. We also examined the most important aspects of policy that must be reformed to adopt a mission-oriented framework.

So, after lengthy deliberations, NIMP 2030 focused on missions — missions that all of us care about, resonate with, and the achievement of which will offer the biggest chances of success in resolving the grand challenges of our time. To help Malaysia re-industrialise systematically and sustainably, while supporting the na-

PHOTO BY MOHD IZWAN MOHD NAZAM/THE EDGE

> "NIMP 2030 focused on missions — missions that all of us care about, resonate with, and the achievement of which will offer the biggest chances of success in resolving the grand challenges of our time. To help Malaysia re-industrialise systematically and sustainably, while supporting the nation's fulfilment of its global pledges, the master plan's four missions are to enhance economic complexity, embrace technology rapidly, push for net zero as well as ensure economic security and inclusivity." — Zafrul

tion's fulfilment of its global pledges, the master plan's four missions are to enhance economic complexity, embrace technology rapidly, push for net zero as well as ensure economic security and inclusivity.

To get there, our industrial reforms entail embracing new tools and techniques in redesigning our public service, focusing on shifting or shaping technology and innovation frontiers, as well as managing complex systems in contexts of uncertainty. As an illustration, take the first mission, which is to increase economic complexity, and we shall use the electrical and electronics (E&E) sector as an example.

Malaysia's E&E/semiconductor industry has progressed commendably in its first 50 years. The semiconductor production ecosystem incorporates front-end activities such as R&D/design and development (D&D), wafer fabrication and testing, as well as back-end activities such as outsourced semiconductor assembly and testing (Osat), and packaging of the chip. In terms of value, however, our players are mainly capturing only 10% of the global value chain, because they are largely limited to back-end activities like testing and packaging.

So, to enhance economic complexity, we need to move the industry higher on the value chain by attracting companies that will invest in wafer fabrication and IC (integrated circuit) design, or the front-end semiconductor activities. Under NIMP 2030, supported by Budget 2024, we have already identified a few companies for this.

The more front-end semiconductor companies locate their operations here, the stronger our E&E ecosystem will be. As many sectors have converged, a strong E&E ecosystem will attract more investors in sectors such as medical devices, electric vehicles (EVs), greentech, agrotech and other tech-based sectors. The Asean EV market size, for example, is expected to grow from US$0.86 billion in 2023 to US$3.54 billion by 2028. Hence, strengthening Malaysia's E&E ecosystem will place us in a good position to capitalise on such prospects, with the potential to emerge as a pioneering force and regional hub for Asean's EV market.

When that happens, there will be a positive spillover impact for our companies and SMEs in terms of technology transfer, talent development and higher-paying job creation. In short, the benefits of enhancing economic complexity will cut across various sectors, not just the E&E sector per se.

BRC MEMBERS CAN REORIENTATE THEIR PURPOSE TOWARDS THE NIMP 2030 MISSIONS

Ladies and gentlemen, to all of you sitting here, as the market's biggest movers and shakers, I would like to invite you to also embrace our mission-based approach. Since I used to be in the financial industry, and finance is the lifeblood of our economy and our companies/SMEs, I would like to use this industry as an example. I am aware that many banks have published their sustainability finance framework.

Strategising these frameworks around sectors for financing typically involves allocating a risk budget to specific sectors under their coverage. Such an approach would generally penalise all players in a sector deemed "high risk", although there are players who are progressive and are bucking the sector's trend.

Take, for example, a steel manufacturer, Company A. We know that steel is among the world's major eco offenders. What if with innovative advances in manufacturing technology, Company A's steel production method does not need blast furnaces (which cuts emissions by two thirds) and its plant switches from natural gas to eco-friendly hydrogen, which further reduces its carbon footprint? Surely this company should not be denied financing just because it belongs to an industry historically known for its high-polluting processes.

So, perhaps banks could relook at how their risk budgets could be reallocated towards missions, as opposed to sectors, and consider how their financing rate could also be tiered or gradually reduced to "reward" each ESG milestone achieved.

Such an approach to financing moves us towards our mission, or collective common goal for public good, by encouraging and rewarding "good behaviour". So, I would like to humbly request that all of you consider realigning your own internal policies towards the NIMP 2030's four missions, so we can truly rally the whole country in trying to achieve the most public good in the medium to longer term for the manufacturing sector, our industries and Malaysia's economy.

To support the nation's economic growth moving forward, it is critical to strengthen the resiliency and competitiveness of Malaysia's manufacturing industries. To that end, Miti looks forward to working together with all of you — as leaders in your respective industries — on achieving our NIMP 2030 missions.

One possible collaboration is how you can help the SMEs in your respective ecosystems to embrace ESG principles. We already have the National Industry on ESG (i-ESG) for the manufacturing sector, which will be rolled out as one of the action plans under the NIMP's Industry Development Fund (NIDF) for 2024.

Through the i-ESG, we will guide and hand-hold SMEs in embracing ESG principles, starting with a sustainability disclosure report, which will also support your respective supply chains that will be a consideration by potential global investors. These, in turn, will help Miti attract the right investments, whether FDI or DDI, into our manufacturing sector.

To *The Edge*, as the organiser of these BRC Awards, perhaps you could also consider orientating your future BRC Awards criteria towards a few of our NIMP missions.

Ladies and gentlemen, I would like to add that the members of the BRC — given their strength and influence — are in the best position to become the government's partners in crafting or executing existing and future mission-based projects. As such, please share your ideas, if any, on how best we can move NIMP 2030 forward.

To conclude, my congratulations to all award winners tonight. To *The Edge* and all guests, thank you for having me and enjoy the evening! E

THE EDGE BILLION RINGGIT Club

CRÈME DE LA CRÈME

Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz (third from right), accompanied by The Edge Media Group publisher and group CEO Datuk Ho Kay Tat (right), *The Edge Malaysia* editor-in-chief Kathy Fong (left), OCBC Bank Malaysia CEO Tan Chor Sen (third from left), Mercedes-Benz Malaysia president and CEO and head of region, Southeast Asia II, Amanda Zhang (second from left) and Cortina Watch Malaysia managing director Tay Liam Khoon (second from right) presented the top award of the night. The other awards were presented by Ho, Fong, Tan, Zhang and Tay.

COMPANY OF THE YEAR – Mega First Corp Bhd
(Goh Nan Kioh, executive chairman)

Winners of the 14th edition of the BRC awards; 42 companies were awarded 55 awards

SEE ALSO PAGES S42 TO S48

PHOTOS BY MOHD IZWAN MOHD NAZAM/THE EDGE

THANK YOU

YANG BERHORMAT SENATOR
TENGKU DATUK SERI UTAMA
ZAFRUL TENGKU ABDUL AZIZ

MINISTER OF INVESTMENT, TRADE & INDUSTRY

FOR GRACING

THEEDGE BILLION RINGGIT Club 2023

GALA DINNER & CORPORATE AWARDS

Winners of *THE EDGE* BILLION RINGGIT CLUB corporate awards 2023

COMPANY OF THE YEAR
MEGA FIRST CORP BHD

SUPER BIG CAP
Above RM40 bil market capitalisation

HIGHEST RETURN ON EQUITY OVER THREE YEARS
CelcomDigi Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Press Metal Aluminium Holdings Bhd

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

BIG CAP COMPANIES
RM10 bil to RM40 bil market capitalisation

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Nestlé (M) Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
IOI Corp Bhd & Kuala Lumpur Kepong Bhd (joint winners)

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
TIME dotCom Bhd

CONSTRUCTION
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Sunway Construction Group Bhd

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

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Gamuda Bhd

CONSUMER PRODUCTS & SERVICES
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Carlsberg Brewery Malaysia Bhd

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

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Berjaya Food Bhd

ENERGY & UTILITIES
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Gas Malaysia Bhd

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

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Bumi Armada 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
CIMB Group Holdings 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
Affin Bank Bhd

FINANCIAL SERVICES
(below RM10 bil market capitalisation)

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
RCE Capital Bhd

HEALTHCARE
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Hartalega Holdings Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Hartalega Holdings Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Supercomnet Technologies Bhd

INDUSTRIAL PRODUCTS & SERVICES
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Uchi Technologies Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Press Metal Aluminium Holdings Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
PMB Technology Bhd

PLANTATION
HIGHEST RETURN ON EQUITY OVER THREE YEARS
United Plantations Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
IOI Corp Bhd & Kuala Lumpur Kepong Bhd (joint winners)

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Boustead Plantations 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
IOI Properties Group Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Tropicana Corp Bhd

PROPERTY
(below RM3 bil market capitalisation)

HIGHEST RETURN ON EQUITY OVER THREE YEARS
Lagenda Properties Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Lagenda Properties Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Ideal Capital Bhd

REAL ESTATE INVESTMENT TRUST
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
IGB REIT

TECHNOLOGY
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Greatech Technology Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Malaysian Pacific Industries Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
D&O Green Technologies Bhd

TELECOMMUNICATIONS & MEDIA
HIGHEST RETURN ON EQUITY OVER THREE YEARS
CelcomDigi Bhd

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

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
TIME dotCom Bhd

TRANSPORTATION & LOGISTICS
HIGHEST RETURN ON EQUITY OVER THREE YEARS
Westports Holdings Bhd

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS
Westports Holdings Bhd

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS
Malaysia Airports Holdings Bhd

BEST CR INITIATIVES
SUPER BIG CAP
Above RM40 bil market capitalisation
Malayan Banking Bhd

BEST CR INITIATIVES
BIG CAP COMPANIES
RM10 bil to RM40 bil market capitalisation
IOI Corp Bhd & RHB Bank Bhd (joint winners)

BEST CR INITIATIVES
Below RM10 bil market capitalisation
United Plantations Bhd

Saluting sustainable excellence for the 14th year

BY CINDY YEAP

Reflecting the heightened market volatility, it has been a sea of red in terms of the share price performance and total returns of the 14 companies named as *The Edge* Billion Ringgit Club (BRC) Company of the Year over the years.

Although only five companies — Supermax Corp Bhd, QL Resources Bhd, Nestlé (Malaysia) Bhd, Press Metal Aluminium Holdings Bhd and Mega First Corp Bhd — clearly showed significant gains when measured from the start of the respective year in which they were presented with the accolade until Oct 27 this year, seven of the 14 companies still outperformed the FBM KLCI in terms of share price gains and six beat the benchmark index in terms of total returns.

Apart from the five companies mentioned above, Petronas Dagangan Bhd outperformed the bellwether index in terms of share price gain and total returns, while ViTrox Corp Bhd did better than the index in terms of stock price performance (see Table 1).

Like last year, seven previous BRC Companies of the Year outperformed the benchmark index in 2023, although with the addition of a 14th member. This was above six in 2021 and only five when measured at the latest practicable date in 2020, but still a far cry from before the pandemic in 2019, when nine of the 10 BRC Companies of the Year outperformed the local bellwether.

Among those that underperformed the index over the respective periods, Genting Bhd and AirAsia Bhd (renamed Capital A Bhd on Feb 10, 2022) were some of the hardest hit by the pandemic. Unlike Supermax, which won years before the recent glove super-cycle, Hartalega Holdings Bhd's performance was compared with a higher base as the industry digested excess capacity following the pandemic. Those who follow Hartalega closely would know, however, that it remains cash-rich and is still a winner at the BRC corporate awards this year (see story on Page 67).

CelcomDigi Bhd (formerly Digi.Com Bhd), Press Metal and Nestlé are also on the BRC winners' list this year (see stories on Pages 54 and 55).

No stranger to the BRC awards, this year's Company of the Year, Mega First, had outperformed the FBM KLCI and FBM Emas year to date when measured on Oct 27 but showed only a single-digit gain (see story on Page 20).

Nonetheless, when measured from the start of 2019, which covers the three-year period considered for this year's award and the months thereafter, Mega First is one of four companies to show triple-digit gains over the period. It beat both indices by more than 100% and was the second top-performing of all past BRC Company of the Year winners except for last year's, Frontken Corp Bhd, which achieved a total return of more than 600% (see Table 2).

In the period from Jan 1, 2019, to Oct 27, 2023, the FBM KLCI was down 14.7%, with a total return of only 2.6%.

Table 1

BLOOMBERG

BRC COMPANY OF THE YEAR

HOW PERFORMANCE AND SHAREHOLDER RETURNS OF COMPANIES NAMED 'BRC COMPANY OF THE YEAR' STACK UP VERSUS THE FBM KLCI AND FBM EMAS INDEX SINCE THEIR RESPECTIVE WINNING YEAR

PERIOD	BRC COMPANY OF THE YEAR	PRICE CHANGE (%)	FBM KLCI PERFORMANCE (%)	FBM EMAS PERFORMANCE (%)	TOTAL RETURNS (%)	FBM KLCI TOTAL RETURNS (%)	FBM EMAS TOTAL RETURNS (%)
2010–2023	Supermax Corp Bhd	+79.5	+13.3	+25	+108.3	+80.6	+93
2011–2023	QL Resources Bhd	+433.9	–5.07	+2.5	+508.8	+47.04	+53.8
2012–2023	Genting Bhd	–63.3	–5.8	+1.4	–51.5	+41.2	+47.6
2013–2023	Digi.Com Bhd (CelcomDigi Bhd since March 2, 2023)	–20.6	–14.6	–7.03	+20.5	+23.9	+31.1
2014–2023	Dutch Lady Milk Industries Bhd	–52.06	–22.8	–17.3	–35.9	+8.7	+13.3
2015–2023	Tenaga Nasional Bhd	–28.5	–18.1	–11.9	+7.02	+11.6	+17.1
2016–2023	Nestle (Malaysia) Bhd	+71.5	–14.8	–9.8	+104.2	+12.7	+16.4
2017–2023	AirAsia Bhd (Capital A Bhd since Feb 10, 2022)	–61.8	–12.2	–7.3	–25.7	+12.6	+16.3
2018–2023	Petronas Dagangan Bhd	–6.6	–19.8	–17.8	+12.9	–0.51	–0.1
2019–2023	Press Metal Aluminium Holdings Bhd	102.1	–14.7	–7.8	+112.1	+2.6	+8.8
2020–2023	Hartalega Holdings Bhd	–62.2	–9.2	–6.1	–54.3	+5.6	+7.4
2021–2023	Vitrox Corp Bhd	–5.9	–11.4	–9.6	–4.4	–0.15	+0.4
2022–2023	Frontken Corp Bhd	–19.8	–8.01	–5.97	–17.95	–0.5	+0.88
2023–2023	Mega First Corp Bhd	+3.01	–3.6	–0.63	+5.4	+0.17	+2.7

Note: The performance figures are based on the adjusted share price at the start of the year in which the respective companies received their award to the last practicable date (Oct 27, 2023)

SAM FONG/THE EDGE

Many BRC winners have proven their worth ... building value that lasts beyond quarterly and annual performances. — Ho

OCBC

May [award winners'] journey of success [inspire others to reach for greatness and] help you outdo yourself each step of the way. — Tan

BRC members this year

At 181, the number of BRC members in 2023 — companies listed on Bursa Malaysia with a market capitalisation of at least RM1 billion at the cut-off date of March 31 — is higher than last year's 178 but below the all-time high of 186 in 2021.

This year's 181 BRC members command a market cap of RM1.49 trillion, or 90.4% of the combined market cap of all Bursa-listed companies as at March 31, 2023. This is 5.54% below the combined market cap of RM1.58 trillion of the 178 BRC members last year as well as the combined market cap of RM1.59 trillion of the 186 members in 2021, but above the RM1.41 trillion in 2020 (see Table 2 on Page 16).

The combined net profit of this year's 181 BRC members of RM91.8 billion is comparable to last year's RM95.8 billion and double the multiple-year low of only RM46 billion from 186 BRC members in 2021, owing largely to sizeable losses booked by larger members that were hit more severely by the pandemic in 2020 that pushed numbers to multiple-year lows.

Even so, BRC members continued to be major taxpayers, paying an estimated RM42 billion in taxes in FY2022, above the RM36 billion in FY2021 and significantly higher than the RM23 billion in FY2020 and RM28 billion in FY2019.

Digi still has the most awards

Of the 151 companies that have won at least one BRC corporate award over the years, Digi (which changed its name to CelcomDigi on March 2, 2023) is still the recipient of the most BRC corporate awards — 24 this year, or 4.4% of the 541 awards given out over the past 14 years. This is largely due to the 21 awards it has collected so far for the highest return on equity (ROE) over three years.

With 15 corporate awards, Public Bank Bhd has had the second-highest haul over the years, followed closely by Press Metal with 14 and Hartalega with 13, including this year's win. IGB REIT has moved up the ranks, with 12 awards, alongside British American Tobacco (M) Bhd while Supermax Corp Bhd and UOA Development Bhd have each taken home 11 trophies so far (see medal tally over the years on Page 30). For uniformity, only those that won gold awards were counted and not those that received the 41 silver awards in 2017.

There has been a noticeable change in the members that occupy the annual BRC Top 20 list in terms of market cap and profit (ranked by FY2022 numbers) this year, with the most notable being the rebound by AMMB Holdings Bhd and YTL Power International Bhd. AMMB was loss-making but YTL recovered strongly, with its shares chased higher this year on the back of a strong earnings recovery in its power business across the Causeway (see tables on Top 20 BRC members by profit and market cap on Page 28).

CONTINUES ON PAGE 16

Table 2

BRC MEMBERSHIP STATISTICS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of companies	163	185	144	144	178	166	176	184	170	168	161	186	178	181
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	18.7% of 952 listed companies	18.8% of 961 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	1,580.519	1,492.962
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	-0.74	-5.54
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	90.9	90	88	90.4

Note: Market capitalisation data as at end-March for 2010 to 2023 and as at end-June for 2020

FROM PAGE 14

Malayan Banking Bhd (Maybank) and Public Bank remain the top two largest companies by market cap (as at cut-off date of March 31, 2023). CIMB Group Holdings Bhd moved to third place, edging past Petronas Chemicals Group Bhd. Maybank also kept its pole position in the earnings league for FY2022.

In the 14th instalment this year, the BRC awards, which celebrate Corporate Malaysia's best-performing and top responsible organisations, aim to spur Malaysian companies to be even better at what they do — not just financially but also as responsible corporate citizens.

This is why corporate responsibility (CR) efforts constitute 30% of the scores that go towards determining the Company of the Year (To know how *The Edge* BRC Company of the Year is selected, see the awards methodology on Page 30. Also read what our panel of CR judges has to say on Page 22.)

The BRC methodology is transparent and the awards cannot be bought. The results are audited by Deloitte Malaysia. The billion ringgit mark serves as an aspirational target for dynamic but smaller companies, the same reason the RM40 billion threshold was set for "Super Big Cap" companies.

Celebrating excellence

In his speech as guest of honour at the BRC awards gala dinner on Oct 23, Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz invited Corporate Malaysia to embrace technology as well as the "mission-oriented approach to innovation, industrial strategy or finance, which is not business as usual" to enhance the country's economic complexity while working towards net zero and a more inclusive society (read the full speech on Page 8).

In his welcome address, The Edge Media Group publisher and group CEO Datuk Ho Kay Tat said the BRC awards had always stressed the importance of corporate responsibility since its inception 13 years ago — before ESG (environmental, social and governance) became a buzzword. "If fire is the test of gold and adversity of strong men — or, in our case, corporations — then many BRC winners have proved their worth, with not only resilient financial performance but also a

MERCEDES

SOO PHYE

"Recognition is just one step in your sustainability journey, not the final destination.
— Zhang

"Keep striving for excellence and never lose sight of your goals.
— Tay

Table 2

How each BRC Company of the Year performed versus the FBM KLCI and FBM Emas (2019 to 2023)

YEAR OF WIN	BRC COMPANY OF THE YEAR	PRICE CHANGE BETWEEN JAN 1, 2019 AND OCT 27, 2023 (%)	TOTAL RETURNS BETWEEN JAN 1, 2019 AND OCT 27, 2023 (%)	PRICE CHANGE BETWEEN JAN 1, 2020 AND OCT 27, 2023 (%)	TOTAL RETURNS BETWEEN JAN 1, 2020 AND OCT 27, 2023 (%)
2022	Frontken Corp Bhd	+582.98	+626.3	+29.4	+30.5
2023	Mega First Corp Bhd	+120.6	+140	+33.9	+44.8
2021	Vitrox Corp Bhd	+120.03	+126.03	+74.7	+79.2
2019	Press Metal Aluminium Holdings Bhd	+102.07	+112.1	+109.9	+117.8
2011	QL Resources Bhd	+22.9	+27.6	+2.95	+6.14
2010	Supermax Corp Bhd	-2.6	+23.6	+20.1	+50.8
2013	Digi.Com Bhd (CelcomDigi Bhd since March 2, 2023)	-6.7	+10.6	-5.8	+7.3
	FBM EMAS	-7.8	+8.8	-9.2	+5.6
2018	Petronas Dagangan Bhd	-14.5	-0.4	-1.9	+11
2016	Nestle (Malaysia) Bhd	-14.6	-6.7	-14.4	-8.16
-	**FBM KLCI**	-14.7	+2.6	-6.1	+7.4
2015	Tenaga Nasional Bhd	-27.4	-3.6	-25.6	-4.98
2012	Genting Bhd	-33.8	-20.9	-33.2	-22.6
2014	Dutch Lady Milk Industries Bhd	-62.5	-60.6	-53.97	-51.1
2020	Hartalega Holdings Bhd	-66.3	-58.6	-62.2	-54.3
2017	AirAsia Bhd (CapitalA Bhd since Feb 10, 2022)	-70.5	-55.6	-48.5	-48.5

commitment to sustainable practices and building value that lasts beyond quarterly and annual performances."

OCBC Bank Malaysia, a key partner since the inaugural awards in 2010, is the main sponsor for the 14th year. Also returning as a sponsor for the ninth year is Mercedes-Benz Malaysia, the awards' official car. Cartier by Cortina Watch Malaysia, which supported the awards in 2020, is officially a supporting sponsor for a third year.

"I thank our distinguished partners for their steadfast support in celebrating Corporate Malaysia's continued excellence. The success of the BRC as Corporate Malaysia's benchmark awards would not be possible without their fervent support," said Ho.

Congratulating this year's winners, OCBC Bank Malaysia CEO Tan Chor Sen said: "Kudos to all the winners on your outstanding achievements. Your dedication and hard work deserve every bit of recognition received. As award winners, you've not only reached significant milestones but will serve to inspire others to reach for greatness. May your journey of success help you outdo yourself each step of the way. For those who did not win this year, I hope the experience offers valuable insights for improvement. Keep pushing the boundaries, for it is the pursuit of excellence that leads to remarkable achievement."

Amanda Zhang, president and CEO of Mercedes-Benz Malaysia and head of region, Southeast Asia II, lauded the sustainable excellence, telling BRC members: "Your commitment to excellence and responsible business practices is truly commendable, serving as an example for the corporate community in Malaysia. It is important to remember that recognition is just one step in your sustainability journey, not the final destination. Stay resolute in your dedication towards shaping a brighter and more sustainable future."

Tay Liam Khoon, managing director of Cortina Watch Malaysia, urged BRC members to strive on. "Your hard work and success deserve to be celebrated. And to the other Billion Ringgit Club members who did not win this year, remember that success is not defined by awards alone. Keep striving for excellence and never lose sight of your goals. Your achievements and contributions are still valuable and important," he said. ■


01 TOP 5 CONTAINER VOLUME HANDLED OUTSIDE CHINA
02 12TH BUSIEST PORT GLOBALLY BASED ON CONTAINERS HANDLED
03 CONNECTIONS TO MORE THAN 350 PORTS GLOBALLY
04 801 MOVES (NEW WORLD RECORD) WITHIN 1 HOUR
05 NATURAL DEEP HARBOUR UP TO 18 METER
06 HIGH PRODUCTIVITY OF 35 MOVES PER HOUR CONSISTENTLY
07 CAPACITY TO HANDLE 24,000 TEUS VESSEL-SIZE
08 EQUIPPED WITH 66 WORLD LARGEST SHIP-TO-SHORE CRANES
36.7 km
SHAH ALAM (34 mins)
14 km
SKVE HIGHWAY (15 mins)
18.6 km
KESAS HIGHWAY (19 mins)
60.6 km
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THE EDGE BILLION RINGGIT Club 2023

COMPANY OF THE YEAR

Mega First Corp Bhd

10 BRC AWARDS OVER THE YEARS

Powering growth with renewable energy and more

BY LIEW JIA TENG

Mega First Corp Bhd (MFCB), a member of *The Edge* Billion Ringgit Club (BRC) since 2017 and placed on its winners' list every year since 2018, has secured a spot in its Hall of Fame with the highly-coveted BRC Company of the Year award for 2023.

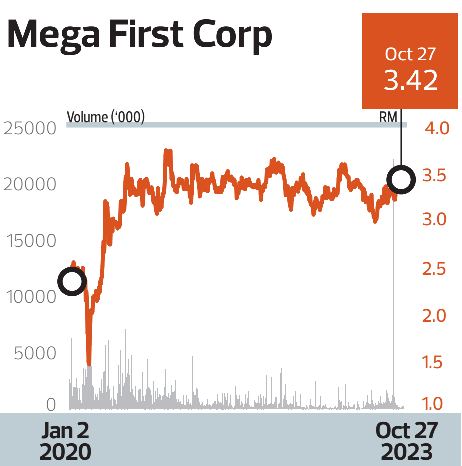
The developer of the 260MW Don Sahong Hydropower plant in southern Laos is controlled by low-profile businessman Goh Nan Kioh, its executive chairman and single largest shareholder with 34.8% equity interest.

It is perhaps prescient that Goh wrote in his chairman's statement in the company's 2022 Annual Report: "MFCB has once again been awarded twice at *The Edge*'s BRC Awards 2022 for the fifth year running for Highest Returns to Shareholders over three years and Highest Growth in Profit After Tax over three years, and will do our very best to carry on this winning streak."

MFCB's profit after tax (PAT) more than doubled from RM153.7 million in the financial year ended Dec 31, 2019 (FY2019) to RM321.3 million in FY2020, before climbing further to RM462.3 million in FY2021. Although the group's earnings dropped to RM396.8 million in FY2022, it still achieved a remarkable risk-weighted three-year PAT compound annual growth rate (CAGR) of 24%.

Even though MFCB did not win the usual BRC corporate awards this year, its overall score for earnings growth, returns to shareholders and return on equity (ROE) over the last three years was high enough for it to clinch the most prestigious BRC award this year.

During the period between March 31, 2020, and March 31, 2023, MFCB saw its adjusted share price climb from RM2.081 to RM3.50, a decent gain of 68%. This boosted the group's three-year CAGR returns to shareholders to 18.92%, according to the awards methodology.



While the stock has come off its all-time high, MFCB's market capitalisation is still around RM3.2 billion — more than double the RM1.23 billion it had at end-2018 when it first joined the BRC winners' list.

The group's ROE improved from 18.56% in FY2020 to 21.4% in FY2021, before declining to 15.43% in FY2022, giving it an adjusted weighted ROE over three years of 17.85%.

The 70-year-old Goh, who has wide and varied business investments in many countries, is also the largest shareholder of D&O Green Technologies Bhd, a Melaka-based manufacturer of automotive light-emitting diodes (LEDs) which achieved back-to-back wins for highest total returns over three years among technology companies at *The Edge* BRC awards 2022 and 2023.

Many may not be aware that Goh was Carlsberg Group's partner in Cambodia, where he built Cambrew Ltd — the country's first and one of its largest brewers — which produces the iconic Angkor Beer. Carlsberg had in 2005 bought a 50% stake in Cambrew. The brewery giant took management control of Cambrew in 2018 after increasing its stake to 75%, before acquiring the remaining shares a year later.

Goh and his family are ranked 40th on *Forbes*' "Malaysia's 50 Richest" list, with a net worth of US$425 million (RM2 billion) in 2023.

Incorporated on April 25, 1966, the Petaling Jaya-headquartered MFCB has three main divisions, namely renewable energy (RE), resources and packaging, while also holding investments in other areas such as real estate and plantation.

Apart from operating the 260MW run-of-river Don Sahong Hydropower plant it built in Laos, its RE division also undertakes solar photovoltaic (PV) investment business activities.

Under the resources division, the group is engaged in the quarrying of limestone. It also manufactures and trades in lime products, calcium carbonate powder and bricks.

MFCB's packaging division, meanwhile, manufactures a wide range of printed labels and stickers, paper bags and flexible packaging products for various industries.

Goh highlighted in his chairman's statement that MFCB's RE division — the largest contributor to the group's income at 85.6% of profit before tax (PBT) — delivered yet another year of strong financial performance in 2022.

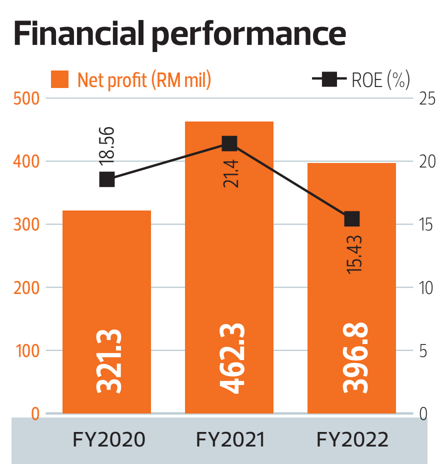
The Don Sahong Hydropower plant remained the strongest contributor to its RE division. It achieved a record-high PBT of RM419 million on an average energy availability factor (EAF) of 94.6% in FY2022.

"Assuming a stable ringgit versus US dollar exchange rate at around FY2022 levels of RM4.401 per dollar, management expects PBT in FY2023 to be marginally lower on an expected lower EAF and higher interest expense (due to interest rate hikes), offset by a 1% tariff adjustment (annually on Oct 1) and lower-than-expected credit loss," Goh said. He added that the resources division "made healthy progress" in FY2022, whereby the total sales volume of MFCB's lime products rose 14.7%, despite the various challenges faced by the industry, such as high fuel and logistics costs. "We are optimistic that we will continue to perform better going forward, as demand for lime products will remain robust as the world leaves the Covid-19 pandemic behind for good in FY2023 and whatever related logistical difficulties we faced are expected to taper off."

On MFCB's packaging division, Goh pointed out that its FY2022 performance had been "exceptional", with revenue hitting a record level of RM399 million, despite the challenges and increasingly difficult business environment.

"We managed to exceed our targets and achieve this breakthrough thanks to our commitment to innovation and sustainability that has allowed us to differentiate ourselves in the market and attract new customers, while our focus on operational efficiency enabled us to improve productivity," he elaborated.

With this year's big win, Mega First Corp clinches its 10th and most prestigious *The Edge* BRC award. It would not be its last if the group continues to successfully differentiate itself from the rest of the pack. E



Goh and his family are ranked 40th on *Forbes*' 'Malaysia's 50 Richest' list, with a net worth of US$425 million in 2023

Major corporate milestones

1966	• Commences operations in Malaysia under the name of Mega (Chemicals) Sdn Bhd
1970	• Lists on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia) on Aug 11
1990	• Adopts present name, MFCB, on March 15 • Completes restructuring through the emergence of a white knight. MFCB's principal business then was quarrying of limestone in Baling and Simpang Pulai.
1994	• Ventures into the trading of heavy equipment and machinery parts with the acquisition of 60% equity interest in CEL Tractors Sdn Bhd. This subsidiary was disposed of in March 2001.
1995	• Ventures into the manufacturing of container locking gears and automotive components in England • Granted the right to build, own and operate a 36MW thermal power plant in Tawau, Sabah. The power plant commenced commercial operation in December 1996.
1996	• Ventures into China with a 60% stake in a Sino-foreign co-operative joint venture with Qixian Heat & Power Co Ltd to operate a coal-fired heat and power plant in Qixian Town, Shaoxing City, Zhejiang Province
1997	• Sells its stake in Palmco Holdings Bhd to IOI Corp Bhd • Expands property division's development projects to cover Ipoh, Melaka and the Klang Valley
2001	• Ventures into the automotive components business in South Africa
2004	• Ventures into the manufacturing of labels and packaging materials
2007	• Exits the container locking gears and automotive components businesses in England
2008	• Signs the project development agreement with the Government of Lao People's Democratic Republic (Laos) to develop, build, own and operate a hydroelectric power plant in Don Sahong • Exits the automotive components business in South Africa
2010	• Becomes a substantial shareholder of Jadi Imaging Holdings Bhd
2012	• Privatises and delists Rock Chemical Industries (Malaysia) Bhd from Bursa Malaysia on June 29
2013	• Obtains a land concession in Mondulkiri Province, Kingdom of Cambodia primarily for agricultural development and cultivation
2014	• Expands into the manufacturing of flexible packaging materials
2015	• Jadi Imaging ceases to be its associate company • MFCB's 80%-owned Don Sahong Power Co Ltd is granted the concession rights on a "build, operate and transfer" basis for the Don Sahong Hydropower Project on Sept 15. The concession period will end on the 25th anniversary of the commercial operation date. • Power Purchase Agreement (PPA) for the purchase by Electricite Du Laos, Laos (EDL) of all electricity generated by the Don Sahong Hydropower Project on a take-or-pay basis is signed on Oct 1
2020	• Don Sahong Hydropower plant goes into full commercial operation. The concession period shall end on the date occurring 25 years after the commercial operational date (COD), which is on Sept 30, 2045.
2021	• Completes a share split involving the subdivision of every one existing share in MFCB held into two subdivided shares
2023	• Wins *The Edge* Billion Ringgit Club (BRC) Company of the Year award

Creating lasting impact for multi-stakeholders and measuring them well

BY CINDY YEAP

Companies that were scored highly on corporate responsibility (CR) initiatives continue to be those that not only create lasting impact for multi-stakeholders but know how to measure and communicate them well, say *The Edge* Billion Ringgit Club (BRC) panel of CR judges.

Stressing the importance of creating lasting value, Jeffrey Teoh, managing director and head of corporate and commercial banking of OCBC Bank Malaysia Bhd, says harnessing benefits from effective CR programmes remains the way forward and was a key factor in selecting the winners of *The Edge* BRC 2023.

"We do well when we do good. This is a truism that has stood the test of time. In our 14th year as Main Sponsor of *The Edge* BRC, we are beginning to see even more companies stepping up to make ESG (environmental, social and governance) an integral part of how they operate. This is a good sign, even if more can be done. Their efforts will help to promote sustainability by serving also as a model for others to emulate. By highlighting these efforts, we are sounding the call for even more companies to join in this sustainability journey," Jeffrey says.

According to him, financial institutions are "under tremendous pressure to step up" on the ESG front, being among parties that have more dealings with multinationals and international investors.

Incidentally, this year, Malayan Banking Bhd and RHB Bank Bhd are *The Edge* BRC CR award winners in the "Super Big Cap" (companies with above RM40 billion market capitalisation) and "Big Cap" (companies with RM10 billion to RM40 billion market cap) respectively.

Planters, which are under constant scrutiny for sustainability practices, are also *The Edge* BRC CR award winners this year. IOI Corp Bhd is a joint winner with RHB for the "Big Cap" category; and United Plantations Bhd, which the judges credit as a pioneer of CR, is a winner in the "Below RM10 billion market capitalisation" category. Apart from RHB, three of this year's four CR winners are not first-time winners of *The Edge* BRC CR awards.

"[CR] is embedded in United Plantations' culture. They're ahead of the curve," says The Edge Education Foundation CEO Dorothy Teoh.

Among other things, Dorothy notes how United Plantations takes a "cradle-to-grave approach" for its estate workers, extending accommodation to those who have retired as well as making available medical facilities to the surrounding community. In stark contrast to those who mistreat their employees, Dorothy adds, United Plantations, paid at least RM25 million in back wages to its foreign hires who had to pay agent fees after verifying their eligibility.

Philip Koh Tong Ngee, senior partner at Mah-Kamariyah & Philip Koh Advocates & Solicitors, notes how United Plantations had made new investments to further expand the light railway network facilitating transport of materials across fields.

Koh also notes the efforts that planters IOI Corp and Kuala Lumpur Kepong Bhd (KLK) have made in terms of education, a critical factor for upward social mobility. He notes that KLK set up and managed schools in plantation estates to "provide education access to children of plantation workers and marginalised communities". Meanwhile, IOI Corp partnered with the Borneo Child Aid Society in Sabah to establish the HUMANA schools and Community Learning Centres for about 3,000 children of plantation workers, providing them with tuition fees, uniforms, school bags, nutritious lunches on school days and transport to school.

He also acknowledges how Allianz Malaysia Bhd supported clinical research studies on post-acute Covid Syndrome conducted by the University Malaya Medical Centre; as well as Sunway Bhd's Sunway READ Programme, which established 15 libraries in schools and orphanages with B40 students. Both Allianz and Sunway are past BRC CR Award winners.

OCBC's Jeffrey noted efforts made towards carbon neutrality and net zero, an area that is increasingly gaining importance.

Jeffrey says: "Among the notable efforts we have noticed companies undertaking revolve round the journey towards decarbonisation. We are pleased to see several companies now working to decarbonise their greenhouse gas (GHG) emissions using tools such as Malaysian Green Technology and Climate Change Corp's (MGTC) online carbon management platform Low Carbon Operating System (LCOS). The platform guides corporate and SME (small and medium enterprise) customers to improve efficiency, reduce wastage in their business activities and ultimately achieve long-term cost savings as part of a transition financing plan. We are glad to see companies embracing LCOS to help measure their carbon footprint. So, emissions are well managed and we hope others will do the same."

Dorothy highlights the importance for companies to track — and show — not only what was done in a particular year but also how the impact of a particular CR initiative is driving lasting change in the intended target group or area over the years.

All the judges concur that what is important is not just the willingness to spend money but a commitment in ensuring that the investment of time, money and other resources does not yield only impressive sustainability reports but, rather, tangible and lasting differences for the people, community, environment, economy and country.

In recognition of the importance of sustainability, CR constitutes 30% of the scores in determining *The Edge* BRC's Company of The Year. The remaining 70% of the scores are from a quantitative metric: growth in profit after tax over three years (30%); return to shareholders over three years (20%); and return on equity over three years (20%) (see BRC methodology on Page 30).

Judges abstained from the scoring and deliberations on BRC members in which they are a board member or where there were potential conflicts of interest. E

SAM FONG/THE EDGE

(From left) OCBC's Leong Mei Sim with Dorothy Teoh, Philip Koh and Jeffrey Teoh, who return as judges for the CR portion of *The Edge* Billion Ringgit Club Awards 2023

COMPANIES THAT HAVE WON *THE EDGE* BRC CORPORATE RESPONSIBILITY (CR) AWARDS OVER THE YEARS (2010-2023)

3 CR TROPHIES
- Malayan Banking Bhd
- Sime Darby Bhd
- Sunway Bhd

2 CR TROPHIES
- Carlsberg Brewery Malaysia Bhd
- Gamuda Bhd
- IOI Corp Bhd
- Nestle (M) Bhd
- Petronas Chemicals Group Bhd
- Telekom Malaysia Bhd
- Tenaga Nasional Bhd
- United Plantations Bhd

1 CR TROPHY
- Allianz Malaysia Bhd
- Axiata Group Bhd
- CIMB Group Holdings Bhd
- KPJ Healthcare Bhd
- Press Metal Aluminium Holdings Bhd
- RHB Bank Bhd
- Sime Darby Plantation Bhd

Note: For consistency, the list does not take into account second and third place CR winners in 2012 to 2014

SCORES FOR 2023 CR INITIATIVES AWARDS WERE VERY CLOSE AMONG TOP CONTENDERS

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

- CIMB Group Holdings Bhd (2013 winner)
- Hong Leong Bank Bhd
- Malayan Banking Bhd (2015, 2019 & 2023 winner)
- Petronas Chemicals Group Bhd (2018 & 2022 winner)
- Press Metal Aluminium Holdings Bhd (2022 winner)
- Tenaga Nasional Bhd (2017 & 2021 winner)

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

- Gamuda Bhd (2016 winner & 2021 joint-winner)
- IOI Corp Bhd (2019 winner & 2023 joint-winner)
- Kuala Lumpur Kepong Bhd
- Nestle (M) Bhd (2012, 2013 & 2021 winner)
- RHB Bank Bhd (2023 joint-winner)
- Sime Darby Bhd (2014, 2018 & 2022 winner)
- Telekom Malaysia Bhd (2017 winner, 2021 joint-winner)

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

- Sunway Bhd (2015 & 2018 winner, 2021 joint-winner)
- United Plantations Bhd (2013, 2014, 2016 & 2023 winner)
- Carlsberg Brewery Malaysia Bhd (2012, 2014 & 2019 winner)
- Heineken Malaysia Bhd
- Hartalega Holdings Bhd
- KPJ Healthcare Bhd (2022 winner)
- Sunway REIT
- Eco World Development Group Bhd
- Vitrox Corp Bhd

NOTE: ■ 2023 WINNER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THE EDGE BILLION RINGGIT Club 2023

It all starts with financial literacy

Financial education is the basis for wealth accumulation, retirement planning and stock investing

PATRICK GOH/THE EDGE

Thumbs up for financial education: Cekap Duit participants show the certificates awarded by TEEF for completing the course on Oct 15. Seated from left: PSPK's Keerthana, TEEF programme manager Munita Tan, TEEF CEO Dorothy Teoh, PSPK founder Henry Sandanam, OCBC Bank head of wholesale banking divisional office Eva Yong and OCBC Bank's Wee. Also pictured are PSPK staff and OCBC Bank volunteers who helped facilitate the lessons.

