

Headline	TOP 10 most transparent KLCI constituents		
MediaTitle	Focus Malaysia		
Date	25 Jun 2016	Color	Full Color
Section	News	Circulation	20,000
Page No	12	Readership	60,000
Language	English	ArticleSize	877 cm ²
Journalist	N/A	AdValue	RM 15,100
Frequency	Weekly	PR Value	RM 45,300



TOP 10 most transparent KLCI constituents



1 Malayan Banking Bhd
Founded in 1960, Maybank is the largest banking group in terms of total assets with RM780.3 bil as at the end of last year.
 Net profit for Q1 FY16 came in 16% lower year-on-year as it was impacted by higher allowances.
 TA Research expects Maybank to experience margin pressures in line with increased competition for deposits. It has a hold call on the counter.
 Tan Sri Megat Zaharuddin Megat Mohd Nor is the chairman while group president and CEO is Datuk Abdul Farid Alias.
 Maybank is controlled by Permodalan Nasional Bhd through a combination of subsidiaries with 45.8% overall stake.



2 Telekom Malaysia Bhd
 Telekom Malaysia (TM) provides telecommunication services and is the largest fixed data provider with an 80% market share.
 Its core net profit for Q1 FY16 rose 9.6% year-on-year while revenue increased 2.9% mainly on higher contribution from its internet segment.
 Nonetheless, Public Investment Bank has an underperform call on the stock due to concerns over earnings prospects.
 Its chairman is Tan Sri Sulaiman Mahbob while Tan Sri Zamzamzairani Mohd Isa is TM's managing director and group CEO. Khazanah Nasional Bhd is the major shareholder with a 28.65% stake.



3 Public Bank Bhd
Founded in 1966 by chairman Tan Sri Teh Hong Piow, it is the third largest banking group with an asset size of RM363.7 bil as at the end of last year. It also has a presence throughout Asia. Its CEO is Tan Sri Tay Ah Lek.
 Its Q1 FY16 results were within expectations with a net profit of RM1.3 bil. This was supported by robust fund-based income and non-interest income growth.
 Loans and deposits also continued to grow ahead of the industry, said Affin Hwang Capital, which has a buy call

on Public Bank. It is the only bank in the country that has not incurred a loss since its inception.



4 RHB Capital Bhd
 The group provides commercial and merchant banking services through several subsidiaries.
 Its stock has been suspended since May 31 to facilitate the implementation of its distribution and capital repayment.
 This involves the distribution of the entire shareholding of RHB Cap in RHB Bank Bhd by way of distribution-in-specie via a reduction of the entire share premium account of the company.
 The company says the distribution would involve the reduction in par value of all the ordinary shares of RM1 each in RHB Cap to five sen.

Hong Leong Investment Bank (HLIB) is positive on the restructuring exercise as it expects the company to be earnings and return on equity accretive due to savings on interest expenses of about RM135 mil.
 The research house also expects capital ratios to improve and is maintaining its buy call on the counter.
 Its board is helmed by chairman Tan Sri Azlan Zainol while CEO is Datuk Khaisussaleh Ramli. The Employees Provident Fund is the controlling shareholder with a 41.69% stake in RHB Capital.



5 Petronas Gas Bhd
 Pet Gas processes and transports natural gas produced by its parent and national oil company Petrolim Nasional Bhd. It also supplies steam and industrial gases to industrial areas in Terengganu and Pahang.
 BIMB Securities says Pet Gas' Q1 FY16 net profit of RM447 mil was in line with its expectations and notes that revenue rose 2.7% year-on-year.
 The research house maintains its FY16 and FY17 earnings and profit forecasts as it expects the company to be supported by various project agreements inked between Pet Gas and Petronas.
 Tan Sri Shamsul Azhar Abbas is chairman while MD and CEO is Yusa Hassan. Petronas owns a controlling 60.66% stake in the group.



6 Axiata Group Bhd
 Axiata is a mobile telecommunications provider with operations in Asia. Within the country, it operates under the Celcom brand, while it uses XL in Indonesia, Dialog in Sri Lanka, Robi in Bangladesh, Smart in Cambodia, Idea in India, and M1 in Singapore.
 MIDF Research said Axiata's normalised Q1 FY16 earnings were below expectations as its various country segments delivered mixed performances.
 The research house has maintained its neutral call on the group.
 Tan Sri Azman Mokhtar is chairman while Tan Sri Jamaludin Ibrahim is MD and group CEO. Khazanah Nasional Bhd is the major shareholder with a 38% stake.



