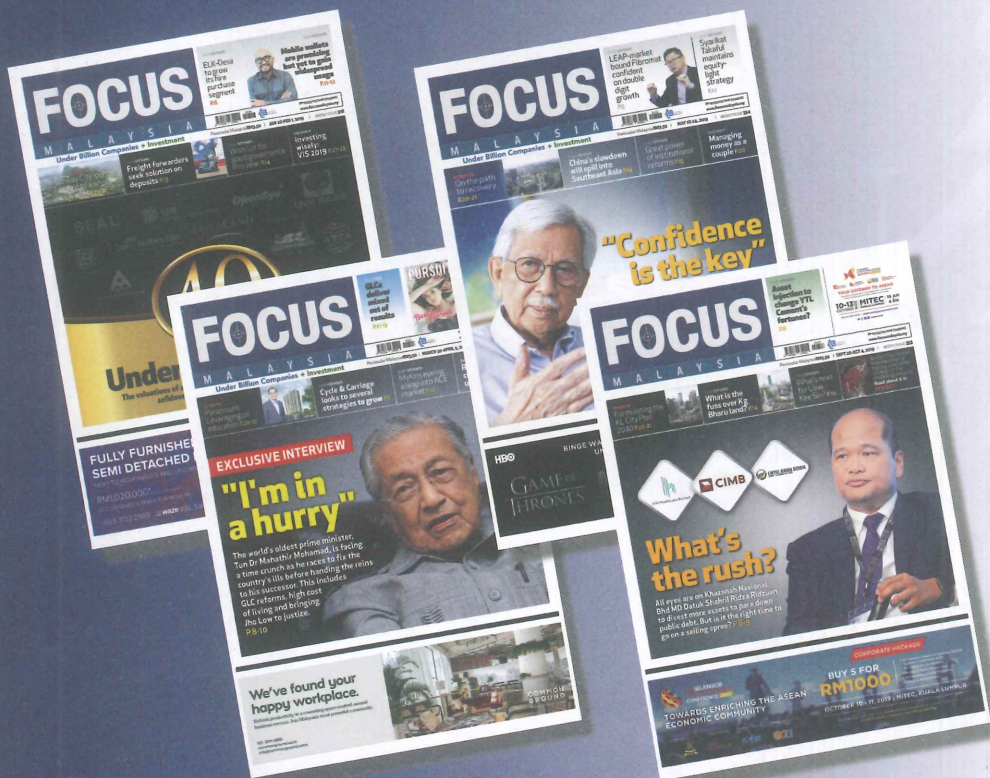


# Celebrating the unsung heroes of Bursa Malaysia



**F**ocus Malaysia successfully organised its annual signature event, Best Under Billion Awards (BUBA), for the fifth time on Nov 8 at the KL Hilton. As the name suggests, the event puts the spotlight on the best companies with a market value of under RM1 bil to recognise the excellent financial performance of these lesser-known Bursa Malaysia companies compared to blue chip companies and those that are highlighted by analysts in the local financial media.

The event gave us a peek into what these under a billion companies – a force to be reckoned with on Bursa – can offer. Out of 900+ listed companies, 322 companies or 34% fall in the under RM1 bil range.

Of these, 213 were profitable companies in the financial year ended 2018.

Despite a very challenging business environment, the 18 companies which won the BUBA Awards had shown determination and resilience in delivering good performance to their stakeholders.

This goes to prove that it is possible to deliver value to shareholders through a combination of sheer hard work, good planning and strong leadership skills.

The top performers were recognised across 10 award categories, with two winners named for each award.

One comes from Group A which comprises companies with a market capitalisation of between RM150 mil and RM499 mil, and another from Group B, which are companies with a market cap of RM500 mil to RM950 mil.

Stock market investors usually rely heavily on financial performance as a measure of a company's health.

However, leadership skills are also important, as a company's

board has to ensure that the company remains strong and focused on its line of business.

Managing its resources well while keeping an eye on the bottom line is what differentiates these companies from the rest of the pack.