BY DOROTHY TEOH

There have been calls lately for financial literacy to be taught in schools.

Parent Action Group for Education chairman Datin Noor Azimah Abdul Rahim proposed that subjects related to financial literacy should be taught in secondary schools, if not earlier. "Teaching people how to manage their money from young would make them wiser in the monetary sense and in the decisions they make as adults," she said in an Oct 5 news report in theSun.

Press reports indicate that although Insolvency Department statistics show youth bankruptcy has been on a downward trend since 2017, over 31,000 youth aged 35 and below were registered as bankrupts from 2014 to May this year.

Azimah's call was echoed by Amy Seok, chairman of Malaysian Literacy in Financial Education Association. She was quoted as saying in the same report that financially literate young adults would be less likely to depend on government aid programmes and have higher rates of home ownership and business ventures.

Financial literacy is basically basic money-management skills and includes programmes that focus on topics such as budgeting, saving and credit management, retirement and savings. (For the record, these are all topics covered by the two financial literacy programmes for young people under The Edge Education Foundation [TEEF]: "Money and Me: Youth Financial Empowerment Programme", a co-curricular programme in English for Form 4 students, and Cekap Duit: Cakap Tentang Duit, a programme in Bahasa Malaysia for youth both in and out of school.)

There is research to back the belief that those who are better at managing their money are less likely to become bankrupt. One study published in the International Review of Financial Analysis in May last year ("Personal bankruptcy and consumer credit delinquency: The case of personal finance education" by Vishaal Baulkaran) showed that US states that required personal finance education for high school students had fewer Chapter 13, Chapter 7 and total bankruptcies (both chapters pertain to personal bankruptcy).

Other research shows that those with low financial literacy are much less likely to invest in stocks. They are also less likely to plan for retirement or accumulate wealth. The fact that most Malaysians cannot afford to retire should strengthen the case for financial education in schools.

TEEF's journey in financial literacy began in 2014 when New York-based Citi Foundation gave us a grant to design and launch a financial education programme for secondary school students. "Money & Me: Youth Financial Empowerment Programme" was launched at five schools in Kuala Lumpur and Petaling Jaya in 2016 in collaboration with partners from the private sector. Money & Me teaches both financial literacy and basic entrepreneurship skills such as coming up with a simple business plan which students have to implement at the end of the programme.

From about 90 students in Selangor and Kuala Lumpur, Money & Me has grown to encompass some 500 students in seven states this year, including Sabah and Sarawak. The programme is carried out in schools in collaboration with our seven corporate partners, 10 Rotary Clubs, one university and teachers in 23 participating schools. Almost 140 volunteers, who are employees of our corporate partners and Rotary Club members or university students as well as over 50 teachers, facilitate the lessons based on the Money & Me manual designed by TEEF.

"Save", "Spend", "Earn", "Grow" and "Give" are the five modules in Money & Me. We believe that it is important to not just equip young people with the skills to make sound financial decisions but also to give back to society — something that The Edge Billion Ringgit Club members do consistently.

Sales Day, which is when students implement their business plans and sell their products, usually in school, has netted over RM96,000 between 2016 and 2019. Money & Me took a break in 2020 because of the Covid-19 pandemic and there was no Sales Day in 2021 or last year although students were required to produce business plans as part of the "Money & Me Young Entrepreneurs Challenge".

Since 2016, students taking part in Money & Me have donated just over a fifth of their total Sales Day earnings, amounting to almost RM20,000, to charity, the community or their schools' Parent-Teacher Association to benefit their school or schoolmates in need.

TEEF's other financial literacy programme, Cekap Duit: Cakap Tentang Duit, was the product of collaboration between the foundation and local NGO Malaysian CARE. Based on Money & Me, it is designed for audiences that may be less literate or not in school. It was launched by CARE in 2017 at Sekolah Integriti Kajang (SIK), a school in Kajang Prison for those aged 18 to 25. SIK moved to a new location in 2018 and became known as Pusat Koreksional Puncak Alam (PKPA).

Apart from PKPA, Cekap Duit has been run at SOLS Academy of Innovation and by Purple Lily, an NGO in Sarawak. Tamarai Pulau Pinang, a Penang-based NGO, is currently running the programme for a group of B40 youth and students.

Recently, a team from OCBC Bank (M) Bhd's Wholesale Banking Division led by relationship manager Leon Wee partnered with TEEF and Pertubuhan Perkhidmatan Sosial dan Pembangunan Komuniti Daerah Gombak (PSPK) to run the programme for about 30 children and teenagers aged 11 to 17. PSPK is a community-based NGO in Kuala Lumpur that seeks to facilitate development for underprivileged women and children.

The OCBC team conducted two of the 10 Cekap Duit lessons, with PSPK staff conducting the rest. Wee said that it was the first time that the department had run a financial literacy programme for youth, although individual staff had previously volunteered with Bank Negara Malaysia's Financial Industry Collective Outreach.

Fourteen-year-old Livenesh Gopinathan, who participated in the programme, said: "I enjoyed coming for every class. If possible, I would like to keep coming to learn. I have never heard this taught anywhere before. At every class, I learnt new things. After this, I can help my mother go to the bank and I also understand how to manage money. I have started saving after coming to this class."

"The kids' eagerness to learn more is a testament to the module's success in imparting crucial financial literacy concepts," said PSPK assistant executive director Keerthana R.

It is TEEF's hope that more young people will have an opportunity to learn these concepts and put them into practice. E

Dorothy Teoh is CEO of The Edge Education Foundation and a judge for The Edge BRC Corporate Responsibility Awards

Members of *THE EDGE* BILLION RINGGIT CLUB 2023

COMPANY	MARKET CAP AS AT MARCH 31, 2023 (RM MIL)	PRE-TAX PROFIT FY2022 (RM MIL)	NET PROFIT FY2022 (RM MIL)
AEON CO (M) BHD	1,825	211	111
AEON CREDIT SERVICE (M) BHD	2,916	527	365
AFFIN BANK BHD	4,571	239	1,179
AL-AQAR HEALTHCARE REIT	1,006	60	68
ALLIANCE BANK MALAYSIA BHD	5,264	827	573
ALLIANZ MALAYSIA BHD	2,445	704	473
AMMB HOLDINGS BHD	12,402	1,805	1,503
ANCOM NYLEX BHD	1,008	78	68
APEX HEALTHCARE BHD	1,949	120	101
ASTRO MALAYSIA HOLDINGS BHD	3,624	591	461
AURELIUS TECHNOLOGIES BHD	1,087	26	22
AXIATA GROUP BHD	27,629	(4,229)	(5,132)
AXIS REIT	3,273	190	158
BANK ISLAM MALAYSIA BHD	4,825	747	492
BATU KAWAN BHD	8,363	3,445	1,174
BERJAYA CORP BHD	1,703	231	52
BERJAYA FOOD BHD	1,614	188	125
BERJAYA LAND BHD	1,329	(100)	(243)
BERMAZ AUTO BHD	2,693	218	155
BINTULU PORT HOLDINGS BHD	2,305	178	128
BOUSTEAD HOLDINGS BHD	1,733	420	37
BOUSTEAD PLANTATIONS BHD	1,590	729	595
BRITISH AMERICAN TOBACCO (M) BHD	3,101	385	263
BUMI ARMADA BHD	3,728	709	732
BURSA MALAYSIA BHD	5,171	310	227
CAHYA MATA SARAWAK BHD	1,225	398	287
CAPE EMS BHD	1,163	41	34
CAPITAL A BHD (formerly AirAsia Bhd)	3,208	(3,304)	(2,626)
CAPITALAND MALAYSIA TRUST	1,389	50	87
CARLSBERG BREWERY MALAYSIA BHD	6,586	444	317
CELCOMDIGI BHD (formerly Digi.Com Bhd)	50,915	1,218	763
CHIN HIN GROUP BHD	8,442	117	97
CIMB GROUP HOLDINGS BHD	56,632	8,371	5,440
COASTAL CONTRACTS BHD	1,210	214	180
CTOS DIGITAL BHD	3,026	86	72
D & O GREEN TECHNOLOGIES BHD	5,347	91	75
DAGANG NEXCHANGE BHD	1,894	613	550
DATASONIC GROUP BHD	1,190	13	10
DAYANG ENTERPRISE HOLDINGS BHD	1,551	196	121
DIALOG GROUP BHD	13,270	550	508
DRB-HICOM BHD	2,668	410	188
DUFU TECHNOLOGY CORP BHD	1,128	85	67
DUOPHARMA BIOTECH BHD	1,485	85	70
DUTCH LADY MILK INDUSTRIES BHD	1,693	55	46
ECO WORLD DEVELOPMENT GROUP BHD	2,164	226	157
ECO WORLD INTERNATIONAL BHD	1,212	(229)	(234)
EKOVEST BHD	1,065	(41)	(125)
FAR EAST HOLDINGS BHD	2,257	275	217
FARM FRESH BHD	2,787	66	80
FGV HOLDINGS BHD	5,399	1,955	1,329
FRASER & NEAVE HOLDINGS BHD	9,536	454	383
FRONTKEN CORPORATION BHD	4,901	175	123
GAMUDA BHD	10,850	898	806
GAS MALAYSIA BHD	4,057	547	390
GDEX BHD	1,081	(19)	(17)
GENETEC TECHNOLOGY BHD	2,025	62	56
GENTING BHD	17,944	1,265	(300)
GENTING MALAYSIA BHD	15,020	(342)	(520)
GENTING PLANTATIONS BHD	5,302	689	471

COMPANY	MARKET CAP AS AT MARCH 31, 2023 (RM MIL)	PRE-TAX PROFIT FY2022 (RM MIL)	NET PROFIT FY2022 (RM MIL)
GREATECH TECHNOLOGY BHD	6,202	128	132
GUAN CHONG BHD	2,842	188	147
HAP SENG CONSOLIDATED BHD	12,697	1,330	951
HAP SENG PLANTATIONS HOLDINGS BHD	1,407	264	210
HARTALEGA HOLDINGS BHD	6,493	4,637	3,234
HEINEKEN MALAYSIA BHD	8,006	595	413
HENGYUAN REFINING COMPANY BHD	1,032	(394)	(158)
HEXTAR GLOBAL BHD	2,687	75	50
HEXTAR INDUSTRIES BHD	1,291	116	98
HEXTAR TECHNOLOGIES SOLUTIONS BHD	3,046	14	13
HIBISCUS PETROLEUM BHD	1,992	741	653
HONG LEONG BANK BHD	42,191	4,367	3,289
HONG LEONG CAPITAL BHD	1,526	97	72
HONG LEONG FINANCIAL GROUP BHD	20,632	4,840	2,452
HONG LEONG INDUSTRIES BHD	2,875	377	211
IDEAL CAPITAL BERHAD	1,090	51	39
IGB BERHAD	2,791	421	159
IGB COMMERCIAL REIT	1,206	63	79
IGB REIT	6,247	396	362
IHH HEALTHCARE BHD	50,640	2,217	1,548
IJM CORPORATION BHD	5,621	318	795
INARI AMERTRON BHD	9,183	446	391
IOI CORPORATION BHD	23,646	2,353	1,725
IOI PROPERTIES GROUP BHD	6,057	1,103	687
ITMAX SYSTEM BHD	1,388	56	41
KECK SENG (M) BHD	1,232	257	202
KERJAYA PROSPEK GROUP BHD	1,450	148	115
KIM LOONG RESOURCES BHD	1,780	210	137
KLCCP STAPLED SECURITIES	12,367	1,019	783
KOSSAN RUBBER INDUSTRIES BHD	3,343	214	157
KPJ HEALTHCARE BHD	4,932	264	167
KRETAM HOLDINGS BHD	1,475	140	108
KUALA LUMPUR KEPONG BHD	22,410	3,219	2,166
LAGENDA PROPERTIES BHD	1,097	252	178
LEONG HUP INTERNATIONAL BHD	1,916	327	219
LOTTE CHEMICAL TITAN HOLDING BHD	3,075	(1,002)	(731)
LPI CAPITAL BHD	4,820	373	277
MAGNUM BHD	1,638	160	101
MAH SING GROUP BHD	1,432	264	180
MALAKOFF CORP BHD	3,372	737	302
MALAYAN BANKING BHD	103,304	12,153	8,235
MALAYAN CEMENT BHD	3,210	129	84
MALAYSIA AIRPORTS HOLDINGS BHD	11,266	185	187
MALAYSIA BUILDING SOCIETY BHD	4,195	691	460
MALAYSIAN PACIFIC INDUSTRIES BHD	5,760	439	329
MALAYSIAN RESOURCES CORP BHD	1,541	154	65
MATRIX CONCEPTS HOLDINGS BHD	1,814	268	205
MAXIS BHD	32,339	1,811	1,182
MBM RESOURCES BHD	1,337	323	280
MEGA FIRST CORPORATION BHD	3,309	491	397
MI TECHNOVATION BHD	1,593	75	69
MISC BHD	32,228	1,874	1,823
MR D.I.Y. GROUP (M) BHD	14,621	641	473
MY E.G. SERVICES BHD	5,666	404	399
NATIONGATE HOLDINGS BHD	2,592	105	85
NESTLE (M) BHD	32,150	859	620
OPPSTAR BHD	1,355	23	17
ORIENTAL HOLDINGS BHD	4,113	820	498
OSK HOLDINGS BHD	2,052	488	427

CONTINUES ON PAGE 28

THE EDGE BILLION RINGGIT Club 2023

TOP 20
RANKED BY NET PROFIT

2023	2022	CHG	COMPANY	NET PROFIT FY2022 (RM MIL)
1	1	-	MALAYAN BANKING BHD	8,235
2	3	▲	PETRONAS CHEMICALS GROUP BHD	6,322
3	4	▲	PUBLIC BANK BHD	6,119
4	5	▲	CIMB GROUP HOLDINGS BHD	5,440
5	7	▲	TENAGA NASIONAL BHD	3,463
6	9	▲	HONG LEONG BANK BHD	3,289
7	8	▲	HARTALEGA HOLDINGS BHD	3,234
8	12	▲	RHB BANK BHD	2,708
9	15	▲	SIME DARBY PLANTATION BHD	2,488
10	13	▲	HONG LEONG FINANCIAL GROUP BHD	2,452
11	19	▲	PPB GROUP BHD	2,197
12	14	▲	KUALA LUMPUR KEPONG BHD	2,166
13	18	▲	MISC BHD	1,823
14	21	▲	IOI CORP BHD	1,725
15	16	▼	PETRONAS GAS BHD	1,645
16	17	▼	IHH HEALTHCARE BHD	1,548
17	178	▲	AMMB HOLDINGS BHD	1,503
18	27	▲	PRESS METAL ALUMINIUM HOLDINGS BHD	1,407
19	23	▲	FGV HOLDINGS BHD	1,329
20	167	▲	YTL POWER INTERNATIONAL BHD	1,207

TOP 20
RANKED BY PROFIT BEFORE TAX

2023	2022	CHG	COMPANY	PRE-TAX PROFIT FY2022 (RM MIL)
1	1	-	MALAYAN BANKING BHD	12,153
2	4	▲	PUBLIC BANK BHD	8,831
3	5	▲	CIMB GROUP HOLDINGS BHD	8,371
4	3	▼	PETRONAS CHEMICALS GROUP BHD	6,733
5	7	▲	TENAGA NASIONAL BHD	5,349
6	8	▲	HONG LEONG FINANCIAL GROUP BHD	4,840
7	9	▲	HARTALEGA HOLDINGS BHD	4,637
8	13	▲	HONG LEONG BANK BHD	4,367
9	12	▲	RHB BANK BHD	4,171
10	11	▲	SIME DARBY PLANTATION BHD	3,492
11	14	▲	BATU KAWAN BHD	3,445
12	15	▲	KUALA LUMPUR KEPONG BHD	3,219
13	22	▲	IOI CORP BHD	2,353
14	16	▲	PETRONAS GAS BHD	2,269
15	25	▲	PPB GROUP BHD	2,250
16	17	▲	IHH HEALTHCARE BHD	2,217
17	23	▲	FGV HOLDINGS BHD	1,955
18	27	▲	PRESS METAL ALUMINIUM HOLDINGS BHD	1,952
19	20	▲	MISC BHD	1,874
20	21	▲	MAXIS BHD	1,811

TOP 20
RANKED BY MARKET CAPITALISATION

2023	2022	CHG	COMPANY	MARKET CAP AS AT MARCH 31, 2023 (RM MIL)
1	1	-	MALAYAN BANKING BHD	103,304
2	2	-	PUBLIC BANK BHD	77,643
3	5	▲	CIMB GROUP HOLDINGS BHD	56,632
4	3	▼	PETRONAS CHEMICALS GROUP BHD	56,553
5	6	▲	TENAGA NASIONAL BHD	53,101
6	15	▲	CELCOMDIGI BHD (formerly Digi.Com Bhd)	50,915
7	4	▼	IHH HEALTHCARE BHD	50,640
8	8	-	HONG LEONG BANK BHD	42,191
9	7	▼	PRESS METAL ALUMINIUM HOLDINGS BHD	40,127
10	11	▲	PETRONAS GAS BHD	32,610
11	14	▲	MAXIS BHD	32,339
12	13	▲	NESTLE (M) BHD	32,150
13	18	▲	RHB BANK BHD	23,700
14	17	▲	IOI CORP BHD	23,646
15	19	▲	PPB GROUP BHD	23,558
16	16	-	KUALA LUMPUR KEPONG BHD	22,410
17	22	▲	PETRONAS DAGANGAN BHD	21,200
18	20	▲	HONG LEONG FINANCIAL GROUP BHD	20,632
19	24	▲	TELEKOM MALAYSIA BHD	18,728
20	28	▲	SIME DARBY BHD	14,654

Note: The net profit and profit before tax figures are as at March 31, 2023, and may be audited or unaudited, depending on whether the company's annual report had been released by that date. Where there is a change in financial year end, the profit figures are annualised

FROM PAGE 26

COMPANY	MARKET CAP AS AT MARCH 31, 2023 (RM MIL)	PRE-TAX PROFIT FY2022 (RM MIL)	NET PROFIT FY2022 (RM MIL)
P.I.E. INDUSTRIAL BHD	1,383	82	70
PADINI HOLDINGS BHD	2,625	205	154
PANASONIC MANUFACTURING MALAYSIA BHD	1,385	53	52
PAVILION REAL ESTATE INV TRUST	4,099	398	256
PENTAMASTER CORP BHD	3,485	132	82
PETRON MALAYSIA REFINING & MARKETING BHD	1,191	301	301
PETRONAS CHEMICALS GROUP BHD	56,553	6,733	6,322
PETRONAS DAGANGAN BHD	21,200	1,135	777
PETRONAS GAS BHD	32,610	2,269	1,645
PMB TECHNOLOGY BHD	5,485	147	110
PPB GROUP BHD	23,558	2,250	2,197
PRESS METAL ALUMINIUM HOLDINGS BHD	40,127	1,952	1,407
PUBLIC BANK BHD	77,643	8,831	6,119
QL RESOURCES BHD	14,140	321	217
RAPID SYNERGY BHD	1,871	0	0
RCE CAPITAL BHD	1,334	177	133
RHB BANK BHD	23,700	4,171	2,708
SAM ENGINEERING & EQUIPMENT (M) BHD	2,448	100	75
SARAWAK OIL PALMS BHD	2,128	669	480
SCIENTEX BHD	5,351	548	410
SFP TECH HOLDINGS BHD	2,056	35	32
SHANGRI-LA HOTELS (M) BHD	1,276	(39)	(41)
SIME DARBY BHD	14,654	1,732	1,103
SIME DARBY PLANTATION BHD	29,530	3,492	2,488
SIME DARBY PROPERTY BHD	3,298	459	316
SKP RESOURCES BHD	1,953	222	173
SP SETIA BHD	2,425	564	308
SPORTS TOTO BHD	2,009	273	161
SUNWAY BHD	7,774	920	677
SUNWAY CONSTRUCTION GROUP BHD	2,140	184	135
SUNWAY REIT	5,480	324	348
SUPERCOMNET TECHNOLOGIES BHD	1,076	43	33

COMPANY	MARKET CAP AS AT MARCH 31, 2023 (RM MIL)	PRE-TAX PROFIT FY2022 (RM MIL)	NET PROFIT FY2022 (RM MIL)
SUPERMAX CORPORATION BHD	2,447	1,060	719
SYARIKAT TAKAFUL MALAYSIA KELUARGA BHD	2,780	500	319
TA ANN HOLDINGS BHD	1,392	524	320
TALIWORKS CORP BHD	1,713	82	55
TELADAN SETIA GROUP BHD	1,011	48	35
TELEKOM MALAYSIA BHD	18,728	1,687	1,143
TENAGA NASIONAL BHD	53,101	5,349	3,463
TIME DOTCOM BHD	10,204	517	450
TOP GLOVE CORP BHD	7,527	358	226
TROPICANA CORP BHD	3,096	(472)	(436)
TSH RESOURCES BHD	1,408	557	456
UCHI TECHNOLOGIES BHD	1,477	128	125
UEM SUNRISE BHD	1,341	134	81
UMW HOLDINGS BHD	4,498	896	415
UNISEM (M) BHD	5,001	280	385
UNITED MALACCA BHD	1,122	144	108
UNITED PLANTATIONS BHD	6,815	846	602
UOA DEVELOPMENT BHD	3,996	287	220
UWC BHD	3,801	140	107
V.S INDUSTRY BHD	3,097	201	167
VELESTO ENERGY BHD	1,725	(82)	(100)
VITROX CORPORATION BHD	7,539	206	201
WCE HOLDINGS BHD	1,135	(139)	(115)
WESTPORTS HOLDINGS BHD	12,276	944	700
WIDAD GROUP BHD	1,192	(2)	(6)
YINSON HOLDINGS BHD	7,470	716	401
YNH PROPERTY BHD	2,606	0	0
YTL CORPORATION BHD	6,743	1,549	545
YTL HOSPITALITY REIT	1,628	84	71
YTL POWER INTERNATIONAL BHD	7,494	1,373	1,207
7-ELEVEN MALAYSIA HOLDINGS BHD	2,264	141	67

IDEAL
CREATING LEGACY
超越时尚 ▪ 缔造典范

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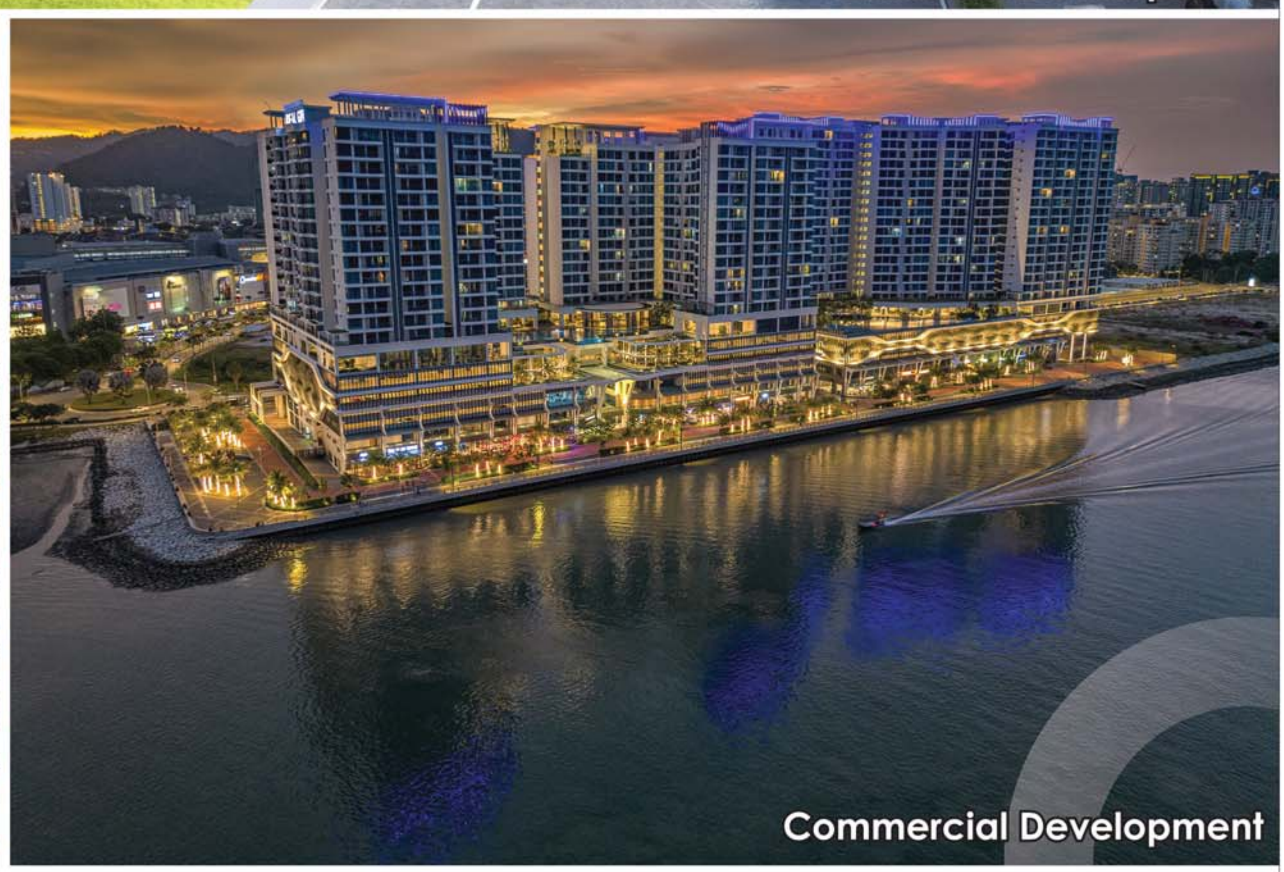
201701001111 (1215261-H)

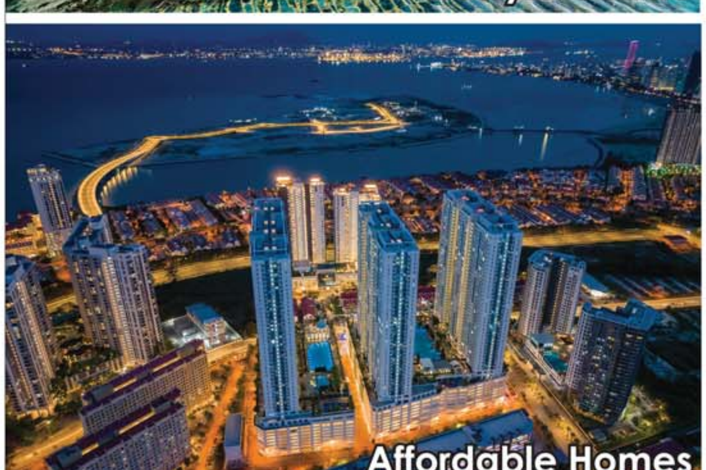
THE EDGE BILLION RINGGIT Club 2023

PROPERTY
Highest Returns to Shareholders Over Three Years

Your Trust. Our Legacy

We extend our heartfelt appreciation to our esteemed stakeholders and valued customers. It is your unwavering trust and confidence that has propelled us to reach new heights and envision an even brighter future. Thank you for being an integral part of our success story.





IDEAL PROPERTY GROUP. A Community-driven Developer

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Ideal Property Group

METHODOLOGY

Membership in this elite group is automatic and complimentary for all companies listed on Bursa Malaysia as at March 31, 2023, that have at least RM1 billion in market capitalisation. There are 181 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)
- 48 sectoral corporate awards — three categories for 14 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 16 categories are:

- Super Big Cap — companies with a market capitalisation of more than RM40 billion
- Big Cap — companies with a market cap of RM10 billion to RM40 billion
- Construction
- Consumer Products & Services
- Energy & Utilities
- 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 & Media
- Transportation & Logistics

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 FY2019 to FY2022. 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.

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 more than RM40 billion in market cap); Big Cap (companies with RM10 billion to RM40 billion in market cap); and companies with less than RM10 billion in 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	
CR 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, 2020 and 2023.

In 2010, the award went to the late **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 the late 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.

In 2021, the award went to Maybank group president and CEO **Tan Sri Abdul Farid Alias**, who was at the helm of the country's largest listed company as it crossed the RM100 billion market cap level in 2017 and had returned more than RM30 billion in dividends to shareholders over five years at that point.

In 2022, **Tan Sri Lee Oi Hian**, chairman of Batu Kawan Bhd and CEO of Kuala Lumpur Kepong Bhd, was acknowledged for his entrepreneurial spirit that brought KLK — one of the country's biggest oil palm planters — to greater heights by expanding overseas as well as going deeper downstream.

COMPANY OF THE YEAR

2023 — Mega First Corp Bhd
2022 — Frontken Corp Bhd
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

2022 – Batu Kawan Bhd chairman and Kuala Lumpur Kepong Bhd CEO
Tan Sri Lee Oi Hian

2021 – Malayan Banking Bhd Group President and CEO
Tan Sri 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 Executive 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 Bhd 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, 2020 and 2023

THE EDGE BILLION RINGGIT Club 2023

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	CelcomDigi Bhd	99.4%
2	Press Metal Aluminium Holdings Bhd	23.4%
3	Petronas Chemicals Group Bhd	16.4%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Press Metal Aluminium Holdings Bhd	37.5%
2	Petronas Chemicals Group Bhd	36.0%
3	IHH Healthcare Bhd	30.0%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Press Metal Aluminium Holdings Bhd	44.9%
2	CIMB Group Holdings Bhd	18.0%
3	Hong Leong Bank Bhd	17.6%

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	Nestle (M) Bhd	99.4%
2	Westports Holdings Bhd	23.9%
3	Maxis Bhd	19.0%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	IOI Corp Bhd	37.5%
1	Kuala Lumpur Kepong Bhd	37.5%
2	PPB Group Bhd	36.0%
3	Telekom Malaysia Bhd	21.8%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Time dotCom Bhd	27.8%
2	Gamuda Bhd	19.0%
3	Malaysia Airports Holdings Bhd	17.0%

Construction

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Sunway Construction Group Bhd	16.8%
2	Kerjaya Prospek Group Bhd	9.8%
3	Gamuda Bhd	7.1%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	IJM Corp Bhd	23.8%
2	Gamuda Bhd	4.8%
3	Sunway Construction Group Bhd	1.2%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Gamuda Bhd	19.0%
2	Kerjaya Prospek Group Bhd	14.5%
3	Widad Group Bhd	12.5%

Consumer Products & Services

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Carlsberg Brewery Malaysia Bhd	140.7%
2	Nestle (M) Bhd	99.4%
3	Heineken Malaysia Bhd	74.8%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	PPB Group Bhd	36.0%
2	Leong Hup International Bhd	10.6%
3	Oriental Holdings Bhd	9.8%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Berjaya Food Bhd	60.6%
2	Bermaz Auto Bhd	33.9%
3	Padini Holdings Bhd	28.5%

Energy & Utilities

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Gas Malaysia Bhd	27.0%
2	Mega First Corp Bhd	17.8%
3	Yinson Holdings Bhd	17.4%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Gas Malaysia Bhd	27.0%
2	Mega First Corp Bhd	24.0%
3	Bumi Armada Bhd	22.5%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Bumi Armada Bhd	67.1%
2	Coastal Contracts Bhd	49.5%
3	Hibiscus Petroleum Bhd	45.0%

Industrial Products & Services

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Uchi Technologies Bhd	55.1%
2	Press Metal Aluminium Holdings Bhd	23.4%
3	Dufu Technology Corp Bhd	22.5%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Press Metal Aluminium Holdings Bhd	37.5%
2	Petronas Chemicals Group Bhd	36.0%
3	Cahya Mata Sarawak Bhd	21.7%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	PMB Technology Bhd	99.1%
2	Hextar Global Bhd	93.1%
3	Ancom Nylex Bhd	87.1%

Plantation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	United Plantations Bhd	19.8%
2	TSH Resources Bhd	17.3%
3	Ta Ann Resources Bhd	16.4%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	IOI Corp Bhd	37.5%
1	Kuala Lumpur Kepong Bhd	37.5%
2	Batu Kawan Bhd	30.0%
2	Genting Plantations Bhd	30.0%
3	United Plantations Bhd	28.5%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Boustead Plantations Bhd	54.4%
2	Kim Loong Resources Bhd	33.6%
3	Kretam Holdings Bhd	29.5%

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	4.6%
2	IOI Properties Group Bhd	3.3%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	IOI Properties Group Bhd	1.3%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Tropicana Corp Bhd	23.9%
2	UOA Development Bhd	9.00%
3	IOI Properties Group Bhd	7.40%

Property
Below RM3 bil market capitalisation

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Lagenda Properties Bhd	23.6%
2	Matrix Concepts Holdings Bhd	13.4%
3	OSK Holdings Bhd	7.4%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Lagenda Properties Bhd	18.3%
2	OSK Holdings Bhd	1.2%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Ideal Capital Bhd	32.3%
2	Lagenda Properties Bhd	32.0%
3	Eco World Development Group Bhd	28.5%

Real Estate Investment Trust

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	IGB REIT	7.8%
2	Al-Aqar Healthcare REIT	6.8%
3	Axis REIT	6.0%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Axis REIT	11.0%
2	Sunway REIT	5.4%
3	IGB REIT	1.5%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	IGB REIT	9.3%
2	YTL Hospitality REIT	7.5%
3	Axis REIT	7.4%

THE EDGE BILLION RINGGIT Club 2023

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	11.9%
2	Hong Leong Bank Bhd	10.4%
3	Hong Leong Financial Group Bhd	10.2%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Hong Leong Financial Group Bhd	12.8%
2	Hong Leong Bank Bhd	10.9%
3	CIMB Group Holdings Bhd	7.3%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	CIMB Group Holdings Bhd	18.0%
2	Hong Leong Bank Bhd	17.6%
3	Malayan Banking Bhd	13.9%

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	35.6%
2	Syarikat Takaful Malaysia Keluarga Bhd	21.1%
3	Aeon Credit Service (M) Bhd	18.0%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Affin Bank Bhd	30.0%
2	RCE Capital Bhd	8.8%
3	Bursa Malaysia Bhd	5.5%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	RCE Capital Bhd	46.7%
2	Alliance Bank Malaysia Bhd	26.4%
3	Affin Bank Bhd	20.5%

Healthcare

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Hartalega Holdings Bhd	58.7%
2	Top Glove Corp Bhd	54.5%
3	Supermax Corp Bhd	51.8%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Hartalega Holdings Bhd	37.5%
2	IHH Healthcare Bhd	30.0%
3	Supermax Corp Bhd	24.0%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Supercomnet Technologies Bhd	43.4%
2	Apex Healthcare Bhd	27.7%
3	Duopharma Biotech Bhd	17.1%

Technology

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Greatech Technology Bhd	32.1%
2	UWC Bhd	31.4%
3	Vitrox Corp Bhd	24.6%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Malaysian Pacific Industries Bhd	30.0%
2	Vitrox Corp Bhd	22.5%
2	Greatech Technology Bhd	22.5%
2	UWC Bhd	22.5%
3	Inari Amertron Bhd	21.4%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	D&O Green Technologies Bhd	101.3%
2	Dagang Nexchange Bhd	76.0%
3	Greatech Technology Bhd	61.5%

Telecommunications & Media

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	CelcomDigi Bhd	99.4%
2	Astro Malaysia Holdings Bhd	55.8%
3	Maxis Bhd	19.0%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Telekom Malaysia Bhd	21.8%
2	Time dotCom Bhd	12.7%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Time dotCom Bhd	27.8%
2	Telekom Malaysia Bhd	12.5%
3	CelcomDigi Bhd	4.4%

Transportation & Logistics

Highest return on equity over three years

RANK	COMPANY	ADJUSTED WEIGHTED ROE OVER 3 YEARS
1	Westports Holdings Bhd	23.9%
2	Bintulu Port Holdings Bhd	12.2%
3	Hextar Technologies Solutions Bhd	10.1%

Highest growth in profit after tax over three years

RANK	COMPANY	RISK-WEIGHTED 3-YEAR PAT CAGR
1	Westports Holdings Bhd	5.8%
2	Hextar Technologies Solutions Bhd	2.6%

Highest returns to shareholders over three years

RANK	COMPANY	TOTAL RETURNS OVER 3 YEARS
1	Malaysia Airport Holdings Bhd	17.0%
2	Bintulu Port Holdings Bhd	12.3%
3	Gdex Bhd	8.0%

NA (only top three with positive scores mentioned)

PAST AND PRESENT BRC MEMBERS THAT HAVE WON AT LEAST ONE CORPORATE AWARD TROPHY IN THE PAST 14 YEARS

24 TROPHIES
- DIGI.COM BHD (now CelcomDigi Bhd)

15 TROPHIES
- PUBLIC BANK BHD

14 TROPHIES
- PRESS METAL ALUMINIUM HOLDINGS BHD

13 TROPHIES
- HARTALEGA HOLDINGS BHD

12 TROPHIES
- BRITISH AMERICAN TOBACCO (M) BHD
- IGB REIT

11 TROPHIES
- SUPERMAX CORP BHD
- UOA DEVELOPMENT BHD

10 TROPHIES
- MEGA FIRST CORP BHD
- MUDAJAYA GROUP BHD

9 TROPHIES
- AEON CREDIT SERVICES (M) BHD
- KUALA LUMPUR KEPONG BHD

8 TROPHIES
- DIALOG GROUP BHD
- GAMUDA BHD
- IOI CORP BHD
- MATRIX CONCEPTS HOLDINGS BHD
- SYARIKAT TAKAFUL MALAYSIA KELUARGA BHD
- TIME DOTCOM BHD

7 TROPHIES
- AXIS REIT
- GAS MALAYSIA BHD
- GUAN CHONG BHD
- MALAYSIA BUILDING SOCIETY BHD

6 TROPHIES
- CIMB GROUP HOLDINGS BHD
- FRONTKEN CORP BHD
- TENAGA NASIONAL BHD
- TOP GLOVE CORP BHD
- WESTPORTS HOLDINGS BHD

5 TROPHIES
- KERJAYA PROSPEK GROUP BHD
- KLCC STAPLED GROUP
- KULIM (M) BHD
- LINGKARAN TRANS KOTA HOLDINGS BHD
- MAXIS BHD
- MYEG SERVICES BHD
- SUNWAY CONSTRUCTION GROUP BHD
- UNITED PLANTATIONS BHD
- VITROX CORP BHD

4 TROPHIES
- BURSA MALAYSIA BHD
- CARLSBERG BREWERY MALAYSIA BHD
- DUTCH LADY MILK INDUSTRIES BHD
- ECO WORLD DEVELOPMENT GROUP BHD
- GENTING BHD
- HAP SENG CONSOLIDATED BHD
- HONG LEONG BANK BHD
- IJM CORP BHD
- INARI AMERTRON BHD
- KOSSAN RUBBER INDUSTRIES BHD
- MAH SING GROUP BHD
- MALAYSIA AIRPORTS HOLDINGS BHD
- MUHIBBAH ENGINEERING (M) BHD
- TSH RESOURCES BHD
- UCHI TECHNOLOGIES BHD
- YINSON HOLDINGS BHD

3 TROPHIES
- AIRASIA BHD (now Capita A Bhd)
- BERJAYA SPORTS TOTO BHD
- CAHYA MATA SARAWAK BHD
- D&O GREEN TECHNOLOGIES BHD
- FAR EAST HOLDINGS BHD
- HONG LEONG FINANCIAL GROUP BHD
- KIM LOONG RESOURCES BHD
- MALAYAN BANKING BHD
- MISC BHD
- NESTLE (MALAYSIA) BHD
- PENTAMASTER CORP BHD
- PETRONAS CHEMICALS GROUP BHD
- QL RESOURCES BHD
- RHB BANK BHD
- SCIENTEX BHD
- SUNWAY BHD
- TELEKOM MALAYSIA BHD
- TROPICANA CORP BHD
- VS INDUSTRY BHD
- WIDAD GROUP BHD

