

Why The Edge Malaysia Centurion Club?

THE *Edge* Malaysia Centurion Club Corporate Awards 2019 honours the best-performing companies in Malaysia with a market capitalisation of RM100 million to below RM1 billion. Our objective is to encourage Malaysian companies to be more efficient, competitive and successful while being socially responsible.

Though *The Edge* Malaysia Centurion Club members may not be large in size and market capitalisation, we think it is timely to recognise these

deserving hidden gems with performance and potential to match that of the big conglomerates, and which tend to be overlooked by investors.

And because this membership (RM100 million to below RM1 billion) covers many companies, it is important to distinguish between the good and the bad performers. These relatively smaller companies, which usually fall below the radar of big investment funds, need to be identified and recognised to encourage greater

inclusiveness in Corporate Malaysia.

As some of you may be aware, these are the second awards under *The Edge* that celebrate Corporate Malaysia. The first — *The Edge* Billion Ringgit Club — celebrates companies with a market capitalisation of at least RM1 billion.

The Edge is in the best position to initiate these awards that promote merit in Corporate Malaysia. Over the years, since our inaugural *The Edge* Malaysia publication in 1994, we have earned a reputation as Malaysia's leading financial and business publication. We have proved our integrity in providing unbiased, timely, independent and insightful analyses and commentaries on Corporate Malaysia.

I am happy to report that we are the only traditional print media in Malaysia, and one of the few around the world that has continued to grow our

readership and sales in print as well as digital platforms despite the onslaught of online news and social media.

And the fact that our award methodology and criteria are transparent and independently audited lends credence to *The Edge* awards, which are coveted by Corporate Malaysia. Our awards are strictly merit-based.

The Edge takes pride in promoting meritocracy and driving greater competitiveness in Corporate Malaysia. As a business owner myself, I believe private sector is best placed to take risks, invest, create future demand and propel the economy forward, with the government as a facilitator in providing a supportive environment and a reliable regulatory regime.

The Malaysian economy needs private investment growth to create employment, raise incomes and share prosperity — now more than ever — in the light of constrained public spending and consumption.

Malaysian companies need to step up their game, take more risks and be proactive in seeking out opportunities and embracing technologies to stay ahead of competition, especially so in the digital globalisation age where competition is not limited to your home country but extends to the region and globally.

Beyond governance and transpa-

ency, the financial performance of public listed companies is crucial as it affects the stock price, their ability to deliver returns to shareholders and gain access to the capital market. Without a thriving stock market, the capital market cannot function effectively.

That is why these awards and recognition are important.

Besides serving as a guide to the public as to the best companies to invest in sustainably, this recognition by *The Edge* through *The Edge* Malaysia Centurion Club Corporate Awards will help winning companies improve their exposure amongst the investor community, build brand awareness and enhance their growth potential.

A big thank you to our partners for *The Edge* Malaysia Centurion Club Corporate Awards 2019 — presenter CIMB Group Holdings Bhd, main sponsor Matrix Concepts Holdings Bhd and official timepiece Hublot represented by The Hour Glass Malaysia — for their support.

Last but not least, congratulations to all the winners for their exemplary performance.

We hope your success will inspire others!

Datuk Tong Kooi Ong
Chairman
The Edge Media Group



Contents

Methodology & introduction	8
Winners list	10
Keynote address by Minister of Finance Lim Guan Eng	12 & 13
How the top 3 performed	14 & 15
Members of The Edge Malaysia Centurion Club	16 to 19
Centurion of the year: Hai-O Enterprise Bhd	20 & 21
Country View Bhd, Paramount Corp	22
Deleum Bhd, Lizma Bhd, SEG International Bhd	24 & 25