The awards are given to those which recorded strong revenue, good profits and growth in their most recent full-year financial results.

The awards also took note of those which showed financial efficiency and prudent management of company resources by rewarding those which produced a healthy return on assets, enterprise value growth, steady cash flow and strong dividend yield.

To emphasise the importance of transparency and sustainability, particularly among listed entities, and to highlight the need for accountability to shareholders, BUBA 2019 also recognised those who practised high levels of sustainability reporting.

As investors are ever-hungry for information in an increasingly data-driven and connected world, we also rewarded companies which have done well in ensuring that they provide good and clear information to shareholders via their corporate websites.

It is indeed surprising that in this information era, some com-

panies still do not take seriously the dissemination of timely and detailed information to their investors. This is a major disappointment.

Despite this, running a listed company is not always a walk in the park.

In this matter, we also recognised companies which managed to engineer a turnaround of their fortunes, whether through shrewd management tactics or by the wisdom of their board of directors.

In trying to stanch the bleeding, company directors face a tremendous amount of pressure from their stakeholders to deliver results.

Hence, *Focus Malaysia* is proud to recognise these companies which, undoubtedly, would have gone through a major storm to eventually report profits.

As in previous years, we also gave an award for individual excellence via the Best CEO award.

The recipient was selected by a panel of *Focus Malaysia's* editors for his dynamism, leadership and strong business and management acumen.

*Focus Malaysia* thanks KPMG Management & Risk Consulting Sdn Bhd for vetting the winners' list to ensure that the selection of the winners was done in a fair manner. *FocusM*

## Methodology and criteria

**T**HE winners were selected using specific methodologies for each of the 10 categories. KPMG Management & Risk Consulting worked with *Focus Malaysia* to filter the winners, and the final decision was validated in consultation with the firm.

### Categories and criteria

#### 1. Best Return on Assets

Return on assets (ROA) tells us how efficient a company is in utilising its assets. We calculated the ROA for companies listed below RM1 bil for FY17. The company with the highest ROA was named the winner.

#### 2. Best Revenue Growth

We compiled the revenue for the past three years and then calculated the compound annual growth rate (CAGR). A company has to show consistent revenue growth, excluding any extraordinary gains. The company with the highest three-year revenue CAGR is the winner.

#### 3. Best Profit Growth

We compiled the net profit for the past three years and then calculated the CAGR. A company had to show consistent profit growth, excluding any extraordinary gains and growth. The company with the highest three-year profit CAGR is the winner.

#### 4. Best Cashflow from Operations

We compiled the cashflow from operations over the past three years and calculated the CAGR. The company with the highest three-year cashflow from operations is the winner.

#### 5. Best Enterprise Value Growth

We looked at the enterprise value growth rate over two years for all the companies under consideration. The company with the highest year-on-year enterprise value growth is the winner.

#### 6. Best in Dividend Yield

We selected the company with the highest dividend yield for FY18.

#### 7. Best in Transparency

We put a weighted score on six factors to determine how transparent a company is in its disclosure to shareholders. These are:

- a) Transparency pledge
- b) Time taken to file annual financial results
- c) Precise remuneration of directors
- d) AGM minutes, video recording or podcast
- e) Dividend policy statement
- f) Whistle blower policy

The company with the highest weighted score is the winner.

#### 8. Best Sustainability Reporting

We put a weighted score on three main areas which were broken down into subsections to determine how comprehensive the company's sustainability reporting was. These are:

- I. *Completeness and credibility* – A good report needs to be thorough and provide stakeholders with a complete view of the company's operations linking it to its business goals
- II. *Action on the ground* – This measures how much of what is being reported has in fact materialised into action on the ground. Sustainability reporting must be more than just intent and must reflect action taken to achieve the goals
- III. *Communication* – How well the report communicates its intentions and results to its declared target audience. The company with the highest weighted score is the winner.

#### 9. Best Online Presence

In this category, we assess companies which have a comprehensive presence online. We score them across 10 categories, which are broken into two main groups: share price related information and investor relations related information. The company with the highest score wins.