2 TROPHIES
- ASTRO MALAYSIA HOLDINGS BHD
- ATA IMS BHD (formerly Denko Industrial Corp Bhd)
- BATU KAWAN BHD
- BERJAYA FOOD BHD
- BUMI ARMADA BHD
- DUFU TECHNOLOGY CORP BHD
- GOLDIS BHD
- HOCK SENG LEE BHD
- HONG LEONG CAPITAL BHD
- HUP SENG INDUSTRIES BHD
- IHH HEALTHCARE BHD
- KRISASSETS HOLDINGS BHD
- KSL HOLDINGS BHD
- LAGENDA PROPERTIES BHD
- OSK HOLDINGS BHD
- PETRON MALAYSIA REFINING & MARKETING BHD
- PETRONAS DAGANGAN BHD
- PETRONAS GAS BHD
- RCE CAPITAL BHD
- SARAWAK OIL PALMS BHD
- SEG INTERNATIONAL BHD
- SUNRISE BHD
- SUPERCOMNET TECHNOLOGIES BHD
- TRADEWINDS (M) BHD
- YNH PROPERTY BHD

1 TROPHY
- AFFIN BANK BHD
- AL-'AQAR HEALTHCARE REIT
- ALLIANZ MALAYSIA BHD
- APEX HEALTHCARE BHD
- BANDAR RAYA DEVELOPMENTS BHD
- BERJAYA LAND BHD
- BOUSTEAD HOLDINGS BHD
- BOUSTEAD PLANTATIONS BHD
- COASTAL CONTRACTS BHD
- DAYANG ENTERPRISE HOLDINGS BHD
- DKSH HOLDINGS BHD
- DRB-HICOM BHD
- EASTERN & ORIENTAL BHD
- GEORGE KENT (M) BHD
- GHL SYSTEMS BHD
- GREATECH TECHNOLOGY BHD
- HIBISCUS PETROLEUM BHD
- HONG LEONG INDUSTRIES BHD
- IDEAL CAPITAL BHD
- IGB BHD
- IGB CORP BHD
- IOI PROPERTIES GROUP BHD
- KAWAN FOOD BHD
- KENANGA INVESTMENT BANK BHD
- KOBAY TECHNOLOGY BHD
- KPJ HEALTHCARE BHD
- LBS BINA GROUP BHD
- LPI CAPITAL BHD
- MALAYSIAN PACIFIC INDUSTRIES BHD
- MMC CORP BHD
- MRCB-QUILL REIT
- PADINI HOLDINGS BHD
- PANASONIC MANUFACTURING (M) BHD
- PERISAI PETROLEUM TEKNOLOGI BHD
- PHARMANIAGA BHD
- PMB TECHNOLOGY BHD
- PPB GROUP BHD
- RIMBUNAN SAWIT BHD
- SIME DARBY BHD
- SP SETIA BHD
- SUNSURIA BHD
- SUNWAY CITY BHD
- TA ANN HOLDINGS BHD
- TAN CHONG MOTOR HOLDINGS BHD
- TASEK CORP BHD
- TDM BHD
- UEM EDGENTA BHD
- UEM SUNRISE BHD
- UMW HOLDINGS BHD
- YTL HOSPITALITY REIT

NOTE:
COMPANIES NAMED '*THE EDGE* BRC COMPANY OF THE YEAR'

FROM PAGE 7

(From left) Cheong, Tong, Tuan Syed Abdull Aziz Jailani Syed Kechik (OCBC Al-Amin Bank), Zafrul, Zhang, Tan, Tay Liam Khoon (Cortina Watch Malaysia), Antoine, Bettina Plangger, (Mercedes-Benz Malaysia), Sharon Teh (*The Edge*), Fong, Datin Karin Ho and Ho

A showcase of Cartier 2023 novelties

(From left) Chin, Lee Joo Wee, Joyce Goh, Ho Wai Khee, Choo, Pauline Wong, Tan Ai Chin, Syed Abdull Aziz Jailani, Jeffrey Teoh, Gideon Wong, Selena Lee, Thinagaran Rajamanikam, Kenny Lee, Candice Kow and Shafiq Sheikh Mohamed from OCBC Bank Malaysia

THE EDGE BILLION RINGGIT Club 2023

Mercedes-Benz EQS 580 4MATIC SUV

Zafrul, Tong and Zhang checking out the new EQS SUV

Gurdip Singh Sidhu (CIMB Group Holdings Bhd) and Ho

Datuk Wan Kamaruzaman Wan Ahmad (EPF Investment Committee) with Cindy Yeap (left) and Kang Siew Li from *The Edge*

THE EDGE BILLION RINGGIT Club 2023

(From left) Lee Jia Zhang (Kuala Lumpur Kepong Bhd), his wife Jane Leong, Tan, Kuan Mun Leong (Hartalega Holdings Bhd) and Yeow See Yuen (Mega First Corp Bhd)

(From left) Justin Chin and David Ng from Gamuda Bhd with Wong from OCBC Bank Malaysia

(From left) Nikki Ng and Leong Kit May of Axis REIT with Jenny Ng from *The Edge*

(From left) Teoh Ee Ken from Ideal Capital Bhd with Teoh of OCBC Bank Malaysia

(From left) Plangger, Zhang and CK Goh from Mercedes-Benz Malaysia

Ahmad Hashimi Abdul Manap (fifth from left) with the team from Gas Malaysia Bhd

THE EDGE BILLION RINGGIT Club 2023

(Standing from left) Leslie Koon (PMB Technology Bhd), Choo, Shahril Azuar Jimin (Malayan Banking Bhd), Anne Leh (OCBC Bank Malaysia) with (seated from left) Dorothy Teoh (The Edge Education Foundation), Yeap, Joyce Koon (PMB Technology Bhd) and Narita Naziree (Malayan Banking Bhd)

Datuk Adnan Pawanteh (standing, left) and Juan Aranols (standing, centre) with the team from Nestlé (Malaysia) Bhd

Yap Choi Foong (third from left) with the team from PPB Group Bhd

(Seated, from left) Datuk Chang Kat Kiam, Tay and Datuk Sulaiman Abd Manap, and Chang Siew Yen (standing, fourth from left) with the team from Public Bank Bhd

(Standing from left) Jamalludin, Ramanrao Abdullah (Deleum Bhd), Alvin Leow (Cortina Watch Malaysia) and Gregory Thu (*The Edge*) with (seated from left) Esther Lee (*The Edge*), Tanny Tee and Clémence Hecquet (Cartier) and Lee

(Standing from left) Chris Eng (Etiqa Insurance & Takaful), Rafiq Saiful (EY Malaysia), Chin, Shafiq and Bryan Ang (*The Edge*) with (seated from left) Tan Sri Abdul Rahman Mamat (Lotte Chemical Titan Holding Bhd), Kow and Pathma Subramaniam (*The Edge*)

Goh (holding trophy) with the team from Mega First Corp Bhd

THE EDGE BILLION RINGGIT Club 2023

Teh (eighth from left) with the team from IOI Properties Group Bhd


Thoo Li Sza and Antony from IGB REIT


Kuan Mun Keng (seventh from left) and Kuan (fifth from left) with the team from Hartalega Holdings Bhd


Teoh (extreme right) and Datuk Ng Tyan Ping (fifth from left) with the team from Ideal Capital Bhd


Shahman Azman (fifth from left) with the team from RCE Capital Bhd


Tay (left), his spouse Tanny Tee and Leow (extreme right) from Cortina Watch Malaysia, with Clemence (centre) and Antoine from Cartier


Datin Cecilia Nithyananthan and Datuk Tan Eng Kee from Greatech Technology Bhd


Elaine Lai and Evan Cheah from Sunway Construction Group Bhd


(From left) Tracey Ong (Mercedes-Benz Malaysia), Diana Khoo (*The Edge*), Elaine Hew (Mercedes-Benz Malaysia) and Teh


Lim Bee Vee and Datuk Peter Lim from Deloitte Malaysia


Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin and Myrzela Sabtu from Lagenda Properties Bhd

THE EDGE BILLION RINGGIT Club 2023

Datuk Wan Razly Abdullah Wan Ali (holding trophy), Datuk Paduka Syed Mashafuddin Syed Badarudin (sixth from left) and Nurjesmi Mohd Nashir (second from left) with the team from Affin Bank Bhd

Yeap and M R Chandran

Liew Jia Teng (*The Edge*) and Tan Kam Meng from TA Securities Holdings Bhd

Leong (centre) with the team from Axis REIT

Chin (holding trophy) with the team from Gamuda Bhd

Lee (holding trophy) and Datuk Edward Chong (third from left) with the team from IJM Corp Bhd

Tay Kheng Chiong (third from left), Goh (fourth from left) and Low Tek Beng (holding trophy) with the team from D&O Green Technologies Bhd

Eddie Lee and Vijaya Kumar Puspowanam from Westports Holdings Bhd

Datuk Sydney Quays (holding trophy) with the team from Berjaya Food Bhd

Stefano Clini (holding trophy) with the team from Carlsberg Brewery Malaysia Bhd

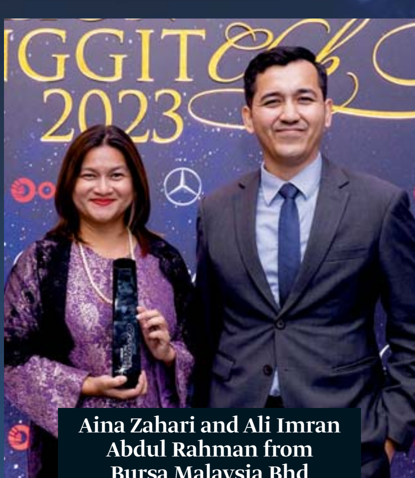
THE EDGE BILLION RINGGIT Club 2023


Ivan Gan (centre) with the team from Press Metal Aluminium Holdings Bhd


Mohamad Idham (fourth from left) with the team from CelcomDigi Bhd


Khairul Rifaie and Gurdip from CIMB Group Holdings Bhd


Lee (centre) with the team from Kuala Lumpur Kepong Bhd


Aina Zahari and Ali Imran Abdul Rahman from Bursa Malaysia Bhd


Mohd Rashid Mohamad (holding trophy) with the team from RHB Bank Bhd


Mohamad Mahazir Mustaffa and Mohd Fadzly Mahyuddin from Boustead Plantations Bhd


Teh Tiong Khim (holding trophy) with the team from Hong Leong Financial Group Bhd


(From left) Nadia Hassan, Shafina Syahrir, Intan Farhana Zainul, Kamarul Azhar, Izzul Ikram, Ng, Syafiqah Salim, Kang and Wong from *The Edge*


Thinagaran and Lyndon Felix (WCE Holdings Bhd)


Amar Huzaimi Md Deris (holding trophy) and Datuk Najmuddin Abdullah (right) with the team from Telekom Malaysia Bhd


Gigi Lee and Jennifer Kot from OCBC Bank Malaysia

THE EDGE BILLION RINGGIT Club 2023


Kong Kian Beng (fifth from left) with the team from IOI Corp Bhd


Shiue Jong-Zone (holding trophy) with the team from Supercomnet Technologies Bhd


Nicole Lee (centre) from IOI Properties Group Bhd with Fong Lai Kuan (left) and Jacqui Chan from *The Edge*


Mohamed Rastam Shahrom (second from left) and Gordon Andrew Stewart (centre) with the team from Malaysia Airports Holdings Bhd


(From left) Ida Low, Mercy Ramelyn, Firdaus Ahmad and Denys Chang from Nestlé (Malaysia) Bhd


Tay (holding trophy), Chang (fifth from left), Sulaiman (third from left) and Chang (second from left) with the team from Public Bank Bhd


Lim Shiew Yuin from *The Edge* (second from left) with Raja Eileen Soraya, Michelle Khor and Joyce Teh from Raja, Daryl & Loh


Ahmad Hashimi (fourth from left) with the team from Gas Malaysia Bhd


Yap (holding trophy) with the team from PPB Group Bhd


Kuek Ser Kwang Zhe from *The Edge* and Ng Zhu Hann from Tradeview Capital


Tan (holding trophy) with the team from Tropicana Corp Bhd


Kenny Lim from *The Edge* with Eleanor Danker and Julius Evanson from OCBC Bank Malaysia

THE EDGE BILLION RINGGIT Club

2023 WINNERS

FROM PAGE 10

BEST CR INITIATIVES (below RM10 billion market cap)
United Plantations Bhd (Ng Eng Ho, company secretary)

BEST CR INITIATIVES (BIG CAP COMPANIES)
IOI Corp Bhd (Kong Kian Beng, group chief financial officer)

BEST CR INITIATIVES (BIG CAP COMPANIES)
RHB Bank Bhd (Mohd Rashid Mohamad, group managing director)

BEST CR INITIATIVES (SUPER BIG CAP COMPANIES)
Malayan Banking Bhd (Shahril Azuar Jimin, chief sustainability officer)

CONSTRUCTION – Highest Growth in Profit After Tax Over Three Years
IJM Corp Bhd (Lee Chun Fai, CEO & managing director)

THE EDGE BILLION RINGGIT Club 2023

A Journey OF GRATITUDE BASED ON TRUST

IOI Properties Group Joins The Edge Billion Ringgit Club Award

This distinguished honour recognises the nation's finest, and we are proud to join this elite league of esteemed developers with RM 3 Billion and above in market capitalisation and the highest growth in profit after tax over three years. This accolade serves as a testament to our dedication and passion for crafting spaces that redefine lifestyles and communities. Your trust and unwavering support have been our driving force.

Thank you for being a part of our success story.

IOI PROPERTIES
Trusted.

IOI Properties Group Berhad (1035807-A). IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia. T 03-8680 3333 www.ioiproperties.com.my

CONSTRUCTION – Highest Return on Equity Over Three Years
Sunway Construction Group Bhd (Evan Cheah, group CEO, digital and strategic investments)

CONSTRUCTION – Highest Returns to Shareholders Over Three Years
Gamuda Bhd (Justin Chin, managing director, Gamuda Engineering)

CONSUMER PRODUCTS & SERVICES – Highest Growth in Profit After Tax Over Three Years
PPB Group Bhd (Yap Choi Foong, group chief financial officer)

CONSUMER PRODUCTS & SERVICES – Highest Return on Equity Over Three Years
Carlsberg Brewery Malaysia Bhd (Stefano Clini, managing director)

CONSUMER PRODUCTS & SERVICES – Highest Returns to Shareholders Over Three Years
Berjaya Food Bhd (Datuk Sydney Quays, group CEO)

ENERGY & UTILITIES – Highest Growth in Profit After Tax Over Three Years and Highest Return on Equity Over Three Years
Gas Malaysia Bhd (Ahmad Hashimi Abdul Manap, group CEO)

ENERGY & UTILITIES – Highest Returns to Shareholders Over Three Years
Bumi Armada Bhd (Sarimah Talib, vice-president, sustainability and external relations)

FINANCIAL SERVICES (below RM10 billion market cap) – Highest Growth in Profit After Tax Over Three Years
Affin Bank Bhd (Datuk Wan Razly Abdullah Wan Ali, president & group CEO)

FINANCIAL SERVICES (below RM10 billion market cap) – Highest Return on Equity Over Three Years
Bursa Malaysia Bhd (Aina Zahari, director, corporate strategy)

FINANCIAL SERVICES (below RM10 billion market cap) – Highest Returns to Shareholders Over Three Years
RCE Capital Bhd (Shahman Azman, non-independent non-executive chairman)

FINANCIAL SERVICES (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 SERVICES (RM10 billion and above market cap) – Highest Return on Equity Over Three Years
Public Bank Bhd (Tan Sri Tay Ah Lek, managing director & CEO)

FINANCIAL SERVICES (RM10 billion and above market cap) – Highest Returns to Shareholders Over Three Years
CIMB Group Holdings Bhd (Gurdip Singh Sidhu, group chief operating and people officer)

HEALTHCARE – Highest Growth in Profit After Tax Over Three Years and Highest Return on Equity Over Three Years
Hartalega Holdings Bhd (Kuan Mun Keng, chief business officer)

HEALTHCARE – Highest Returns to Shareholders Over Three Years
Supercomnet Technologies Bhd (Shiue Jong-Zone, managing director)

INDUSTRIAL PRODUCTS & SERVICES – Highest Growth in Profit After Tax Over Three Years
Press Metal Aluminium Holdings Bhd (Ivan Gan, head of group sustainability)

INDUSTRIAL PRODUCTS & SERVICES – Highest Returns to Shareholders Over Three Years
PMB Technology Bhd (Joyce Koon, general manager)

PLANTATION – Highest Growth in Profit After Tax Over Three Years
IOI Corp Bhd (Kong Kian Beng, group chief financial officer)

PLANTATION – Highest Growth in Profit After Tax Over Three Years
Kuala Lumpur Kepong Bhd (Lee Jia Zhang, group chief operating officer)

PLANTATION – Highest Return on Equity Over Three Years
United Plantations Bhd (Ng Eng Ho, company secretary)

PLANTATION – Highest Returns to Shareholders Over Three Years
Boustead Plantations Bhd (Mohamad Mahazir Mustaffa, chief financial officer)

PROPERTY (below RM3 billion market cap) –
Highest Growth in Profit After Tax Over Three Years and Highest Return on Equity Over Three Years
Lagenda Properties Bhd (Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin, chairman)

PROPERTY (below RM3 billion market cap) – Highest Returns to Shareholders Over Three Years
Ideal Capital Bhd (Teoh Ee Ken, chief financial officer)

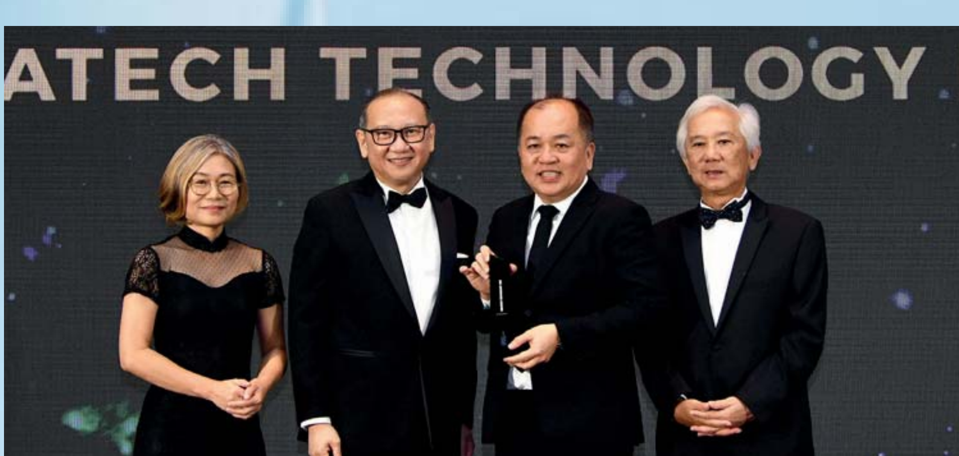
PROPERTY (RM3 billion and above market cap) – Highest Growth in Profit After Tax Over Three Years
IOI Properties Group Bhd (Teh Chin Guan, group chief operating officer, property development)

PROPERTY (RM3 billion and above market cap) – Highest Return on Equity Over Three Years
UOA Development Bhd (Kim Ang, executive director)

PROPERTY (RM3 billion and above market cap) – Highest Returns to Shareholders Over Three Years
Tropicana Corp Bhd (Dillon Tan, group managing director)

REIT – Highest Growth in Profit After Tax Over Three Years
AXIS REIT (Leong Kit May, CEO & executive director)

REIT – Highest Return on Equity Over Three Years and Highest Returns to Shareholders Over Three Years
IGB REIT (Antony Barragry, CEO)



TECHNOLOGY – Highest Return on Equity Over Three Years
Greatech Technology Bhd (Datuk Tan Eng Kee, CEO)

TECHNOLOGY – Highest Returns to Shareholders Over Three Years
D&O Green Technologies Bhd (Low Tek Beng, chief operating officer)


THE EDGE
BILLION
RINGGIT Club
2023
BIG CAP COMPANIES
Highest Growth in
Profit After Tax Over Three Years
PLANTATION
Highest Growth in
Profit After Tax Over Three Years

TELECOMMUNICATIONS & MEDIA – Highest Growth in Profit After Tax Over Three Years
Telekom Malaysia Bhd (Amar Huzaimi Md Deris, group CEO)

TELECOMMUNICATIONS & MEDIA – Highest Return on Equity Over Three Years
CelcomDigi Bhd (Datuk Mohamad Idham Nawawi, CEO)

TRANSPORTATION & LOGISTICS –
Highest Growth in Profit After Tax Over Three Years and Highest Return on Equity Over Three Years
Westports Holdings Bhd (Eddie Lee, CEO)

TRANSPORTATION & LOGISTICS – Highest Returns to Shareholders Over Three Years
Malaysia Airports Holdings Bhd (Mohamed Rastam Shahrom, group chief financial officer)

BIG CAP COMPANIES (RM10 billion to RM40 billion market cap) – Highest Growth in Profit After Tax Over Three Years
IOI Corp Bhd (Kong Kian Beng, group chief financial officer)

BIG CAP COMPANIES (RM10 billion to RM40 billion market cap) – Highest Growth in Profit After Tax Over Three Years
Kuala Lumpur Kepong Bhd (Lee Jia Zhang, group chief operating officer)

BIG CAP COMPANIES (RM10 billion to RM40 billion market cap) – Highest Return on Equity Over Three Years
Nestlé (Malaysia) Bhd (Juan Aranols, CEO)

SUPER BIG CAP COMPANIES (RM40 billion and above market cap) –
Highest Growth in Profit After Tax Over Three Years and Highest Returns to Shareholders Over Three Years
Press Metal Aluminium Holdings Bhd (Ivan Gan, head of group sustainability)

SUPER BIG CAP COMPANIES (RM40 billion and above market cap) – Highest Return on Equity Over Three Years
CelcomDigi Bhd (Datuk Mohamad Idham Nawawi, CEO)

Best in Class

Cartier, the jeweller of kings and the king of jewellers, marks the end of 2023 with a stunning stable of timepieces. In its vast repertoire of haute horology expressions, few collections evoke prestige as much as the Santos de Cartier, Santos-Dumont and Cartier Tank.

A worthy tribute

When Brazilian aeronaut and aviator Alberto Santos-Dumont groused about the impracticality of using pocket watches while flying, he was in the company of his friend Louis Cartier. The second-generation heir of Cartier responded by designing the brand's first pilot and men's wristwatch: Santos, the only Cartier watch to ever bear the name of a wearer.

Although almost 220 years have passed since the Santos collection was born in 1904, it still carries the intrepid spirit of its inspiring namesake. Cartier ventures into new territory with a vibrant expansion of its chromatic spectrum, adding a deep-green dial to accompany the existing navy blue. Dedicated artisans applied painstaking tinted lacquering techniques to create these iridescent dials with graduated colours and a metallic sheen that convey finesse, luminosity and exceptional depth of colour.

Instantly recognisable by its faithful tapered lines, visible rivets, three-dimensional bezel and square case, the Santos de Cartier collection presents three new steel editions in medium and large sizes. The engine driving them is the 1847 MC automatic movement, though its dimensions differ according to the watch size. A standout feature is the innovative strap system that supports interchangeable straps, one in steel and another in sumptuous alligator leather. The maison's patent-pending QuickSwitch system allows for effortlessly switching between the straps to create an entirely different aesthetic, depending on outfit or occasion.

The medium-sized Santos de Cartier watch features a steel case and a seven-sided crown set with a faceted synthetic blue spinel. Its graduated green or blue dial is adorned with polished steel sword-shaped hands, which are luminescent for easy reading in low-light conditions. A steel bracelet equipped with the "SmartLink" adjustment system ensures a perfect fit while the green or blue alligator-skin strap evokes a more relaxed look. The large-sized Santos de Cartier watch flaunts the new green dial and the same remarkable features, offering a more prominent and commanding presence on the wrist.

Writing a new chapter

The Santos-Dumont collection is an ever-expanding universe of horological refinement, celebrating the incredible flights — of fancy and otherwise — of aviator Alberto Santos-Dumont.

First, three XL models in rose gold, yellow gold, and platinum epitomise sophistication, with white dials housing grand Roman numerals carved from red jasper, green jade and blue dumortierite. The gemstones' hues are mirrored in the precious cabochons that grace every winding crown, which powers the 430 MC movement and the apple-shaped hands that tell the time. Turn the timepiece over to savour Santos-Dumont's signature on the caseback, as though the distinguished gentleman himself signed off on its design.

Meanwhile, two large models in steel and yellow gold with dark-hued sunray-finished dials blend modern aesthetics with elegant proportions. Golden Roman numerals evoke eternal charm while the steady sweep of the sword-shaped hands attest to Cartier's commitment to precision. A synthetic blue cabochon-shaped spinel on the crown adds an aura of intrigue, honouring its unique embodiment of horological artistry.

Each of the new models is an evolution of a legacy that has shaped the worlds of aviation and haute horlogerie, as well as redefined luxury for generations. For those who appreciate the finer things in life, such as the suppleness of alligator leather straps against the skin or the lustrous twinkle of precious stones, the Santos-Dumont collection is the realisation of grand and novel aspirations, promising profound pleasure with each wear.

Constructed for craftsmanship

Watchmaking was still a relatively new venture for Cartier in the early 1900s, but the maison was already building the foundation for a centuries-old legacy with decisions that would later show incredible foresight. In 1917, for instance, the face of the brand was forever changed with the Cartier Tank. When Louis Cartier returned from the Western Front, he imagined an unusual watch concept based on the Renault FT tanks he had seen on the battlefield during WWI, merging military aesthetics with horological precision.

In doing so, he created a collection that would remain highly influential even in the modern era. The Cartier Tank contains both jewellery and Haute Horologie models, making it the maison's first unisex collection, and consequently captivated high society figures and celebrity icons such as Princess Diana and Andy Warhol.

The "brancards" — French for "stretcher" — design represents the treads of a tank, alongside the squarish case reminiscent of the tank's cockpit, borrowing pure lines from its eponymous machine. The leather strap seamlessly integrates into the case, and Roman numerals grace the dial. Lastly, the crown features a single sapphire cabochon.

While the Tank spawned various families, the Tank Louis Cartier is among the most graceful collections. Geometry and contrasts are the subject of continuous creative research at Cartier, and nowhere is this more evident than in the four new models.

Two of them play on echoed elements and mirror constructions with graphic motifs in yellow gold, rose gold and white gold spread across the dial in optical grids. Yellow- or rose-gold frames with alligator straps frame the playful yet sophisticated look. The remaining two versions sport all-burgundy or all-green cloaks, from the dial to the strap, with minimalist dials to allow for unhindered appreciation of the high art and craftsmanship of watchmaking.

BEST CR INITIATIVES

SUPER BIG CAP — ABOVE RM40 BILLION MARKET CAPITALISATION

Malayan Banking Bhd

3 BRC AWARDS OVER THE YEARS

3 CR awards 2015, 2019, 2023

Mobilising change with thoughtful sustainability agenda

BY TAN CHOE CHOE

It came as no surprise when Malaysia's largest financial services group, Malayan Banking Bhd, again took home the Best CR Initiatives award for the Super Big Cap (above RM40 billion market capitalisation) category of *The Edge* Billion Ringgit Club Awards 2023 — marking the third time it has won the award after first bagging it in 2015 and 2019.

Last year was one of notable corporate responsibility achievements for the bank. Not only did it become the first Malaysian bank to introduce a sustainable product framework (SPF) designed to enable more effective development of green, social, sustainable and transition products, it was also the first bank in Malaysia and among the first in Asean to establish its Scope 3 Financed Emissions Baseline.

For banks, financed emissions are indirect emissions related to loans, underwriting, investments and any other financial services. Setting up the financed emissions baseline takes the bank a step closer to its target of a net-zero carbon equivalent position by 2050, after charting out its financed emissions reduction targets against set timelines.

The group has also, for the 10th consecutive year, been included in indices such as the FTSE4Good Bursa Malaysia Index, FTSE4Good Asean 5 Index, FTSE4Good Emerging Indexes and FTSE All-World Green Revenues Index, which assess the performance of companies demonstrating strong environmental, social and governance practices. It also retained its FTSE4Good 4-star rating in 2022, which puts Maybank in the top 25% by ESG rating among PLCs in the FBM Emas Index that was assessed by FTSE Russell.

"If climate change and the Covid-19 pandemic have taught us anything through their devastating impacts to the economy and wider community, it is that we need to stay resilient — to connect, adapt, be agile and reimagine the way we do business with a resolute focus on financial inclusiveness and social well-being, good governance as well as environmental protection.

"To this end, we have been thoughtful around our sustainability agenda, not only because we want to create a healthy environment, but also to ensure that a just transition takes place. It is clear that environmental and social challenges are tightly intertwined and developing both these segments, rather than focusing on one at the expense of the other, is the only meaningful way forward," said Maybank group president and CEO Datuk Khairussaleh Ramli in the group's Sustainability Report 2022 that was released together with its annual report for the same year.

The group, a key player in the regional economy, believes it has a crucial role to play in developing and providing climate-friendly financial solutions that can create a meaningful impact to the environment. This led the group to increase its commitment to sustainable finance to RM80 billion.

"To date, Maybank has activated RM34.37 billion in sustainable financing, with over 90% of sustainable financing mobilised from Malaysia and Singapore. Some of our notable corporate deals this year include the first sustainability sukuk of RM1.5 billion in the Malaysian utility sector, the first IDR green bond by an Indonesian state-owned enterprise bank of IDR5 trillion and a S$978 million sustainability-linked loan, the largest among REITs (real estate investment trusts) in Singapore. In the retail segment, over 80% was mobilised towards affordable essential services and infrastructure as well as clean transport," said Khairussaleh.

The group is in the midst of developing its climate risk policy — to be implemented in FY2023 — that aims to identify, assess and manage climate-related risks, guided by the Task Force on Climate-related Financial Disclosures (TCFD) and key regulatory requirements.

In the meantime, it has continued to give back to the community in various ways, from providing financial access to the underserved, to advocating for and nurturing small businesses that create social impact, and championing community initiatives in education, empowerment and entrepreneurship.

In 2022, Maybank's various programmes and initiatives benefited more than 360,000 households across the region, said Khairussaleh, including via offerings of affordable and accessible insurance products to its lower-income customers, other financial inclusion and literacy initiatives as well as zakat contributions.

A key contributor to this are Maybank Foundation's flagship programmes, such as its Reach Independence & Sustainable Entrepreneurship (RISE) — which is designed to train, coach and mentor people with disabilities and marginalised small business owners to develop entrepreneurial skills — and its Maybank Women Eco-Weavers and eMpowering Youths Across Asean, which empower and equip communities with the necessary tools to improve their livelihood.

The year 2022 also marked the group's first intake of scholars under the Asean-Maybank Scholarship Programme, which Maybank Foundation introduced in 2021 — the first scholarship by a regional organisation in partnership with the Asean Secretariat. Three students from Asean were given the opportunity to pursue undergraduate studies in top-tier universities in the region. This is on top of the 61 deserving Malaysian students it sponsored to pursue undergraduate education in various disciplines under the Maybank Group Scholarship Programme.

The group appreciates that sustainability is a journey, according to Khairussaleh, and plans to continue working with all its stakeholders in the new and exciting sustainability journey. The intention is to ultimately make a real difference for its customers, communities, employees and the generations to come, as it casts an eye towards building a more sustainable economy. E

BEST CR INITIATIVES

BELOW RM10 BILLION MARKET CAPITALISATION

United Plantations Bhd

5 BRC AWARDS OVER THE YEARS

2 CR awards 2013 2016

Facilitating the journey towards a more sustainable society

BY TAN CHOE CHOE

United Plantations Bhd (UP), the world's first producer of sustainable palm oil certified by the Roundtable on Sustainable Palm Oil in 2008, has always taken pride in taking a sustainable, responsible and ethical approach to all aspects of its operations — a commitment that it oft said can be traced back to its founder, Danish engineer and entrepreneur Aage Westenholz, who established the group in 1906.

Not surprisingly, UP again bagged the Best CR Initiatives Award for the under RM10 billion market capitalisation category this year, after first taking home the same award in 2016.

The win this time comes after the group, which has been working closely with international labour rights non-governmental organisation Verité from as early as 2020 to address and improve human rights and safety gaps within its supply chain, made commendable strides forward in this aspect in recent years.

With 3,560 foreign workers (as at Dec 31, 2022) under its employment whom it considers guest workers and vital partners, along with local workers, combined with its improved understanding of forced labour risks and indicators, UP agrees with the growing consensus that more needs to be done to safeguard these workers during their recruitment, "from potentially becoming victims of deception, abuse of vulnerability and debt bondage".

Regarding the issue of human rights abuses — particularly the corrupt practices of undisclosed middlemen as part of the foreign workers' recruitment process — highlighted in 2021 and 2022, UP initiated an internal investigation, completed in January 2022, and found that some of its guest workers had also paid undisclosed recruitment fees to third parties in exchange for a job in UP and taken swift, remedial measures.

"The investigation resulted in all eligible guest workers receiving a reimbursement payment for the undisclosed recruitment fees paid to third parties in the past, calculated as an average figure based on their nationality and period of entry. This payment was made on Dec 5, 2022, and amounted to RM24.7 million in total," it said.

It also incorporated ethical recruitment and employer pay principles into its guest worker recruitment policy after interviewing its workers; extensively deliberating on various guidelines and studies on guest worker recruitment and risks related to forced labour by relevant international agencies; and engaging numerous stakeholders and experts from all over the world.

"This is to ensure that all our guest workers are recruited fairly and ethically; no forms of forced labour or trafficked labour are used; and that all reasonable and legitimate costs incurred by guest workers during our recruitment processes are covered by UP, thereby ensuring that no guest workers pay any recruitment fees to come and work for UP.

"Further, a provision for corrective action, investigation and remediation process in case of a breach of the recruitment protocols is also added together with a comprehensive standard operating procedure to support the implementation and enforcement of this policy," the group said in its Annual Report 2022.

To address the fact that a big part of the problem often lies with unknown middlemen in the rural villages trying to charge exorbitant fees to the village folks in exchange for a job, it set up a call centre dedicated to helping disseminate the group's policy on guest workers and to bridge the gap between candidates in their villages and the group's accredited recruiting agents located in larger cities.

It also conducted on-site verification of newly arrived guest workers to ensure that all procedures had indeed been in place and followed without compromise.

Despite the considerable efforts it has expended on this issue, the group believes more can be done and is committed to addressing areas in need of greater attention, as it acknowledged that "strengthening human rights standards is a journey with no finishing line".

"In UP, we recognise that we are not fault-free and that we must take ownership and do our part towards facilitating the journey towards a more sustainable society. In doing so, we believe that committing ourselves to producing palm oil sustainably is the best and only way forward," said its chief executive director Datuk Carl Bek-Nielsen.

In that spirit, the group has also worked tirelessly towards achieving its carbon reduction goals.

In fact, it managed a 62% reduction in its greenhouse gas (GHG) emissions per kg of palm oil produced (including indirect land use change and nature conservation) from 2004 to 2022, achieving its goal of a 60% reduction by 2025 four years ahead of schedule. Its next target is to reach a 66% reduction in GHG emissions per kg of palm oil by 2030.

"This shall relentlessly be pursued through new innovations inspired by our strong collaboration and network in Scandinavia," Carl said.

The Bek-Nielsen family is UP's largest shareholder with a 49.98% stake held via United International Enterprises Ltd and the family's holding company, Maximum Vista Sdn Bhd; followed by the Employees Provident Fund with a 6.59% stake; and the Perak State Agricultural Development Corp with a 5.77% stake. E

BEST CR INITIATIVES

BIG CAP COMPANIES — RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION — JOINT WINNER

IOI Corp Bhd

8 BRC AWARDS OVER THE YEARS

2 CR awards 2019 2023

Taking it further than 'do no further harm'

BY TAN CHOE CHOE

In the face of natural disasters occurring in all corners of the world, IOI Corp Bhd recognised that the concept of "do no further harm" is increasingly insufficient in addressing the loss of natural capital and the onset of climate tipping points.

"As a corporation, we are aware, now more than ever, that the fate of the natural environment is deeply intertwined with our operations," Datuk Lee Yeow Chor, the company's group managing director and chief executive, said in its 2023 Sustainability Report.

"The balance of people, planet and prosperity plus partnership that we have continually emphasised becomes even more important in order to manage the intertwined risks posed by climate change, biodiversity loss, food security and social inequality," said Lee.

Given its commitment to making sure that its business is sustainable in all aspects of environmental, social and governance (ESG), it is not surprising that the group, which has a global presence, emerged as a joint winner of *The Edge* Billion Ringgit Club's Best CR Initiatives among Big Cap Companies of RM10 billion to RM40 billion market capitalisation.

In terms of the environment, after it introduced its Climate Change Action initiative (CCAi) back in 2019, it took steps to align the CCAi with the Task Force on Climate-Related Financial Disclosures framework that formed the basis for the group's path towards decarbonising its business operations and building climate resilience. It aims to not only decarbonise its current activities but to also seek technologies and innovations to help design activities that will decarbonise future businesses and operations.

"I am happy to report that we are on track to meet our short-term target of a 40% greenhouse gas (GHG) reduction by 2025 for Scopes 1 and 2 (based on 2015 level). Following this consistent performance, the group launched its long-term target to achieve net zero GHG emissions by 2040 for Scopes 1, 2 and 3," Lee said in the group's 2023 annual report.

As a pledge towards transparency and disclosure, the group further committed to the Science-based Target initiative in the category of Forest, Land and Agriculture in March this year, reiterating its commitment to zero deforestation and to develop verifiable science-based emission reduction targets.

On that note, the group has, in terms of biodiversity, been crafting strategies to enhance its role while monitoring its impact on the overall ecosystem in which it operates.

"On the social front, the group continues to protect its employees' welfare and safety by implementing policies and guidelines such as the Worker's Work Verification Guidelines and adhering to IOI's Code of Conduct on Ethical Recruitment and Responsible Employment to protect the rights of our workforce. We also continued with the child education initiative to counter child labour which we launched in 2021," Lee said.

The group has also, in FY2023, strengthened its sustainability governance by introducing a Board Sustainability Committee, chaired by an independent non-executive director, to enable the board to exercise better oversight over the group's sustainability matters and ESG practices; and to ensure IOI's activities and disclosures are in line with various local and global sustainability frameworks, standards and requirements it has committed to.

Meanwhile, in the more traditional sense of corporate social responsibility, IOI, via IOI Foundation — a charitable foundation formerly known as Yayasan Tan Sri Lee Shin Cheng, named after its founder and funded by the group and its sister company, IOI Properties Group Bhd — has awarded more than 337 students with university scholarships and adopted more than 1,500 students under its Student Adoption Programme.

The foundation also operates Bargain Basement, a charity retail-based establishment that sells pre-loved items (as well as unused or excess goods) at affordable prices, with four outlets in Putrajaya, Selangor and Perak. In addition to that, the foundation has been sponsoring after-school science, technology, engineering and mathematics programmes in collaboration with Universiti Tunku Abdul Rahman.

"The group remains steadfast on building sustainable growth and is committed to the disciplined execution of its Five-Year Plan, despite the weaker external environment," Lee said, referring to the plan initiated in March 2020 to steer the group's progress from a cost-competitive palm oil producer to a high-value-added, diversified palm-based product producer. In its fourth year now, the plan is driven by priorities to build sustainable growth for the group.

"In pursuing these objectives, our team continues to uphold a values-centric culture based on the six IOI core values: integrity, commitment, team spirit, cost efficiency, innovation, and excellence in execution," he added. E

BEST CR INITIATIVES

BIG CAP COMPANIES — RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION — JOINT WINNER

RHB Bank Bhd

3 BRC AWARDS OVER THE YEARS

1 CR award 2023

Building a sustainable future with responsible financing

BY CHERYL POO

RHB Bank Bhd seems well on track to achieve its aim to mobilise RM20 billion in sustainable financial services by 2026, having already hit RM12 billion in sustainable financial services as at December 2022, exceeding its year-to-date target by more than 40%.

RHB's commitment to stakeholder value creation through responsible banking decisions helped make the group a joint winner of *The Edge* Billion Ringgit Club's Best CR Initiatives Award for Big Cap Companies of RM10 billion to RM40 billion market capitalisation.

The banking group, which also aims to empower more than two million targeted individuals by 2026, initialised the second phase of its sustainability journey with the launch of its Sustainability Strategy and Roadmap in February 2022. That lays out a clearer framework as financial institutions step up environmental, social and corporate governance (ESG) integration and climate risk mitigation efforts.