Opcorn Holdings Bhd, PBA Holdings	26
Econpile Holdings Bhd, George Kent, Stella Holdings Bhd	28 & 29
Kotra Industries Bhd, Y.S.P. Southeast Asia Holding Bhd, RCE Capital	30 & 31
Sci.com, Dufu Technology Corp Bhd, PMB Technology	32 & 33
Innoprise Plantations Bhd, MHC Plantations Bhd, Kluang Rubber	34 & 35
Hektar REIT, Amanah Harta Tanah PNB, Atrium REIT	36 & 37

Elsoft Research Bhd, KESM Industries Bhd, JHM Consolidation	38 & 39
Harbour-Link Group, Complete Logistic Services, Tasco, Shin Yang Shipping Corp	40 & 41
Inaugural The Edge Malaysia Centurion Corporate Awards: Kicks off...	43
A night to celebrate	44 to 47
Winners photos	48 to 52
Photowall	52 to 54

EDITORIAL
EDITORIAL TEAM
PROJECT EDITOR
DESIGN & LAYOUT
ART DIRECTOR
PRODUCTION
ADVERTISING & MARKETING
ADVERTISING MANAGER
SALES & MARKETING
ACCOUNTS
GENERAL MANAGER
ASSISTANT MANAGER
RECEPTIONIST
ADMINISTRATIVE
PROPERTY
LEGAL
FINANCE
IT
HR
TRAINING
COMMUNICATIONS
CRISIS MANAGEMENT
COMPLIANCE
SECURITY
WELFARE
ENVIRONMENT
SOCIAL RESPONSIBILITY
RESEARCH
TRAINING
COMMUNICATIONS
CRISIS MANAGEMENT
COMPLIANCE
SECURITY
WELFARE
ENVIRONMENT
SOCIAL RESPONSIBILITY

Inaugural The Edge Malaysia Centurion Club Corporate Awards kicks off

BY JOYCE GOH

THE *Edge Malaysia* Centurion Club Corporate Awards is the brainchild of The Edge Media Group chairman Datuk Tong Kooi Ong.

A true believer in meritocracy, Tong came up with the idea of creating a platform through which to discover and give due recognition to mid-cap companies for their grit and merit. This initiative spearheaded by *The Edge* is supported by presenter CIMB Group Holdings Bhd, main sponsor Matrix Concepts Holdings Bhd and official timepiece Hublot, which is represented by The Hour Glass Malaysia.

The winners of the corporate awards will be picked from members of *The Edge Malaysia* Centurion Club.

To be a member of the exclusive club, a company must, among other things, be listed on Bursa Malaysia as at March 31 of the current calendar year, should not be suspended under the stock exchange's watch list and must not be delisted prior to the date of the corporate awards. It must also have a market capitalisation of RM100 million to below RM1 billion.

The market capitalisation and other financial data used by *The Edge* to determine the companies that qualify for *The Edge Malaysia* Centurion Club and the winners of *The Edge Malaysia* Centurion Club Corporate Awards are provided by Asia Analytica Data Sdn Bhd (formerly known as The Edge Markets Sdn Bhd).

There are 423 members in *The Edge Malaysia* Centurion Club this year. Their total market capitalisation stood at RM133.3 billion as at March 29 this year.

The members chalked up a collective pre-tax profit of RM8.2 billion in the financial year 2018 (FY2018), less than RM12 billion in FY2017 and RM9.4 billion in FY2016.

In terms of bottom line, these companies made a total net profit of RM4.3 billion in FY2018, down from RM7.2 billion in FY2017 and RM5.8 billion in FY2016.

The 423 members contributed an estimated RM4 billion in taxes to the country's coffers in FY2018.

Their total shareholders' funds increased to RM188.2 billion in FY2018 from RM186.4

billion in FY2017 and RM179.4 billion in FY2016.

The Edge Malaysia Centurion Club Corporate Awards 2019 comprise the coveted Centurion of the Year award as well as three award categories for companies in 12 sectors, namely the Highest Returns to Shareholders Over Three Years, the Highest Growth in Profit After Tax Over Three Years and the Highest Return on Equity Over Three Years.

