

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

• INNOPRISE 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

• ELISOFT 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 } Joint winners
• SHIN YANG SHIPPING CORP BHD

Highest returns to shareholders over three years

• TASCO BHD

CONGRATULATIONS



TO THE WINNERS OF

THE **EDGE** CENTURION *Club* 2019

Amanah Harta Tanah PNB
Atrium REIT
Complete Logistic Services Bhd
Country View Bhd
Deleum Bhd
Dufu Technology Corp. Bhd
Econpile Holdings Bhd
Elsoft Research Bhd
George Kent (M) Bhd
Hai-O Enterprise Bhd
Harbour-Link Group Bhd
Hektar REIT
Innoprise Plantations Bhd
JHM Consolidation Bhd
KESM Industries Bhd

Kluang Rubber Co (M) Bhd
Kotra Industries Bhd
MHC Plantations Bhd
Opcom Holdings Bhd
Paramount Corporation Bhd
PBA Holdings Bhd
PMB Technology Bhd
RCE Capital Bhd
Scicom (MSC) Bhd
SEG International Bhd
Shin Yang Shipping Corp Bhd
Stella Holdings Bhd
TASCO Bhd
Uzma Bhd
Y.S.P. Southeast Asia Holding 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 PAT 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 PAT 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 PAT 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 PAT 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	INNOPRISE 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 PAT 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 PAT 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

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

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

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

Telecommunications, Media & Utilities



Highest return on equity over three years

RANK	COMPANY	WEIGHTED ROE OVER 3 YEARS (%)
1	OPCOM HOLDINGS BHD	8.20
2	OCK 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

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

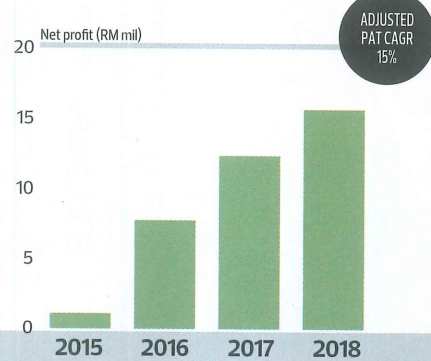
RANK	COMPANY	ADJUSTED 3 YEAR PAT CAGR (%)
1	DUFU TECHNOLOGY CORP. BHD	22.50
2	MUDA HOLDINGS BHD	18.00
3	CYPARK RESOURCES BHD	17.40

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

THE EDGE CENTURION Club 2019

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS



ensuring the group's long-term success in the highly competitive pharmaceutical industry in Malaysia. It is also its intention to increase its shareholders' value through product innovation.

"Our dedicated in-house R&D team is constantly working on developing and formulating new as well as existing pharmaceutical products to support the growing demand and to fulfil hitherto unmet medical needs," says managing director Jimmy Piong Teck Onn in Kotra's 2018 annual report.

In FY2018, Kotra launched three products — Axcel Ciprofloxacin tablet, an antibiotic to treat bacterial infections and stop bacterial growth; Axcel Fluconazole capsule, an antifungal agent effective in treating fungal infections; and Vaxcel Fluconazole injection, a sterile antifungal agent used for systemic treatment of fungal infections.

Today, Kotra employs more than 700 people and has a presence in over 35 countries, including Vietnam, Myanmar, Indonesia and Cambodia. It manufactures its drugs at a facility in Melaka.

"Being a good manufacturing practice (GMP) facility equipped with state-of-the-art technology, we aim to place our utmost focus and efforts towards innovation to de-



velop and produce quality pharmaceutical products to fulfil the needs in today's market in line with our vision of humanising health," says Piong.

"Our strategy is to be able to provide high-quality, safe and accessible products to all our customers at every stage of life as we firmly believe everyone deserves a healthier tomorrow."

Kotra was founded by Piong's late father Piong Nam Kim @ Piong Pak Kim. Today, the Piong family controls 60.1% of Kotra's shares, with Piong holding a 7.06% direct stake and 53.04% indirect stake through Piong Nam Kim Holdings Sdn Bhd.

As the current economic conditions remain challenging, Kotra says it will continue to strive to increase revenue in both the local and export markets going into FY2020.

It will also seek to secure new tenders and contract manufacturing to utilise its available production capacity while leveraging R&D activities for new products.

It expects to remain profitable in FY2020 on the assumption that the economic conditions remain relatively unchanged.

Its share price has gained 38% over the past five years to close at RM1.90 on Oct 22, for a market capitalisation of RM274.01 million. ■

Still, Y.S.P.SAH managed to close FY2018 on a solid footing. It reported a record net profit and revenue of RM30.13 million and RM288.76 million respectively, which the group attributes to contributions from both domestic and export operations, as well as cost efficiencies.

Analysts see potential in Y.S.P.SAH. "We believe the undemanding valuation and reasonable dividend yields (3% to 4% per year) offer minimal risk for investors to ride its earnings improvement," Affin Hwang Investment Bank writes in an Aug 29 note to investors.