RHB's journey towards carbon-neutral operations by 2030 and net zero by 2050 was also refined with the launch of its Climate Action Programme in the first quarter of 2022.

Enhancements to its climate risk management practices and the development of expertise in managing climate-related risks include integrating Bank Negara Malaysia's Climate Change and Principle-based Taxonomy into the group's risk management process.

RHB formally embarked on its sustainability journey in 2018 and institutionalised the Group Sustainability Framework in the following year. It also revealed that it adopted a high level of transparency in its sustainability disclosure. RHB produced its first sustainability report for the financial year 2017, admitting it as a constituent of the FTSE4Good Bursa Malaysia Index for FY2016. RHB is still a constituent of the FTSE4Good Bursa Malaysia Index.

Meanwhile, RHB's community empowerment and enrichment programmes aim to nurture future generations and communities across Malaysia and Asean, zeroing in on small and medium enterprises, micro-SMEs, youth and the young-to-workforce with targeted financial products and services, skills development and financial literacy initiatives. This is evident through initiatives such as RHB Money Ma$ter programme, RHB X-Cel Academic Excellence programme and other campaigns aimed at improving the financial ecosystem for students and facilitating cashless campuses.

"SMEs make up more than 90% of all businesses in Malaysia and contribute to about 50% of the country's gross domestic product. Studies also show that smaller businesses generate approximately 60% to 70% of industrial emissions.

"It is therefore important for us to support SMEs in skills building and to facilitate their low-carbon transition. [Therefore], our key focus for FY2023 will be to kick-start our programme by nurturing and supporting our SME customers towards integrating sustainable practices into their businesses and operations. This will be delivered through awareness programmes, advisory services and product offerings," RHB said in its 2022 annual report.

As part of the group's financial inclusion initiatives, the My First Home Scheme was introduced to first-time homebuyers with a monthly income of up to RM10,000 for the chance to own a home. Another flagship programme that was introduced by the group in the second half of FY2022 was RHB #JomBiz, an upskilling programme for Bottom-40 micro-SMEs, which benefited more than 140 participants.

Critical to the success of RHB's sustainability journey is a robust governance structure that ensures effective implementation of its key sustainability focus areas. Towards this end, a four-person board sustainability committee was established in August 2022 to assist the group's board of directors in providing strategic oversight of the group's long-term corporate strategy and decision-making process.

Last year, the group also issued the RHB Group ESG Eligible Business Activities Guidelines to facilitate the classification of green, social and sustainable financing; promote clarity and ease of tagging; and support the group's commitment. RHB's collective efforts where ESG was concerned improved its position in the S&P Global ESG scoring from 47 to 49.

RHB was rated in the top 25% by ESG Ratings among public-listed companies in FTSE Bursa Malaysia EMAS Index and maintained an AA rating in MSCI ESG Ratings. E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HIGHEST RETURN ON EQUITY OVER THREE YEARS

SUPER BIG CAP — ABOVE RM40 BILLION MARKET CAPITALISATION
TELECOMMUNICATIONS & MEDIA

CelcomDigi Bhd

24 BRC AWARDS OVER THE YEARS

Company of the year ... 2013

CelcomDigi

Oct 27
4.20

Deriving synergies from mega merger

BY CHESTER TAY

A year after the completion of the merger between Celcom Axiata Bhd and Digi Telecommunications Sdn Bhd to create an entity serving more than 20 million customers in Malaysia, the merged CelcomDigi Bhd is deriving further benefits from the marriage between the two equally significant former rivals.

CelcomDigi, which took over the listing status of Digi.Com Bhd — *The Edge* Billion Ringgit Club (BRC) Company of the Year in 2013 and winner of the highest number of BRC corporate award trophies over the years — is on the BRC winners' list this year.

Since 2013, Digi.Com has been taking home the BRC sectoral award for highest return on equity (ROE) over three years — making this year its 11th-straight win. For seven years between 2016 and 2022, Digi.Com also took home the award for highest ROE over three years in the BRC "Big Cap" category, for Bursa Malaysia-listed companies with a market capitalisation of between RM10 billion and RM40 billion.

Thanks to the merger completed on Nov 30, 2022, the merged entity's market cap surged above the RM40 billion mark, putting CelcomDigi in the BRC's "Super Big Cap" group and bagging the company the award for highest ROE over three years in this category for the first time this year.

Although CelcomDigi's weighted ROE fell to 9.1% for the financial year ended Dec 31, 2022 (FY2022) post-merger, its exceptionally higher ROE of 187.6% in FY2021 and 192.9% in FY2020 had brought its adjusted weighted ROE to 99.4% over the BRC awards' evaluation period — allowing the company to once again win the BRC highest ROE over three years award in the telecommunications and media sector.

"The year 2022 was truly a momentous one for us. Amid macroeconomic and competitive pressures, we delivered a solid performance, continued to drive the nation's recovery post-pandemic, and culminated an extraordinary year with the completion of the merger between Celcom and Digi," CelcomDigi CEO Datuk Idham Nawawi wrote in the group's 2022 annual report.

"Celcom and Digi started 2022 as two separate companies and ended the year as a new, unified and stronger CelcomDigi," he added.

The group maintained its 100% dividend payout for FY2022, paying RM1.07 billion or 12.2 sen per share dividend in FY2022.

For the first half of the year (1HFY2023), CelcomDigi paid out 6.4 sen in dividends, despite its net profit being 31.7% lower year on year at RM669 million, from RM980 million in 1HFY2022, based on comparable results with the inclusion of Celcom's performances.

Earnings came under pressure due to accelerated depreciation after the revision of the useful life of its assets and site rationalisation, even though the group's revenue grew 2.8% to RM6.3 billion for 1HFY2023, from RM6.13 billion in the previous corresponding period.

With the merger now done and dusted, the research fraternity is looking forward to the materialisation of synergistic benefits arising from the combined strength of the two entities — Celcom with its wide network coverage and Digi's operational efficiency and advanced back-end systems — to improve overall customer experience while maintaining market dominance.

Idham also said in August that the group has successfully completed the integration of about 2,000 network sites, of the 5,000 sites targeted for integration this year.

CelcomDigi's integration process will involve the streamlining of 25,000 sites pre-merger to about 18,000 sites as part of ongoing efforts to realise synergies worth some RM8 billion over five years.

In a Sept 18 note, CGS-CIMB Research said CelcomDigi's profits are likely to double through FY2025 thanks to the group's cost management, which is expected to result in lower costs in various segments than previously anticipated.

"While we did tone down our revenue estimates (largely on lower average revenue per user projections), the cost adjustments more than made up for the impact of lower revenue estimates.

"We have also reduced our merger-related cost estimates to factor in management's guidance, as reiterated during the 2QFY2023 results announcement," the research house said, maintaining its "add" rating with a higher target price of RM5.18 versus RM5 previously.

Maybank Investment Bank Research reckoned that CelcomDigi's performance for 1HFY2023 shows it remains on track in realising synergy from the merger.

"CelcomDigi's investment thesis revolves mainly around the merger synergies — which are significant but back-loaded due to initial integration costs," said the investment bank, which kept a "hold" rating and target price of RM4.60 in its Aug 21 research note.

MIDF Research, which maintains a "buy" rating, raised its target price to RM4.97 from RM4.87, citing potential upside arising from lower integration costs, thanks to better-than-expected procurement synergies.

"Moving forward, we anticipate there should be no let-up in the group's future performance with upside potential emanating from the procurement synergies," it said in an Aug 21 note.

In a saturated market like Malaysia's, CelcomDigi's enhanced cost structure should come in handy in delivering the best shareholders' interest while satisfying growing demand from customers. Those synergies, necessary to sustain good returns to shareholders, will also help it maintain its lead on the BRC winners list. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

SUPER BIG CAP — ABOVE RM40 BILLION MARKET CAPITALISATION

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

INDUSTRIAL PRODUCTS & SERVICES

Press Metal Aluminium Holdings Bhd

Balancing profitable growth with sustainability drive

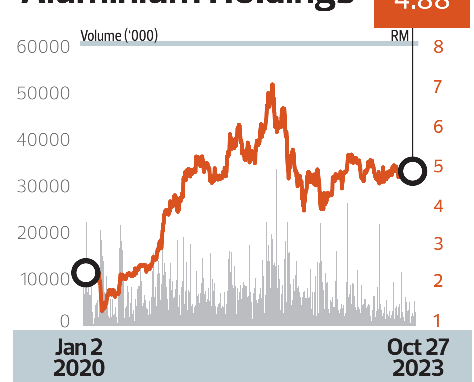
Company of the year ... 2019

1 CR award ... 2022

14 BRC AWARDS OVER THE YEARS

Press Metal Aluminium Holdings

Oct 27
4.88



BY ADAM AZIZ

Southeast Asia's largest integrated aluminium producer Press Metal Aluminium Holdings Bhd — *The Edge* Billion Ringgit Club's (BRC) Company of the Year 2019 and a regular on the award winners list since 2017 — clinches three accolades this year.

Benefiting from the tailwind of a strong US dollar, high metal prices and higher sales volume that drove earnings to record highs in FY2021 and FY2022, Press Metal once again clinches the BRC corporate award for the highest growth in profit after tax over three years in the Industrial Products & Services sector after a two-year hiatus since bagging the sectoral award in 2018 and 2019.

Like last year, Press Metal takes home *The Edge* BRC corporate award for the highest returns to shareholders over three years in the BRC Super Big Cap category — which are for companies with market capitalisations of at least RM40 billion. In 2018 and 2019, Press Metal won the award in the BRC Big Cap category, which are for companies with market caps of between RM10 billion and RM40 billion.

While its share price has eased from an all-time high of RM7.06 on March 3, 2022 — when its market cap hit reached RM58.3 billion to make it the fourth-largest stock on Bursa Malaysia after Malayan Banking Bhd, Public Bank Bhd and Petronas Chemicals Group Bhd — even as aluminium prices normalise, Press Metal was still in the BRC Super Big Cap league during the 2023 award evaluation period, with its market cap of RM40.13 billion (RM4.834 per share) as at end-March this year, making it the ninth-largest stock on the local bourse.

As at end-March 2023, its share price of RM4.87 represented a three-year compound annual growth rate (CAGR) of 44.9% from RM1.60 on March 31, 2020.

Closing at RM4.86 on Oct 23, the day of the awards ceremony, Press Metal's market cap was still just over RM40 billion — more than double its RM18.13 billion market cap on March 29, 2019, which was the awards cut-off date the year it was named *The Edge* BRC Company of the Year.

Since FY2019's RM747 million, Press Metal's bottom line has increased by an average of 37.5% annually.

Its net profit for the year ended Dec 31, 2022 (FY2022) climbed to a new record high of RM1.406 billion, 40.4% above its previous record of RM1.001 billion in FY2021. The strong result coming out from the pandem-

HIGHEST RETURN ON EQUITY OVER THREE YEARS

BIG CAP COMPANIES — RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION

Nestlé (Malaysia) Bhd

F&B behemoth continuing century-long excellence

BY ANIS HAZIM

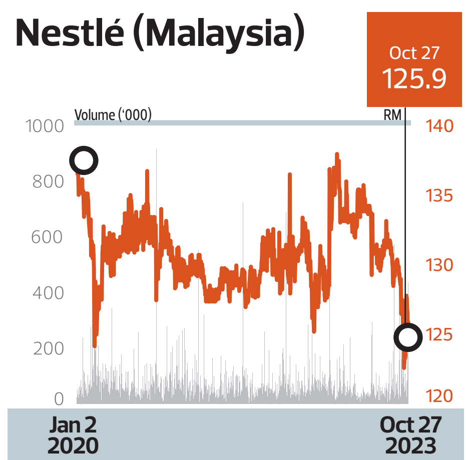
NESTLÉ MALAYSIA

Nestlé (Malaysia) Bhd, which makes everyday food and beverage (F&B) products such as Milo, Maggi and Nescafé, has won *The Edge* Billion Ringgit Club (BRC) award for highest return on equity (ROE) over three years among big-cap companies.

The company, which has been present in the local F&B industry for more than a century, was the BRC's Company of the Year in 2016. It also took home the highest ROE over three years award in 2017 as well as the best corporate responsibility (CR) initiatives award in 2012 and 2021.

Despite inflationary and cost pressures, Nestlé's profit after tax (PAT) rose from RM552.7 million in the financial year ended Dec 31, 2020 (FY2020) to RM569.8 million in FY2021 and then RM620.3 million in FY2022.

"The group results were strong in 2022, with the highest growth rate in many years and solid progress in profitability, on the back of both robust domestic sales and export growth. While we could not avoid implementing price increases to protect the substance of our margins amid the surge in global commodity prices, we did this mindfully of the impact on the rakyat while advancing multiple efficiency and saving measures to moderate the intensity of those increases as much as possible. Profitability, as a result, in combination with sales growth, was resilient," Nestlé says in its 2022 annual report.



FY2022 profit was, however, below RM672.9 million in FY2019.

Nonetheless, based on the BRC methodology, Nestlé delivered a commendable adjusted weighted ROE of 90.5% for FY2020, 100% for FY2021 and 102.6% for FY2022, bringing the average return over three years to 99.4%. This is above all but one of its peers in the Consumer Products & Services sector, but is above all peers among BRC members in the Big Cap category (those with market capitalisation between RM10 billion and RM40 billion).

Nestlé has consistently delivered on its commitment to distribute at least 95% of net profits as dividends. A dividend of RM2.62 was paid in FY2022, representing a total dividend of RM614 million. This is higher than the dividend paid in FY2021 of RM2.42 (representing a total payout of RM567 million) and in FY2020 of RM2.32 (RM544 million).

With a product portfolio ranging from F&B and confectionery to dairy products and infant nutrition, Nestlé's exceptional performance can be attributed to a confluence of factors, including its robust portfolio of well-loved brands, strategic product diversification and an unwavering commitment to sustainable practices.

Nestlé has been operating commercially in Malaysia since 1912, marking 111 years in the country this year. Its dedication to upholding halal standards places the Malaysian operations as the world's largest halal Nestlé producer, with six factories and one national distribution centre here.

Noting "rising challenges such as climate change, food security, affordability and cybersecurity" in its 2022 annual report, Nestlé says it "will continue to remain focused on what matters: meeting the needs of Malaysian consumers and making steady and decisive progress in the delivery of our ESG (environmental, social and governance) commitments".

For the first half of FY2023, Nestlé's PAT grew 0.8% year-on-year (y-o-y) to RM378.06 million, from RM374.83 million, as revenue rose 7.8% y-o-y to RM3.59 billion, from RM3.33 billion, on the back of higher domestic sales.

On its prospects for the rest of FY2023, Nestlé says it remains confident of delivering another year of solid sales growth, improved cash-flow performance, resilient profitability and shareholder return, despite multiple factors of uncertainty such as a weakened ringgit and the ongoing volatility in the commodity and energy markets.

"We will do this by delivering high-quality, nutritious and great-tasting products that cater to the diverse needs and expectations of Malaysians," it says in its financial statement.

The company will continue to drive and advance its ESG agenda on different fronts, including reforestation, packaging sustainability and progressive decarbonisation of operations. E

PRESS METAL ALUMINIUM HOLDINGS

ic was "despite being faced with elevated raw material prices and abnormally high freight costs", Press Metal said in its latest annual report.

A 42% jump in its smelter capacity to 1.08 million tonnes in 4Q2021 — with the commissioning of its Phase 3 smelter in Bintulu in October 2021, when demand rebounded post-pandemic and when other smelters were slow to restart — shored up sales to a record RM15.683 billion, up 42.6% from its previous record high of RM10.995 billion in FY2021.

Also supporting earnings was the elevated aluminium prices, which averaged US$2,600 per tonne in 2021-2022 — touching a record high of US$3,875 per tonne during the year — 42% and 112% above the five-year average of US$1,829 per tonne pre-pandemic respectively.

Press Metal took the opportunity to bolster its balance sheet and reduce its gearing level to 0.7 times from 1.5 times, having raised RM970 million from a share placement in 2Q2022.

It has been rewarding its shareholders. Dividend per share rose to a multi-year high to six sen per share in FY2022 from 3.4 sen in FY2021, against earnings per share of 17.16 sen, for a total payout of RM493 million for FY2022 alone.

Apart from financials, Press Metal also emphasised its environmental, social and governance (ESG) performance in the last few years — efforts that were acknowledged by *The Edge* BRC panel of CR judges whose collective scores resulted in the company being a joint winner of *The Edge* BRC CR award in the Super Big Cap category in 2022. Press Metal was included in the FTSE4Good Index in June last year.

The company's presence in Sarawak has seen it benefit from the green, renewable hydro power that has helped it strive in the energy-intensive industry. Recent efforts include lowering Scope 1 and 2 greenhouse gas emissions by 7.1% year on year in 2022, lowering water consumption intensity and adopting solar energy generation installation.

Coming off a high base in the last two years, the industry is facing normalising aluminium prices after the twin shocks of the pandemic and geopolitical tensions, and now the risk of a slowdown in the global economy.

In 1HFY2023, Press Metal's net profit fell to RM587.76 million from RM830.19 million, as revenue slipped to RM6.829 billion from RM7.928 billion.

"Going forward, government initiatives such as the US Infrastructure Bill or supportive policies for the property market from the Chinese government are some drivers in reviving demand from the construction sector," said Press Metal in its annual report in March, adding that the sector still makes up major demand for aluminium.

The company said it believed "supply tightness will persist" going into 2023, especially in Europe, owing to renewable energy demand and reliable energy supply deficiency amid the ongoing Russia-Ukraine tensions.

Aluminium demand is closely linked to industries such as packaging, and now in the energy transition, as renewable energy generation development and the grid expansion require vast amounts of the material.

"Although China increased production capacity last year, weather constraints continued to curtail output intermittently, posing a risk to global supply. With a relatively low visible world inventory of aluminium, any demand recovery led by influential economies will underpin a stronger aluminium price performance as the scarcity of renewable energy and high energy cost will preclude the massive restart of curtailed smelters," it said.

Since being included on the FBM KLCI in 2017, the 37-year-old company has gone from strength to strength to be among the larger home-grown global players. After a period of strong growth, the company's efforts to remain resilient financially and operationally will prove crucial heading into a period of global economic uncertainty. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS (JOINT WINNER)

BIG CAP COMPANIES – RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION
PLANTATION

IOI Corp Bhd

8 BRC AWARDS OVER THE YEARS

2 CR awards 2019 2023

Moving beyond bumper earnings from record-high CPO prices in 2022

BY SYAFIQAH SALIM

With the price of crude palm oil (CPO) surging to a record high of nearly RM8,000 per tonne in early 2022, it was a bumper harvest for IOI Corp Bhd, which takes home *The Edge* Billion Ringgit Club (BRC) award for the highest growth in profit after tax over three years for the plantation sector as well as the Big Cap Companies category alongside another planter.

IOI Corp recorded a net profit of RM1.73 billion in FY2022, more than double the RM631.7 million in FY2019 and RM600.9 million in FY2020, and was up 23.7% year on year from RM1.39 billion in FY2021. According to the BRC awards methodology, this gave it a remarkable three-year risk-weighted profit after tax (PAT) compound annual growth rate (CAGR) of 37.5% — ahead of all but one planter peer, which is the joint winner for the same award.

IOI Corp last won the same award for the plantation sector in 2019 and 2020.

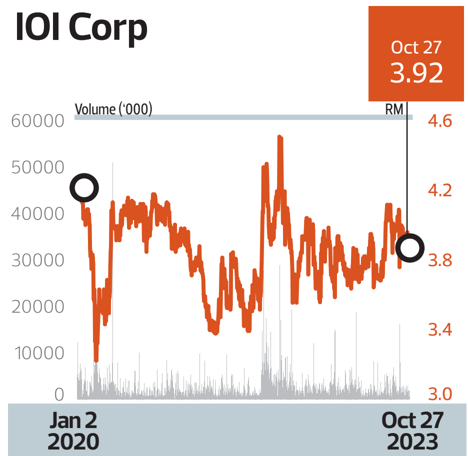
The company's plantation segment — which made up 79% of earnings for the year ended June 30, 2022 (FY2022) — saw a significant surge in operating profit, with its contribution reaching RM2.08 billion compared with RM1.2 billion in FY2021.

The growth was driven by a 52.4% rise in realised average CPO prices to RM4,688 per tonne in FY2022 from RM3,076 per tonne in FY2021, and a 69.9% increase in average palm kernel (PK) prices to RM3,593 per tonne from RM2,115 per tonne. The strong prices offset lower fresh fruit bunches (FFB) production, which declined from 2.92 million tonnes in FY2021 to 2.73 million tonnes in FY2022 amid adverse weather conditions — including heavy rainfall and floods in Sabah — as well as a shortage of skilled harvesters due to repatriation and Covid-19-related estate closures that caused extended harvesting intervals.

Earnings contribution from its resource-based manufacturing segment, meanwhile, declined to RM537.3 million in FY2022 from RM668 million in FY2021, in the absence of several one-off items including the share of the sale of its associate Bunge Loders Croklaan Group BV's (BLC) refinery as well as impairment losses related to the latter, without which the manufacturing segment would have reported a 32% y-o-y higher underlying profit of RM560.6 million in FY2022 versus RM425.3 million in FY2021, according to IOI Corp in its 2022 annual report.

To recap, IOI Corp sold its 70% stake in BLC for RM3.79 billion in cash to Koninklijke Bunge BV (KBBV), a wholly-owned subsidiary of US-listed Bunge Ltd, in 2018. Subsequently, in August 2022, it divested an additional 10% stake in BLC for about RM466 million, reducing its stake to 20%.

IOI Corp's steadfast dividend payouts underscore its unwavering commitment to shareholders. In FY2020, the company paid eight sen dividend per share (DPS), totalling RM502.1 million. This increased to 10.5 sen DPS in FY2021, amounting to RM656.7 million, and 14 sen DPS in FY2022, totalling RM869.7 million.



For FY2023, IOI Corp paid 11 sen DPS totalling RM682.6 million, which is still decent, with lower earnings at its core plantation segment for the year and average realised CPO prices declining to RM4,118 per tonne in FY2023 versus RM4,688 per tonne in FY2022. CPO prices dipped to RM3,300-levels in early June before recovering to RM4,000-levels.

The group initiated a five-year plan in March 2020 to provide it with a clear direction "to progress from a cost-competitive palm oil producer to a high value-added diversified palm-based products producer".

According to its group managing director Datuk Lee Yeow Chor, "the first priority" is to increase plantation oil yield by at least 15% by the end of 2024 through the utilisation of its "high-yielding planting materials, encompassing elite clonal palms and third-generation hybrid palm seedlings, while employing the best agricultural and labour management practices". At its best-performing estates, IOI Corp has succeeded in delivering oil yield above 6.5 tonnes per ha, significantly surpassing the Malaysian industry average of 3.05 tonnes per ha in 2022, Lee said in the company's 2023 annual report.

IOI Corp also intends to reduce its plantation workforce by increasing the land-to-worker ratio through mechanisation and digitalisation initiatives. As at end-August 2023, 96% of its terrain-suitable estates (80% of planted area) have been converted to utilise what IOI Corp calls the "mechanised mainline fresh fruit bunches evacuation system" without elaborating on how much manual labour the group saved with the conversion.

The group is also strategically mitigating palm oil price volatility and enhancing returns from the land bank by diversifying into higher-value crops. It planted about 1,000ha of coconut in FY2023 to raise the total planted area to 1,471ha as at end-June and targets to plant another 1,807ha to more than double coverage in FY2024 to catch up with its earlier target of having 5,000ha planted with coconut by end-2024.

On its strategy to increase non-CPO income, the group has completed the construction of a first-of-its-kind palm wood factory

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS (JOINT WINNER)

BIG CAP COMPANIES – RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION
PLANTATION

Kuala Lumpur Kepong Bhd

9 BRC AWARDS OVER THE YEARS

Solid profits despite mounting challenges

BY ADELINE PAUL RAJ

It was certainly an eventful year for Kuala Lumpur Kepong Bhd (KLK), which received *The Edge* Billion Ringgit Club (BRC) awards for the highest growth in profit after tax over three years among plantation companies, as well as Big Cap companies with a market capitalisation of RM10 billion to RM40 billion.

A remarkable record-high net profit of RM2.26 billion in its financial year ended Sept 30, 2021 (FY2021) — more than double the RM772.6 million it made in FY2020 — helped it clinch the win alongside another planter. The solid feat in FY2021 was the result of high crude palm oil (CPO) prices, one-off gains and strong performances in its key business segments. Even without the one-off gains, KLK's performance still exceeded market expectations.

The group is mainly involved in oil palm plantations, manufacturing and property development.

KENNY YAP/THE EDGE

In FY2022, its net profit fell slightly to RM2.17 billion as its investment holdings segment suffered a loss of RM12.4 million. Nevertheless, its three key business segments recorded better performances, and there had been a profit contribution from the newly acquired subsidiary PT Pinang Witmas Sejati as well as higher income from KLK Sawit Nusantara Bhd.

KLK achieved a risk-weighted three-year profit after tax compound annual growth rate (CAGR) of 37.5% over the awards review period, beating all but one of its big-cap peers to secure a joint win of the BRC award this year.

The group was thrown into the spotlight in recent months over its failed attempt to acquire a 33%-and-one-share stake in Boustead Plantations Bhd (BPlant) from Boustead Holdings Bhd for RM1.15 billion cash or RM1.55 a share. The deal, announced in late August, fell through in early October after some politicians and lawmakers voiced concerns of it weakening bumiputera interest.

Analysts were neutral to mildly positive on the termination of the deal as they had viewed the offer price as being expensive and earnings-dilutive on KLK over the short term, albeit a good investment for the long term.

"We are mildly positive on the latest development, as we did not expect the proposed

IOI CORP

(picture) in Segamat, Johor, to convert oil palm trunks into high-performance palm wood boards and panels. It subsequently launched the OnCore branded palm wood products at the Malaysian Wood Exhibition in July 2023. The intention is to scale up production once it establishes a strong presence globally.

Apart from expanding capacity at its oleochemicals business, its unit in Germany, for example, had developed 14 new formulations for personal care and cosmetic applications and filed for two new patents for food and cosmetic applications in FY2023.

Noting the volatility in CPO prices, Lee said IOI Corp expects CPO prices to "remain range-bound between RM3,500 and RM4,000 per tonne until the end of 2023 before moving higher as a result of lower palm fruits production due to the effects of El Niño".

Nonetheless, the group expects a "moderate increase" in FFB production for FY2024 on increased efficiency from the replenished worker force as well as higher production from young palms at its Indonesian estates. Production cost is also expected to be "considerably lower" due to the higher palm fruits yield and decline in fertiliser as well as diesel costs compared with FY2023.

"All things considered, we are optimistic of a satisfactory financial performance of the plantation segment in FY2024," Lee said, noting that the group remains steadfast on building sustainable growth and is committed to the disciplined execution of its five-year plan. "Building on the platforms of innovation to maintain our competitive advantage, people development to empower talents, and prudent risk management to withstand external shocks, the group remains resilient and is poised for future growth and expansion," he added. E

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acquisition to be earnings accretive [at least in the near-to-medium term] given BPlant's low earnings and interest expense from the proposed acquisition. Besides, we note that around 45% of BPlant's planted areas are aged above 20 years [which will be due for replanting in the near-medium term]," Hong Leong Investment Bank Research (HLIB Research) said in an Oct 5 report after the deal collapsed.

Going forward, many wonder if there will be more merger and acquisition (M&A) manoeuvres from KLK. As at end-June, the group had a healthy cash balance of RM2.78 billion and a net gearing of about 40.6%.

The road ahead will be more challenging for KLK, with analysts expecting its FY2023 earnings to come in significantly lower than the previous year. HLIB Research sees the group turning in a net profit of about RM1.3 billion compared with the previous year's RM2.17 billion.

For the first nine months of FY2023, its net profit fell 57.9% year on year to RM717.95 million on the back of a 11.4% decline in revenue to RM17.87 billion. The weaker performance was due to a lower-than-expected fresh fruit bunch (FFB) output and a poor showing at its manufacturing segment, particularly the oleochemical business.

Commenting on its prospects following the results, KLK says for the plantation segment, it expects both FFB and CPO yields to be marginally better than a year ago. Nevertheless, it cautions that this year's production costs are high, mainly owing to elevated prices of fertilisers, chemicals and energy, among others.

It notes that its manufacturing business, especially the oleochemical business, has been affected by high energy costs and sluggish demand from Europe, in particular. "However, management is undergoing aggressive restructuring in Europe to contain the worrying losses," it says.

At the time of writing, Bloomberg data shows that eight analysts have a "buy" call on the stock, while nine have a "hold" and two, a "sell", with the 12-month consensus target price at RM23.59. Among the 14 analysts who updated their calls in October, price targets ranged between Macquarie's RM21 (neutral) and Citi's RM26.20 (buy). The stock closed at RM22.40 on Oct 24, giving the company a market capitalisation of RM24.16 billion. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

BIG CAP COMPANIES – RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION
TELECOMMUNICATIONS & MEDIA

TIME dotCom Bhd

8 BRC AWARDS OVER THE YEARS

A stock you would tell your younger self to buy

BY CHESTER TAY

Shares of TIME dotCom Bhd and Apple Inc — the world's biggest company by market capitalisation — have one thing in common. When the first generation of iPhones came to Asia about 15 years ago in 2008, both stock prices were a mere fraction of what they are now. Both easily qualify as stocks one would tell one's (much) younger self to buy and keep in the portfolio.

For sure, comparing any stock on Bursa Malaysia with the likes of Apple would be a stretch — even for local gems like Public Bank Bhd that have enriched many long-time investors — given that Apple shares had rocketed from around US$10 (or US$3 level split-adjusted) when the iPhone just came out to nearly US$200 in July this year, ahead of the iPhone 15's release in September. Apple was still hovering at the US$168 (RM800) level at the time of writing, giving it a market capitalisation of US$2.63 trillion.

Yet, there is no denying the fact that just 15 years ago, TIME dotCom was loss-making and a penny stock selling below 50 sen apiece, a far cry from the RM5 level that values the company at around RM9.6 billion today.

Except for last year, TIME dotCom's share price gains have won *The Edge* Billion Ringgit Club (BRC) Highest Returns to Shareholders over Three Years award in the telecommunications and media sector every year since 2018. With its market capitalisation being above RM10 billion as at the end-March cut-off date for BRC membership and awards evaluation this year, TIME dotCom also takes home — for the first time — the same award under the Big Cap category for companies with a market cap between RM10 billion and RM40 billion.

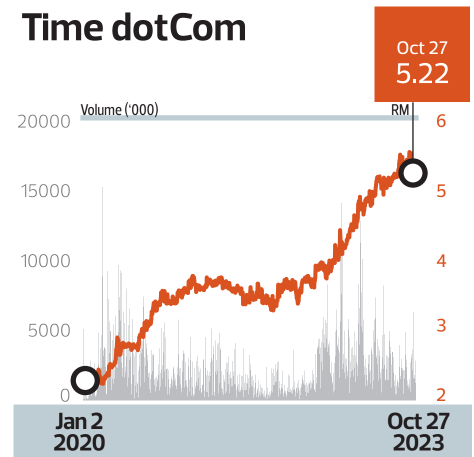
In the past three years through the financial year ended Dec 31, 2022 (FY2022), TIME dotCom, a broadband service provider that had in recent years diversified into data centre businesses, had seen its shares appreciate by 84%. During the current awards evaluation period between end-March 2020 and end-March 2023, the total shareholder returns recorded were a three-year compound annual growth rate (CAGR) of 27.8%.

Apart from share price appreciation, TIME dotCom shareholders also gained from dividend payouts throughout the years, with a total of 31.03 sen in FY2022, 21.37 sen in FY2021 and 33.1 sen in FY2020. The dividend payouts were backed by consistent growth in its profitability that saw risk-weighted three-year CAGR of 12.7% in net profit amid continued demand for the group's broadband services as the TIME dotCom brand grew more popular, especially among customers living in high-rises in the Klang Valley.

In its latest annual report, TIME dotCom said demand for its data centres remains resilient, spurred by the migration of business processes and data to the cloud, driven in turn by the need for digitalisation, not just in Malaysia but across the region.

Net profit for FY2022 grew 14% to RM449.91 million, from RM393.16 million in FY2021, while revenue rose at a similar pace of 13% to RM1.45 billion from RM1.29 billion. This gives rise to an adjusted weighted return on equity (ROE) of 13.3% over the past three years.

Additionally, the group's financial position remains healthy, with gearing ratio improved to



4.2% as at FY2022 from 4.5% as at FY2021.

"The group's low gearing, coupled with its robust cash balance, not only points to its financial strength and resilience but also underscores its ample capacity to access more funding through debt if the need arises," it said.

Still, despite the strong returns to shareholders, TIME dotCom is not resting on its laurels. The group recently completed a formation of partnership with DigitalBridge Group Inc, paving the way for further expansion for its data centre business. The strategic partnership involves TIME dotCom divesting a 49% stake in AIMS Data Centre Holding Sdn Bhd and all irredeemable convertible preference shares to DigitalBridge for RM2.03 billion.

The transaction boosted TIME dotCom's 1HFY2023 net profit to RM2.38 billion, more than 10 times the RM208.92 million recorded in the previous corresponding period. Stripping off the one-time transaction effect, TIME dotCom said its net profit would have grown by 9.2% to RM206.1 million from RM188.7 million between 1HFY2023 and 1HFY2022.

RHB Research, which has a "buy" rating and target price of RM6 on TIME dotCom, remained upbeat on the group's prospects, premised on structural drivers like data centre and broadband businesses, coupled with strong commercial execution.

"The stock offers a double-digit, two-year earnings CAGR with a solid net cash balance sheet. This vindicates the valuation premium over domestic peers," said RHB in a research note dated Aug 21.

"With DigitalBridge as its new strategic investor and partner, we see good opportunities for the regionalisation of TIME dotCom's data centre business, leveraging on strong enterprise demand for data centre co-locations and cloud services (digitalisation, proliferation of data from 5G and artificial intelligence)," it added.

Nonetheless, Hong Leong Investment Bank is of the view that the stock's risk and reward have reached a balanced level currently, hence ascribing a "hold" rating and target price of RM4.90.

"We like TIME dotCom as its retail is gaining momentum on the back of reach expansion and undisputable high-value products. Also, [the] data centre [business] is expanding resiliently as IT outsourcing, cloud computing and virtualisation are widely adopted.

"However, we opine that the risk and reward is balanced at current juncture," said Hong Leong in a note on Aug 21 as well.

Whoever is right, many investors would undoubtedly be keeping a close watch on how much further TIME dotCom shares can climb in the coming decade. Time will tell if it continues to be a stock one would tell one's younger self to buy in another 10 years. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

CONSTRUCTION

Sunway Construction Group Bhd

5 BRC AWARDS OVER THE YEARS

Fifth win for construction sector doyen

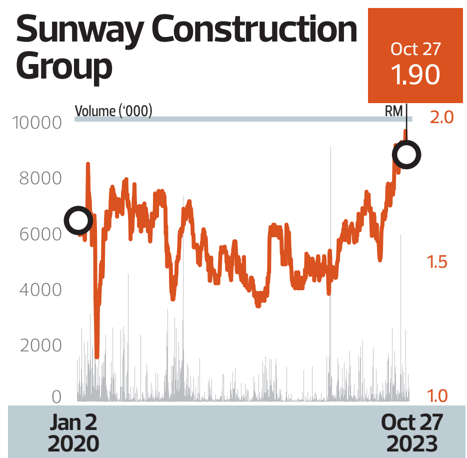
BY JOSE BARROCK

Without a doubt, Sunway Construction Group Bhd is among the most respected construction outfits in Malaysia, revered by its peers and a favourite among the analysts' fraternity that covers stocks from the sector.

Out of the 15 analysts who cover Sunway Construction, or SunCon as it is known, 10 had "buy" or positive calls, and four had "hold" calls at the time of writing.

Among the key strengths of SunCon is its large order book of RM6.4 billion and its strong parentage: Sunway Bhd, a diversified giant with interests in property development, leisure, hospitality, healthcare, building materials and trading. The Sunway group also has a presence in numerous countries, including China, the UK, Vietnam, Australia, Cambodia, India, Thailand and the Philippines.

Year to date, SunCon's share price is up more than a third and was testing the RM2 band on Oct 12 when it closed at RM1.97 to give the company a market capitalisation of RM2.54 billion. That was after hitting an intraday high of RM1.99 — a level it last saw in mid-2018. The stock gave up some



gains to close at RM1.88 on Oct 23 before regaining some ground to close at RM1.90 on Oct 27, still up over 25% year to date.

SunCon has been doing well, having secured RM2.2 billion worth of contracts in the first nine months of this year.

Last month alone, SunCon was awarded two jobs collectively valued at RM785 million — one from Daiso Malaysia Group and another from K2 Strategic Infrastructure Malaysia — which nudged its order-book replenishment to RM2.2 billion, above analysts' target of RM2 billion for the year. More jobs could well come its way by year end, including the Johor Bahru-Singapore Rapid Transit System (RTS), the Mass Rapid Transit 3 and power projects in Vietnam. The RTS, in particular, is likely to be awarded soon.

Considering how well the company has been performing, it is no surprise that SunCon has bagged *The Edge* Billion Ringgit Club (BRC) award for highest return on equity (ROE) over three years for the construction sector — for the fifth straight year.

During the evaluation period for this year's BRC award between FY2020 and FY2022, SunCon's three-year adjusted weighted ROE averaged 16.8% per year. Broken down, it garnered 11.6% in FY2020, managed 16.9% in FY2021 and chalked up 18.8% in FY2022.

SunCon's risk-weighted three-year profit after tax compound annual growth rate during the same three-year award evaluation period, however, was only 1.2% — not enough to beat all its peers. SunCon's net profit of RM129.3 million for FY2019 had plunged to RM72.8 million during the Covid-19-hit FY2020 but recovered to RM112.6 million for FY2021 and further increased to RM135.2 million for FY2022.

SunCon chalked up a net profit of RM60.83 million for its six months ended June 2023, on the back of RM1.13 billion in revenue. This was lower than the RM66.82 million in net profit and RM1.18 billion in revenue booked in the previous corresponding period. Its earnings per share for the first half of FY2023 was pegged at 4.72 sen per share, in contrast to 5.19 sen for the first six months of FY2022.

At end-June 2023, SunCon had cash and bank balances of RM343.68 million, while on the other side of the balance sheet, it had long-term debt commitments of RM444.51 million and short-term borrowings of RM177.11 million. SunCon also retained profits of RM544.44 million.

On its prospects, SunCon says it is "cautiously optimistic of registering positive growth for the financial year ending 2023" based on its existing order book.

It is noteworthy that in 2014, BRC presented Sunway Group founder, patriarch and executive chairman Tan Sri Jeffrey Cheah Fook Ling with the Value Creator, Outstanding CEO Malaysia award. In October this year, Jeffrey was named an honorary Knight Commander of the Most Excellent Order of the British Empire by Britain's King Charles III in recognition of the instrumental role he has played in forging high-level links with a number of UK in-

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

CONSTRUCTION

IJM Corp Bhd

4 BRC AWARDS OVER THE YEARS

Earnings boost from strong order-book wins

BY LEE WENG KHUEN

IJM, which started out as a construction company in 1983 but has since diversified into property, industry (building materials) and infrastructure, celebrates its 40th anniversary in 2023.

It has more than one reason to celebrate. With a risk-weighted three-year profit after tax compound annual growth rate of 23.8% over the awards review period, IJM Corp Bhd outperformed its peers to clinch *The Edge* Billion Ringgit Club (BRC) award for highest growth in profit after tax over three years for the construction sector.

The win is not its first, having won against peers in the construction sector to clinch the same award in 2015, 2016 and 2017.

After hitting a low of RM250.6 million in the pandemic-hit financial year ended March 31, 2020 (FY2020), from RM418.9 million in FY2019, the construction and property group saw its net profit recover to RM433.9 million in FY2021 and RM794.9 million in FY2022.

In FY2023, however, its net earnings fell to RM158.3 million, owing to lower construction contribution and losses from the infrastructure segment as its overseas toll division was dragged lower by higher unrealised foreign exchange losses.

In the latest quarterly results for the three months ended June 30, 2023 (1QFY2024), IJM's net profit nearly tripled to RM100.64 million against RM33.41 million in 1QFY2023, underpinned by higher property development contribution on the back of the recognition of RM42.2 million in unrealised foreign exchange gains.

"For FY2024, the group's construction division will be focusing on the timely execution and completion of its outstanding order book. The rollout of large-scale public infrastructure projects by the government is also expected to increase the group's opportunity for order-book replenishment.