The Edge Malaysia Centurion Club Corporate Awards is the second platform through which *The Edge* celebrates merit in Corporate Malaysia. The first, *The Edge* Billion Ringgit Club (BRC), recognises the performance of companies with a market capitalisation of at least RM1 billion. This is the 10th year of the BRC corporate awards. ■

METHODOLOGY

WHAT'S THE EDGE MALAYSIA CENTURION CLUB?

- The Edge Malaysia* Centurion Club recognises the country's best-performing small and mid-sized companies.
- To be a member of this elite group, the company must:
 - Be listed on Bursa Malaysia as at March 31 of the current calendar year;
 - Not be suspended, under the stock exchange's watch list or delisted prior to the date of *The Edge Malaysia* Centurion Club Corporate Awards;
 - Have a reasonable profile among Malaysian investors; and
 - Have a market capitalisation of more than RM100 million but less than RM1 billion.
 - The qualifying market capitalisation will be based on the amount as at the last trading day of March of the current calendar year, that is, March 29 for 2019.
- The market capitalisation and other financial data used by *The Edge* in determining companies that qualify for *The Edge Malaysia* Centurion Club and the winners of *The Edge Malaysia* Centurion Club Corporate Awards are provided by Asia Analytica Data Sdn Bhd (formerly known as The Edge Markets Sdn Bhd).
- The Edge* will publish an annual listing of *The Edge Malaysia* Centurion Club each year.

THE EDGE MALAYSIA CENTURION CLUB CORPORATE AWARDS

The Edge Malaysia Centurion Club Corporate Awards comprise:

- The Highest Returns to Shareholders Over Three Years across 12 sectors;

- The Highest Growth in Profit After Tax Over Three Years Award across 12 sectors;
- The Highest Return on Equity Over Three Years across 12 sectors; and
- The Company of the Year.

THE EDGE MALAYSIA CENTURION CLUB SECTORAL CORPORATE AWARDS

The Edge Malaysia Centurion Club Corporate Awards for highest returns to shareholders, highest growth in profit after tax and highest return on equity are given out to the following sectors:

- Construction;
- Consumer Products and Services;
- Energy;
- Financial Services;
- Healthcare;
- Industrial Products and Services;
- Plantation;
- Property;
- Real Estate Investment Trusts;
- Technology;
- Telecommunications, Media and Utilities (combined sector); and
- Transport and Logistics

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

The methodology for the awards is stringent and transparent, with the results audited by Deloitte Malaysia.

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 FY2015 to FY2018.

The calculation of profit after tax 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 Highest Returns to Shareholders award are based on total returns,



Staff from Deloitte Malaysia audited the results

consisting of share price gains and dividends over a three-year period subject to a share price multiplier. The cut-off date this year was March 29.

There could be cases of joint winners for the awards.

THE EDGE MALAYSIA CENTURION OF THE YEAR AWARD

It will be determined based on the following:

EVALUATION COMPONENTS	WEIGHTAGE TO OVERALL SCORE
Returns to shareholders over three years	30%
Growth in PAT over three years	40%
Weighted ROE over three years	30%

The Edge has the discretion to select one of the top-ranked companies for the award