#### 10. Best Turnaround Story

This category aims to reward a company which has succeeded in navigating through headwinds to return to profitability. We analysed companies which had been performing poorly in the previous three years (2015, 2016 and 2017) but have successfully steered clear of their travails in a significant manner. For such performance to be termed a "turnaround," the return of the company to the black has to be due to deft handling of its businesses. Profits due to sale of assets and extraordinary items are excluded.

#### 11. Best CEO (Editors' pick)

The editors' choice of best CEO was based on factors such as leadership skills, dynamism and business acumen. On a broader note, the editors analysed how CEOs steered their companies to greater heights before picking the winner.

#### 12. Overall Winner

The Best Under Billion Awards categories were divided into financial performance, efficiency and transparency. The Overall Winner had the highest scores in all three areas.



**Overall Winner**

Sunsuria Bhd chief operating officer Simon Kwan (right) receiving the award from KPMG Malaysia managing partner Datuk Johan Idris, with Focus Malaysia editor-in-chief P. Gunasegaram (far left) and executive chairman Datuk Michael Yip (second from left). The company was voted the Overall Winner having also won in the Best Revenue Growth and Best Profit Growth categories in Group B

**Best Return on Assets (Group B)**

Econpile Holdings Bhd group CEO Raymond Pang (right) receiving the award

**Best Revenue Growth (Group B)**

Sunsuria Bhd chief operating officer Simon Kwan (right) receiving the award

**Best Cashflow from Operations (Group B)**

JHM Consolidated Bhd CEO Datuk Tan King Seng (right) receiving the award

**Best Profit Growth (Group B)**

Sunsuria Bhd chief operating officer Simon Kwan (right) receiving the award

**Best in Dividend Yield (Group B)**

Duopharma Biotech Bhd director Datuk Mohamad Kamarudin Hassan (right) receiving the award

**Best Enterprise Value Growth (Group B)**

MyNews Holdings Bhd executive director/CEO Dang Tai Luk (right) receiving the award (pls crop, make people bigger)

**Best Sustainability Reporting (Group B)**

APM Automotive Holdings Bhd chief operating officer Datuk Robert Tan (right) receiving the award

**Best in Transparency (Group B)**

MyNews Holdings Bhd executive director/CEO Dang Tai Luk (right) receiving the award

**Best in Online Presence (Group B)**

RCE Capital Bhd chairman Shahman Azman (right) receiving the award

**Best Turnaround Story (Group B)**

MNRB Holdings Bhd president & group CEO Mohd Din Merican (right) receiving the award



## GROUP B: RM500 mil to RM950 mil

myNEWS

**MyNews Holdings Bhd**

- **BEST ENTERPRISE VALUE GROWTH**  
(RM500 MIL TO RM950 MIL)
- **BEST IN TRANSPARENCY**  
(RM500 MIL TO RM950 MIL)

**M**yNews Holdings bagged two awards in BUBA 2019 – Best Enterprise Value Growth and Best in Transparency.

Founded by CEO Dang Tai Luk, MyNews Holdings started as a newsstand under the name of “MAGBIT” in December 1996. In 1997, the “myNews.com” brand name was launched with its first outlet at Mid Valley Megamall. Today, MyNews Holdings is the largest homegrown retail convenience store chain in Malaysia with nearly 470 outlets located in the urban areas of Peninsular Malaysia. It operates under brands such as myNEWS.com, newsplus, MAGBIT, THE FRONT PAGE, as well as WHSmith (operated under its equal joint venture with WHSmith Travel, one of the UK’s leading retailers). MyNews Holdings is also involved in the operation of WHSmith news and book retailing stores at Malaysia’s international airports, and also runs Bison Café, a food and beverage restaurant.

This year, MyNews Holdings together with its partners, Ryoyu Baking Co Ltd and Gourmet Kineya Co Ltd, launched their Japanese-inspired food production centre in Kota Damansara, Selangor. This facility supplies MyNews Holdings outlets across the Klang Valley with a wide array of high-quality ready-to-eat food and is expected to drive its growth in the convenience store business space.