"Despite the challenges faced such as rising interest rate and cost of building materials, the property division's focus is to continue offering compelling products aligned with market preferences at the various price point segments. With its unbilled sales of about RM2.5 billion, the property division is expected to deliver a solid performance for the current financial year," IJM says of its prospects in notes accompanying its results.

IJM CORP

In October, IJM saw a major boost in its order book after bagging a RM1.1 billion contract from Malaysia Rapid Transit System Sdn Bhd (MRTS) for the construction of an immigration, customs and quarantine complex (ICQC) at the Johor Bahru–Singapore Rapid Transit System (RTS) Link in Bukit Chagar, Johor Bahru.

CGS-CIMB Research estimates the RTS contract's pre-tax margins to be in the range of 6% to 9%. With this latest win,

SUNWAY CONSTRUCTION

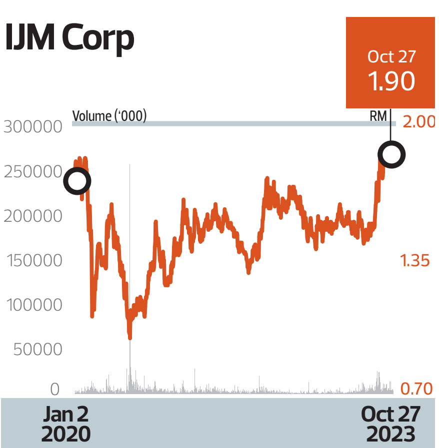
stitutions and his immense contribution towards the bilateral relationship between the UK and Malaysia.

Jeffrey and his family, via publicly traded Sunway and privately held Sungei Way Corp Sdn Bhd, have a 64.65% stake in SunCon. Another substantial shareholder in SunCon is the Employees Provident Fund with 7.52% equity interest.

While Jeffrey is not on SunCon's board, his son Evan Cheah Yean Shin is a non-executive director. Jeffrey, however, is the executive chairman of Sunway, the parent company of SunCon.

In Sunway's annual report for FY2022, Jeffrey said in his chairman's statement, "After more than two years of difficult times that had a significant negative impact on people's lives and livelihoods, a return to some semblance of normalcy was greatly appreciated ... I am delighted to inform you that Sunway has emerged from the pandemic better and stronger as a group."

Judging by SunCon's continued success, this is as clear as day. E



IJM has secured contracts worth RM2.2 billion so far in FY2024, with the current outstanding order book swelling to RM6.1 billion.

"IJM is guiding for RM3 billion new order wins for FY2024 versus our forecast of RM3.5 billion. We think it is likely to beat its guidance if key contract wins such as the RM1 billion East Coast Rail Link (ECRL) contract to build a spur line into Kuantan Port, packages under MRT3 and projects in Indonesia, India, and Sabah and Sarawak come to fruition," the research house says in an Oct 12 note.

IJM made its foray into the energy transmission sector this year with the purchase of a 44.83% stake in Pestech International Bhd for RM124 million via a restricted issue. The combined capabilities of the two groups as civil and systems contractors will be able to offer more comprehensive and turnkey solutions for local and international rail project bids.

A few weeks after the acquisition announcement, Pestech was hit by Malaysia Airports Holdings Bhd's termination of its RM742.95 million aerotrain project at the Kuala Lumpur International Airport (KLIA) due to non-performance, compromising significant project milestones and risking delays to deliver the project within the required deadline.

Despite that, the shares of IJM have been on a general upward trend since last August, with a 18.8% gain year to date based on Oct 27's closing price of RM1.90, which valued the group at RM6.7 billion.

At the time of writing, Bloomberg data showed that analysts had a consensus target price of RM1.94 on IJM, implying a mere upside potential of 2.1%. Still, there were nine "buy" calls compared with eight "hold" calls and one "sell" recommendation.

The Employees Provident Fund is the single-largest shareholder of IJM, with a 16.8% stake. Other major shareholders are Kumpulan Wang Persaraan (Diperbadankan) (9.3%), Amanah Saham Bumiputera (7.3%) and Urusharta Jamaah Sdn Bhd (5%). E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

CONSTRUCTION

Gamuda Bhd

8 BRC AWARDS OVER THE YEARS

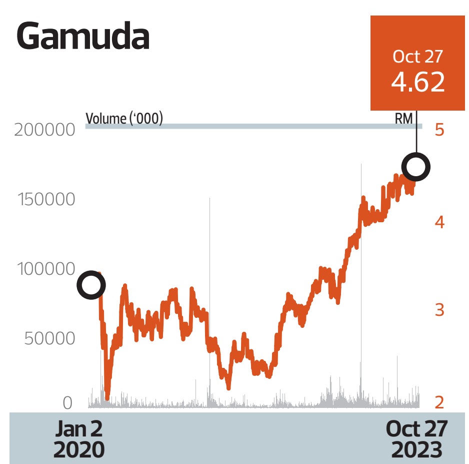
Delivering growth from job wins at home and abroad

BY KAMARUL AZHAR

No stranger to *The Edge* Billion Ringgit Club (BRC), industry stalwart Gamuda Bhd has clinched the award for highest return to shareholders over three years in the construction sector for the second year running. Gamuda also won the same award in 2013 and 2015.

The latest win comes on the back of a stellar uptrend in its share price, buoyed by strong earnings growth as well as the prospect of more contracts that the construction group could secure.

During this year's award evaluation period between March 31, 2020, and March 31, 2023, Gamuda's share price rose from RM2.419 to RM4.08, reflecting a three-year compound annual growth rate of 19.04%. Gamuda's market capitalisation, which was at RM10.85 billion at the BRC membership cut-off date as at end-March this year, has since climbed to RM12.4 billion, with its share price closing at RM4.62 on Oct 27.



The rise in Gamuda's share price came in tandem with the growth of its earnings over the last three years. In the financial year ended July 31, 2023 (FY2023), Gamuda achieved record net profits of RM1.84 billion versus RM806.23 million in FY2022. This achievement is even more outstanding when compared with its net profit in FY2020 of only RM376 million. The strong earnings growth since FY2020 and the prospect of Gamuda winning more contracts both domestically and internationally led 18 of the 20 analysts that cover the stock to assign "buy" and "strong buy" calls on the counter.

At an average target price of RM4.99 per share at the time of writing, the upside potential is 8% from Oct 27's close of RM4.62. On Sept 27, CGS-CIMB Research had a target price of RM5.65, the highest ascribed to the construction giant.

Gamuda's prospects look bright, backed by a huge order book from Malaysia and abroad. As at April 30, 2023, the group's unbilled order book stood at RM21.5 billion, with local contracts making up only 27% of it.

Its unbilled order book in Australia stood at RM12.4 billion, comprising Sydney Metro West's western tunnelling package worth RM4.8 billion as well as RM4.5 billion worth of contracts under DT Infrastructure, which the group acquired in June 2023.

GAMUDA

Gamuda's top management is certainly confident in its prospects. In an analyst briefing after the announcement of its FY2023 results, it said it aimed to double the company's revenue in FY2024 to between RM17 billion and RM18 billion, which is more aggressive than the earlier guidance of RM13 billion.

In a note on Sept 27, CGS-CIMB Research said: "[Gamuda] said this was on the assumption of faster recognition of its existing order book of RM21.8 billion as at July 31, 2023, more than doubling of its property revenue year on year to RM6 billion, backed by lumpy recognition of RM6.7 billion unbilled sales for projects in Singapore, the UK and Australia (where accounting recognition is upon project completion), and strong take-up for its quick turn-around projects.

"It continues to guide for RM25 billion in total new orders in FY2024 to FY2025F."

In Malaysia, major infrastructure projects are expected to be rolled out next year, according to the 12th Malaysia Plan mid-term review presented by Prime Minister Datuk Seri Anwar Ibrahim in September, with an additional RM15 billion in development expenditure being set aside for the five-year period between 2021 and 2025.

Over the next three to 15 months, Gamuda expects to clinch six major projects: the MRT3 tunnelling; the Suburban Rail Loop East second package in Australia; an infrastructure project in Taiwan; the Pan Borneo Sabah highway; the Penang LRT; and a renewable energy project in Malaysia.

The prospect of a major infrastructure push starting next year, as well as the nascent recovery in the property sector, spells good fortune for Gamuda from next year.

In a report dated Sept 29, Kenanga Research, which has an "outperform" call and a target price of RM5.45 on Gamuda, also sees the construction giant as the front-runner for the Bayan Lepas LRT and tunnelling job for MRT3. The research house also likes Gamuda for its job wins in Australia and Singapore "that speak eloquently for its competitiveness in the international market"; its strong earnings visibility, underpinned by a robust outstanding order book of RM20.6 billion; and its efforts to expedite growth in the renewable energy space in line with global sustainability goals. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

CONSUMER PRODUCTS & SERVICES

Carlsberg Brewery Malaysia Bhd

Fourth-straight winning brew

BY CHERYL POO

CARLSBERG BREWERY MALAYSIA

Carlsberg Brewery Malaysia Bhd's commitment to quality and innovation for more than five decades shines through as the acceleration of the group's business recovery plans and the reopening of the economy brought its financial performance back to pre-pandemic levels.

On the back of the improved earnings, Carlsberg takes home *The Edge* Billion Ringgit Club (BRC) award for Highest Return on Equity (ROE) over three years in the Consumer Products & Services Sector, the fourth year running since 2019.

Its latest financial performance pushed the brewer's adjusted weighted ROE to 176.7%, up from 106.1% in FY2021 and 102.5% in 2020, bringing the weighted average ROE over three years to 140.7%, the highest among sectoral peers, according to the BRC awards methodology.

Carlsberg's FY2022 net profit came in at RM317 million, up from RM201 million in FY2021, RM162.2 million in FY2020 and RM291 million in FY2019. The company paid out dividends per share of 40 sen, RM1.02 and 88 sen in 2020, 2021 and 2022 respectively.

Globally, Carlsberg celebrated its 176th year in 2022. In its 2022 annual report, Carlsberg Malaysia says the group has "consistently maintained our commitment to pursuing perfection by brewing iconic brands" and that it is "guided by our ambition to be successful in our financial and non-financial performance, [staying] professional in our conduct and attractive in creating value for each and every one of our stakeholders".

Amid tough competition, Carlsberg is also a past winner for the BRC Corporate Responsibility (CR) awards among members with market capitalisation below RM10 billion.

Despite substantial increases in input costs and uncertainties in supply chains wrought by the Russia-Ukraine war, the group says it made three notable strides in 2022.

First, Carlsberg installed a glass bottle packaging line at its production facility in Shah Alam. The RM108 million facility, which was the group's biggest capital expenditure (capex) in the last 30 years, while aimed at improving filling capacity and enabling better flexibility in packaging capabilities, was also meant to lower its energy, water and waste footprints.

Second, Carlsberg continued to focus on its SAIL'22 strategy to turn around the lower growth rate of its mainstream Carlsberg brands by capitalising on the stable growth of its premium products and leveraging the alcohol-free brew category through Somersby Apple in Malaysia and Carlsberg Alcohol Free Pilsner and Wheat in Singapore.

Third, with the ending of its SAIL'22 strategy and Together Towards ZERO (TTZ) environmental, social and governance (ESG) programme, Carlsberg then launched "SAIL'27" in February 2022 to optimise the allocation of resources to its strategic levers.

In its 2022 annual report, Carlsberg says its operating outlook "remains challenging due to the impact of various global developments" that are expected to affect overall GDP growth, owing to waning consumer spending as the cost of living rises.

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

CONSUMER PRODUCTS & SERVICES

PPB Group Bhd

Delivering profits on a strong foundation

PPB

BY CHERYL POO

Billionaire Tan Sri Robert Kuok's Malaysia-listed flagship PPB Group Bhd joins *The Edge* Billion Ringgit Club's (BRC) winners' list for the first time this year with its profits over three years coming in well ahead of all other sectoral peers.

Despite the tough economic backdrop amid the Covid-19 pandemic, which hit its film exhibition business, Golden Screen Cinemas Sdn Bhd (GSC), the group had a strong balance sheet and continued to see strong earnings contributions from its 18.8%-owned subsidiary, Singapore-listed integrated agribusiness giant Wilmar International Ltd.

For the awards review period between FY2019 and FY2022, PPB's risk-weighted profit after tax grew at a compound annual growth rate of 36% on average over three years, according to the BRC awards methodology. This came as the group's profit after tax nearly doubled from RM1.15 billion in FY2019 to RM2.2 billion in FY2022.

During this period, Wilmar's net profit

rose to US$2.4 billion in FY2022 from US$1.3 billion in FY2019.

PPB continued to pay dividends, distributing RM569 million, or 40 sen per share, in FY2022. That compares to RM498 million (36 sen per share) in FY2021, RM654 million (46 sen per share) in FY2020 and RM441 million (31 sen per share) in FY2019.

"Our outlook on the group's prospects remains positive and we will continue to invest in our businesses. The group's total capital and other commitments amount to RM842 million over the next five years for upgrading and expansion of our main businesses and other investments.

"We will continue to manage our assets efficiently and strengthen the group's prospects by strategically leveraging opportunities in the market," PPB chairman Tan Sri Oh Siew Nam wrote in its 2022 annual report.

Headquartered in Kuala Lumpur, with operations in China, Vietnam, Indonesia, Thailand and Singapore, the PPB group has five business segments. The largest contributor is its grains and agribusiness segment, comprising flour and animal feed milling, grain trading and livestock farming. The FFM Group, in which PPB has 80% equity interest, produces the Massimo brand of bread and owns and operates five flour mills in Malaysia, two in Vietnam and one in Indonesia.

In Thailand, the group operates a 670-tonne/day flour mill through its 43.4% associate, Kerry Flour Mills Ltd. FFM Group also has 20% equity interest in eight associates in China with a combined flour milling capacity of 18,950 tonnes/day.

The other four segments are consumer products; film exhibition and distribution; property development and project management; as well as investments and other operations.

Its associate Wilmar encompasses the entire value chain of the agricultural commodity business from the cultivation and milling of palm oil and sugar cane to the processing, branding and distribution of a wide range of edible food products. Wilmar has over 500 manufacturing plants and an extensive distribution network covering China, India,

"Despite these challenges, the group will remain focused on brewing excellence and will exercise prudence in its business strategies going forward. The SAIL'27 strategy, which is an evolution from the successes of SAIL'22, is well positioned to support us in our endeavour to excel amid an uncertain environment," Carlsberg Malaysia chairman Tan Sri Chor Chee Heung says in the 2022 annual report.

The brewer has operations in Malaysia and Singapore, with a 25% stake in Lion Brewery (Ceylon) PLC in Sri Lanka. Carlsberg's exports and intercompany sales give it exposure to regional markets such as Hong Kong, Cambodia and Laos. Its brewery in Shah Alam was the first to be built outside Copenhagen, Denmark, in 1972. Carlsberg's beer portfolio includes its mainstream brands, premium, craft and alcohol-free brews, a winning combination of brand categories that has been integral to driving business growth and product innovation. E

Indonesia and some 50 other countries.

Kenanga Research in an Oct 11 report said it liked PPB for Wilmar's exposure to China and India along with its own growing consumer essential products (flour, feed, bread and canned food) in Southeast Asia. The research house had an "outperform" call on PBB with a target price of RM19.30.

PBB believes that Wilmar's performance will continue to contribute substantially to the overall profitability of the group, as will the majority of its products which are essential commodities and basic food items.

Crediting its core businesses for enabling it to tower over the challenges, the group, which was incorporated in 1968, said it also focused on embedding sustainability considerations into its business strategy, risk management and governance practices to sustain long-term success.

As part of its corporate social responsibility activities, the group invested over RM3 million in community support initiatives, providing aid to over 16,000 beneficiaries through food donations, utility assistance, upskilling programmes, job creation for entertainers, and workshops in various skills such as photography and film-making.

"We are included in Bursa Malaysia's FTSE4Good Index Series, for which we must meet a set of environmental, social and governance criteria and indicators, including transparency, environmental management practices, supply chain engagement and others. PPB's score has increased, and we will continue to strengthen our responsible business and sustainability practices," PBB said. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

CONSUMER PRODUCTS & SERVICES

Berjaya Food Bhd

2 BRC AWARDS OVER THE YEARS

Cashing in on robust activity at F&B outlets

BY SULHI KHALID

Riding on the recovery of the overall economy and uptick in consumer spending post-Covid-19, Berjaya Food Bhd's (BFood) earnings are not only back in the black but have also more than doubled year on year.

Its net profit surged to RM124.8 million for the financial year ended June 30, 2022 (FY2022) from RM47.1 million in FY2021, turning around from a net loss of RM19.6 million in FY2020. The improved earnings have certainly helped sentiment on its stock.

For a second year running, the group — which operates the Starbucks Coffee and Kenny Rogers Roasters (KRR) café and restaurant chains in Malaysia — takes home *The Edge* Billion Ringgit Club (BRC) award for highest returns to shareholders over three years.

Over the BRC awards' review period, BFood's adjusted share price soared from 22.2 sen on March 31, 2020, to 92 sen on March 31, 2023, representing a 60.6% compound annual growth rate (CAGR) over three years.

For the record, BFood announced a four-for-one bonus issue in June 2022, a move it said enhances the marketability of its shares and provides the opportunity for greater participation from existing shareholders as well as potential new investors.

Prior to the share price adjustment in September that year for the four-for-one bonus issue, BFood's share price had hit an all-time high of RM4.89 in June 2022.

Shareholders have also been receiving more dividends, with dividends per share improving from two sen per share in FY2020, to three sen per share in FY2021 and 5.5 sen per share in FY2022 (adjusted to 1.1 sen per share after the bonus issue). BFood paid 3.5 sen in dividend per share in FY2023.

Conglomerate Berjaya Group Bhd controlled a 55.3% stake in BFood as at Oct 2

this year, according to the latter's 2023 annual report.

For FY2023, BFood's net profit declined 17% y-o-y to RM103.4 million "mainly due to margin compression caused by inflationary pressures as well as unfavourable exchange rate against the US dollar", BFood chairman Datuk Seri Diraja Tunku Shazuddin Ariff Sultan Sallehuddin said in its 2023 annual report.

BFood's top line, however, breached the RM1 billion mark in FY2023, coming in at RM1.12 billion for FY2023, nearly double the RM635 million in pandemic-hit FY2020, on the back of "strong marketing efforts" and an increase in the number of stores in Malaysia. Revenue had climbed to RM717 million in FY2021 and RM998 million in FY2022 as BFood expanded locally as well as sought opportunities abroad.

In August this year, it signed a master franchise agreement to introduce South Korean bakery Paris Baguette in the Philippines.

Domestically, BFood is aiming to accelerate its Starbucks store expansion, not just in terms of store concepts such as more drive-through outlets to make purchases easier, but also opening new outlets in smaller towns, neighbourhoods and communities to be nearer to its customers. The first coffee chain to introduce a drive-thru concept store in Malaysia in Johor Bahru in December 2009, the company had 77 Starbucks drive-thru stores across Malaysia as at June 30, 2023.

BFood is looking to deepen Starbucks' penetration in second-tier cities by opening 40 to 45 stores in FY2024, according to its 2023 annual report. That should bring the number of Starbucks outlets to above 400 across Malaysia, up from 393 at end-June 2023 and 356 at end-June 2022.

Present in Brunei since 2014, BFood also had four Starbucks stores in the country as at June 30 this year.

In addition to Starbucks and KRR restaurants, BFood owns Jollibean Foods Pte Ltd, which holds the Jollibean, Kopi Alley, Sushi Deli and DanGo brands in Singapore and Malaysia.

As at June 30 this year, BFood, through Berjaya Roasters Sdn Bhd, had 70 KRR restaurants with 10 sub-franchisee stores across Malaysia. This was after opening seven stores and closing five during the year as part of its ongoing efforts to optimise cost and enhance competitiveness.

Those who view BFood's Starbucks expansion favourably include CGS-CIMB Research, which recently upgraded BFood to "add" from "reduce" and ascribed a higher target price of RM1 on expectations of higher sales and margin recovery.

"Based on our observations, Starbucks [Malaysia] has room for more store expansion in untapped catchment areas (such as offices, universities, hotels, residential areas, and so on) in the urban, suburban and rural regions as well as in East Malaysia.

"Coupled with the strong brand equity of Starbucks, expanded store network presence and effective marketing campaigns, we believe BFood is well-positioned to benefit from rising coffee consumption in Malaysia, seasonal festivities, and a rebound in tourism from the seasonally stronger 4QCY2023 (fourth quarter of calendar year 2023) onwards," it said in a Sept 28 note.

According to the research house, Starbucks Malaysia accounted for 90% of BFood's revenue and 95% of its earnings before interest, tax, depreciation and amortisation (Ebitda) in FY2023.

CGS-CIMB Research estimates that BFood will revert to net profit growth of 5% y-o-y in FY2024, 11% y-o-y in FY2025 and 10% y-o-y in FY2026, driven by annual revenue growth of 3% to 8% per year owing to the higher Starbucks Malaysia store openings. The research house expects BFood's earnings, especially in the later part of FY2024, to benefit from the lower cost for arabica coffee, which has declined around 36% from its peak of 239 US cents/lb in August 2022 to 153 US cents/lb in August 2023.

In notes accompanying its unaudited earnings for the quarter ended June 30, 2023, released in August this year, BFood's board of directors said they expect Berjaya Starbucks "to maintain its revenue growth momentum, and anticipate that the operating results of the group will remain satisfactory in the ensuing FY2024". E

BERJAYA FOOD

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURN ON EQUITY OVER THREE YEARS

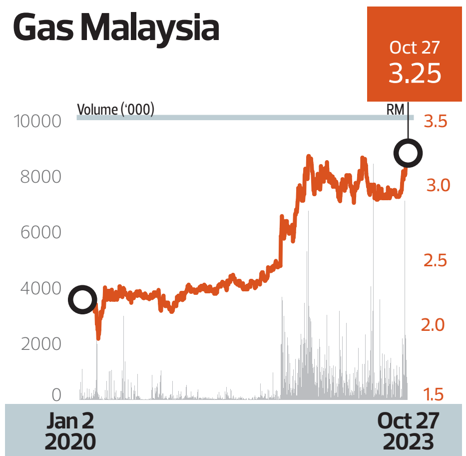
ENERGY & UTILITIES

Gas Malaysia Bhd

7 BRC AWARDS OVER THE YEARS

Fifth straight win for generous dividend payer

BY IZZUL IKRAM



GAS MALAYSIA

The Covid-19 pandemic, coupled with geopolitical developments, has heightened volatility in the demand and price of natural gas, but key domestic natural gas retailer Gas Malaysia Bhd's financials have held up well, as it is a beneficiary of tightness in global supply as well as the reopening of the economy.

Despite a decline in natural gas volume sold, Gas Malaysia reported a 56.05% year-on-year (y-o-y) rise in profit after tax (PAT) to RM389.5 million in the financial year ended Dec 31, 2022 (FY2022), from RM249.6 million in FY2021, as revenue climbed 30.72% y-o-y to RM7.65 billion in FY2022 underpinned by higher average natural gas selling prices, in tandem with global market prices. It made a PAT of RM212.6 million in FY2020 and RM190.1 million in FY2019.

The upward trajectory in PAT growth translated into a risk-weighted compound annual growth rate of 27% in the last three years — the highest among its peers, making Gas Malaysia this year's winner of The Edge Billion Ringgit Club (BRC) corporate award for highest growth in profit after tax over three years in the Energy & Utilities category. The company last won in this category in 2019.

That is not all. The strong earnings growth lifted Gas Malaysia's adjusted weighted return on equity (ROE) over three years (2020 to 2022) to 27%, also the best return among its peers during this year's award evaluation period. During the period in review, the group's adjusted ROE rose from 20% in FY2020 to 22.6% in FY2021 and 32.3% in FY2022.

No stranger to *The Edge* BRC, the consistent dividend payer has been the "reigning champion" of sorts, with the highest ROE over three years in the utilities sector since clinching the award in 2019 — making this year its fifth straight win.

Gas Malaysia, which has been paying more than its dividend payout guidance of 75% of its earnings, declared a dividend of 22.76 sen per share in FY2022. This is up from 17.67 sen in FY2021, 15.05 sen in FY2020 and 14.1 sen in FY2019.

In FY2022, the company continued to grow its core industrial segment, welcoming 61 new industrial accounts and crossing the 1,000-customer threshold, with 1,037 industrial customers at end-December. The group's industrial segment contributed 99.5% of its total gas volume sold in FY2022, with 26.6% of its total volume going to the rubber glove industry.

However, a rise in the cost of sales and administrative expenses and lower contributions from the group's joint-venture (JV) companies pushed Gas Malaysia's PAT for 1HFY2023 2.89% lower to RM192.91 million, from RM198.66 million a year earlier.

This was despite revenue increasing 25.25% to RM4.46 billion in 1HFY2023, compared with RM3.56 billion previously, driven by higher average natural gas selling prices, offset by gas volume sliding 17% to 72.7 million gigajoules (GJ) from 87.2 million GJ a year earlier. In 1HFY2023, Gas Malaysia secured a net addition of six industrial customers.

Despite expectations of gas prices normalising in 2HFY2023, investment analysts largely maintain a neutral stance on the group, owing possibly to the dividend prospects. Six of nine analysts tracking Gas Malaysia have a "hold" recommendation on the stock, two have a "buy" call and one a "sell". At the time of writing, the target price ranged from Macquarie Research's RM2.70 to MIDF Research's RM4, with an average of RM3.27.

In an Aug 22 note, MIDF noted that the risk of lower average natural gas selling prices following the low trend of natural gas prices in 2023 was mitigated by the group's upcoming project for Regulatory Period 2 (2023 to 2025) to construct 300km to 400km of gas pipeline with an estimated capital expenditure of RM800 million.

Commenting on its prospects in notes accompanying its financial results, Gas Malaysia said the group would "continue to take prudent measures to remain competitive and seek opportunities to grow its business" and expected to "deliver a satisfactory performance" for FY2023.

Part of the MMC group of companies, Gas Malaysia is 30.93%-owned by a unit controlled by Tan Sri Syed Mokhtar's MMC Corp Bhd. Petroliam Nasional Bhd, via Petronas Gas Bhd, owned 14.8% of Gas Malaysia while Tokyo Gas Co Ltd (via Mitsui & Co Holdings Sdn Bhd) had an 18.5% stake as at end-March 2023, according to Gas Malaysia's 2022 annual report. Lembaga Tabung Haji has 7.07% equity interest in Gas Malaysia. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

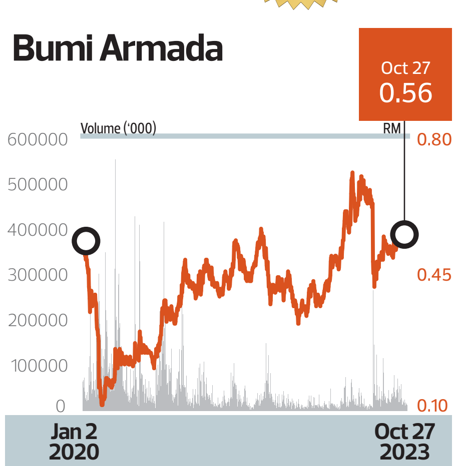
ENERGY & UTILITIES

Bumi Armada Bhd

Commendable O&G turnaround

2 BRC AWARDS OVER THE YEARS

BY ADAM AZIZ



Bumi Armada Bhd's journey in the last decade is seen as one of the few turnaround success stories among Malaysia-listed oil and gas (O&G) industry players that are worth highlighting.

One of the worst hit among locally listed upstream companies during the 2014/15 oil price crash, Bumi Armada has emerged stronger and posted its best results since its 2011 listing for two consecutive years in 2021 and 2022, brushing off the pandemic, which had affected the wider industry.

With proof of its recovery, Bumi Armada's share price rose from a near record low of 13.5 sen on March 31, 2020, to 63 sen on March 31, 2023 — representing a compound annual growth rate of 67.1% in the three-year period evaluated for this year's *The Edge* Billion Ringgit Club (BRC) corporate awards.

That strong share price performance helped Bumi Armada clinch the BRC award for highest returns to shareholders over three years in the energy and utilities sector for the second year running.

While other large-scale upstream service providers affected by the downturn raised cash by issuing new equities, Bumi Armada opted for no recapitalisation exercise.

Instead, it kept its financial discipline, divested the oversupplied offshore support vessel (OSV) segment, and realigned its focus towards the more technical floating production storage offloading (FPSO) vessels segment.

The result has been fantastic, as attested to by its share price gains even as the group slashed its debt by RM4.89 billion between 1QFY2020 and 2QFY2023, while also recovering RM2.81 billion in reserves to reduce its net gearing to 0.7 times, from 2.9 times at its peak in 1QFY2020.

In the last three financial years, the company's net profit grew by an average of 22.5% each year, from RM58.62 million in FY2019 to a record RM732.41 million in FY2022, on the back of RM2.41 billion in revenue — its second highest after the RM2.42 billion recorded in FY2018.

Coming out of the challenging period of 2015 to 2018, Bumi Armada has remained among the largest FPSO players in the world, with exposure to seven FPSOs (three of which are wholly-owned) and one liquefied natural gas (LNG) floating storage unit (FSU).

With its balance sheet recovery, Bumi Armada says it is "pursuing new opportunities in targeted markets". Bumi Armada's vessels are located in Asean, India, Angola, the UK and Malta.

In June, Bumi Armada said it was likely to see a one-year extension of its 49%-owned *Armada Sterling II* FPSO in India. Separately, the group is awaiting final acceptance for its 30%-owned *Armada Sterling V*.

In September, it announced a partnership

THE EDGE BILLION RINGGIT Club 2023

HIGHEST RETURN ON EQUITY OVER THREE YEARS

FINANCIAL SERVICES (RM10 BILLION AND ABOVE MARKET CAPITALISATION)

Public Bank Bhd

15 BRC AWARDS OVER THE YEARS

Delivering stellar returns as a 'bank for the people'

PUBLIC BANK

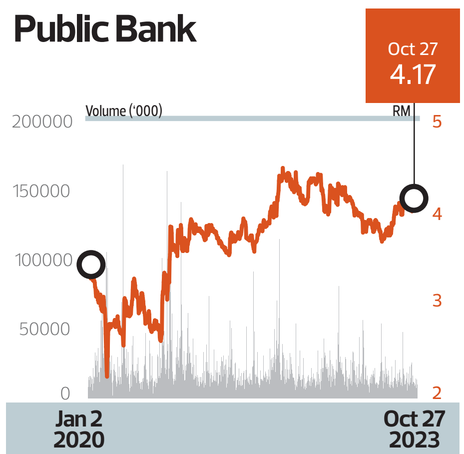
BY ESTHER LEE

The words "stability" and "consistency" often spring to mind at the mention of Public Bank Bhd. Founded in 1966 by the late Tan Sri Teh Hong Piow as a "bank for the people", the banking group that turned 57 this year, has rarely let investors down.

Known to have one of the lowest cost-to-income ratios in the industry, while being in the lead in terms of asset quality among local banks, investors who put their money in Public Bank can rest assured that their investment is working hard to generate returns under the leadership of its CEO Tan Sri Tay Ah Lek.

For the seventh-straight year this year (2017-2023), Public Bank wins *The Edge* Billion Ringgit Club's (BRC) highest return on equity (ROE) over three years for the financial services sector among financial institutions that have over RM10 billion in market capitalisation. The bank also took home the BRC top prize for ROE between 2010 and 2013.

With the exception of FY2020, when the bank saw a dip in year-on-year net profit growth, net profit has been on a steady upward trend in recent years. Net profit fell from RM5.51 billion in FY2019 to RM4.87 billion in FY2020 but bounced back quickly the following year, climbing up to RM5.66 billion in FY2021 and then further scaling to RM6.12 billion in FY2022. This brought the bank's risk-weighted three-year compound annual growth rate (CAGR) for its net profit to 4.3% between FY2019 and FY2022.



Meanwhile, Public Bank's ROE has climbed steadily from FY2020 to FY2022. It increased from 10.7% in FY2020 and moved up to 11.9% in FY2021 before inching upwards further to 12.4% in FY2022. The three-year CAGR for its ROE was 11.9% between FY2019 and FY2022.

It is worth noting that Public Bank's pre-tax profit surpassed RM8 billion for the first time in FY2022.

The banking group has also paid generous dividends over the years. Dividend per share increased from 13 sen in FY2020 to 15.2 sen in FY2021 and rose further to 17 sen in FY2022. This translates into a dividend payout of 51.8% (FY2020), 52.2% (FY2021) and 53.9% (FY2022) of the banking group's net profits.

Dividend yield has also increased over the same period — from 3.2% in FY2020 to 3.9% in FY2022 — in line with the higher dividend payout to shareholders.

Between Jan 3, 2020, and Dec 31, 2022, Public Bank's share price gained a total of 21.77% from RM3.43 to RM4.17. Its share price saw some weakness this year, though. Year to date, the banking group's share price slipped 3.5% from RM4.17 at the start of the year to RM4.16 on Oct 25. That said, most analysts tracking the stock remain bullish, with 13 having a "buy" call compared to four "hold" and two "sell" recommendations, with the consensus target price at RM4.66 at the time of writing. That implies 12% upside potential from RM4.16 on Oct 25.

For the second quarter ended June 30, 2023 (2QFY2023), net profit was RM1.62 billion, up 14% from RM1.42 billion in the previous year. This came on the back of revenue amounting to RM6.26 billion, up 25% from RM4.97 billion a year ago. This brought net profit for the first half of 2023 (1HFY2023) to RM3.33 billion, 18% higher than the RM2.82 billion achieved the year before.

Earnings came in within expectations, says Maybank IB Research in an Aug 30 note. The research house notes that Public Bank management's loan growth target of 4% to 5% for FY2023 is maintained but it had revised net interest margin guidance, expecting to see a NIM compression of "less than 20 basis points" from the "more than 10 basis points" guided earlier.

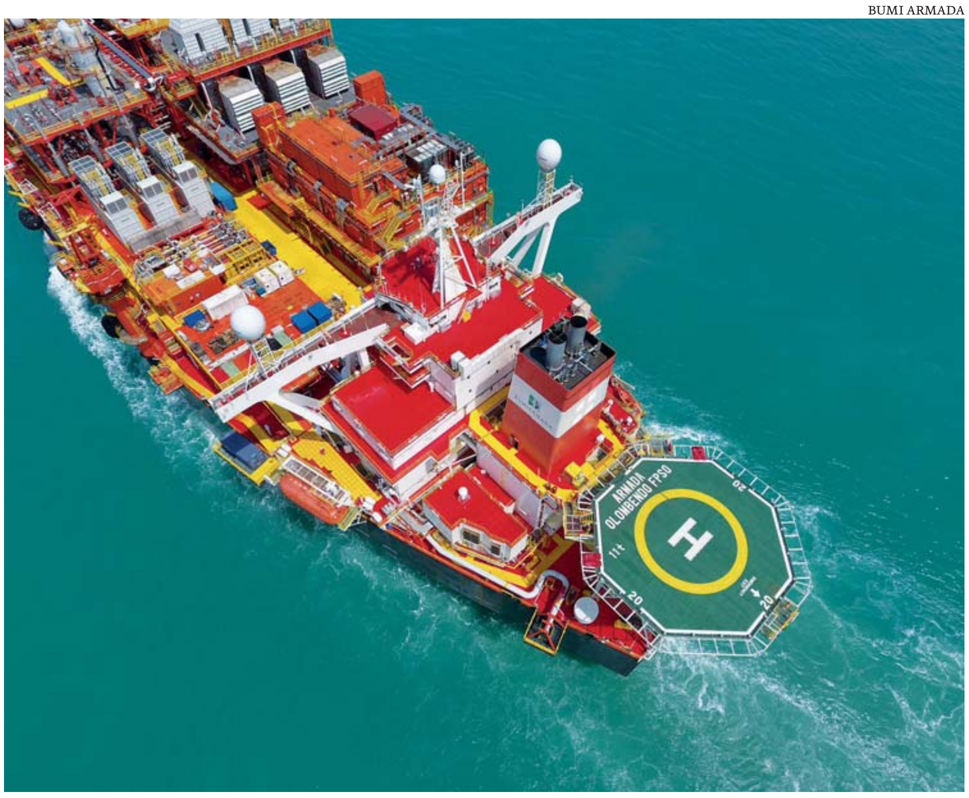
AmInvestment Research opines that the deposit competition among banks still persists even though deposit rates in recent fixed deposit campaigns have tapered off from the peak seen in 4QFY2022.

"Management continues to guide for a double-digit NIM compression of less than 20 basis points in FY2023 from FY2022's NIM of 2.39%. We continue to expect pressure on funding costs to abate in sequential quarters due to lower fixed deposit campaign rates offered recently in the market. Also, the gradual expiry of more expensive deposits from earlier campaigns is likely to improve the group's NIM in 2H2023," it says.

Public Bank has maintained its ROE target of 12% to 13% while its loan loss coverage ratio is at a healthy 226% as at end-June 2023.

"The stock is trading at a compelling 1.4 times FY2023F book [value], below the five-year historical average of 1.8 times, with a decent dividend yield of 4.7%," notes AmInvestment Research. E

BUMI ARMADA



to develop and commercialise LNG from the Madura gas field, with the first shipment of LNG anticipated to take place three years after making the final investment decision.

It is also making its debut in the upstream exploration and production (E&P) segment in Indonesia, with a production sharing contract signed by its co-bidder; Bumi Armada will provide an FPSO, and potentially a floating LNG (FLNG) or gas pipeline for the projects.

"Our sustainability strategies, which include gas as a transitional energy source, will drive new infrastructure projects," former chairman Tunku Ali Redhauddin Tuanku Mukhriz said in Bumi Armada's 2022 annual report before his retirement in May this year. "We will also evaluate carbon capture injection and storage projects."

It is not all smooth sailing even as the debt reduction exercise continues. In the first half of FY2023, its performance was dragged lower by downtime involving the *Armada Kraken* FPSO in the North Sea, UK, owing to equipment malfunction.

Net profit fell 14.04% year on year to RM319.78 million, from RM372.01 million, on the back of a 14.13% y-o-y decline in revenue to RM985.31 million, from RM1.15 billion.

Closing at 56 sen on Oct 27, shares in Bumi Armada remain below their 2018 peak of 94 sen and the 2014/15 trading average of RM1.15.

In August, Bumi Armada confirmed that the *Armada Kraken* FPSO's operational performance had been restored to pre-shutdown levels.

"Redundancy is expected to be restored when two new hydraulic submersible pump transformers, which are estimated to arrive in September 2023, are successfully installed on the *Armada Kraken* FPSO," it had said.

At the time of writing, analysts covering the sector remain bullish on Bumi Armada, with some saying the worst is over for the group and others expecting another record earnings in FY2024. With the floating assets segment still seeing newbuilds, following years of O&G industry underinvestment, investors are certainly keeping a close watch on how Bumi Armada will grow from here. E

THE EDGE BILLION RINGGIT Club 2023

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

FINANCIAL SERVICES (RM10 BILLION AND ABOVE MARKET CAPITALISATION)

Hong Leong Financial Group Bhd

3 BRC AWARDS OVER THE YEARS

Scoring a hat-trick in profit growth

BY ADELINE PAUL RAJ

Hong Leong Financial Group Bhd's (HLFG) astute handling of risk, cost and credit discipline during the pandemic years has helped it clinch, for the third consecutive year, *The Edge* Billion Ringgit Club award for the highest growth in profit after tax over three years in the financial services category for companies with a market capitalisation of RM10 billion and above.

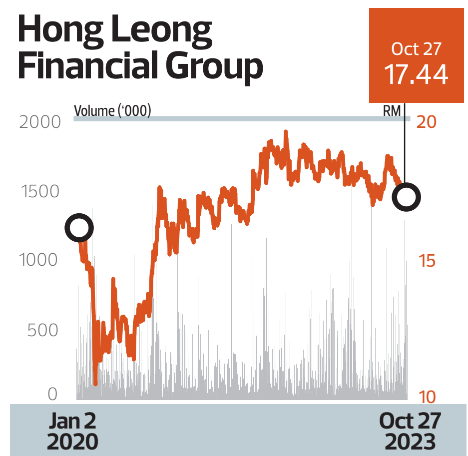
The financial institution is controlled by low-key businessman Tan Sri Quek Leng Chan, who also has property and manufacturing businesses.

HLFG derives its earnings from three core businesses, namely commercial and Islamic banking under Hong Leong Bank Bhd, insurance and family takaful under HLA Holdings Sdn Bhd and investment banking and asset management under Hong Leong Capital Bhd. However, it is the banking business that makes up the bulk, or about 90%, of its bottomline.