Winners Of The Edge Malaysia Centurion Club Corporate Awards

CENTURION OF THE YEAR HAI-O ENTERPRISE BHD

CONSTRUCTION

Highest return on equity over three years

• **ECONPILE HOLDINGS BHD**

Highest growth in profit after tax over three years

• **GEORGE KENT (M) BHD**

Highest returns to shareholders over three years

• **STELLA HOLDINGS BHD (FORMERLY KNOWN AS MERGE ENERGY BHD)**

CONSUMER PRODUCTS & SERVICES

Highest return on equity over three years

• **SEG INTERNATIONAL BHD**

Highest growth in profit after tax over three years

• **HAI-O ENTERPRISE BHD**

Highest returns to shareholders over three years

• **HAI-O ENTERPRISE BHD**

ENERGY

Highest return on equity over three years

• **DELEUM BHD**

Highest growth in profit after tax over three years

• **UZMA BHD**

Highest returns to shareholders over three years

• **DELEUM BHD**

FINANCIAL SERVICES

Highest return on equity over three years

• **RCE CAPITAL BHD**

Highest growth in profit after tax over three years

• **RCE CAPITAL BHD**

Highest returns to shareholders over three years

• **RCE CAPITAL BHD**

HEALTHCARE

Highest return on equity over three years

• **KOTRA INDUSTRIES BHD**
• **YSP SOUTHEAST ASIA HOLDING BHD** } Joint winners

Highest growth in profit after tax over three years

• **KOTRA INDUSTRIES BHD**

Highest returns to shareholders over three years

• **KOTRA INDUSTRIES BHD**

INDUSTRIAL PRODUCTS & SERVICES

Highest return on equity over three years

• **SCICOM (MSC) BHD**

Highest growth in profit after tax over three years

• **DUFU TECHNOLOGY CORP. BHD**

Highest returns to shareholders over three years

• **PMB TECHNOLOGY BHD**

PLANTATION

Highest return on equity over three years

• **INNORISE PLANTATIONS BHD**

Highest growth in profit after tax over three years

• **MHC PLANTATIONS BHD**

Highest returns to shareholders over three years

• **KLUANG RUBBER CO (M) BHD**

PROPERTY

Highest return on equity over three years

• **COUNTRY VIEW BHD**

Highest growth in profit after tax over three years

• **COUNTRY VIEW BHD**

Highest returns to shareholders over three years

• **PARAMOUNT CORPORATION BHD**

REIT

Highest return on equity over three years

• **HEKTAR REIT**

Highest growth in profit after tax over three years

• **AMANAH HARTA TANAH PNB**

Highest returns to shareholders over three years

• **ATRIUM REIT**

TECHNOLOGY

Highest return on equity over three years

• **ELSOFT RESEARCH BHD**

Highest growth in profit after tax over three years

• **KESM INDUSTRIES BHD**

Highest returns to shareholders over three years

• **JHM CONSOLIDATION BHD**

TELECOMMUNICATIONS, MEDIA & UTILITIES

Highest return on equity over three years

• **OPCOM HOLDINGS BHD**

Highest growth in profit after tax over three years

• **OPCOM HOLDINGS BHD**

Highest returns to shareholders over three years

• **PBA HOLDINGS BHD**

TRANSPORT & LOGISTICS

Highest return on equity over three years

• **HARBOUR-LINK GROUP BHD**

Highest growth in profit after tax over three years

• **COMPLETE LOGISTIC SERVICES BHD**
• **SHIN YANG SHIPPING CORP BHD** } Joint winners

Highest returns to shareholders over three years

• **TASCO BHD**

HOW THE TOP

Construction



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	ECONPILE HOLDINGS BHD	27.8
2	GEORGE KENT.(M) BHD	25.9
3	GADANG HOLDINGS BHD	16.7

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PBT CAGR (%)
1	GEORGE KENT (M) BHD	30.00
2	ECONPILE HOLDINGS BHD	23.20
3	GADANG HOLDINGS BHD	21.80

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	STELLA HOLDINGS BHD	14.90
2	GEORGE KENT (M) BHD	10.70
3	GABUNGAN AQRS BHD	9.90

Healthcare



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	KOTRA INDUSTRIES BHD	9.30
1	Y.S.P.SOUTHEAST ASIA HOLDING BHD	9.30
2	DUOPHARMA BIOTECH BHD	8.90
2	PHARMANIAGA BHD	8.90

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PBT CAGR (%)
1	KOTRA INDUSTRIES BHD	15.00
2	DUOPHARMA BIOTECH BHD	5.60
3	Y.S.P.SOUTHEAST ASIA HOLDING BHD	0.90