In FY18, the convenience store operator’s revenue grew 20.07% to RM393.36 mil from RM327.6 mil in FY17. The higher revenue was due to the increase in retail sales which was contributed by a better product mix offered and the new outlets opened in FY17 and FY18. Following this, its net profit rose to RM26.01 mil from RM24.02 mil in the same period under review.

Formerly known as Bison Consolidated, MyNews Holdings is controlled by Tai Luk and his brothers, Dang Tai Hock and Dang Tai Wen, with a 57.86% stake held via D&D Consolidated Sdn Bhd.

It won the Best Enterprise Value Growth category for Group B as it posted an outstanding enterprise value growth of 34.15%. As at Dec 31, its enterprise value stood at RM945.23 mil.

Additionally, MyNews Holdings also secured the Best in Transparency award for Group B after it posted a score of 75% out of 100% according to the BUBA scoring methodology.

**MNRB Holdings Bhd**

- **BEST TURNAROUND STORY**  
(RM500 MIL TO RM950 MIL)

**F**or its FY16, MNRB Holdings fell into the red, registering a net loss for the first time since the 1998 Asian Financial Crisis. It suffered a net loss of RM38.83 mil mainly due to its reinsurance businesses which had abnormally higher claims from its overseas business – explosions at Port of Tianjin in China, the Taiwan earthquake and South Indian floods. In addition, the number of large domestic claims was also significantly high.

In FY17, the group took several key initiatives and some of these have already begun to show results as MNRB Holdings swung back into the black in FY17 with a net profit of RM71.17 mil due to its higher underwriting surplus.

Following the effective implementation of their business strategies and transformation plans, the group’s financial results in FY18 showed a robust performance as net profit surged 97.93% to RM140.87 mil. The increase in net profit came on the back of the sound performances of MNRB’s main operating subsidiaries, Malaysian Re and Takaful IKHLAS.

MNRB Holdings is a reinsurance provider that was set up in 1972 to reduce the outflow of reinsurance premiums overseas, and commenced operations in February 1973. It is led by its president and group CEO, Mohd Merican, and is controlled by Permodalan Nasional Bhd with a 57% stake.

**Duopharma Biotech Bhd**

- **BEST IN DIVIDEND YIELD**  
(RM500 MIL TO RM950 MIL)

**A**fter a demerger from its parent company, Duopharma Biotech went through a corporate rebranding exercise and adopted its current name in early 2019. Previously, it was known as CCM Duopharma Biotech Bhd. Duopharma is an investment holding company and engages in manufacturing, distributing, importing and exporting pharmaceutical products as well as medicines.

For FY18 ended Dec 31, the group notched a higher

revenue of RM498.72 mil versus RM467.99 mil in the previous corresponding period. The higher revenue was achieved mainly due to higher demand from both the private and public health sectors. This pushed its net profit to hit RM47.64 mil from RM42.46 mil in FY17.

Due to its better financial results, Duopharma posted a strong dividend yield of 5.79% which helped it to bag the Best in Dividend Yield award for Group B. The pharmaceutical company rewarded its shareholders with a dividend of 5.5 sen per share in FY18.

The group is controlled by Permodalan Nasional Bhd while its management is led by group managing director Leonard Ariff Abdul Shatar.

The group has diversified its earnings base into biopharmaceuticals and high-value niche products including regenerative therapy, and targets to have a strong presence in the areas of oncology, diabetes, renal, cardio and hepatitis by 2022.

**APM Automotive Holdings Bhd**

- **BEST SUSTAINABILITY REPORTING**  
(RM500 MIL TO RM950 MIL)

**A**PM Automotive engages in the manufacturing and sale of automotive parts and accessories. Over the years, it has expanded to become a major regional supplier and to global markets with business operations in Indonesia, Vietnam, Australia, the US, the Netherlands, Thailand and Myanmar.