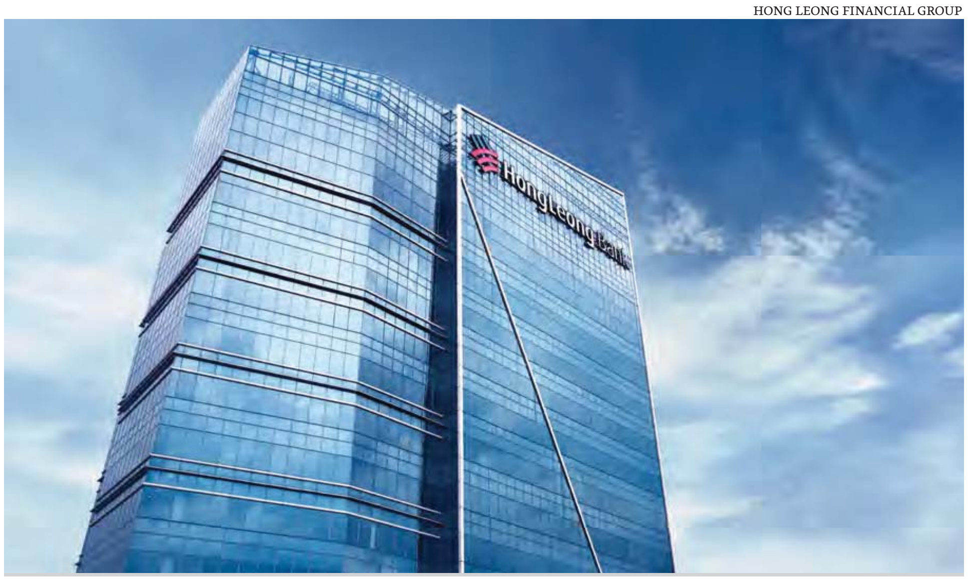
For the three-year period under review, that is, between the financial year ended June 30, 2019 (FY2019) and FY2022, HLFG achieved a risk-weighted compound annual growth rate of 12.8% in profit after tax, the highest among its big-cap peers.

Its FY2020 net profit, which reflected the early months of the pandemic, contracted 3.2% to RM1.86 billion from RM1.92 billion in FY2019; however, in FY2021, it made a strong comeback as net profit grew 21.9% to RM2.27 billion. It then grew by a more moderate 8.3% to RM2.45 billion in FY2022.

Interestingly, HLFG went on to report a 13.8% growth in net profit to RM2.79 billion in FY2023, during which four out of the five 25-basis-point increases in the country's overnight policy rate since the start of the pandemic had occurred.



HONG LEONG FINANCIAL GROUP



Maybank Investment Bank Research said the group's FY2023 net profit was above its expectations, coming in at 108% of its full-year forecast. "The better-than-expected performance was largely [owing to] better contributions from the insurance division during the financial year," it said in an Aug 31 report.

HLFG's cost-to-income ratio, a measure of efficiency, improved from 44.9% in FY2020 to 37.7% in FY2022, before moving up slightly to 40% in FY2023. Meanwhile, its gross impaired loan ratio, an indicator of asset quality, improved from 0.61% in FY2020 to 0.49% in FY2022, before deteriorating to 0.57% in FY2023. Nevertheless, HLFG continues to rank as one of the industry's best in terms of those two financial metrics.

Its return on equity has grown from 9.3% in FY2020 to 10.4% in FY2022, before improving further to 10.9% in FY2023.

The group's dividend per share, which fell to 38 sen in FY2020 — the first year of the pandemic — from 42 sen in FY2019, has since improved steadily to 40 sen in FY2021, 46 sen in FY2022 and 49 sen in FY2023.

It will be interesting to see if it can keep up its performance amid growing macroeconomic headwinds globally.

In its latest annual report, released on Oct 2, HLFG chairman Quek notes that although there are signs that the interest rate upcycle is nearing its peak, the prospect of a pause in rate hikes remains uncertain, given the recent rally in crude oil prices that may fuel further inflationary pressure.

"Malaysia's trade-reliant economy, sensitive to these macroeconomic headwinds, is expected to moderate but remain on a positive trajectory, supported by resilient domestic demand," he says.

Amid this scenario, Quek says the group's business focus for FY2024 and onwards will be to unlock wealth management opportunities, boost its insurance distribution capabilities and strengthen its foreign fund management capabilities.

"We will also continue to employ cutting-edge technologies and digital solutions for better insight into our businesses, simplify operational processes and, most importantly, enhance the customer engagement experience," Quek adds.

HLFG is led by president and CEO Tan Kong Khoon, who headed Hong Leong Bank from July 2013 to February 2016.

The group holds a 64% stake in Hong Leong Bank, 70% in Hong Leong Assurance Bhd and 81% in Hong Leong Capital Bhd. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

FINANCIAL SERVICES (RM10 BILLION AND ABOVE MARKET CAPITALISATION)

CIMB Group Holdings Bhd

6 BRC AWARDS OVER THE YEARS

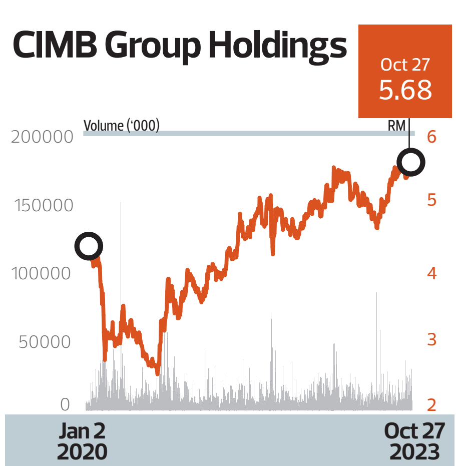
1 CR award 2013

Stellar returns from purpose-driven organisation

BY ESTHER LEE

The last few years have thrown numerous challenges at the banking industry, including the need to overcome net interest margin (NIM) compressions that resulted from a deposit war shoring up the cost of funds when the world swung from "lower for longer" interest rates to "higher for longer".

CIMB Group Holdings Bhd — this year's winner of *The Edge* Billion Ringgit Club (BRC) highest returns to shareholders over three years in the financial services category for companies above RM10 billion market capitalisation — not only navigated the challenges, but also edged out peers with regard to shareholder returns.



The banking group's adjusted shareholder return during the BRC corporate awards evaluation period of March 31, 2020 to March 31, 2023 was a three-year compound annual growth rate of 18% — just ahead of another peer to secure the win, with most other peers showing three-year CAGR of between 9% and 14%.

CIMB's share price has risen steadily since hitting a five-year low of RM2.97 on Nov 4, 2020. This trend is similar to that at other local banks, which also saw a steady climb in November as markets turned more positive on expectations of a better economic outlook as countries around the globe began administering Covid-19 vaccines.

Between March 31, 2020 and March 31, 2023, CIMB's share price gained about 64% from RM3.23 to RM5.31. Since March 31 this year, the share price has trended lower to reach RM4.81 on June 2 but has since rebounded. It closed at RM5.69 on Oct 25.

The banking group's dividends have also been consistent on a per-share basis, with the exception of FY2020. In FY2020, dividend per share amounted only to 4.8 sen — no surprise given how the banking sector was conserving capital during the Covid-19 pandemic. In FY2021, the bank doled out 23 sen per share to shareholders, then 26 sen in FY2022. Between FY2020 and FY2022, CIMB's adjusted weighted return on equity came up to a commendable 7.15% per annum over three years.

This year, the banking group's net profit for the cumulative six months ended June 30, 2023 has increased by 26% to RM3.42 billion, or 32.05 sen per share, from RM2.71 billion, or 26.26 sen. Revenue for the first half of

HIGHEST RETURN ON EQUITY OVER THREE YEARS

FINANCIAL SERVICES (BELOW RM10 BILLION MARKET CAPITALISATION)

Bursa Malaysia Bhd

Sturdy yields despite challenges

BY ADELINE PAUL RAJ

ZAHID IZZANI/THE EDGE

3 BRC AWARDS OVER THE YEARS

A surge in trading interest in 2020, particularly among retail investors, propelled Bursa Malaysia Bhd towards its best earnings showing since its listing in 2005.

The peak performance that year, followed by lower but decent earnings in the next two years, helped the stock market operator clinch, for the third consecutive year, *The Edge* Billion Ringgit Club award for highest return on equity (ROE) over three years in the financial services sector for the category below RM10 billion market capitalisation.

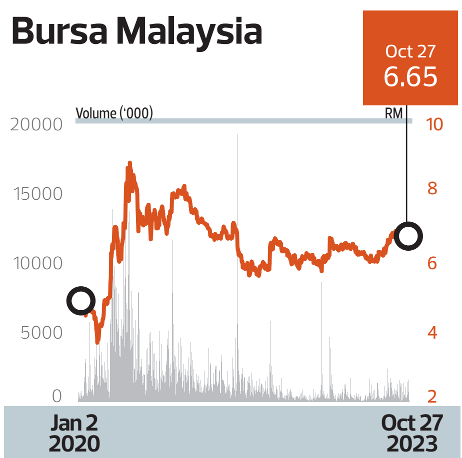
Bursa Malaysia's net profit in the financial year ended Dec 31, 2020 (FY2020) more than doubled to RM377.75 million from RM185.86 million in FY2019.

That year, the average daily trading volume for equities rose to an all-time high of 7.32 billion shares compared with 2.51 billion in 2019, even as the average daily trading value reached new heights at RM4.21 billion compared with RM1.93 billion before.

Retail investors, many of whom turned to stock market trading while homebound during the Covid-19 lockdowns, helped keep trading volumes buoyant that year.

However, in 2021 and 2020, amid geopolitical tensions and other headwinds like inflationary pressures and monetary policy tightening, the average daily trading volume on the local bourse fell to 5.71 million and 2.8 million shares respectively, while the average daily trading value declined to RM3.54 billion and RM2.07 billion.

Trading velocity, which jumped to 64% in 2020 compared with 28% in the previous year, has since come down to 49% in FY2021 and 30% in FY2022.



As a result, Bursa Malaysia's net profit eased to RM355.24 million in FY2021, before falling further to RM226.57 million in FY2022. Its ROE came in at 45.5% in FY2020, 41.4% in FY2021 and 28.3% in FY2022, giving it an adjusted weighted ROE over three years of 35.6%, the highest among its peers in the same category.

Going forward, analysts reckon Bursa Malaysia will have a difficult time stimulating tepid markets.

"We reckon that the average daily trading value of securities may continue to be slow as participation [has not picked] up meaningfully despite a more stable domestic political landscape, better economic performance and the reopening of China's borders. That said, the traction from recent initial public offerings could continue to fuel retailers' interest, with Bursa Malaysia indicating a pipeline of 39 IPOs this year," says Kenanga Research in an Aug 1 report.

Adding to the current macroeconomic headwinds is the Israel-Hamas war, which erupted on the weekend of Oct 7, that is impacting global — including Malaysian — markets even as oil prices are being driven up.

In an Oct 9 report, Kenanga Research says it is keeping its FBM KLCI year-end target of 1,520 points for now as the war is still a developing situation. The benchmark index closed at 1,435.65 points on Oct 24, down 4% year to date.

As at 1HFY2023, Bursa Malaysia's net profit came in at RM132.42 million, up 3.9% year on year, mainly because of an unexpected reversal of the provision for sales and service tax, estimated by analysts at about RM28 million. Excluding the reversal of SST provision, its net profit would have declined 18.1%. It nevertheless announced an interim dividend of 15 sen a share.

Investors like the stock for its dividends. Bursa Malaysia has rewarded shareholders with a special dividend in three out of the last six years, that is in FY2017, FY2018 and FY2020. Shareholders received a dividend per share of 51 sen in FY2020 (of which eight sen was a special dividend), 41 sen in FY2021 and 26.5 sen in FY2022.

At the time of writing on Oct 27, Bloomberg data showed five analysts having a "buy" call on the stock versus eight with a "hold" and three saying "sell", with the 12-month consensus target price being RM6.79. The stock closed at RM6.65 that day, giving the company a market capitalisation of RM5.4 billion. E

CIMB GROUP

2023 totalled RM10.33 billion compared with RM9.62 billion a year ago. Analysts say that the 1H2023 earnings were within expectations, accounting for slightly more than half of consensus projection.

The stronger earnings were attributed to improved non-interest income and lower total provisions, according to AmInvestment Bank Research. Non-interest income increased by 32% year on year, driven by stronger income from treasury and markets, foreign exchange gains and gains booked in from the sale of impaired loans in Indonesia and Thailand. Gross loan growth grew 8.3% y-o-y in 2Q2023 compared to 7.4% y-o-y in 1Q2023 from the drawdown of wholesale banking loans.

The banking group also saw strong deposit growth, with total deposits increasing 4% quarter on quarter and 9% y-o-y. However, net interest margin eased two basis points on a q-o-q basis and 23bps y-o-y.

"CIMB revised down its NIM guidance to 15-20bps NIM compression vs a 10-15bps decline previously. That said, 1H2023 NIM of 2.26% was 25bps lower vs the 2022 NIM of 2.51%, which could imply some NIM recovery in 2H. Already, CIMB had lowered its deposit campaign rates by 5bps in July and August, without materially impacting volumes," notes RHB Research in a recent report.

RHB Research also notes that the banking group's asset quality is contained despite gross impaired loans ticking up 7% q-o-q. It said that the gross impaired loan ratio and loan loss coverage stood at 3.3% and 92.9% respectively.

"Covid-19-related overlays at end-2022 were RM2 billion, of which RM1.4 billion relates to Malaysia. The bulk of this has been reallocated and management continues to guide that it intends to retain as much of its overlays as possible due to the current macroeconomic uncertainties, and maintain LLC (loan life coverage) at comfortable levels," it said.

TA Securities is of the view that CIMB Holdings' 1H2023 financial performance demonstrates improving momentum from its non-interest income, loan growth and healthy asset quality. It added that on account of the healthy growth trajectory, the banking group is on track to exceed some of its FY2023 targets.

"As such, management revised upwards some of its guidance for FY2023, such as loans to grow by 6%-7% (from 5%-6%), and loan loss charge to improve to 40-45bps (from 45-55bps). NIM pressure is also expected to subside.

"Despite the optimism, management maintains a cautious stance, given global headwinds, elevated interest rates and heightened deposit competition. Earnings pressure could come from higher costs due to technology and operational investments. CIMB will also focus on strengthening the CASA (current account savings account) and deposit franchise to arrest further NIM compression," it said.

At the time of writing, TA Securities had a "buy" call on the banking group with a target price of RM6.40. AmInvestment also kept its "buy" call on the bank with a fair value of RM6.70, adding that it likes the bank due to its attractive valuation, trading at 0.8 times FY2024 book.

CIMB's stellar share price performance provided opportunities for largest shareholder, Khazanah Nasional Bhd, to cash in on part of its holdings and recycle capital into new assets. Khazanah raised RM535.5 million from placing out 105 million shares at RM5.10 apiece in April 2022 and another RM362.7 million from selling 62 million shares or 0.58% stake, likely at RM5.85 per share, in September this year. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

FINANCIAL SERVICES (BELOW RM10 BILLION MARKET CAPITALISATION)

Affin Bank Bhd

1 BRC AWARDS OVER THE YEARS

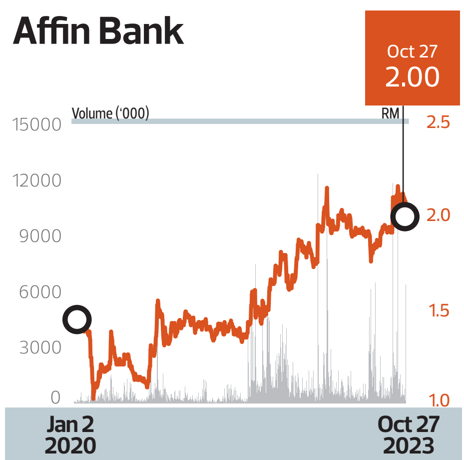
Divestment boost for niche banker

BY ESTHER LEE

Affin Bank Bhd has been keeping busy streamlining operations to build its "house of tomorrow". Having completed its divestment of asset management arm Affin Hwang Asset Management Bhd in 2022, this year, it went on to complete the disposal of a 21% stake in Generali Life Insurance Malaysia Bhd (formerly known as AXA Affin Life Insurance Bhd) and the disposal of 2.95% equity interest in Generali Insurance Malaysia Bhd (formerly known as AXA Affin General Insurance Bhd).

The divestment of its asset management arm boosted the banking group's earnings for the financial year ended Dec 31, 2022 (FY2022), with net profit doubling to RM1.18 billion from RM526.93 million in FY2021. Gains from the sale came up to RM1.075 billion for FY2022. Dividend per share was 30.39 sen for FY2022, compared with 12.5 sen in FY2021.

Shored up by divestment gains, the banking group's risk-weighted three-year net profit showed a 37.5% compound annual growth rate (CAGR) from just RM487.8 million in FY2019. With most peers having single-digit annual growth over the same period, Affin Bank wins *The Edge* Billion Ringgit Club corporate awards for the highest growth in profit after tax over three years in the financial services sector among firms with a market capitalisation of below RM10 billion.



It is worth noting that the banking group has also shown its resilience during the period in review. In FY2019, net profit amounted to RM487.77 million. It slid to RM230.32 in FY2020 due to the Covid-19 pandemic but quickly bounced back to RM526.93 million in FY2021.

Without the divestment, FY2022 net profit would have been RM334 million, according to Hong Leong Investment Bank Research. Analysts note that the banking group's year-on-year loan and deposit growth have stayed firm in FY2022 at 15.4% and 10.5% respectively. Meanwhile, its gross impaired loan (GIL) ratio has also decreased to 1.97% compared with 2.54% in FY2021, which the banking group credits to strong recovery efforts and tighter underwriting standards in its FY2022 annual report.

The closing of FY2022's financial year also marked another chapter for the banking group as it embarks on a new mid-term strategic plan dubbed as the "A25 Transformation Programme" with ambitious targets to achieve by the end of FY2025.

Among the key financial targets that the banking group seeks to achieve by FY2025 are a profit before tax of RM1.5 billion, a current account, savings account (CASA) ratio of 30%, return on equity (ROE) of 10%, GIL of 1.5% and cost-to-income ratio of less than 53%.

For 1HFY2023, Affin Bank recorded a net profit of RM262.21 million, a 9.4% decline from the RM289.59 million achieved in the same period the year before, even as a contraction in net interest margin (NIM) led to a 10.8% year-on-year decline in net interest income.

According to CGS-CIMB Research, Affin Bank's 2QFY2022 NIM was partly shaved off by the double interest payment for its additional Tier-1 capital securities.

AFFIN BANK

"As this will not recur in the coming quarters, and we anticipate the deposit competition to subside, we expect Affin Bank to see a h-o-h (half on half) recovery in NIM in 2H2023F. This is supported by the bank's guidance for

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

FINANCIAL SERVICES (BELOW RM10 BILLION MARKET CAPITALISATION)

RCE Capital Bhd

2 BRC AWARDS OVER THE YEARS

Resilient income from niche customer base

BY INTAN FARHANA ZAINUL

For a second consecutive year, RCE Capital Bhd, which provides personal financing to civil servants, has bagged *The Edge* Billion Ringgit Club (BRC) award for the highest returns to shareholders over three years among its peers in financial services below RM10 billion market capitalisation.

During the awards evaluation period between March 31, 2020, and March 31, 2023, for this year's BRC, the adjusted total return for its shares averaged 46.7% a year over three years. This came as its share price almost doubled from 57.7 sen on March 31, 2020, to RM1.07 on March 31, 2021. It further jumped to RM1.59 on March 31, 2022, and increased almost 15% thereafter to RM1.82 on March 31 this year.

RCE Capital's commendable share price performance was also supported by the group's stellar earnings performance.

RCE CAPITAL

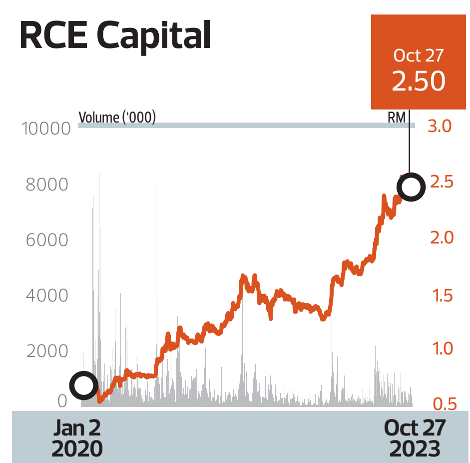
For the financial year ended March 31, 2020 (FY2020), the group posted a 15.8% year-on-year jump in net profit to RM110.6 million, from RM95.5 million. Its net profit then surged 12.7% y-o-y to RM124.6 million in FY2021 and then 7% y-o-y in FY2022 to RM133.2 million.

Indeed, its niche focus in the civil servants' market provided the group with stable income amid disruptions caused by the Covid-19 pandemic, which started in early 2020. Overall, from FY2019 to FY2022, RCE Capital's net profit recorded a three-year compound annual growth rate of 8.8%.

RCE Capital's net profit continued to grow in FY2023, rising 4.2% y-o-y to RM138.78 million on the back of an 8% y-o-y increase in revenue to RM323.63 million from RM299.46 million previously. The group attributed the top- and bottom-line growth to the surge in fee income, as disbursements were higher, arising from sales campaigns launched after taking into account higher profit expense and allowances for impairment losses on receivables.

In the light of the improving earnings performance, RCE Capital announced a new dividend policy that made the counter more attractive to investors.

On May 23 this year, the group announced that it would be adopting a new dividend guidance with a dividend payout ratio of 60% to 80% of its consolidated profit after tax commencing from FY2024, provided that such distribution will not be detrimental to the company's cash flow requirements. Its previ-



ous dividend payout policy was between 20% and 40% of the group's annual profit after tax.

Maybank IB Research foresees stable prospects for RCE Capital, expecting it to deliver a "high forecast dividend yield of more than 6% a year".

"Although marginal, the 1QFY2024 results beat our expectations and set another record. It is also good to know that NPF (non-performing financing) ratios continue to ease after surging last year. This gives us comfort that RCE's high forecast dividend yields of more than 6% a year will continue. We maintain our earnings estimates and RM2.38 target price based on 2.1 times end-calendar year 2023 estimate target price-to-book value," it said in a report dated Aug 15.

The research house pointed out that RCE Capital's 1QFY2024 net profit of RM36.9 million was above expectations, at 27% of its full financial year estimate, thanks to higher profit and fee income driven by more extended financing and lower allowances for impairment loss on receivables, but moderated by

NIM of 1.86% in FY2023F," it says.

Meanwhile, RHB Research highlighted that its year-to-date (YTD) loan growth of 5% was behind the bank's target of 12% for FY2023, but added that its existing loan pipeline appears to be healthy. Deposits grew 10% YTD, thanks to placements from government agencies and business enterprises.

"The launch of the bank's mobile application in September should help its CASA gathering efforts, which is positive for the long-term trajectory of NIM," says the research house.

However, RHB Research did mention that the banking group's management raised its year-end GIL ratio target to 2% from 1.9% earlier, as it is seeing some early signs of stress of its books in the mortgage, real estate and manufacturing sectors.

Despite the less optimistic outlook, RHB Research still has a "buy" call on the bank at the time of writing. It lowered its target price to RM2.20, on account of a 2% cut in its forecast FY2023-FY2025 earnings, which factored in a sharper NIM squeeze.

"We continue to like Affin for its undemanding valuation and solid long-term growth strategies, which include its expansion into Sarawak," it says.

Noting that the counter is supported by a dividend yield of 4.6% for FY2023, CGS-CIMB Research also maintained its "add" call and RM2.26 target price on the bank, on account of its attractive valuation with a forecast FY2024 price-earnings ratio of 7.9 times and forecast FY2023 price-to-book value of 0.4 times. E

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higher interest and profit expense driven by more borrowings and higher profit rates.

It also noted that RCE Capital's gross NPF ratio continued to improve, having eased to 3.7%, or down 22 basis points y-o-y and seven bps quarter-on-quarter.

"Last year, gross NPF ratios and allowance for impairment loss on receivables spiked, as more civil servants in the academic and healthcare sectors resigned," it added.

Commenting on the outlook in its 2023 annual report that was released on July 27 this year, RCE Capital non-executive chairman Shahman Azman said in his letter to shareholders that "there are reasons to be optimistic", even though the global economic backdrop remains challenging. At the time, in anticipation of possible further overnight policy rate adjustments in the second half of the year, he said it was "essential for the group to keep competition at bay" even as it continued to assess its products and services to stay relevant and alert in the face of competition.

"The group is seen as a niche market player in consumer financing and will proactively deliver sustainable returns to our shareholders," Shahman said, adding that the group would increase digital adoption and continue to use technology to simplify the way it operates as it builds an "agile future-fit organisation".

On the local front, RCE Capital said it remained watchful of all external economic factors, as it is vital for it to be responsive, mitigate any adverse risks to the business and seize opportunities that come its way.

"We will continue to cement our digital financing capabilities, advancing the sustainability agenda to future-proof our business and be seen as one that is trusted, purpose-driven and innovation-led," RCE Capital said in the management discussion and analysis portion of its 2023 annual report. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURN ON EQUITY OVER THREE YEARS

Company of the year 2020

13 BRC AWARDS OVER THE YEARS

HEALTHCARE

Hartalega Holdings Bhd

Nitrile glove maker chalks up record-high earnings in FY2022

BY SULHI KHALID

Faced with a global oversupply and industry-wide overcapacity, the operating environment remains tough for the world's largest nitrile glove maker, Hartalega Holdings Bhd, which bags two *The Edge* Billion Ringgit Club (BRC) corporate awards this year.

This is no surprise, given that Hartalega — *The Edge* BRC Company of the Year in 2020, the year its share price crossed the RM20 mark — had delivered record-high financial results for the financial year ended March 31, 2022 (FY2022), where net profit rose 12% year-on-year (y-o-y) to RM3.2 billion on the back of an 18% y-o-y surge in revenue to RM7.89 billion. With Covid-19 shoring up demand for gloves in calendar year 2021, Hartalega's FY2022 results benefited from higher average sales prices that offset the reduction in sales volumes and higher raw material and operating costs towards the later part of the financial year.

During the BRC awards evaluation period between FY2019 and FY2022, Hartalega's net profit rose sevenfold, rising from RM455.2 million in FY2019 to RM3.23 billion in FY2022. That translates into a three-year risk-weighted profit after tax compound annual growth rate of 37.5%, according to the BRC awards methodology — the highest among peers in the Healthcare sector, earning Hartalega this year's BRC award for highest growth in profit after tax over three years.

Hartalega also takes home the BRC award for highest return on equity (ROE) over three years for the Healthcare sector, its eighth win. Before this, Hartalega had won the same award seven out of eight times it was given out from 2013 to 2020 (except 2017).

Based on the BRC awards methodology, Hartalega's weighted ROE averaged 58.7% a year over three years, with ROE coming in at 18.1% for FY2020, 76.8% for FY2021 and 64.1% for FY2022.

In FY2023, however, Hartalega's revenue of RM2.4 billion was the lowest over five years, slipping below the RM2.8 billion booked in pre-pandemic FY2019. The group also registered a RM218.04 million net loss, dragged lower by a RM347 million impairment loss from the decommissioning of a plant. Without it, Hartalega said it would have had a full-year net profit of RM126 million for FY2023. It did not declare a dividend in FY2023 but the company said it was "committed to maintaining our dividend policy of distributing a minimum of 60% of our annual net profit".

As its executive chairman Kuan Kam Hon wrote in Hartalega's 2023 annual

HARTALEGA HOLDINGS

report, "the post-pandemic glove market has most definitely tested our resilience". "This (FY2023) is the first time in 15 years since we were listed on Bursa Malaysia that we have had to close our financial year on a tough note."

Indeed, the glove sector is battling higher raw material prices amid an oversupply as well as competition from China. Operating margins have also been hit by higher energy and labour costs.

To ensure long-term sustainability, Hartalega has embarked on a cost-optimisation strategy that includes the decommissioning of its Bestari Jaya plant and the consolidation of its operations at the Next Generation Integrated Glove Manufacturing Complex in Sepang, Selangor. The company stresses that the decommissioning of the plant is expected to result in cost reductions and operational efficiencies which will eventually benefit the group's bottom line.

Maybank Investment Bank Research noted in May that after the decommissioning, the group's total capacity will be reduced by 30% to 31 billion gloves a year, from 44 billion a year, while the plant utilisation rate is expected to improve to 65%, from 40% to 50%.

In a more recent note dated Oct 26 titled "2024, a year of risks and opportunities" for Hartalega, Maybank noted the management's intention to grow its own brand products and distribution businesses in Australia and maintained a "hold" recommendation with a RM2.12 target price. Among other things, the research house noted that Hartalega's plant utilisation rate "remains low at 40% to 45%" and that the decommissioning of the Bestari Jaya plant was slated for December 2022 or January 2023.

"Margins may come under pressure again if additional costs, especially from the expected increase in natural gas prices by 2024, cannot be passed on. Natural gas is the primary energy source for Malaysian glove makers (around 19% of production costs), whereas Chinese and Thailand glove makers use coal or biomass. To achieve positive Ebitda or at least break even, management will continue to improve production efficiency and competitiveness following the decommissioning of the Bestari Jaya facilities," Maybank wrote.

It also noted that the price gap between Malaysian and Chinese glove makers has narrowed to US$2 to US$3 per 1,000 pieces (kpcs) from US$3 to US$4/kpcs, owing to lower raw material and natural gas prices since 2QFY2023. "We understand that Malaysian glove makers' average sale price is US$17 to US$18/kpcs (versus China's US$14 to US$15/kpcs excluding tariffs)," it added.

In FY2023, Hartalega sold 22.5 billion gloves, down from 29.5 billion gloves in FY2022, "amid intense market competition and slower global post-pandemic demand". Its products are exported to more than 70 countries across five continents, mainly the US (50%) and Europe (23%).

In its 2023 annual report, Hartalega's chairman noted that its fundamentals remained strong, with "a healthy net cash position of RM1.6 billion while shareholders' fund stood at RM4.7 billion as at March 31, 2023".

"While the current landscape is challenging, we have gone through downcycles before and we have the wherewithal to not only overcome these challenges but, more importantly, to soar ahead," Kuan said. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

HEALTHCARE

Supercomnet Technologies Bhd

2 BRC AWARDS OVER THE YEARS

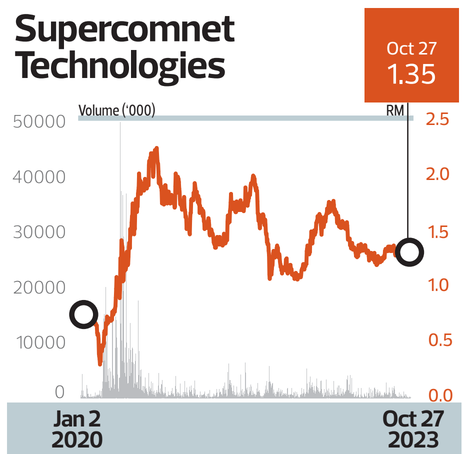
Second win for Main Market-listed medical device maker

BY LIEW JIA TENG

Supercomnet Technologies Bhd, with the stock code "0001", was the first company to be listed on the ACE Market of Bursa Malaysia in 1999. On Aug 21 this year, the Kedah-based medical device and cable manufacturer achieved a significant corporate milestone by migrating to the Main Market.

But there is more to celebrate in 2023 than just the transfer of listing. Supercomnet also bagged this year's *The Edge* Billion Ringgit Club (BRC) award for the highest returns to shareholders over three years in the healthcare sector — marking its second consecutive win since joining the BRC winners list last year.

Based on *The Edge* BRC awards methodology, the compound annual growth rate (CAGR) for total shareholder returns over the three-year period between March 31, 2020, and March 31, 2023, works out to an average of 43.4% a year, the highest among its peers in the healthcare sector. The three-year CAGR is significantly higher than the 25.1% it saw between March 29, 2019, and March 31, 2022, which led to Supercomnet winning this award last year.

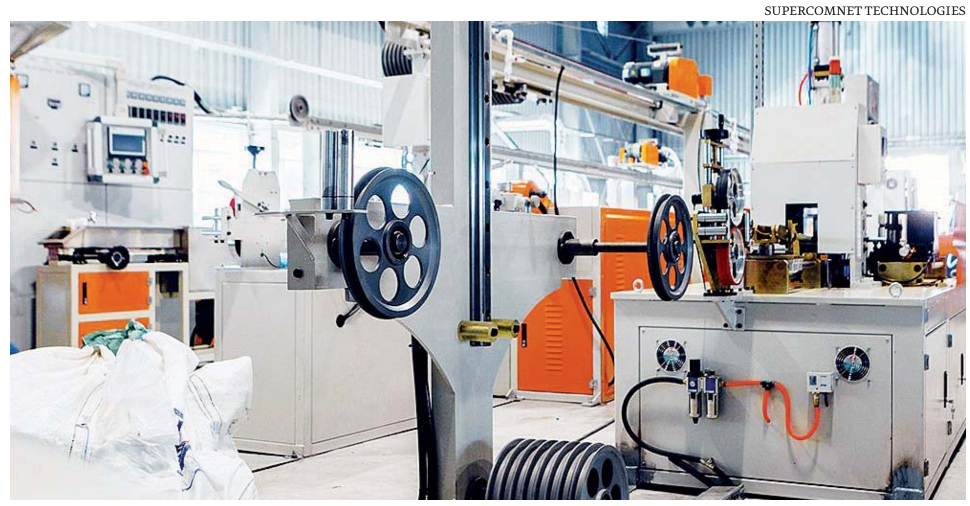


During the period in review, Supercomnet's adjusted share price jumped from 48 sen on March 31, 2020, to RM1.57 on March 31, 2021, before declining to RM1.32 on March 31, 2022. The counter managed to recover some lost ground to close at RM1.41 on March 31, 2023.

At the time of writing, however, it should be noted that Supercomnet's stock price had been on a downward trend — declining 18% over the past 12 months, 16% year to date and 6% in the last six months.

Supercomnet makes medical devices, cables and wires as well as fuel tanks for the medical, automotive and industrial sectors at its plants in Sungai Petani, Kedah.

SUPERCOMNET TECHNOLOGIES



Incorporated on May 10, 1990, as a private limited company under the name of Supercomal Wires and Cables Sdn Bhd, the company changed its name to Supercomnet Technologies Sdn Bhd in July 1998. It made its debut on the ACE Market in April 1999 and subsequently changed its name to Supercomnet in July 2009.

For perspective, at the time of its ACE Market listing, the group's market capitalisation was merely RM144.08 million. Its market capitalisation has since risen more than sevenfold to RM1.04 billion to qualify for BRC membership.

Supercomnet previously said the transfer to the Main Market signified the company's growth, profitability and financial strength as it had met the profit track record requirements for the transfer.

Between FY2019 and FY2022 ended Dec 31, Supercomnet's profit after tax saw a three-year, risk-weighted CAGR of 9.6%. Its bottom line increased steadily from RM19.4 million in FY2019 to RM23.5 million in FY2020 and

HIGHEST RETURN ON EQUITY OVER THREE YEARS

INDUSTRIAL PRODUCTS & SERVICES

Uchi Technologies Bhd

4 BRC AWARDS OVER THE YEARS

The perfect blend

BY INTAN FARHANA ZAINUL

Uchi Technologies Bhd (Uchi) is no stranger to *The Edge* Billion Ringgit Club (BRC) Awards. For the fourth consecutive year, the Penang-based company has bagged the award for highest return on equity (ROE) over three years in the industrial products and services sector.

A familiar name among the investing fraternity, Uchi is known to many as an original design manufacturer that specialises in the design, research and development (R&D), and production of electronic control systems. Its control modules are used largely by clients producing fully automated coffee machines for a global market.

For the financial year ended Dec 31, 2022 (FY2022), 88% of its revenue came from strong global demand for fully automated coffee machines. The remaining 12% was from electronic control systems such as weighing scales, centrifuges and deep freezers.

During the BRC award for the three-year review period between FY2020 and FY2022, Uchi delivered an adjusted weighted ROE of

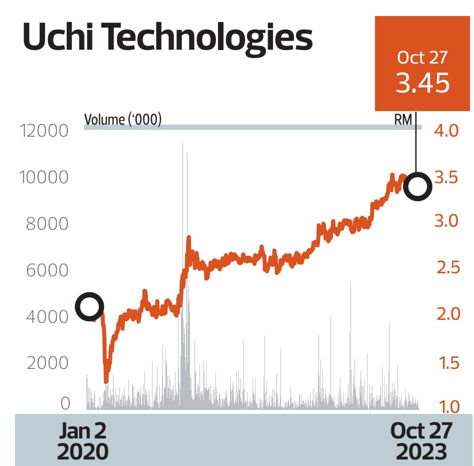
UCHI TECHNOLOGIES

55.1% — double that of its nearest peer, based on the BRC awards methodology. Uchi's ROE inched higher from 49.1% in 2020 to 49.3% in 2021 and thereafter jumped to 60.9% in 2022.

The stellar returns came even as Uchi's profit after tax grew at a 13.5% compound annual growth rate over three years between FY2019 and FY2022, despite the challenges brought about by the Covid-19 pandemic that saw almost all economic activities come to a standstill as many parts of the world went through various stages of lockdowns. There was, however, a surge in demand for at-home coffee products.

Uchi's net profits jumped 10.4% year on year to RM83.8 million in FY2020, from RM75.9 million, and thereafter expanded 9% y-o-y to RM91.4 million in FY2021.

In FY2022, Uchi recorded a record profit of



RM124.9 million, a 36.7% surge from FY2021, partly thanks to the strengthening of the US dollar against the ringgit. The group also enjoys tax exemption because of the pioneer status of a subsidiary, Uchi Optoelectronic (M) Sdn Bhd (Uchi Opto), which exempts some of its products from income tax for five years from Jan 1, 2018, to Dec 31, 2022.

The Uchi management is led by Ted Kao De-Tsan, a Taiwanese who founded the company in 1981 (then known as Uchi Electronic Co Ltd). Kao, 65, is currently executive director and majority shareholder with a 20.20% stake.

In 1989, he set up a manufacturing company in Perai, Penang, under Uchi Electronic (M) Sdn Bhd and Uchi Opto, with its first factory measuring 13,094 sq ft in built-up area.

Today, Uchi's modules are being developed for global leaders producing high-end household and commercial appliances such as laboratory or industrial instruments.

Although the global economic climate remains challenging, Uchi chairman Charlie

RM25.2 million in FY2021, before hitting a record profit of RM32.9 million in FY2022. The stronger earnings performance was a result of the group's growing momentum from existing customers, in addition to maiden contributions from new customers.

Meanwhile, the pipeline of Supercomnet's orders remains strong and continues to increase. Moreover, the automotive sector is expected to increase its contribution in FY2023, especially the fuel tank and wire harness segment.

Supercomnet managing director James Shiue Jong-Zone observed that the group is confident about its business prospects.

"Besides the pipeline of orders that we have in hand, our cash flow from operations continues to increase over the quarters. Financially, we have a lot of buffers and are ready to grow our business through internal and external channels," he said in February.

Shiue further said Supercomnet remains optimistic about the group's mid- to long-term prospects and will continue to work closely with existing and new customers on the development of new products.

The 77-year-old Taiwanese owned a direct stake of 20.94% and an indirect stake of 36.66%, held by his family, as at June 19, 2023. Another major shareholder is Supercomnet executive director Lim Eng Chuan with 7.01% equity interest.

A check on AbsolutelyStocks shows that Supercomnet was in a net cash position of RM194.5 million as at June 30 this year. But so far, there has been no sign of the company declaring higher cash dividends, judging by its consistent track record of paying a dividend per share of two sen from FY2020 to FY2022. A clear guidance on that, if it happens, may well pave the way for a hat-trick next year. E

Ong Chye Lee said in its 2022 annual report that the strengthening of the US dollar has helped the company mitigate the adverse impact and maintain its cash position.

Ong said the group would continue with its R&D efforts by allocating 7% of its revenue to them. "Our objective is to guarantee that our products consistently meet customers' demands and provide exceptional, cutting-edge solutions to clients across the globe," he said, adding that the group had submitted four applications to the Malaysian Investment Development Authority seeking further pioneer status benefits.

For the first half ended June 30, 2023 (1HFY2023), Uchi's net profit jumped 10.9% y-o-y to RM66.2 million, from RM59.7 million, on the back of a 9.7% y-o-y increase in revenue to RM115.2 million, from RM105.1 million. The group, which derives most of its sales in US dollars, attributed the stellar performance to the appreciation of the currency against the ringgit. Income tax for the period ended June 30 increased RM17 million, owing to an increase in income generated from products without pioneer status.