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	KOTRA INDUSTRIES BHD	19.60
2	DUOPHARMA BIOTECH BHD	9.50
3	Y.S.P.SOUTHEAST ASIA HOLDING BHD	9.30

Property



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	COUNTRY VIEW BHD	14.40
2	TAMBUN INDAH LAND BHD	13.50
3	EWEIN BHD	12.00

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PBT CAGR (%)
1	COUNTRY VIEW BHD	30.00
2	ORIENTAL INTEREST BHD	23.80
3	SUNSURIA BHD	22.50

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	PARAMOUNT CORPORATION BHD	15.60
2	COUNTRY HEIGHTS HOLDINGS BHD	15.50
3	AMVERTON BHD	14.80

Financial Services



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	RCE CAPITAL BHD	16.10
2	TUNE PROTECT GROUP BHD	11.00
3	INSAS BHD	7.80

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PBT CAGR (%)
1	RCE CAPITAL BHD	30.00
2	ELK-DESA RESOURCES BHD	6.80
3	KENANGA INVESTMENT BANK BHD	1.10

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	RCE CAPITAL BHD	15.20
2	MAA GROUP BHD	11.20
3	ELK-DESA RESOURCES BHD	11.10

Plantation



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	INNORISE PLANTATIONS BHD	6.80
2	CEPATWAWASAN GROUP BHD	4.00
3	RIVERVIEW RUBBER ESTATES BHD	3.60

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PBT CAGR (%)
1	MHC PLANTATIONS BHD	1.60

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	KLUANG RUBBER COMPANY (M) BHD	3.7

REIT



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	HEKTAR REIT	6.70
2	AL-SALAM REAL ESTATE INVESTMENT TRUST	5.50
3	UOA REIT	5.30

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PBT CAGR (%)
1	AMANAH HARTA TANAH PNB	15.00
2	AL-SALAM REAL ESTATE INVESTMENT TRUST	12.00
3	AMANAHRAYA REIT	0.70

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	ATRIUM REIT	9.10
2	AMANAHRAYA REIT	2.70
3	UOA REIT	2.30

3 PERFORMED

Technology



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	ELSOFT RESEARCH BHD	34.00
2	JHM CONSOLIDATION BHD	30.30
3	DATASONIC GROUP BHD	25.50

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	KESM INDUSTRIES BHD	24.00
2	D&O GREEN TECHNOLOGIES BHD	22.50
3	DAGANG NEXCHANGE BHD	18.00

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	JHM CONSOLIDATION BHD	31.00
2	KESM INDUSTRIES BHD	28.60
3	ELSOFT RESEARCH BHD	14.90

Consumer Products & Services



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	SEG INTERNATIONAL BHD	33.70
2	HUP SENG INDUSTRIES BHD	26.70
3	MAGNI-TECH INDUSTRIES BHD	25.80

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	HAI-O ENTERPRISE BHD	30.00
2	C.I. HOLDINGS BHD	22.50
3	JOHORE TIN BHD	22.30

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	HAI-O ENTERPRISE BHD	19.70
2	JOHORE TIN BHD	17.20
3	FORMOSA PROSONIC INDUSTRIES BHD	16.90

Telecommunications, Media & Utilities



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	OPCOM HOLDINGS BHD	8.20
2	OCC GROUP BHD	6.00
3	STAR MEDIA GROUP BHD	4.90

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	OPCOM HOLDINGS BHD	7.30

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	PBA HOLDINGS BHD	5.60
2	GREEN PACKET BHD	2.20
3	OPCOM HOLDINGS BHD	1.50

Energy



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	DELEUM BHD	9.10
2	UZMA BHD	5.20

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	UZMA BHD	12.00

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	DELEUM BHD	1.40

Transport & Logistics



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	HARBOUR-LINK GROUP BHD	11.20
2	TIONG NAM LOGISTICS HOLDINGS BHD	9.10
3	TASCO BHD	8.90