CGS-CIMB Research concurs, noting that Y.S.P.SAH's valuation remains attractive, further supported by a reasonable dividend yield of 3.4% to 5.2% in FY2019 to FY2021.

The stock continues to be supported by its net cash position of RM46.3 million as at end-June this year, it says in a separate note on Aug 29.

Y.S.P.SAH's total registered products now stand at 464, comprising 355 pharmaceutical products and 109 veterinary products. President and group managing director Datuk Dr Lee Fang Hsin and his family are the group's largest

shareholders, holding a 10.07% direct stake and 37.84% indirect stake through YSP International Co Ltd as at March 29.

Moving forward, the group expects 2019 to remain challenging. "We will continue to focus on improving operational efficiency, increasing our product offerings through concerted efforts in product registration and effective marketing, promotional and sales initiatives to gain a more extensive market penetration and improving our market share," says Anis.

Concurrently, efforts to increase brand and product awareness will be initiated by partnering local partners for marketing, advertising and promotion, as well as building a more pronounced online presence in product marketing and sales.

In the area of exports, Anis says the plan is to increase Y.S.P.SAH's participation in government tenders in Asean and African countries and also to advance into developed markets such as Canada, Australia and New Zealand.

Its share price gained 55% over the past five years to close at RM2.25 on Oct 24, for a market capitalisation of RM314.06 million. ■

FINANCIAL SERVICES

HIGHEST RETURN ON EQUITY OVER THREE YEARS

HIGHEST GROWTH IN PROFIT AFTER TAX OVER THREE YEARS

HIGHEST RETURNS TO SHAREHOLDERS OVER THREE YEARS

RCE Capital

Keeping profitability on growth path

BY ESTHER LEE

IN the inaugural *The Edge Malaysia* Centurion Club Corporate Awards 2019, RCE Capital Bhd made its mark by emerging as the winner in all three categories in the financial services sector.

RCE Capital, a subsidiary Amcorp Group Bhd, is principally involved in commercial financing, consumer financing and payroll collection business.

Amcorp Group is an investment holding company controlled by banking veteran Tan Sri Azman Hashim and it is a major shareholder of AMMB Holdings Bhd through its 13% stake in the banking group.

As the financial services industry undergoes changes with the emergence of fintech, in addition to the lacklustre economic outlook, RCE Capital has managed to weather the challenges while keeping its profitability growth on an upward trend.

This could be due to the niche it has created for itself in the financial services industry, where it focuses on dispersing personal loans to civil servants, the repayments of which are done through a salary deduction scheme.

Over the last three years, RCE Capital's profit after tax adjusted compound annual growth rate (CAGR) totalled an impressive 30%. This comes on the back of a growing PAT over the last three years. In the financial year ended March 31, 2016 (FY2016), PAT stood at RM39.6 million. In the next year, it doubled to RM79 million and climbed further to RM88.7 million in FY2018.

Among its peers, it also emerged with the highest return on equity with a weighted ROE of 16.1% over a three-year period. It is worth noting that ROE has climbed from a mere 7.74% in FY2016 to 17.59% in FY2017 and 18.46% in FY2018.

In terms of shareholders' returns, RCE Capital has also topped its peers as it scored an adjusted CAGR of 15.2% for shareholders' returns over three years. As at the cut-off date of March 31 this year, RCE Capital's share price stood at RM1.63 apiece, from 73.4 sen on March 31, 2016.

However, the share price seems to have come off a little from its peak recently as it had fallen to RM1.55 as at Oct 29.

In an Oct 29 report, Rakuten Trade says the valuation of the company is attractive at a current price-to-book value (P/BV) of 0.9 times, while dividend yield amounts to 5.8%.

The trading platform adds that there is still ample room to grow its customer base given that RCE's market share is only 5% of the 1.6 million civil servants in Malaysia.

"At present, the average loan size is about RM16,600 with a maximum loan tenure of 10 years," says the report, adding that RCE Capital's asset quality has improved as its gross impaired loans ratio has fallen from 13.7% in FY2013 to 7.4% in FY2019.

Maybank Investment Bank Research says

in an Aug 22 report that RCE Capital's gross non-performing loan ratio was stable at 4.41% as at end-June versus 4.38% at end-March. Its credit cost was lower at 1.04% in the first quarter ended June 31 of FY2020 (1QFY2020), versus 1.41% in FY2019. It also has a high loan loss coverage ratio at 168%, above the average 127% seen in the banking industry.

As financial institutions struggle with compressed net interest margins, RCE Capital has managed to keep itself ahead of the pack with its NIMs around 8%, higher than its peers.

For 1QFY2019, RCE Capital's revenue grew 5.9% to RM66.94 million while net profit gained 4% to RM24.12 million. The higher revenue was mainly contributed by the higher interest income says the company.

Maybank IB Research upgraded its call on RCE Capital to "buy" with an unchanged target price of RM1.80.

"Valuations are undemanding with the stock trading at a FY2020E price-earnings ratio of just 5.5 times, and P/BV of 1 times for ROEs of more than 17%. Yields of more than 5% provide support," says the research house. ■

RCE Capital

