BIMB Best 2015 Performer

In the year that just ended, 46 companies showed good profits. They had a combined market capitalisation of RM49.23bil, comprising about 2.97pc of Bursa Malaysia's total market capitalisation of 48 companies that performed poorly, most battled various internal and external pressures thus, posting dismal financial results.

Overall, the best performer in terms of absolute value of profit was BIMB Holdings Bhd. For its year ended Dec 31, 2014, its net profit hit a remarkable RM532.33 mil, growing by over 90pc against the previous year's earnings.

For the first nine months of this year alone, BIMB hit RM385.41 mil, which is better than 2014's nine-month earnings. If BIMB keeps its pace, it will be on track to outdo last year's performance.

BIMB's largest shareholder is Lembaga Tabung Haji with a 55.1pc stake, followed by the Employees Provident Fund with 9.93pc. It owns 100pc Bank Islam Bhd, which is its biggest revenue contributor. BIMB also has a 60.31pc interest in listed Syarikat Takaful Malaysia Bhd.

Surprisingly,despite its stellar performance, its share price has been declining to close at RM3.72 on Dec 21, from it's year's high of RM4.29 on July 27.

Second on out list of top profit makers is Pavillion Real Estate Investment Trusts (REITS). For the financial year ended Dec 31 last year, it posted an impressive net profit of RM510.48 mil – a 56pc increase over 2013.

For the first nine months of this year, the REIT had already recorded net profit of RM180.26 mil. This is higher than its nine-month earnings last year. It should outdo last year's performance if all goes well.

The Company is controlled by elusive tycoon Tan Sri Desmond Lim Siew Choon, 54, who is Pavillion Kuala Lumpur chairman and executive director. Pavillion is one of the more upmarket shopping malls in Bukit Bintang, Kuala Lumpur. It is popular with Malaysians and tourists for shopping.

Desmond also controls listed property development company Malton Bhd. His wife, Puan Sri Tan Kewi Yong, sits on the board of both companies. Pavillion REIT's unit price performance had risen to RM1.47 on Dec 21, compared with RM1.35 in early January.

Kim Hin Industry Bhd, a ceramic tile producer, posted one of its best results in over five years. For financial year ended Dec 31 last year, it took advantage of cheap crude oil prices to post RM28.6 mil in net profit against a meagre RM24,000 the previous year.

The company also attributed its good performance to the contribution made by Australia-based Johnson Tiles Pty Ltd, which it acquired last year for RM6.9 mil.

Kim Hin also tiles to Australia, the Middle East, India and Pakistan. Since January, its share price had been spectacular, rising almost 95pc to close at RM2.14 on Dec 21.

Multi Usage Holdings Bhd, another property and construction-related company, also posted stellar net profit last year.

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The company which makes fire resistant bricks, precast concrete hollow blocks and various other concrete-based products, recorded an impressive net profit of RM21.69 mil for its financial year ended Dec 31 last year.

This is a remarkable increase of over 3,000pc against net profit of only RM623,000 in 2013. The huge jump in earnings was due mainly to its property and manufacturing divisions yielding good results. The group recorded revenue of RM59.7 mil and pretax profit of RM26.3 mil, up 85pc and 2,220pc, respectively over the previous year.

Ongoing property development projects such as Garden Residency, TF21 and TF65 were the main contributors to higher revenue.

The manufacturing and trading segments also contributed to the increase by 29pc due to the rise in sales of retaining wall blocks and building materials to contractors of in-house projects.

The higher pretax profit was a record high, contributed mainly by the property segment, says chairman Abd Aziz Mat in the company's 2014 annual report.

Interestingly, Multi Usage's share price has been declining since March when it was trading at RM1.60.The counter closed at 95 sen on Dec 21.

Besides Kim Hin and Multi Usage, the rest of the 10 best performers on our list in terms of net profit growth are Sarawak Cable Bhd, Rubberrex Corporation (M) Bhd, WZ Satu Bhd, IFCA MSC Bhd, K-One Technology! Bhd, Berjaya Food Bhd and MPHB Capital Bhd.

Industrial product companies posted the best growth (four companies) followed by trading/services (two). This is not surprising, considering that the weak ringgit and low crude oil price had a positive impact on export-based companies.

The year has indeed been eventful with many ups and downs. Littered with challenges, it is leaving many investors and market observers wondering what will happen next.

First, the oil & gas was hit hard. At press time, Brent crude was trading at US$36.28 per barrel, the lowest for the year. This is a drop of about 48pc when it was trading at around US$68 per barrel.

As expected, national oil corporation Petroliam Nasional Bhd's (Petronas) revenue declined significantly, hurting the domestic economy. For its third quarter ended Sept 30, it posted revenue of RM60.06 bil, down 25pc from the same period last year.

Secondly, the ringgit performed poorly against the greenback. While this increased the cost for most companies which import parts, local exporters benefited. Hence, the manufacturing sector and export-oriented companies generally posted better profits than others.

Plantation companies were also affected by weak crude palm oil (CPO) prices. In early March last year,

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CPO was trading at a high of RM2,895 per tonne.

However, prices declined sharply to just above RM2,000 per tonne by end-August last year. This somewhat affected earnings of plantation companies.

In early January, CPO traded at RM2,281 per tonne. However, global market volatility caused the price to decline. It dipped sharply from mid-July to hit its lowest on Aug 27, closing at RM1, 802 per tonne.

However, it has since recovered somewhat, closing at RM2,468 per tonne on Dec 22. Despite low CPO prices last year, some plantation companies did well in their earnings. Among them, Sarawak Plantations Bhd posted net profit of RM61.29 mil for FY14, up 54.4pc from the previous year's earnings.

Sarawak Plantations' largest shareholder is Costs Capital Sdn Bhd (30.39pc) followed by the Sarawak government (25.47pc) and Lembaga Tabung Haji (6.72pc).

Poor Performers

Topping our list of worst performers in terms of biggest recorded losses is Talam Transform Bhd.

The company is led by Tan Sri Chan Ah Chye with an indirect interest of 27.47pc and another 2.55pc director.

The property developer which had spiraled downwards into difficulties a few years ago, appears to be getting back on the recovery path, despite posting net loss of RM143.45 mil for the FY ended Jan 31, 2015.

The company says that despite the huge loss attributed to "prudent measures taken to impair the assets of the group," Talam's gearing had improved. Its total borrowings and loan stocks stand at RM223 mil against RM363 mil in the previous financial year. PDZ Holdings Bhd also did poorly last year. For its financial year ended June 30 this year, its losses widened to RM58.95 mil. This is the company's heaviest loss in the last five years.

The investment holding company's main businesses operating a container liner. It has over six Shipping vessels plying Malaysia, Brunei, Singapore and Myanmar.

It attributed the severe losses to expenses as a result of a "business diversification exercise (RM4.20 mil), impairment (RM50.21 mil) and impairment of financial asset (RM5 mil)."

The company was also hit hard by the weak ringgit, saying decline against the greenback "has put tremendous pressure on our costs which are substantially denominated in US dollars."

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