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	SHIN YANG SHIPPING CORP BHD	12.00
1	COMPLETE LOGISTIC SERVICES BHD	12.00

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	TASCO BHD	3.90

Industrial Products & Services



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	SCICOM (MSC) BHD	38.40
2	WELLCALL HOLDINGS BHD	32.30
3	DUFU TECHNOLOGY CORP BHD	26.60

Highest growth in profit after tax over three years

RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	DUFU TECHNOLOGY CORP. BHD	22.50
2	MUDA HOLDINGS BHD	18.00
3	CYPARK RESOURCES BHD	17.40

Highest returns to shareholders over three years

RANK	COMPANY	ADJUSTED TOTAL RETURNS OVER 3 YEARS (%)
1	PMB TECHNOLOGY BHD	48.10
2	TONG HERR RESOURCES BHD	33.50
3	SUPERCOMNET TECHNOLOGIES BHD	21.90



TELECOMMUNICATIONS & MEDIA + UTILITIES

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

Opcom Holdings

Reasonable returns despite tough times

BY ADELINE PAUL RAJ

THE operating environment for Opcom Holdings Bhd is getting increasingly tough, so it is to the fibre-optic cable manufacturer's credit that it has managed to deliver reasonable returns to shareholders over the last three years.

Opcom's net profit grew a strong 67.1% to RM742 million in its financial year ended March 31, 2016 (FY2016), before falling 3% to RM72 million in FY2017 and a further 7.2% to RM6.68 million in FY2018.

Between FY2015 and FY2018, Opcom's net profit posted an adjusted three-year compound annual growth rate of 7.3% — the highest among its peers in the utilities, telecommunications and media sector.

Return on equity (ROE) came in at 9.33% in FY2016, 8.44% in FY2017 and 7.56% in FY2018, with weighted ROE over the three-year period at 8.18%, resulting in the company bagging the top spot among its peers in *The Edge Malaysia Centurion Club Corporate Awards 2019*.

Moving forward, however, it will be an uphill task for Opcom to show similar growth. Already, its FY2019 net profit has fallen to just RM462,000, given such factors as the rising cost of raw materials, lower industry price levels, ringgit weakness and an influx of cheap imports.

In addition, macroeconomic uncertainties

have led to a big drop in demand for fibre-optic cable. Opcom says its selling margins have sharply reduced due to foreign competition and its inability to pass on increased costs to key customers.

Chairman Datuk Mohamed Sharil Tarmizi, who came on board on July 16, acknowledges that FY2019 has been a difficult year for the fibre-optic cable industry in Malaysia. However, he is counting on new businesses to prop up the group going forward.

"Our revenue profile continues to shift away from fibre-optic cables to our new businesses of engineering services, manufacturing of engineered plastics and production and export of thixotropic compounds, which were non-existent five years ago. [These] constituted about 62% of the group's turnover this year. We expect our new businesses to further increase their contribution to the group's revenue in the years to come," he says in the company's latest annual report.

Fibre-optic cable sales accounted for 38% of Opcom's total turnover in FY2019 compared with 50% in FY2018. The group has invested about RM7.1 million in capital equipment for capacity expansion of the thixotropic gel business as well as a new warehouse storage facility.

Mohamed Sharil, the former chairman of the Malaysian Communications and Multimedia

Commission (MCMC), took over from Tan Sri Mokhzani Mahathir, who resigned on June 1 after 10 years as the executive chairman, citing personal reasons. Mokhzani is the second son of Prime Minister Tun Dr Mahathir Mohamad.

His younger brother and Kedah menteri besar Mukhriz Mahathir is the largest shareholder of Opcom with a 15.28% stake as at Sept 20.