In notes accompanying its 1HFY2023 earnings release, Uchi said it was "cautiously optimistic" of its US dollar revenue growing at a "high single-digit" rate compared to FY2022.

"The group anticipates no significant changes in the geographical distribution and the revenue contribution ratio of product groups, even though performance might be affected by factors such as fluctuations in the US dollar, material shortages and changes in material and labour costs. Nonetheless, the group maintains confidence in sustaining profitability with a strong balance sheet," it added. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

INDUSTRIAL PRODUCTS & SERVICES

PMB Technology Bhd

1 BRC AWARDS OVER THE YEARS

Beneficiary of capacity expansion, energy transition wave

PMB TECHNOLOGY

BY ADAM AZIZ

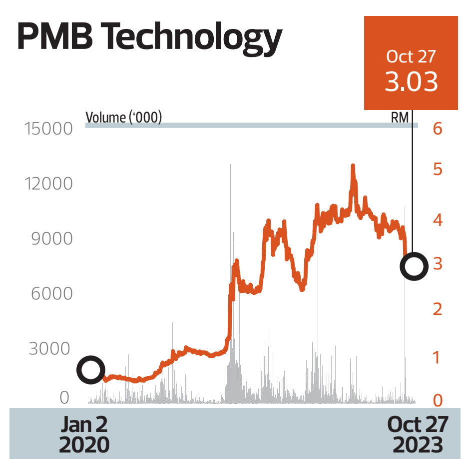
PMB Technology Bhd has been quietly expanding its jobs portfolio in the esoteric area of aluminium fabricated products beyond its home base in Sarawak over the past two decades.

Its expertise includes being a specialist contractor in aluminium curtain wall and cladding works for buildings and infrastructure — from conceptual design to complete installation and commissioning. Few may know that its units helped develop architectural façades of iconic buildings such as the floating "sky park" perched atop Marina Bay Sands in Singapore and the Al-Bidda "twisting tornado" Tower in Doha, Qatar. Other global projects it has participated in include the Altira Macau, Centre 66 Hang Lung Plaza in Wuxi, China, the Jinguang Centre in Shanghai as well as the Hong Kong Convention & Exhibition Centre, according to its website.

PMB's manufacturing capacity expansion in 2020 helped it reap the benefits of the ensuing global commodity boom, during which the company's share price enjoyed a good run.

During the three-year evaluation period for *The Edge* Billion Ringgit Club (BRC) awards, from March 31, 2020, to March 31, 2023, PMB's share price saw an eye-watering adjusted total return of 99.1% on average each year — at least double that of its parent Press Metal Aluminium Holdings Bhd, which owned 21.48% of PMB as at April 3, according to its 2022 annual report.

PMB's share price gains were on the back of an impressive 43.5% annual increase in revenue to RM1.18 billion in the financial year ended Dec 31, 2022 (FY2022), from RM399.75 million in FY2019. Its bottom line had an even higher compound annual growth rate of 58.4% during the period, to RM110.36 million from RM27.77 million.



The performance supported a run in its stock price from just 55 sen at the height of the pandemic on March 31, 2020, to a peak of RM5.20 in February 2023, before paring gains to RM4.31 on March 31, 2023, which gave the company a market capitalisation of RM5.49 billion.

PMB saw global demand for one of its core products, silicon metal, supported by demand from the automotive industry as well as the solar energy industry, which has been booming because of the global energy transition push.

While supply from China slowed during its zero-Covid policy, PMB completed Phase 2 of its furnace installation in 2020, which boosted annual capacity to 72,000 tonnes. Its other expertise includes modular aluminium system formwork and manufacturing access equipment such as ladders and scaffolding.

This year, PMB has seen some impact from the normalisation of commodity prices amid concerns about a looming global economic slowdown. Having said that, there is still a silver lining with the aluminium industry seen as a potential beneficiary of the world energy transition. This stems from demand for aluminium alloy for engineering structures, polysilicon for solar cells and semiconductor chips, and silicones for a multitude of industry and commercial products.

In 1HFY2023, PMB's net profit fell 85.93% year on year to RM11.85 million, from RM84.25 million, on the back of a 30% decline in silicon metal prices during the period. Revenue fell 11.27% to RM498.78 million from RM562.15 million.

The group is set to capture a bigger slice of the market, however, as Phase 3 of its metallic silicon plant is expected to be completed in 3Q2023, which will give it a 50% increase in capacity to 108,000 tonnes a year.

PMB says this will help it secure large quantities of raw materials at lower prices, to remain competitive in its procurement process. It is also optimistic about achieving greater economies of scale in production.

"The group remains cautiously optimistic that the outlook for the silicon market would improve," it said, following the announcement of its 1HFY2023 results, pointing to the solar sector as a "promising growth engine" for silicon metal demand in the medium to long term.

PMB is a beneficiary of government policies globally aimed at reversing the reliance on imports from China and diversifying the source of supply, including by governments in Europe, India and the US.

"Since the passing of the Inflation Reduction Act [in the US], a total of 155GW of new production capacity has been announced across the solar supply chain. Under the Production Linked Incentive Scheme in India, a total of 48GW of domestic production projects has been approved," says PMB.

"With the pace of solar installations projected to surge, significant capacity expansions are in the pipeline. This opens up new opportunities for reliable alternative suppliers in the solar value chain."

A first-time winner of the BRC award this year, PMB's next showing will be closely watched as it seeks to outgrow the aluminium price boom with a bigger footprint to catch the years-long energy transition journey ahead. E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

PLANTATION

United Plantations Bhd

5 BRC AWARDS OVER THE YEARS

2 CR awards ... 2013 2016

Three consecutive years of record profits

BY PRIYATHARISINY VASU

Yet another feather in United Plantations Bhd's (UP) hat. The Perak-based planter has won *The Edge* Billion Ringgit Club (BRC) 2023 corporate award for the highest return on equity (ROE) over three years in the plantation sector. This is the fifth BRC award that the company has won over the years. It bagged two CR Awards as well in 2013 and 2016.

The record-breaking net profit in three financial years — FY2020, FY2021 and FY2022 ended Dec 31 — helped its risk-weighted three-year profit after tax (PAT) compound annual growth rate (CAGR) to come in at 28.5%, strong numbers that lifted its ROE.

UP posted its highest ever net profit of RM601.7 million in FY2022 — a 16% increase from its previous record of RM518.3 million in FY2021 when the company's PAT climbed 29.7%. In the three-year period in review, PAT growth was strongest in FY2020 at 41% to RM399.5 million from RM283.3 million in FY2019.

UP's ROE was also on the rise over the past three years — 15.5% in 2020, 19.6% in 2021 and 21.6% in 2022. As such, the company's adjusted weighted ROE over three years came in at 19.8% — the highest in the plantation sector.

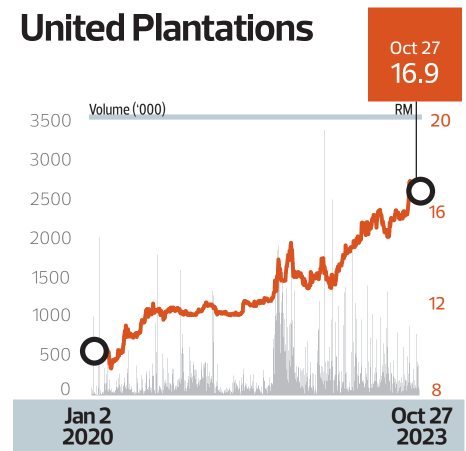
The handsome profits enabled UP to reward shareholders with bumper dividends, even though the payout was not at record levels. The plantation group declared a dividend per share of RM1.40 (including a special dividend of 30 sen) for FY2022, RM1.15 for FY2021 and 85 sen FY2020.

UNITED PLANTATIONS

UP's strong profit was driven mainly by high crude palm oil (CPO) prices, a very commendable performance in its downstream segments and, notably, the successful steps it has taken towards mechanisation and minimising crop losses in an environment of severe labour shortages and weather-related problems.

It is worth noting that the FY2022 record financial result was achieved despite paying higher tax of about RM45 million as a function of the one-off prosperity tax and one-off voluntary payment of RM24.7 million related to the reimbursement of its guest workers' past recruitment fees, which they had paid to third parties.

Additionally, unfavourable weather conditions also caused significant flooding in its estates during the final quarter of the year, which negatively impacted production. However, UP managed to minimise its crop losses, thanks to higher field productivity driven by the group's strategy of operationalising new innovations and in-field mechanisation.



UP's CPO production increased 0.7% to 209,020 tones in 2022 from 207,504 tones in 2021. The increase was mainly driven by the concerted efforts to enhance its operational efficiencies throughout the plantation value chain, thereby minimising crop losses. The increase in production was positively impacted by larger areas entering maturity at the newly acquired Tanarata Estate.

UP anticipates a challenging operating environment ahead. "Amid that, there is a need to adapt to the changing environment by having an open mind, remaining agile and by having the courage to innovate and stimulate progress while ultimately preserving our core values," chairman Datuk Mohamad Nasir Ab Latif wrote in its latest annual report. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

PLANTATION

Boustead Plantations Bhd

1 BRC AWARDS OVER THE YEARS

Buoyed by a rising tide

BY JOSE BARROCK

Boustead Plantations Bhd (B-Plant) snags this year's *The Edge* Billion Ringgit Club (BRC) corporate award for the highest return to shareholders in the plantation sector for 2023. To put things in perspective, B-Plant's three-year compound annual growth rate (CAGR) for shareholder returns during the awards evaluation period from end-March 2020 to end-March 2023 was a respectable 54.4%.

To break things down, B-Plant's adjusted share price doubled from 19.3 sen as at end-March 2020 to 43.4 sen as at end-March 2021, and doubled again to 82.8 sen by end-March 2022. Even though its share price eased to 71 sen as at end-March 2023, the three-year CAGR was still significantly above that of its peers in the plantation sector. At the time of writing, B-Plant's share price had moved higher in line with an offer of RM1.55 per share to take the company private.

Prior to that, gains in B-Plant's stock in 2022 and 2023 may have benefited from expectation of an impending corporate exercise, with B-Plant — part of the Boustead Group — being 68% under the control of government-linked Lembaga Tabung Angkatan Tentera (LTAT), which is undergoing a restructuring exercise.

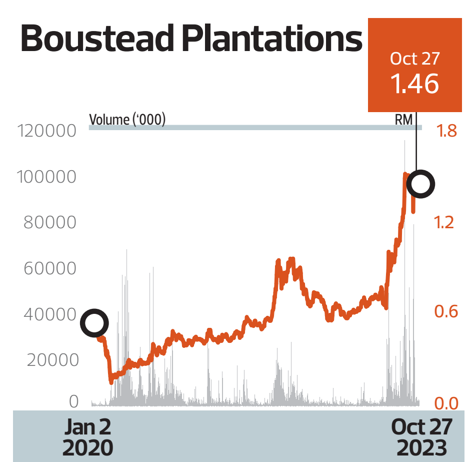
But that is not all. A rising tide lifts all boats. B-Plant shares were likely also buoyed by the strong crude palm oil (CPO) prices that soared above RM7,000 levels in March 2022 from RM2,000 levels in late 2019 and lifted earnings for all planters.

B-Plant, which reported a RM144 million net loss in FY2019, managed to turn around and grow its net profit from RM43 million in FY2020 to RM241 million in FY2021 and thereafter to RM595.3 million in FY2022.

The strong earnings came even as revenue grew from RM577 million in FY2019 to RM763 million in FY2020 before breaching the RM1 billion mark the following year. Its annual revenue came in at RM1.05 billion in FY2021 and expanded to RM1.17 billion in FY2022.

Apart from the share price appreciation, shareholders were also rewarded with bumper dividends in FY2022, with B-Plant paying 14.5 sen per share — more than the 8.4 sen per share in FY2021 and one sen per share in FY2020 put together.

There are challenges ahead though, with CPO prices off their record highs in



2022 and not expected to see those levels anytime soon, barring any unforeseen circumstances.

B-Plant is again in the red in the first half of the year. For the six months ended June 30, 2023, the company suffered a net loss of RM304,000 on revenue of RM400.97 million compared with a net profit of RM508.4 million on revenue of RM673.1 million in the previous corresponding period.

The year has been eventful for B-Plant, which was listed on Bursa Malaysia in June 2014. In July, five bidders showed interest in buying a controlling block of B-Plant shares

HIGHEST RETURN ON EQUITY OVER THREE YEARS

PROPERTY (RM3 BILLION AND ABOVE MARKET CAPITALISATION)

UOA Development Bhd

11 BRC AWARDS OVER THE YEARS

Ability to navigate through difficult period

BY SULHI KHALID

Property developers have been gripped with issues such as the increase in material prices, higher interest rates as well as an oversupply in recent years but UOA Development Bhd (UOA Dev) has proved its ability to navigate the storm and steer out of rough waters over the past three years.

For the seventh consecutive year, UOA Dev has bagged *The Edge* Billion Ringgit Club (BRC) 2023 award for highest return on equity (ROE) over three years for companies with a market capitalisation of RM3 billion or above.

So far, UOA Dev has won 11 BRC awards since 2010.

In the past three financial years ended Dec 31, 2020 (FY2020), FY2021 and FY2022, the group has achieved an adjusted weighted ROE of 4.6% — the highest among property developers with a market capitalisation of RM3 billion.

However, its ROE drifted downward, slipping from 7.5% in 2020 to 4% in 2021, and later to 3.9% in 2022 as its earnings were on the decline. Like most industries, the Covid-19 pandemic had taken a toll on UOA Dev's earnings as most economic activities were halted during the Movement Control Order (MCO) imposed by the government.

Although it had an earnings contraction, the property developer's net profit came in above RM200 million. It posted a net profit of RM219.90 million in FY2022 compared with RM222.4 million in FY2021 and RM391.3 million in FY2020. Its net profit was at RM399.5 million in FY2019.

UOA DEVELOPMENT

It is worth noting that UOA Dev is sitting on a net cash position. As at June 30, 2023, its net cash amounted to RM375.1 million plus short-term investment of RM1.92 billion.

Hence, it is no surprise that shareholders are being rewarded handsomely with regular dividends. UOA Dev maintains its dividend policy of paying 30% to 50% of realised Patami (profit after tax and minority interest).

The property developer has maintained its dividend policy despite the rather challenging operating environment. UOA Dev declared a dividend per share of 14 sen in FY2020, 15 sen in FY2021 and 10 sen in FY2022.

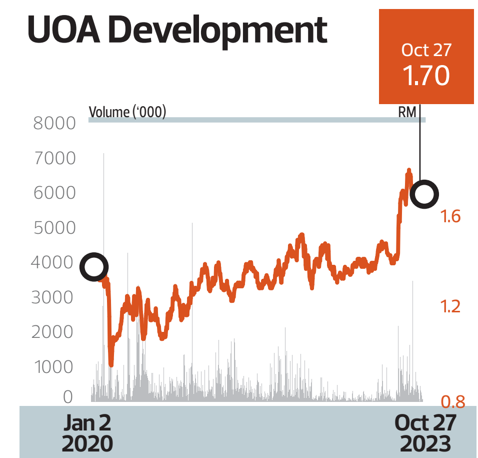
During the period between March 31, 2020, and March 31, 2023, UOA Dev's share price tumbled to a near five-year low of 95.7 sen in March 2020 from the RM1.35 level amid the global equity rout then caused by the Covid-19 pandemic.

Its share price managed to recoup the losses later in the year. Since then, it has been hovering in the range of between RM1.20 and RM1.50.

Interestingly, the developer's share price surged to a record of RM1.80 in September.

UOA Dev's largest shareholder is UOA Holdings Sdn Bhd, which holds a 68.41% stake, followed by the Employees Provident Fund (EPF) with a 12.26% stake and Amanah Saham Nasional Bhd with a 3.87% stake.

In the current financial year, UOA Dev's total unbilled sales was at RM285.20 million as at June 30.



Its earnings performance improved in the first six-month period ended June 30, 2023. The company's net profit jumped 55.57% to RM109.97 million from RM70.7 million registered in the previous corresponding period. Revenue increased 4.35% to RM183.33 million from RM175.69 million a year ago.

Apart from its property division, UOA Dev is also growing the rental income from its investment properties. On the diversification of its corporate portfolio, the property developer also marked its first foray into the food and beverage business after it entered into a term sheet agreement with Hokkien Peng Restaurant Group Sdn Bhd and Hoteland Sdn Bhd in June this year.

UOA Dev boasts a total land bank value of RM1.02 billion, consisting of its Jalan Ipoh land, Cyberjaya land and land around Bangsar South.

According to its latest annual report, some of its ongoing and completed projects are Laurel Residence, The Goodwood Residence, Aster Green Residence, Komune Living & Wellness and the first phase of Bamboo Hills.

The ongoing project of Laurel Residence comprises two blocks of 1,260 residential units located in Bangsar South and it has an estimated gross development value (GDV) of RM250 million. E

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from LTAT and Boustead Holdings Bhd, which was recently taken private. The bidders were Kuala Lumpur Kepong Bhd (KLK), IOI Corp Bhd, the YTL group, Tradewinds Corp and the Samling group, which had expressed interest after LTAT put out feelers to 16 companies to gauge interest.

By October this year, KLK, had emerged as the front runner to take over B-Plant, having put in a bid of RM1.55 per share that valued the latter at a hefty RM3.47 billion. KLK had planned to fork out RM150 million a year on replanting alone for about 10 years and have LTAT retain 35% of B-Plant as a partner in the joint venture.

Another aspect of the KLK deal that found favour with LTAT was the carving out of two parcels of land— the Balau Estate and the Malakoff/Mayfield Estate — for LTAT and its wholly-owned Boustead Holdings to undertake property development. The two estates collectively measure 1,600 acres and have a gross development value of RM8 billion.

However, the offer by KLK came to naught on Oct 4 this. Now, Boustead Holdings and its parent LTAT are looking to take B-Plant private at a cost of RM1.11 billion with a government-guaranteed loan, offering minority shareholders RM1.55 per share for the 32% they do not control.

BOUSTEAD PLANTATIONS

There are also operational challenges ahead. Malaysian Palm Oil Board statistics show that from January to June this year, spot CPO prices averaged RM3,921 per tonne, in contrast to the first six months of 2022, when prices averaged RM5,188.5 per tonne. According to Bloomberg, over the past 10 years, CPO has averaged RM3,011.91 per tonne.

There is also a need to improve yield at B-Plant's estates. According to its 2022 annual report, the company's average fresh fruit bunch (FFB) yield in Peninsular Malaysia was 17.3 tonnes per hectare, while in Sabah, it was 12.2 tonnes per hectare, and in Sarawak, it was a mere seven tonnes per hectare. These work out to an average FFB yield of 13 tonnes per hectare for the group.

B-Plant's FFB yields are low in contrast to state and national averages, with the exception of its estates in Peninsular Malaysia where the group's 2022 average of 17.3 tonnes per hectare is higher than the peninsula's average of 16.41 tonnes per hectare.

However, B-Plant lost out in Sabah, Sarawak and Malaysia, which recorded average FBB yields of 15.39, 14.13 and 15.49 tonnes per hectare, respectively in 2022.

With B-Plant being taken private, this will likely be its last outing at *The Edge* BRC awards. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

PROPERTY (RM3 BILLION AND ABOVE MARKET CAPITALISATION)

IOI Properties Group Bhd

1 BRC AWARDS OVER THE YEARS

SUHAIMI YUSUF/THE EDGE

Delivering growth despite tough property market

BY LEE WENG KHUEN

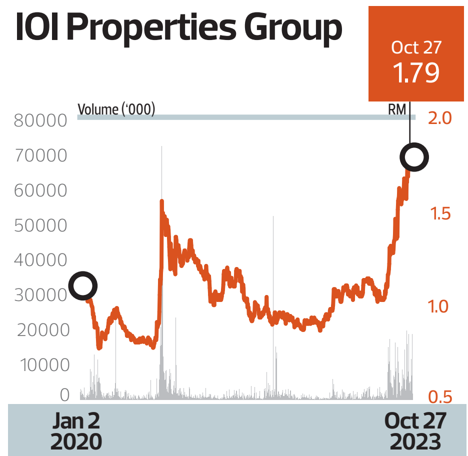
Award-winning real estate developer IOI Properties Group Bhd (IOIPG), which aims to be trusted to always deliver, joins *The Edge* Billion Ringgit Club (BRC) winners' list for the first time this year, bagging the award for highest growth in profit after tax (PAT) over three years among property companies with a market capitalisation of above RM3 billion.

With stellar earnings plus ongoing real estate developments on both sides of the Causeway, as well as other parts of Malaysia plus China, IOIPG is naturally on the radar of investors looking for exposure in Johor amid renewed interest in property plays. Among other things, interest has been piqued by the launches of its high-value projects in Singapore and China (IOI Palm City, Xiamen) in the current financial year ending June 30, 2024 (FY2024), which includes the exclusive Marina View Residences landmark integrated development in Singapore that is expected to contribute some RM8.56 billion in gross development value (GDV).

Since closing at RM1.066 at the BRC membership cut-off date of March 31, 2023 — thereby giving IOIPG a market capitalisation of RM6.06 billion — the stock has been on a tear, reaching as high as RM1.86 on Oct 12 to give the company a market cap of RM10.24 billion.

There is no denying the difficult patch that real estate developers went through during the Covid-19 pandemic, as reflected by the low single-digit growth. Yet, showing growth is no small feat, considering that it was achieved despite the supply glut and still weak underlying sentiment.

During the BRC awards' three-year evaluation period, IOIPG was the only member in its category to show positive earnings growth, with its risk-weighted three-year PAT compound annual growth rate coming in at 1.3% as its net profit grew from RM661.3 million in FY2019 to RM686.7 million in FY2022. Earnings did fall year on year to RM504.7 million in FY2020 before recovering to RM660.2 million in FY2021.



Its net profit doubled from RM686.7 million in FY2022 to RM1.39 billion in FY2023, driven by the recovery in its property investment and hospitality and leisure segments plus a fair value gain of RM716.8 million. During the year, its property development segment achieved sales with contracts exchanged of RM1.96 billion. Local projects contributed RM1.67 billion, or 85%, to its total sales, with the remaining 15% coming from overseas projects in China and Singapore that contributed RM290.4 million.

At the time of writing, Bloomberg data showed that all seven analysts covering the stock had "buy" recommendations with target prices ranging from RM1.75 to RM2.48, averaging at RM2.02 which implies a 13% upside potential at its close of RM1.79 on Oct 27 (RM9.86 billion market cap). The share price had gained 69% year to date.

IOIPG declared a dividend of five sen per share for FY2023, translating into a dividend yield of 2.8%.

As at end-June 2023, it had cash and cash equivalents of RM2.68 billion against RM2.05 billion as at end-March 2023. Nonetheless, with gross borrowings of RM17.86 billion, it was in a net debt position of RM15.18 billion at end-June this year.

Looking ahead, IOIPG offers hope while tempering expectations, highlighting the tough environment in China due to the weaker-than-expected economic recovery. "Despite the sluggish property sector, where there are concerns over the liquidity of the Chinese developers, there are renewed enquiries on our developments at IOI Palm City and IOI Palm International Parkhouse in Xiamen."

Over in Singapore, IOIPG notes that the construction of IOI Central Boulevard Towers is targeted to be completed by 2023. The group has secured leases with internationally renowned companies in businesses ranging from asset management and fast-moving consumer goods to food and beverage as well as legal firms.

IOIPG expects the exclusive Marina View Residences — which comprises 683 residential units above W Hotel — "to attract resilient demand from the local Singaporean buyers who have strong spending and purchasing power, underpinned by Singapore's robust economy".

Hong Leong Investment Bank Research, which has the highest target price for IOIPG, told clients in an Oct 5 note that "the stock is deep in value, given that its property investment segment alone is expected to have a market value of more than two times its current market capitalisation". IOIPG's market cap stood at RM9.2 billion on Oct 5.

"FY2024 represents an important execution year for IOIPG given the execution of two of the group's biggest projects, namely the commencement of IOI Central Boulevard and the launch of Marina View Residences. The group had in recent years vastly expanded its property investment and hotel assets. These assets will give the group a competitive edge given that they provide stable and recurring cash flow to the group, which will allow the group to expand at a faster pace. Thus, we see FY2024 as the pivot point as the group enters a new phase of growth, propelling it to new heights," HLIB wrote.

RHB Research, which has a RM2.10 price target for IOIPG and also expects the launch of Marina View Residences to boost its property sales, told clients in a Sept 4 note that IOI Central Boulevard leases are "expected to be a major earnings catalyst" for IOIPG in FY2024 and FY2025.

Kenanga Research, which has a RM1.75 target price for IOIPG, also expects a stronger FY2024 for the group, driven by the launch of high-value projects in Singapore and China. "We continue to like IOIPG due to its focus on high-value products in mature townships and its well-diversified and expanding investment property portfolio across several key regional hubs," it said in an Aug 29 note.

Founded by the late Tan Sri Lee Shin Cheng, IOIPG is 65.67% owned by Vertical Capacity Sdn Bhd, which is controlled by his sons Datuk Lee Yeow Chor and Lee Yeow Seng, as well as his daughter Lee Yoke Har. Last July, Yeow Seng was redesignated as the group CEO from executive vice-chairman following the retirement of Datuk Voon Tin Yow. Yeow Chor and Yoke Har are non-independent non-executive directors.

The Employees Provident Fund is a substantial shareholder of IOI Properties with a 7.49% stake.

If IOIPG continues to deliver growth, this will prove to be the first of many more appearances for the company on the BRC winners' list. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

PROPERTY (RM3 BILLION AND ABOVE MARKET CAPITALISATION)

Tropicana Corp Bhd

3 BRC AWARDS OVER THE YEARS

Leveraging sales initiatives, marketing campaigns to boost recovery momentum

BY KANG SIEW LI

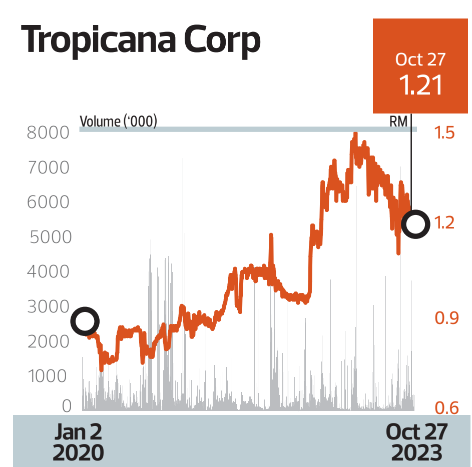
The share price of property developer Tropicana Corp Bhd, controlled by its founder, group executive vice-chairman and major shareholder Tan Sri Danny Tan Chee Sing, is down about 5.5% year to date, underperforming both the benchmark FBM KLCI (-4%) and Bursa Malaysia's Kuala Lumpur Property Index (+32%).

However, over a three-year period, Tropicana still outshone a number of its peers in terms of shareholder returns. While Tropicana's market capitalisation was hovering at the RM2.7 billion level at the time of writing, it stood at RM3.1 billion at the March 31 membership cut-off date of *The Edge* Billion Ringgit Club (BRC) Awards, ranking the developer among those with a market cap of above RM3 billion for the 2023 BRC awards.

During the awards evaluation period, total return of Tropicana shares saw a compound annual growth rate over three years of 23.9%, with the developer's share price rising from 76.7 sen on March 31, 2020, to RM1.46 on March 31 this year. An investor who bought one million Tropicana shares worth RM767,000 in March 2020 would have pocketed RM693,000 in profits if he or she had sold those shares at RM1.46 apiece, or RM1.46 million in total.

The stellar gains bagged Tropicana this year's *The Edge* BRC award for the highest returns to shareholders over three years in the property sector among companies with a market cap of RM3 billion and above.

And things are looking up for the group. It achieved RM664.2 million in property sales in the first six months of 2023, netting high sales bookings of over RM1.3 billion.



Its management said Tropicana is on track to hit its RM1.3 billion target for annual property sales as it focuses on rolling out market-centric developments while selling completed stocks to drive significant cash flows. Apart from the positive sales achievements, Tropicana's unbilled sales stood at RM2.3 billion, providing sustainable earnings for the group.

THE EDGE BILLION RINGGIT Club 2023

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

PROPERTY (BELOW RM3 BILLION MARKET CAPITALISATION)

Lagenda Properties Bhd

2 BRC AWARDS OVER THE YEARS

Reaping the fruits of its transition from poultry to property

BY INTAN FARHANA ZAINUL

KENNY YAP/THE EDGE

A back-door listing has rarely found favour with the local investment fraternity, but Lagenda Properties Bhd has proved to be a diamond in the rough.

Making its debut on *The Edge* Billion Ringgit Club (BRC) with a bang, Lagenda takes home two BRC corporate awards this year for the highest return on equity (ROE) over three years as well as the highest growth in profit after tax (PAT) over three years among property companies with a market capitalisation of below RM3 billion.

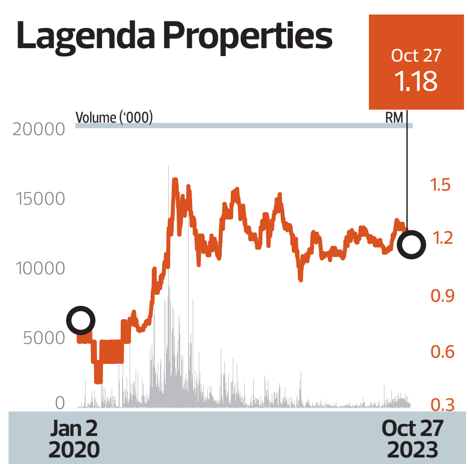
Previously known as DBE Gurney Resources Bhd, the Perak-based former poultry company changed its stripes to become a full-fledged property developer, following changes in its major shareholder that started in early 2018. It was also in 2018 that DBE Gurney diversified into property development, starting with a joint mixed development project in Perak Tengah. DBE Gurney, which took its present name in July 2020, has since been focusing on townships and affordable housing developments.

Its adjusted weighted three-year ROE of 23.6% for the period under review between 2020 and 2022 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, essentially measures how effectively a company's capital is being used to create profits.

It should be noted that Lagenda's ROE has been on a downtrend in the last three years. In FY2020, the company posted a stellar weighted ROE performance of 30.6%, but the number slipped to 26.9% in FY2021 and declined further to 18.8% in FY2022, according to the BRC awards methodology. However, the numbers are still in the double digits, which is no small feat during a pandemic. The industry has also been hit by the escalation of raw material prices as well as labour-related issues. Only one other BRC member in the property sector had a double-digit weighted ROE in the same period.

Lagenda also benefited from a low base relative to sectoral peers. From a RM26.9 million net loss in the financial year ended December 2018 (FY2018), it managed to record a PAT of RM96.1 million in FY2019. The company attributed the turnaround to a successful execution of its business model transformation from a poultry player to a pure property developer.

Net profits grew a stellar 48.3% year on year to RM142.5 million in FY2020, and climbed another 41.4% y-o-y to a record high of RM201.5 million in FY2021. Its net profit, however, fell 11.5% y-o-y to RM178.3 million in FY2022 on the back of higher finance costs.



Despite the decline, its net profit still grew at an 18.3% risk-weighted three-year compound annual growth rate (CAGR) over the BRC award evaluation period between FY2019 and FY2022 — above other property developers with a market capitalisation of below RM3 billion.

Lagenda's transition into the property sector can be traced back to early 2018, when Doh Properties Holdings Sdn Bhd surfaced as the major shareholder of DBE Gurney with an 8.76% stake through the conversion of redeemable convertible notes. The emergence of Doh Properties diluted DBE Gurney's then managing director Datuk Ding Seng Huat's stake. A mandatory takeover offer was triggered in September 2018, when Doh Properties' stake in DBE Gurney crossed the 33% threshold.

Doh Properties is the vehicle of the Doh brothers — Datuk Doh Jee Chai, Datuk Marcus Doh Tee Leong and Datuk Jimmy Doh Jee Ming — the sons of Datuk Doh Neng Chiong, a prominent Sitiawan businessman.

Following the emergence of the Doh family as new major shareholders, the poultry business of DBE has been sold back to the Ding family, the previous owners who had gradually exited the company. Today, Lagenda is a pure-play property developer specialising in affordable housing. At present, the Doh family owns a 72.6% stake in Lagenda.

Since the success in its property development projects in Perak, Lagenda is not resting on its laurels. The group has expanded its land bank to other states, including Kedah, Pahang and Johor, and the Klang Valley.

It has a total land bank of 4,800 acres across Peninsular Malaysia. It also recently went into the commercial property segment when it bought the 3 Damansara office towers in Petaling Jaya, Selangor, for RM52 million.

In a recent interview with an English daily, Lagenda managing director Jimmy Doh said the office tower acquisition was by no means a "shift in direction or strategy" for the developer of affordable housing.

"We remain 100% committed to and focused on the development of purely affordable housing. Our commitment to affordable housing remains unwavering and is at the core of Lagenda's mission," Doh was quoted as saying. He remains positive on the outlook of the affordable housing segment in Malaysia. E

ZAHID IZZANI/THE EDGE

"We are confident that the group will continue to strengthen its market presence and contribute to its future earnings, supported by our high unbilled sales of RM2.3 billion and strong take-up for our ongoing projects. This is complemented by our four newly-launched or upcoming developments with a gross development value (GDV) of RM1.1 billion in 2023," it said in an Aug 29 statement.

For the financial year ended Dec 31, 2022 (FY2022), the group's net loss widened to RM435.59 million from RM52.17 million in the preceding year, mainly due to losses incurred on the disposal of two parcels of development land. Despite the loss for the period, the group's property investment, recreation and resort operations showed a significant improvement in performance as a result of the reopening of borders for travellers from all countries from April 2022. The group recorded positive cash inflow of RM239.7 million generated from operations, which was 201.4% higher than that in the preceding year.

Tropicana managed to narrow its losses in the first half of 2023, posting a net loss of RM4.93 million from RM94.95 million the year before. Revenue for 1HFY2023 was also 66% higher year on year, standing at RM721.24 million. The increase was mainly attributed to higher progress billings across key projects in the Klang Valley, southern and northern regions as well as higher sales achieved, coupled with the cost rationalisation measures carried out by the group.

"The strong sales performance for 1HFY2023 is on the back of generally improved local market sentiment. The group has also seen an uptick in tourist arrivals, evidenced by the higher occupancy rates at hotels owned by the group. This has also resulted in higher revenue and profit for the group's property investment, recreation and resort segment," said Tropicana, when announcing its 2QFY2023 results on Aug 29.

The group plans to continue leveraging its various sales initiatives and marketing campaigns to secure more sales, and remains positive and confident about the long-term prospects of its property development business. In addition, the group will continue to develop and market its properties located at various strategic locations which will, in turn, translate to higher sales and positive contributions to the future earnings of the group.

In 2022, Tropicana launched up to RM1.7 billion worth of properties, buoyed by the reopening of international borders. The new launches included Tropicana WindCity in Genting Highlands; Tropicana Aman's Hana Residences and Gemala Residences in Kota Kemuning, Shah Alam; Aster Heights in Tropicana Uplands, Iskandar Puteri, Johor; and Merissa Serviced Suites in Tropicana Cenang, Langkawi. The group also secured development rights to 363 acres of land for the construction of affordable, quality homes in Puncak Alam, Selangor.

Tropicana's total land bank stands at 2,091 acres, with a total potential GDV of RM203.7 billion, putting the group in a good position to unlock the value of its strategic land bank and deliver sustainable performance in the next few years. E

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

PROPERTY (BELOW RM3 BILLION MARKET CAPITALISATION)

Ideal Capital Bhd

1 BRC AWARDS OVER THE YEARS

Reaping profits from diversification into real estate

BY JOSE BARROCK

Ideal Capital Bhd (formerly known as Ideal United Bintang International Bhd) is the public vehicle of "Penang Condo King" Tan Sri Alex Ooi Kee Liang, who is executive chairman and controls a stake of around 65% with his wife, executive director Puan Sri Phor Li Wei, through their private vehicle ICT Innotech Sdn Bhd.

Ooi, 52, bought into Ideal Capital 10 years ago in October 2013. Subsequently, the heavy machinery, equipment and spare parts trader announced plans to diversify into property development in April 2014 and changed its name from United Bintang Bhd to Ideal United Bintang Bhd in May 2014. Ooi and his spouse were both appointed to the board in March 2017. Under Ooi, Ideal Capital has made some decisive moves, which should augur well for the company in the long run.

The developer's ongoing projects include Ideal Residency and Ideal Venice Residency — which are PR1MA affordable housing projects in the heart of Penang — as well as Havana Beach Residences, a beach-inspired affordable home development in Bayan Lepas. Also in Bayan Lepas is Lucerne Residences, a resort-style residential project where construction has started.

It has not been plain sailing for Ideal Capital from the start, though. For the financial year ended December 2013 (FY2013), the year Ooi bought into the company, it suffered a net loss of RM1.51 million from RM16.94 million in revenue. It continued to make a net loss in FY2014 and FY2015, and only turned around

in FY2016 with a net profit of just over RM17 million from RM153.3 million in revenue.

Except for the pandemic-hit FY2020, Ideal Capital has remained in the black since, with its net profit reaching as high as RM109.85 million in FY2018 on the back of RM677.7 million in revenue, owing to progress billing and sales of its then flagship project i-Santorini in Tanjung Tokong, Penang, which had reached 85% completion. That year, Ideal Capital's revenue was also shored up by two other projects in Bayan Lepas, One Foresta and Forestville, which were 93% and 64% complete respectively. These three projects contributed the bulk of its revenue for FY2018, according to its 2018 annual report.

In the first six months ended June 30 this year (1H2023), Ideal Capital chalked up a net profit of RM18.85 million on the back of RM246.95 million in sales. Earnings per share for the period was 3.77 sen. Among other things, the 1H2023 earnings benefited from close to RM6 million in rental income from 1st Avenue mall in George Town, which the company had bought for RM153 million in late 2019, and is connected to Komtar and Prangin Mall through indoor pedestrian bridges.

Ideal Capital's share price has also performed well alongside the improved financial numbers, strong enough to bag the company *The Edge* Billion Ringgit Club (BRC) award for highest returns to shareholders over three years among property companies with a market capitalisation of below RM3 billion. This is the company's first BRC corporate award win.

Total shareholder returns for Ideal Capital reflected a three-year compound annual growth rate (CAGR) of 32.27% during the award evaluation period from March 31, 2020 to March 31, 2023, with its adjusted share prices moving from 94.5 sen at end-March 2020 to RM2.18 at end-March 2023.

According to its unaudited financial statements, Ideal Capital had about RM47.7 million in its cash and bank balance (including fixed deposits) as at end-June this year, with just over RM5 million in short-term borrowings and RM86.9 million in long-term borrowings.

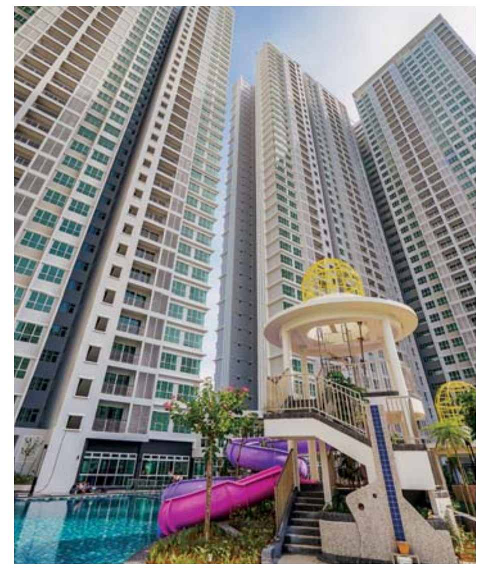
Net asset per share was just under RM1.28 as at June 30. Close to 70% of its total assets of RM1.36 billion as at end-June were made up of inventories at RM933.93 million. It also had RM157.77 million worth of investment properties, RM96.99 million in receivables and RM115.5 million in goodwill.

When reporting its second-quarter results, Ideal Capital said it expects the property development sector to contribute further to the revenue and profit of the group for FY2023 "with [contributions coming from] the progress of Ideal Residency, Havana Beach Residences, Ideal Venice Residency and Lucerne Residences" projects, barring any unforeseen circumstances.

"Besides [that], the group has now embarked on the selling of industrial land," it added, pointing to 17 parcels of freehold land it had "acquired for subdivision and sale" in Seberang Perai Utara, Penang, that two of its 70%-owned subsidiaries, Lestari Duta Sdn Bhd and Mujur Sinarjaya Sdn Bhd, agreed to buy for RM475.36 million in January 2022.