For FY18 ended Dec 31, its revenue grew to RM1.33 bil

from RM1.19 bil in FY18. The higher revenue is mainly contributed by the group’s interior and plastics division on continued strong demand from certain original equipment manufacturer models. Consequently, net profit rose 21% to RM60.46 mil from RM49.97 mil in the same period.

While focusing on achieving strong financial performance, APM Automotive recognises the importance of social and environmental sustainability. Thus, it launched and implemented the group’s sustainability framework in 2017. Compared to the inaugural sustainability statement in 2017, the 2018 one is more structured and detailed covering the group’s journey and progress of its efforts towards the attainment of sustainable development.

Thus, APM Automotive emerged as the winner for Best Sustainability Reporting award for Group B with a score of 80% out of 100% across the various elements that companies were evaluated against.

**Econpile Holdings Bhd**

- **BEST RETURN ON ASSETS**  
(RM500 MIL TO RM950 MIL)

**F**ounded in 1987, Econpile Holdings is engaged in providing construction and piling solutions and building foundation works.

Over the years, it has gained extensive management experience in the infrastructure space as a Work Package

Contractor and is presently involved in piling, structural and substructure works for the Light Rail Transit Line 3 project, as well as piling and substructure works for the Sungai Besi-Ulu Kelang Elevated Expressway and Gemas-Johor Bahru electrified double-tracking project.

Econpile Holdings is helmed by its founder and group managing director, The Cheng Eng. He is also the largest shareholder of the specialist piling firm with a 27.1% stake.

For FY18 ended June 30, the company’s revenue rose to RM728.4 mil from RM581.91 mil in the previous corresponding period. This boosted its net profit for the same period to RM87.1 mil from RM80.77 mil, marking its best-ever full-year net profit.

As a result, Econpile Holdings emerged as the winner for the Best Return on Assets category for Group B with a return on assets of 13.37% for FY18.

**JHM Consolidation Bhd**

- **BEST CASHFLOW FROM OPERATIONS**  
(RM500 MIL TO RM950 MIL)

**I**ncorporated in 2005, JHM Consolidation comprises two main business segments – investment holding and electronic products. Its electronic products segment is engaged in the manufacturing and assembling of components related to high brightness light emitting diode (LED), direct current micromotor components, fine pitch connec-

tor pins and other electronic components and products.

The group is led by its group CEO, Datuk Tan King Seng, who is also JHM Consolidation’s largest shareholder with a 34.47% direct stake.

The microelectronic component provider’s revenue expanded to RM264.71 mil in FY18 from RM246.09 mil in FY17. This boosted its net profit to RM35.4 mil from RM29.6 mil in the same period. JHM Consolidation attributed the increase in revenue and earnings mainly due to the continuous favourable demand for LED lighting applications in the automotive sector which currently contributes 71% to the group’s total revenue.

JHM Consolidation won the Best Cashflow from Operations category for Group B, after posting a three-year compound annual growth rate of over 320% in cashflow terms.

**RCE Capital Bhd**

- **BEST IN ONLINE PRESENCE**  
(RM500 MIL TO RM950 MIL)

**F**or every business, it is imperative to have a website especially in today’s digital world. A website serves as the most important source of information for investors as well as for attracting investors. Understanding the importance of a website as a platform to share relevant and timely data to its stakeholders, RCE Capital bagged

the Best in Online Presence award for Group B for the efforts put into its website.

For FY18 ended March 31, RCE Capital posted a higher revenue of RM245.91 mil versus RM223.33 mil in the previous corresponding period, with net profit up 12.32% to RM88.68 mil from RM78.95 mil. The better performance was primarily backed by stable growth in the consumer financing loan base which resulted in a higher interest income compared to FY17.

Incorporated in 1953 as Leong Tian Tin Mines Ltd, RCE Capital went through a series of name changes before adopting its current name in 2003. RCE Capital is involved in the provision of financial services which include consumer financing, commercial financing and payroll collection. A subsidiary of Amcorp Group Bhd, its management is spearheaded by CEO Loh Kam Chuin.