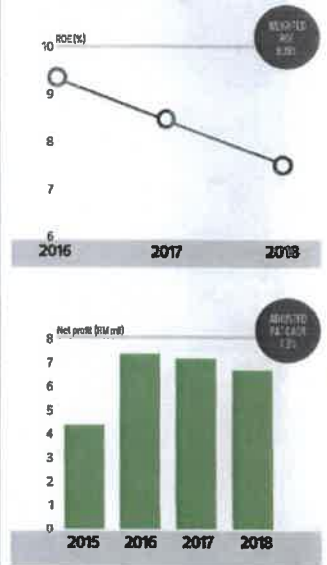
On Aug 13, Opcom announced that its deputy CEO and co-founder, Chhoa Kwang Hua, would go on a one-year sabbatical from Sept 7 to mark his 25-year tenure with the company. Chhoa's absence presents an opportunity for the company to put its decade-long leadership succession plan into action, it says.

Opcom has had a strong rally on the stock market in recent months, climbing 41% on heavy volume between Aug 28 and Sept 30, on rumours that it would benefit from the National Fiberisation and Connectivity Plan (NFCCP) to lay optical fibre cables across the country for faster internet connection.

However, on Sept 24, Communications and Multimedia Minister Gobind Singh Deo told reporters that the NFCCP will not result in the government or the MCMC handing out projects to any party.

Opcom expects FY2020 to be a challenging year. "Our export business will continue to maintain its momentum, and we expect

Opcom Holdings



the thixotropic gel manufacturing business in Malaysia to be healthy, and the business performance of our UK associate company to be robust as in the preceding years. [We] continue to aggressively rationalise our operating cost to adjust to the weak business operating environment domestically," Mohamed Sharil says in the annual report. ■

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

PBA Holdings

Shareholders rewarded since listing in 2002

BY ADELINE PAUL RAJ

PENANG'S water service provider PBA Holdings Bhd has been able to deliver decent returns to shareholders over the years despite growing challenges, which include a need for a water tariff hike in the state.

The group fell into a net loss of RM103.43 million for the financial year ended Dec 31, 2018 (FY2018) — its first annual loss ever — from a net profit of RM37.28 million in FY2017. Despite that, it paid shareholders a dividend per share of 3.5 sen compared with 4 sen each in FY2017 and FY2016.

Interestingly, PBA Holdings has rewarded shareholders with dividends every year since its listing on the Main Board of the Kuala Lumpur Stock Exchange (now Bursa Malaysia) in 2002.

On the stock market, PBA Holdings's share price (adjusted) has climbed 17.9%, from RM1.001 to RM1.18, between March 31, 2016, and March 31, 2019 — the period of review for *The Edge Malaysia Centurion Club Corporate Awards 2019*.

The compound annual growth rate of its shareholder returns over the three-year period was 5.6%, outperforming its peers in the utilities, telecommunications and media sector.

The reason PBA Holdings posted a loss in FY2018 was because it had to recognise a deferred tax liability of about RM137.6 million that year. Excluding that, it recorded an operational profit before tax (PBT) of RM36.14 million.

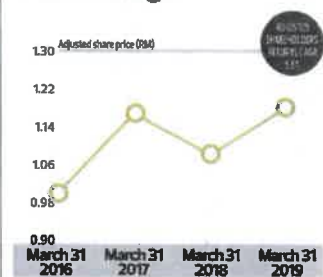
The group, however, pointed out that deferred tax liability is a non-cash flow item; the actual tax it had to pay the Inland Revenue Board for FY2018 was only RM1.55 million based on a PBT of RM36.14 million offset against other tax incentives.

It was able to pay dividends that year as it remained in a strong cash position, with cash and cash equivalents of RM182.48 million, and retained profits of RM368.31 million at end-2018.

The group's water services in the state is provided through its subsidiary, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP).

PBAPP is seeking a water tariff review in Penang this year. However, the quanta and

PBA Holdings



mechanism of the proposed tariff have not been fixed yet, according to its chairman Chow Kon Yeow, who is also Penang chief minister. He said in its latest annual report, released in end-April, that there were three main reasons the water tariff review was needed.