In its FY2022 annual report, Ideal Capital in its management discussion and analysis said it expects "year 2023 to remain challenging as oil prices have currently gone up the ceiling together with all material costs, namely steel bars, concrete, cement", which would "indirectly affect the group's profitability". Nonetheless, it seems that Ideal Capital expects to continue delivering good returns to shareholders, having also told them this: "Year 2023 would be the recovery year for most companies. However, the group is fairly confident that, with its ongoing projects, the group would be able to increase its shareholders' wealth."

IDEAL CAPITAL



HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

REIT

IGB REIT

12 BRC AWARDS OVER THE YEARS

Solidifying growth with memorable shopping experience

BY LEE WENG KHUEN

For the sixth year in a row, IGB Real Estate Investment Trust (IGB REIT) has taken home *The Edge* Billion Ringgit Club (BRC) award for highest return on equity (ROE) over three years in the REIT sector. This year, the REIT also bags the award for highest returns to shareholders over three years, which it last won in 2018 after winning it for the first time in 2017. IGB REIT joined the BRC winners' list in 2016 when it clinched the award for highest profit over three years.

In the evaluation period for this year's award, IGB REIT's three-year adjusted weighted ROE came in at 7.8% per annum, having recorded an ROE of 6.9% in 2020, 5.8% in 2021 and 9.4% in 2022.

Meanwhile, total unitholder return came

ZAHID IZZANI/THE EDGE

in at a three-year compound annual growth rate (CAGR) of 9.3%, based on its adjusted unit prices of RM1.33 as at March 31, 2020, against RM1.74 as at March 31, 2023.

The stellar performance was driven by its robust net property income (NPI) and distribution per unit (DPU).

IGB REIT's NPI expanded to RM420.25 million in FY2022, from RM275.1 million in FY2021 and RM316.68 million in FY2020, on the back of the progressive relaxation of Covid-19 control measures. Its distributable income also reflected this trend, moving from RM259.8 million in FY2020 to RM220.58 million in FY2021 and RM361.95 million in FY2022.

For the nine months ended Sept 30, 2023 (9MFY2023), its NPI grew 5.7% to RM332.6 million from RM314.6 million in the previous corresponding period, thanks to higher rental income arising from the improving retail sales of its tenants. Its distributable income also rose to RM285.95 million from RM271.33 million over the same period.

IGB REIT rewarded its unitholders with a DPU of 9.86 sen in FY2022, much higher than the 6.03 sen and 6.75 sen in FY2021 and FY2020 respectively. For 9MFY2023, the DPU was 7.77 sen compared with 7.40 sen over the same period the year before.

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

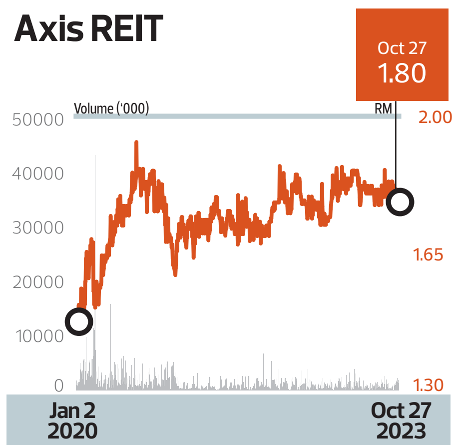
REIT

AXIS REIT

7 BRC AWARDS OVER THE YEARS

Forging ahead with eyes on yield-accretive investments

BY KANG SIEW LI



Axis Real Estate Investment Trust (Axis REIT), which has a dominant position in industrial and office real estate, has remained steadfast in its focus on this space, even as other REITs that invest in segments such as retail and hospitality sought opportunities beyond their traditional asset classes to enhance their portfolios.

Axis REIT has seen its portfolio size — comprising 12.73 million sq ft of space and 166 tenants with an average occupancy rate of 89% — grow to 62 properties valued at RM4.4 billion as at June 30, 2023. Its properties are located in prime industrial areas such as the Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.

But the country's first REIT is not stopping there. According to Axis REIT Managers Bhd, the manager of Axis REIT, the trust continues to aggressively source for and evaluate potential acquisition targets that are deemed investable.

"The selection of properties continues to focus on Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants; well-located logistics warehousing in locations ideal for last-mile distribution; and office, business parks and industrial properties with potential for future enhancement," it said when announcing the REIT's results for the second quarter ended June 30, 2023 (2QFY2023) on July 26.

It added that since the listing of Axis REIT, the trust has been successful in achieving its investment objectives where the trust has set out to provide unitholders with stable income distribution and to achieve growth in net asset value per unit of the trust by acquiring high-quality accretive properties with strong recurring rental income.

Axis REIT continued to forge ahead in the financial year ended Dec 31, 2022 (FY2022). Its realised income after taxation climbed 15.7% to RM157.55 million from RM136.21 million in FY2021. The year 2022 was a milestone one for the trust's portfolio as it completed four yield-accretive acquisitions for RM479.3 million, one of which was the trust's largest acquisition to date in terms of value and space — DW1 Logistics Warehouse in Johor for RM390 million and measuring 1.15 million sq ft.

Axis REIT Managers attributed the stronger-than-expected economic growth and continued foreign direct investment flows into Malaysia to the sustained demand for industrial properties.

"These macroeconomic tailwinds, together with the strength of our portfolio and client-focused strategy, continued to yield results for Axis REIT," it said.

In comparison, it posted realised income after taxation of RM124.94 million and RM115.18 million in FY2020 and FY2019 respectively. This represented a compound annual growth rate of 11% over the three-year period (2019-2022) — the highest among companies listed under the REIT sector of Bursa Malaysia.

This led Axis REIT to once again take the lead in this year's *The Edge* Billion Ringgit Club (BRC) awards for highest growth in profit after tax over three years in the REIT category.

Likewise, its net property income saw steady increases, coming in at RM245.34 million in FY2022 — up from RM212.88 million, RM198.52 million and RM191.71 million in FY2021, FY2020 and FY2019 respectively.

Investors who bought into Axis REIT would also have been rewarded with stable income distributions. The REIT declared a total distribution per unit (DPU) of 9.75 sen for FY2022, which translates to a yield of 5.5% based on the trust's closing unit price of RM1.79 as at Dec 31, 2022, and up from FY2021's DPU of 9.49 sen. Axis REIT paid a DPU of 8.75 sen and 9.26 sen in FY2020 and FY2019 respectively.

When announcing its financial results for 2QFY2023, Axis REIT said it is optimistic that in view of the satisfactory performance of its existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its current performance for FY2023.

In a July 27 report, RHB Research said it remains positive on Axis REIT's stock as its occupancy rates are expected to improve in August — following the commencement of leases in its newly redeveloped properties — and as the REIT is still actively looking for new acquisitions, with RM170 million in total estimated value of acquisition targets for 2H2023.

The financing ratio of the trust currently stands at 32%, giving it sufficient headroom to seek and pursue suitable acquisitive and development opportunities. E

AXIS REIT

The REIT's portfolio consists of two investment properties, namely Mid Valley Megamall (MVM) and The Gardens Mall (TGM), which had a combined market value of RM5.19 billion as at end-September 2023 after a revaluation exercise that saw a surplus of RM166 million compared to RM5.02 billion previously.

Individually, MVM and TGM carried a market value of RM3.79 billion and RM1.4 billion respectively. As at end-December 2022, the occupancy rates for MVM and TGM stood at 99.5% and 97% respectively, based on the net lettable area of 1.85 million sq ft and 847,250 sq ft.

In notes accompanying its unaudited third-quarter results, the manager of IGB REIT said "tenants and retailers are less optimistic on the spending power of domestic consumers".

"The price of essential goods is still higher than pre-pandemic levels, despite a slight easing in current inflation rates. The rising manpower cost, intense competition and electricity bill have affected the prospects of growth rate for the retail industry. Hence, tenants and retailers stay conservative of their business prospects in the near future," it added, noting that Retail Group Malaysia has lowered the Malaysian annual retail industry growth rate for 2023 to 2.7% from the 4.8% growth it had forecast in June 2023, owing to the weaker-than-expected growth rate of -4% in retail sales in the second quarter of 2023 that was also attributed to a high base effect for Hari Raya the year before, which was celebrated after two years of lockdown.

Thus, its manager "remains cautious on the challenges for growth of retail sales in 2023, which would affect tenants' performance at shopping malls and, also, the financial performance of IGB REIT. Nonetheless, IGB REIT remains committed to bringing about long-term value to its stakeholders".

Kenanga Investment Research shares this concern over the strength of retail consumption, retaining a "market perform" call and RM1.66 target price after IGB REIT's 3Q2023 earnings release, noting that retailers "could still face challenges in maintaining their profitability due to increasing labour and retail costs". In addition, the "spending power of consumers may be dented by the sustained high inflation, though cushioned by the absence of an immediate plan by the government to dial back the subsidy on the RON95 petrol".

Still, Kenanga said IGB REIT is "well positioned to maintain a stable earnings pattern moving forward, even in the face of a challenging economic outlook and a high-inflation environment", noting that both malls "cater to the mid-to-higher income group, and the higher income bracket is expected to remain relatively unaffected, given their financial stability".

RHB Research and AmInvestment Bank Research, meanwhile, maintained their "buy" recommendations on IGB REIT.

In an Oct 16 note, AmInvestment said the REIT "has completed the renewal of a majority of its leases expiring FY2023 at a rate of 4% to 6%, supported by an improvement in retail sales" and the research house is "confident that the majority of leases set to expire in FY2024 will be successfully renewed in 2H2023 with positive rental reversion close to pre-pandemic levels of 4% to 6%".

While the upcoming 5% to 10% high value goods tax "may impact retail sales at TGM as it is positioned as the higher-end mall compared to MVM, but the contribution from TGM (around 30% of revenue in FY2022) is considerably smaller than MVM", RHB told clients in an Oct 16 note.

RHB raised its target price to RM1.93 after raising its FY2023 to FY2025 earnings forecasts as well as rental reversion assumptions, while AmInvestment kept its fair value unchanged at RM1.92, which implies a distribution yield of 6%.

IGB Bhd is the largest unitholder of IGB REIT, with a direct holding of 48.19% and an indirect holding of 5.51%. The Employees Provident Fund and Kumpulan Wang Persaraan (Diperbadankan), meanwhile, own 11.57% and 7.37% of the REIT respectively.

In its 2022 annual report, IGB offers another reason its malls continue to command substantial footfall: "As shoppers returned to the malls, IGB REIT has remained committed to offering memorable, exciting and relevant retail experiences to our customers. We recognise that as families and friends step out to reconnect with one another, malls are once again playing a central role in offering a space in which they can create shared memories and start lasting tradition." E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

TECHNOLOGY

Greatech Technology Bhd

Well-positioned for growth

BY KAMARUL AZHAR

Greatech Technology Bhd joins *The Edge* Billion Ringgit Club (BRC) winners' list for the first time this year. The automation solutions provider for the semiconductor and solar energy sectors, which completed its transfer from the ACE Market to the Main Market in December 2020, has seen demand for its solutions increase as the world races to automate manufacturing processes and install renewable energy infrastructure to reduce carbon emissions.

Over the BRC awards' evaluation period between FY2019 and FY2022, Greatech's profit after tax (PAT) grew from RM52.3 million in the financial year ended Dec 31, 2019 (FY2019) to RM131.89 million in FY2022, which translates into a risk-weighted average of 22.5% per annum over the three years, according to the awards methodology.

The strong bottom-line growth shored up its adjusted weighted return on equity (ROE) to average 32.1% over three years, making Greatech the winner for the BRC's highest ROE over three years award for the technology sector.

In FY2022, Greatech's revenue jumped 35.8% year on year, boosted by a strong spurt in the fourth quarter when its revenue surged 124.3% y-o-y to RM169.1 million, which was driven by stronger revenue from the Series-7 Production Line Systems for an Alabama-based customer in the solar industry.

The group's core earnings doubled to RM42.3 million in FY2022, bolstered by easing component supply issues, making delivery smoother. The component supply issue had nevertheless led to Greatech's gross margin narrowing to 30% in FY2022, from 49.3% in the preceding financial year.

Lower-margin fabrication and assembly (F&A) stage work done for its US-based solar customer in the first half of the current financial year

(1HFY2023) has also dragged down its core net profit during the period to RM66.2 million, which was only around 33% of the consensus estimates.

Nevertheless, Greatech's management continues to be upbeat about its future. In an interview with *The Edge* in January, its executive director and CEO Datuk Tan Eng Kee said the energy segment will definitely carry the group to achieve positive growth in the coming three years.

"[The prospect for] energy is very hot as there is a shortage ... especially in Europe. So, I will say Greatech is in the right area at least for the next two to three years," he said.

The positive spillover effect of increasing demand for solar energy, especially in the US market, after the Inflation Reduction Act was signed into law by US President Joe Biden last year, also fuelled Tan's optimism.

Greatech's margins are expected to again balloon in the second half, after underperforming in the first half of the year, as its on-

going projects move into the higher-margin delivery stage.

Its margins, especially at the gross profit (GP) level, has also increased to 29.42% in 1HFY2023 compared with 28.68% in 1HFY2022. With the second half of the year promising to bring higher margins, Greatech is poised for another lift-off.

Greatech has allocated RM227 million in capital expenditure for FY2023, and its outstanding order book remains healthy at RM610 million. The group, which is looking to achieve RM800 million orders this year, expects to win a further RM650 million of orders in the second half.

"Management remains confident that it could achieve at least 20% sales growth together with solid margin for FY2023," says PublicInvest Research in a May 12 note.

However, Greatech's 10-year pioneer status expired on March 28. PublicInvest Research says in the note that the management is planning to apply for a continuation of the tax status given its diversification into new solar technology and the medical industry.

The expiry of the pioneer status has led to Greatech's effective tax rate (ETR) jumping to 11.7% in the second quarter ended June 30, 2023, compared with 0.2% in the preceding quarter. If the management fails to get a continuation of its pioneer status, Greatech's ETR could jump to 14%.

This is why it is positive news that the Malaysian Investment Development Authority (Mida) granted Greatech an approval in principle for a 5+5 year extension of the latter's tax incentives in June.

Greatech sees the solar and e-mobility sectors remaining as its key earnings contributors for the next two years before seeing strong growth coming from the life science and semiconductor automation segments.

"Management has set its sights on setting up a process automation arm by 2028 by acquiring some established companies with the relevant experience and technology to set up process automation lines in Malaysia," says PublicInvest Research in a March 7 note.

According to its 2022 annual report, Greatech's machinery and equipment are installed across the world including in China, Vietnam, Singapore, the US, the UK, Thailand and certain countries in the European Union. Its customers operate in solar, semiconductor, consumer electronics, e-mobility and life sciences industries.

If its CEO — who controls just over 60% of the company — is right about Greatech being in the right sector to capture growth for at least two years, this year's BRC award would not be its last. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

TECHNOLOGY

Malaysian Pacific Industries Bhd

Automotive-centric strategy proves prescient

BY JUSTIN LIM

With the automotive industry needing more chips than ever to keep vehicle production running, Malaysian Pacific Industries Bhd's (MPI) automotive-centric strategy is proving prescient.

While global vehicle sales may be weighed down by slower consumer spending and higher interest rates, the need for more sophisticated sensors and chips to produce electronic components in cars increases with higher levels of driving autonomy as well as the path to electrification. Indeed, just like personal mobile devices, cars are also getting smarter as global car makers introduce better safety and infotainment systems, more so for higher-end marques.

The significance of chips to carmakers came to the forefront during the Covid-19

pandemic as global chain disruptions caused a chip shortage and priority for chips was given to makers of consumer electronics that consume far more chips than automakers globally. Before then, many people did not realise that chips are necessary to control power steering and even trigger airbags. Even the old-fashioned speedometers are increasingly being replaced by digital units in modern cars.

It is no surprise that shares of MPI, an outsourced semiconductor packaging and testing services player that also manufactures leadframes (a thin metal plate used in chip packages), were a darling during the pandemic. As work-from-home propelled demand for consumer electronics, MPI turned in a record high net profit and revenue for the financial year ended June 30, 2022 (FY2022). Its net profit increased by 21% to RM328.9 million in FY2022 from RM271.8 million in FY2021 as revenue grew 21.5% to RM2.4 billion from RM2 billion previously, also helped by a stronger US dollar. Prior to that, it posted an annual net profit of RM153 million in FY2020, up from RM128.3 million in FY2019.

Based on *The Edge* Billion Ringgit Club (BRC) Awards methodology, the profit growth represents a risk-weighted compound annual growth rate of 30% over the three-year evaluation period from FY2019 to FY2022 — the best among its peers. This makes it *The Edge* BRC's winner for highest growth in profit after tax over three years in the technology sector — MPI's first BRC win.

MPI shares, which had been hovering around RM10 before the pandemic, shot up above RM50 at the height of the pandemic in 2021, when there was a severe chip shortage. Since then, mirroring the semiconductor cycle and slowdown in demand, the stock has been in a downward trend. Closing at RM26.68 on Oct 27, the stock is down 6.4% year to date.

In its 2023 annual report, MPI said it continues to believe in the long-term prospects of the semiconductor industry

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

TECHNOLOGY

D&O Green Technologies Bhd

3 BRC AWARDS OVER THE YEARS

On a winning streak

BY LIEW JIA TENG

D&O Green Technologies Bhd is on *The Edge* Billion Ringgit Club (BRC) corporate award winners' list for the third year running.

The Melaka-based automotive light-emitting diode (LED) manufacturer won its maiden BRC award in 2021 by becoming a joint winner in the technology sector under the category of highest growth in profit after tax over three years.

In 2022, D&O bagged the BRC award for highest total returns over three years in the technology sector, an award that the group successfully retained this year.

Its share price jumped from 53 sen on March 31, 2020, to an all-time high of RM5.97 in September last year, before retreating to RM4.32 on March 31 this year, which is the cut-off date for BRC membership and award evaluation for 2023.

For the three-year period in review between March 31, 2020, and March 31, 2023, D&O's share price soared over eight times, with a compound annual growth rate (CAGR) of 101.25%. Nevertheless, it should be noted that year to date, the counter had fallen 23% to close at RM3.31 on Oct 6.

D&O's main operating subsidiary Dominant Opto Technologies Sdn Bhd has a workforce of 2,700 and a presence in all major automotive markets around the world, namely China, Europe, the US, Japan, South Korea and India.

It is one of the few global automotive LED makers that offer a full range of colour spectrum and brightness intensity, catering for both interior — including instrument cluster, infotainment system, climate control, switches and ambient lighting — as well as exterior applications such as head lamp, tail lamp, rear combination lighting, centre brake light and licence plate lamp.

Noteworthy is that Mega First Corp Bhd executive chairman Goh Nan Kioh is the single largest shareholder of D&O with a 30.35% stake, followed by his wife Lim Yam Chiew, who has a 9.3% stake in the company.

D&O non-executive chairman Tan Sri Mohammed Azlan Hashim — former executive chairman of Bursa Malaysia — and his wife Puan Sri Nonadiah Abdullah collectively have 8.01% equity interest in the company.

The Employees Provident Fund (EPF) emerged as a substantial shareholder of the LED maker on Sept 25 with a 5.06% stake, before raising its shareholding to 5.25% on Oct 3.

In a Sept 6 report, Public Invest Research analysts maintained an "outperform" recommendation on D&O with an unchanged target price of RM4.37, pegged at 35 times earnings per share in FY2024.

"We are convinced that the worst is over for D&O. We are increasingly confident that the company will make a strong comeback in the second half of the year on the back of sequential recovery in automotive LED sales and margins, led by the China market which contributes about 45% to 50% of the group's revenue," they wrote.

Given that the government has reportedly pledged more stimulus measures to boost car demand, D&O's management retains its high single-digit sales growth for FY2023.

Apart from securing an upbeat forecast from its key German customer, D&O is currently in talks with another established car maker from South Korea. The group also recently clinched its first design win for smart projection LED in the global automotive LED industry with an estimated annual sales of more than RM15 million for the new electric Mini Cooper.

Moreover, D&O's first-of-its-kind physical chip, which has the functionality of analogue, digital and memory, is in the final stage of package qualification. Its physical integrated circuit (IC) is expected to be rolled out by end-November.

Between the financial year ended Dec 31, 2019 (FY2019) and FY2022, D&O's earnings achieved a three-year CAGR of 17.5%, growing from RM34.87 million to RM75.15 million.

In its 2022 annual report, D&O acknowledged that its profit had fallen from RM110.53 million in FY2021 to RM75.15 million in FY2022, as the group was affected from a foreign exchange perspective by the sharp devaluation of the ringgit. The local currency had trended downwards last year and fell to a historical low of RM4.75 against the US dollar in November 2022, before recovering at the end of the year.

"Management has taken the necessary steps to rebalance the group's currency exposure to better hedge against the impact of future foreign exchange volatility on its operations and balance sheet. With these proactive actions, the impact of foreign currency fluctuations was substantially reduced towards the end of the year," D&O wrote.

Successful mitigating measures against market volatility and continued investments in research and development should put D&O in good stead to celebrate more wins. E

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despite the current short-term correction due to high inflation and lingering geopolitical unrest, which have caused lower consumer spending, especially in consumer electronics and in particular the smartphone and personal computer market.

Citing the Worldwide Semiconductor Trade Statistics report, MPI noted that the global semiconductor market is estimated to decline by 10.3% in 2023, but this is expected to be followed by a robust recovery with growth estimated at 11.8% in 2024, on the back of increasing demand for 5G connectivity, the adoption of artificial intelligence and smart sensors and the continuing preference for electric vehicles (EVs) or autonomous vehicles, which will secure the industry's long-term growth.

"Both in hybrid electric vehicles and EVs, developments within automotive technology are ever more centred on the electrification of the drivetrain," it says.

Against this backdrop, MPI is well-positioned to benefit given its capability to package next-generation chips that use materials such as silicon carbide and gallium nitride — technologies to power vehicles and devices.

Notably, MPI had 43% revenue exposure to the automotive and industrial segments in FY2023, up from 38% in FY2022.

To be sure, the group has not been spared from the semiconductor industry's cyclical downturn. Coming off a record year, its revenue fell by 15% to RM2 billion in FY2023 from RM2.4 billion a year ago. Its net profit saw a bigger decline, dropping 81% to RM61 million from RM329 million previously due to weak end-market electronics demand, elevated inventories and higher energy costs.

MALAYSIAN PACIFIC INDUSTRIES

Despite the weaker financial performance in FY2023, the group is maintaining the same dividend payout as FY2022, amounting to 35 sen, which is also higher than 27 sen each for FY2019 and FY2020 and 30 sen for FY2021.

"Dividend payout is one of the important elements considered by the company in enhancing its shareholder value. Earnings, capital expenditure requirements, borrowing repayments, capital adequacy, dividend yield and other relevant factors are considered by the board in determining the actual dividend payout," MPI said in its 2023 annual report.

In an Aug 30 report maintaining a "buy" call and RM32.15 target price, TA Securities says it continues to like MPI for its automotive-centric strategy as it seeks to capitalise on the promising prospects for content gains within vehicles, catalysed by the global transition to EVs and autonomous driving, among others. "Key downside risks include weaker-than-expected loadings, geopolitical tensions weighing on economic growth and disrupting supply chains," it says.

At the time of writing, TA had the only "buy" call on MPI while there were three others with "hold" and another three saying "sell". Target prices ranged from RM19.20 to RM32.15, averaging RM25.30.

AmInvestment Bank Research, in an Aug 29 report, had cut its earnings forecasts by 14% for FY2024 and 15% for FY2025 to reflect the slower-than-expected recovery in the industry. It now expects MPI to deliver a net profit of RM220.3 million in FY2024 and RM296.7 million in FY2025 — still much higher than just concluded FY2023 net profit of RM61 million.

Incorporated in 1962 under the name of Federal Paper Products Ltd, MPI listed on Bursa Malaysia (then the Kuala Lumpur Stock Exchange) in 1983. Currently, MPI operates four manufacturing facilities, of which three are in Malaysia and one in Suzhou Industrial Park in Jiangsu Province, China.

MPI's automotive-centric strategy should make it a proxy for the EV boom for many years to come. E

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

TELECOMMUNICATIONS & MEDIA

Telekom Malaysia Bhd

3 BRC AWARDS OVER THE YEARS

2 CR awards 2017 2021

Delivering profits while accelerating the Digital Malaysia aspiration

BY KAMARUL AZHAR

It is a constant balancing act for Telekom Malaysia Bhd, which supports nation building and advances the country's digital transformation agenda as a government-linked corporation (GLC) while also needing to deliver good returns as a public-listed company (PLC).

For the financial year ended Dec 31, 2022 (FY2022), at least, its top line reached an all-time high since 2008, the year it floated its mobile and international operations under Axiata Group Bhd to focus on delivering high-speed broadband services. Net profit rose 27.7% to RM1.14 billion year on year.

That helped TM chalk up a 21.8% risk-weighted three-year profit after tax (PAT) compound annual growth rate between FY2019 and FY2022 — beating sectoral peers to clinch *The Edge* Billion Ringgit Club (BRC) award for highest growth in PAT over three years in the telecommunication and media sector. TM won the same BRC award last year.

TM's RM1.14 billion PAT in FY2022 came on the back of a robust revenue growth of 5% to RM12.1 billion. With effective cost management, its earnings before interest and tax (EBIT) increased 15% year on year to RM2.07 billion, while core earnings jumped 35% y-o-y to RM1.56 billion, despite a higher effective tax rate due to the Prosperity Tax.

Things are getting trickier this year, though. The direction from Minister of Communications and Digital Fahmi Fadzil that internet prices had to be reduced by September was one of the challenges in TM's way to hit another record high in its earnings. The recent revision on the Mandatory Standards on Access Pricing (MSAP) would also have an impact on the company's profitability.

In the first half of financial year 2023 (1HFY2023), however, TM's net profit is still up 25.2% y-o-y to RM898.8 million, from RM717.9 million, despite an increase in operational and depreciation costs. Its net profit for 2QFY2023 ended June 30 jumped 50.4% y-o-y to RM568.7 million, owing mainly to the recognition of tax credits from unutilised tax losses.

Nonetheless, there is no doubt that TM's operating landscape is getting more challenging.

Its average revenue per user (ARPU) for the fixed broadband Unifi business was flat in 2QFY2023, resulting in the segment — the group's largest — reporting flat growth during the quarter, despite growth in the number of subscribers.

Meanwhile, TM One continues to be affected by higher costs and lower margins, as its customers, including governments, are demanding better contract value. TM One's revenue fell 11.4% y-o-y in 2QFY2023 to RM732 million, while its Ebit fell 22.67% y-o-y to RM205.1 million.

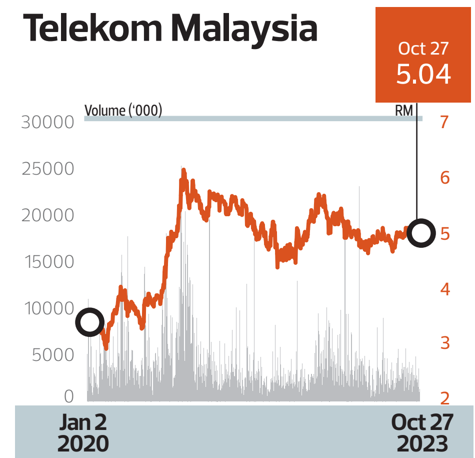
Still, management remains optimistic on prospects for FY2023. For the year, it has guided for a stable y-o-y revenue growth, Ebit of RM1.8 billion to RM2 billion and between 18% and 20% capital expenditure intensity.

"The Ebit guidance appears conservative, in our view, and possibly reflects higher mobile-related costs and some degree of MSAP impact," states Maybank Investment Bank Research in an Aug 28 report.

"We raise our FY2023/24/25 net profit forecasts by 21%/23%/14% respectively, as we incorporate the tax credits (to be recognised over two to 2½ years) and lower Ebit," the research firm states.

If FY2023 proves to be another record year for TM, its shareholders will be smiling all the way to the bank. Management is committed to distributing yearly dividends of between 40% and 60% of its net profit every year, to ensure growth for long-term shareholder value. In FY2022, TM declared 16.5 sen per share in dividends, with a total payout of RM627.5 million.

At the time of writing, 18 of 21 analysts tracking TM have either a "buy" or "strong buy" call, indicating confidence in potential returns to investors. The consensus target price is RM6.24, with the highest being RM7.15.



"We continue to like TM on account of positive tailwinds in the digital space as economies recover; the enhanced network coverage nationwide boosting internet demand from both the public and business sectors; [and] competitive offerings, with added 5G availability. [TM's] subscriber base [is also] expected to improve further, given the expected lower broadband prices coming from the revised MSAP," Kenanga Research wrote in a report dated Aug 28.

Commenting on the outlook for 2023 in its 2022 annual report, TM had informed shareholders about the likelihood of an increase in the cost of doing business, but said it "remains confident in our ability to navigate challenges by focusing on greater efficiency and productivity".

TM's evolution from the country's incumbent telecommunications company (telco) to a technology company (techco) is being spearheaded by new leaders, with a change in its chairman and group managing director and CEO from Aug 1 this year.

To borrow the words of TM's former chairman Tan Sri Mohammed Azlan Hashim — who retired on July 31 this year following a two-year term, and was succeeded by Financial Reporting Foundation chairman Datuk Zainal Abidin Putih — TM's "ability to evolve and adapt has been instrumental in our success thus far and we remain committed to exploring new opportunities and staying ahead of the curve".

Amar Huzaimi Md Deris, who succeeded Datuk Imri Mokhtar as managing director and group CEO, said in a statement in July that Imri "has set the right path for TM", noting that its 2021 to 2023 transformation programme had strengthened the group's foundation and allowed it to better pursue new growth areas.

In an Aug 25 statement following the release of 2QFY2022 numbers, Amar, who headed TM's domestic and global wholesale business previously, said the group "expects to face a more challenging marketplace but remains confident in our overall positive financial performance".

The group, he says, will continue strengthening its core business to be commercially sustainable while contributing to the nation's growth.

"TM is excited by the huge potential of fixed, mobile and lifestyle convergence in the digital market, as well as digital infrastructure and solutions for MSME (micro, small and medium enterprises), enterprise and government sectors, while pursuing opportunities with international partners, including hyperscalers," Amar said in the statement, reiterating TM's commitment to continuously invest in its network to enable the nation's progress towards a Digital Malaysia.

"TM will continue to collaborate closely with the government to serve as the nation's trusted partner to grow Malaysia's overall connectivity and digital ecosystem, including 5G." E

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

TRANSPORTATION & LOGISTICS

Westports Holdings Bhd

6 BRC AWARDS OVER THE YEARS

Weathering supply chain headwinds on strong foundation

BY KANG SIEW LI

Westports Holdings Bhd has clearly weathered the global supply chain disruption, continuing the legacy of its late founder Tan Sri Gnanalingam Gunanath Lingam.

The port operator was already on a solid growth path even before the Covid-19 pandemic. It posted its highest profit after tax (PAT) of RM808.2 million in the financial year ended Dec 31, 2021 (FY2021), boosted by insurance compensation of RM73 million.

While Westports' growth momentum in PAT tapered off in FY2022, as PAT declined 13% year on year (y-o-y) to RM699.6 million — hampered by higher fuel cost, lower sundry income and a one-off prosperity tax — revenue grew 2% y-o-y to RM2.1 billion.

Westports, which together with Northport makes up Port Klang, has seen its earnings grow at a compound annual growth rate (CAGR) of 5.8% in the last three years (2019-2022). It made a PAT of RM654.5 million in FY2020 and RM590.9 million in FY2019.

According to the *The Edge* Billion Ringgit Club (BRC) awards methodology, Westports' adjusted weighted return on equity (ROE) over three years (2020-2022) was 23.9%, the best among peers in the transportation and logistics sector. Its ROE grew from 24.3% in FY2020 to 27.1% in FY2021, offset by a decline to 21.9% in FY2022.

Westports is no stranger to *The Edge* BRC awards. Like last year, it again took home the same two awards in the transportation and logistics sector — for the highest ROE and highest growth in PAT over three years.

Datuk Ruben Emir Gnanalingam Abdullah, executive chairman and group managing director of Westports, attributes the group's

achievement to his father, fondly known as Tan Sri G, who passed away at age 78 on July 11 this year.

"We had the privilege of having Tan Sri Gnanalingam and his lifelong contribution in starting, building and establishing West-

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

TRANSPORTATION & LOGISTICS

Malaysia Airports Holdings Bhd

4 BRC AWARDS OVER THE YEARS

Resuming its ascent post-pandemic

BY CHESTER TAY

With fleets of aeroplanes almost completely grounded and international air travel curbed as governments around the world imposed various degrees of movement controls to combat the spread of Covid-19, shares of airport operator Malaysia Airports Holdings Bhd (MAHB) naturally nosedived.

Faced with the loss of its main source of income, MAHB saw its share price plummet to below the RM4 level in March 2020 — in tandem with the declaration of a global pandemic by the World Health Organization (WHO) — halving from RM7.53 on the final trading day of 2019.

Although subsequent months of lockdowns continued to weigh on MAHB's profitability, bargain hunters who picked up the airport operator's shares — betting on an eventual recovery in air passenger traffic when borders reopen — would have enjoyed handsome returns purely on the share price rebound, even as dividend payments were paused to preserve its financial muscle amid the uncertainties.

By March 2021, MAHB's share price had recovered to above RM6, reaching RM6.95 a year later on March 31, 2022, before giving up some gains to close at RM6.79 on March 31, 2023.

During *The Edge* Billion Ringgit Club (BRC) awards evaluation period between end-March 2020 and end-March this year, MAHB's share price turned in 17% returns on average a year over the three-year period. That won MAHB the award for highest returns to shareholders over three years among BRC members in the transportation and logistics sector. MAHB last won the same BRC award in 2018 and 2019.

The airport operator has since resumed dividend payments, paying 3.91 sen per share for the financial year ended Dec 31, 2022 (FY2022), as the group recorded its first profitable year after incurring losses in FY2021 and FY2020.

With Malaysia reopening its borders early last year, MAHB is seeing a gradual recovery in passenger traffic at home as well as the Sabiha Gökçen International Airport in Türkiye.

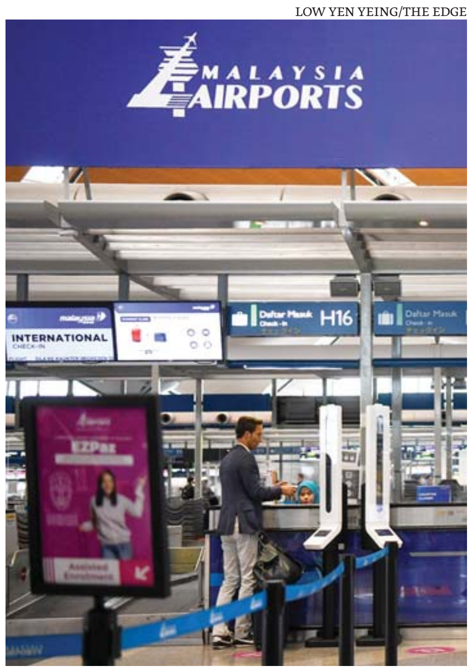
In Malaysia, the group manages 39 airports — five international airports, 17 domestic and 17 short take-off and landing airports, more commonly known as STOLports, according to its website.

The group saw passenger traffic recover to 83.9 million in FY2022, representing nearly 60% of the pre-pandemic level of 141.2 million in 2019 but more than double the 36.1 million in 2021.

The traffic recovery returned the group to profitability in FY2022, posting a net profit of RM187.2 million versus a net loss of RM766.4 million in FY2021, while revenue grew 87% to RM3.13 billion from RM1.67 billion.

In the eight-month period ended Aug 31 this year (8MFY2023), passenger traffic rose 57% year on year to 78.4 million, representing more than 87% of the volume for the same period in 2019.

LOW YEN YEING/THE EDGE



MAHB recorded a net profit of RM160.7 million in the first half of FY2023 (1HFY2023), turning around from a net loss of RM162.9 million a year ago, while revenue rose 80% year on year to RM2.27 billion from RM1.26 billion.

In an Oct 10 research note, CGS-CIMB said it remains positive on MAHB as it sees several rerating catalysts for the stock, including the upward trajectory of international traffic as well as the recovery of commercial rentals and revenue as the group terminates rental discounts from Jan 1, 2024, and more airport shops reopen.

"The new operating agreement (OA) should at least improve the terms in the current OA. MAHB hopes the new OA will be signed by end-2023," it noted.

MIDF Research, in an Oct 4 note, also sees a continued increase in passenger traffic going into peak season in the fourth quarter of the year, driven by the year-end holidays.

"Our passenger traffic projections remain unchanged, tracking well with the total passenger traffic in 8MFY2023 at 60% of our full-year estimate. To reiterate, we expect a recovery of 85% (domestic: 90%, international: 80%) this year," said MIDF.

While MAHB is widely expected to continue benefiting from further recovery in passenger traffic, questions have been raised over its managerial track record as well as the service performance at its main terminal, Kuala Lumpur International Airport (KLIA).

Since the expiry of Datuk Badlisham Ghazali's tenure as managing director in June 2018, MAHB has undergone three leadership changes, from Raja Azmi Raja Nazuddin to Datuk Mohd Shukrie Mohd Salleh and then Datuk Iskandar Mizal Mahmood, whose contract was not renewed upon its expiry on Oct 24. MAHB's board of directors had appointed group chief financial officer Mohamed Rastam Shahrom to assume the role of acting group CEO starting Oct 25.

During the past few leadership changes, MAHB also came under heightened scrutiny from the public following several breakdowns of its Automated People Mover at KLIA, more commonly known as the Aerotrain, which remains out of order.

Having terminated a RM742.95 million contract with Pestech International Bhd in August, MAHB is in the process of securing a new contractor to replace the Aerotrain, with less than a year from the first delivery deadline. It remains to be seen if the current board of directors can prevent the group from further public flak and if it can have the first Aerotrain operational by July 2024.

Whatever happens, MAHB's share price gains did beat those of its sectoral peers during the award evaluation period. That's a small feather in its cap as it sorts out its house. E

SUHAIMI YUSUF/THE EDGE

ports from what was essentially an undeveloped island [in Selangor] to ultimately one of the biggest and most competitive mega transhipment hubs in Southeast Asia.

"We will endeavour to crystallise his vision further, as the road map to expand our container terminals beyond the existing Container Terminal 9 (CT9) is already in place. Expanding the container terminal would also create long-term better opportunities for Pulau Indah residents and beyond," says Ruben, when announcing the group's 2QFY2023 results on July 27.

The 46-year-old took over the role of executive chairman on July 20.

In 2017, Tan Sri G was named Value Creator: Most Outstanding CEO by *The Edge* BRC for his visionary leadership excellence in transforming Westports into Port Klang's leading terminal operator.

"Close to Tan Sri's heart is the well-being of the Pulau Indah community. Westports has created employment opportunities for the local residents and beyond. Approximately 41% of our employees are Pulau Indah residents," says Ruben.

The group also rewards shareholders with regular dividends. It declared a dividend of 16.2 sen per share in FY2022 compared with 15 sen in FY2021, 11.5 sen in FY2020 and 13 sen in FY2019. Westports has implemented a dividend payout ratio of 75% on its PAT since its listing in 2013, with the exception of 2020 when the ratio was temporarily reduced to 60% due to prudent Covid-19 precautionary measures.

In the immediate future, Westports is projecting a low single-digit positive container throughput for 2023. The forecast nevertheless entails a cautionary note as global economic momentum could be affected by various potentially unfavourable factors, such as higher inflation, interest rates and volatile markets.

Westports' container throughput slipped 3% to 10.05 million TEUs (twenty-foot equivalent units) last year, from 10.4 million TEUs in 2021 and 10.5 million TEUs in 2020. It handled a record 10.86 million TEUs in 2019.

In a July 28 report, CGS-CIMB Research noted that for 1H2023, Westports' container volume rose a healthy 7.4% y-o-y, partly aided by the low 1H2022 base that had been affected by the spillover effect of the Klang Valley floods in late 2021 and yard congestion at the time.

"We retain our FY2023 volume growth forecast of 6.7%, as y-o-y growth should moderate in 2H2023, given the higher base in 2H2022 and Westports' expectation that the majority of the empties repositioning has been completed," it said.

Shares in Westports are tightly held by Pembinaan Redzai Sdn Bhd, with a 42.42% stake. Other substantial shareholders include Hong Kong's CK Hutchison Holdings Ltd via South Port Investment Holdings Ltd (23.55%), the Employees Provident Fund (9.109%) and Kumpulan Wang Persaraan (Diperbadankan) or KWAP (6.859%). E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