First, water demand in Penang is projected to increase from 826 million litres per day (MLD) in 2017 to 1,884 MLD in 2050, and PBA Holdings must thus upgrade and optimise its water supply infrastructure to ensure no water rationing in the future.

Second, PBAPP is planning to invest about RM501 million for infrastructure development projects between 2019 and 2021 in order to stay ahead of the state's water demand. These

projects include the new Butterworth-Penang twin submarine pipeline, the Sungai Perak raw water transfer scheme, upgrading of all existing water supply facilities and the laying of new pipelines and replacement pipelines.

Third, due to low tariffs, PBAPP's domestic water supply subsidy in Penang is too high. Last year, the domestic water subsidy was RM71.74 million. Without a tariff review, the subsidy is projected to increase further from 2019.

"We are aware that a water tariff review will be unpopular. That said, PBAPP has to do the right thing to protect Penang's future, water-wise," Chow says in the report.

He added, however, that the group would ensure that the proposed tariff review does not overburden lower-income groups, houses of worship and charitable organisations.

In the past 20 years, Penang's water consumption has grown by 56.7% to 840 MLD in 2018, from an average of 536 MLD in 1999. The number of registered water consumers in the state rose by 82% to 616,082 over the period.

In December last year, PBA Holdings ventured into the renewable energy business through its subsidiary PBA Green Technology Sdn Bhd. The group has identified two potential projects to kick off the business — a mini-hydro plant at the Air Itam Dam water treatment plant and solar power generation at the Bukit Dumar reservoir. ■



TELECOMMUNICATIONS, MEDIA & UTILITIES - Highest Returns to Shareholders Over Three Years
PBA Holdings Bhd (Datuk Jasen Maidin, CEO)



TELECOMMUNICATIONS, MEDIA & UTILITIES - Highest Growth in Profit After Tax Over Three Years and Highest Return on Equity Over Three Years
Optcom Holdings Bhd (Lim Bee Khin, co-CEO)



TRANSPORT & LOGISTICS - Highest Growth in Profit After Tax Over Three Years
Complete Logistics Services Bhd (Leon Law, representative)



TRANSPORT & LOGISTICS - Highest Return on Equity Over Three Years
Harbour-Link Group Bhd (Datuk Francis Yong, group managing director)



TRANSPORT & LOGISTICS - Highest Returns to Shareholders Over Three Years
IASCO Bhd (Andy Lee, chief business development officer)

THE EDGE CENTURION Club 2019



Loh Ee-Lynn and Lee Boon Chien from ZHULIAN Corp



Adeline Chin and Jimmy Piong from Kotra Industries



Tengku Datuk Seri Zairul Aziz (fourth from left) and his team from CIMB Group Holdings with Ho, Yong and Teh



Bernie Ooi (second from left) with his team from George Kent (Malaysia)



Geraldine Hill and Gary Dass from Tex Cycle Technology



Jacklyn Lim and Kenny Kok from Sunsuria



Pamela Geh and Karen Mak (both from MUI Properties) are flanked by Andrew Khoo and George Tang (both from Malaysian United Industries)



Pang Lye Ling and Eric Yong from Crest Builder Holdings



Chia Yong Wei and Melissa Kong from Omesti



Gregory Thu (The Edge), Chant Sue Ann, Michelle Kong and Benedict Wong (all from The Hour Glass Malaysia)



Ho, Yan Kim Ean (Chin Hin Group), Teh and Lee Hai Peng (Chin Hin Group)



Datuk Jaseni Maklinsa (centre) and his team from PBA Holdings



Tan (second from left) with Beh Chan Chong and Ann Teoh (both from Paramount Corp), Dorothy Teoh (The Edge Education Foundation), Lim Shiew Yain (The Edge), Datuk Chong Eng Keat and Tan Cheik Ealk (both from Elsoft Research)