7 KLCC Stapled Group
 KLCC Stapled is made up of two components, KLCC REIT and KLCC Property Holdings Bhd. Securities of the two were stapled together in May 2013.
 Its Q1 FY16 core net income of RM182.8 mil came within expectations, said MIDF Research which believes the outlook for KLCC Stapled's retail and office divisions remains stable.
 But the research house says its hotel operations segment is likely to be challenging due to weak demand and may be a drag on the group. MIDF Research maintains its neutral call.
 Its chairman is Krishnan CK Menon while CEO is Hashim Wahir. Petronas has a majority 74.47% stake in the company.



8 Petronas Dagangan Bhd
 The main marketing arm of Petrolim Nasional Bhd (Petronas), Pet Dag was incorporated in 1982 and listed in March 1994.
 TA Securities notes that Pet Dag's core net profit for Q1 FY16 was within expectations but observes that results were subdued

due to lower average selling prices (ASP) and diesel volumes.

The research house has a sell call on the counter due to rich valuations, muted volumes and ASP weaknesses.
 Its chairman is Md Arif Mahmood while Ibrahimuddin Mohd Yunus is CEO and MD. Petronas has a 69.86% controlling stake in the company.



9 Tenaga Nasional Bhd
Formed in 1951, TNB is the national utility company providing electricity services throughout the country. It also has an international presence.
 TNB recently acquired power assets in India's GMR Energy Limited and expects the acquisition to contribute to earnings from FY18.
 However, Public Investment Bank believes the contribution will be insignificant and maintains its earnings forecast pending developments. Nonetheless, it is still positive on TNB and has an outperform call on the counter.
 The national utility company's chairman is Tan Sri Leo Moggie. Datuk Seri Azman Mohd is president and group CEO. Khazanah Nasional Bhd is the controlling shareholder with a 29.7% stake.



10 British American Tobacco (M) Bhd
Formed from a 1999 merger between two tobacco companies, BAT is the country's largest cigarette producer.
 It recently announced it would cease local production by H2 FY17 and has proposed to sell its Petaling Jaya factory.
 In early June, BAT entered into a RM218 mil deal with LGB Properties to sell the property.
 The deal is expected to yield net cash of RM208 mil which BAT says will be used for dividends or debt reduction. Maybank Kim Eng has a hold call on the counter.
 Its chairman is Tan Sri Mohamad Salim Fateh Din while Erik Stoel took the helm as MD on June 1.
 Controlling shareholder is British American Tobacco Holdings Malaysia BV with a 50% stake.

Table B: Financials of top 10 most transparent stocks

#	Name	FY End	Latest FY Revenue (RM'000)	Previous FY Revenue (RM'000)	Latest FY Net Profit (RM'000)	Previous FY Net Profit (RM'000)	P/E Latest FY	EPS Latest FY (Sen)	Stock Price June 17 (RM)	Market Cap June 17 (RM'bil)
1	Malayan Banking*	Dec 31, 2015	40,556,371	35,712,006	6,986,388	6,911,043	11.67	72.0	8.09	80.97
2	Telekom Malaysia*	Dec 31, 2015	11,721,600	11,235,100	591,800	842,500	36.26	18.7	6.75	25.37
3	Public Bank	Dec 31, 2015	19,181,550	16,860,071	5,121,239	4,563,340	14.13	131.1	19.14	73.91
4	RHB Capital*	Dec 31, 2015	10,826,707	10,413,246	1,524,033	2,063,464	10.50**	58.1	6.10**	18.76**
5	Petronas Gas*	Dec 31, 2015	4,455,955	4,391,716	1,985,870	1,842,080	22.61	100.4	21.44	42.42
6	Axiata Group*	Dec 31, 2015	19,883,460	18,711,777	2,636,068	2,368,521	21.73	29.5	5.52	48.71
7	KLCCP Stapled Group*	Dec 31, 2015	1,340,229	1,353,516	1,403,189	1,159,387	23.46	30.1	7.38	13.32
8	Petronas Dagangan*	Dec 31, 2015	25,171,210	32,340,998	794,624	508,150	31.27	79.5	23.32	23.17
9	Tenaga Nasional*	Aug 31, 2015	43,286,800	42,792,400	6,060,900	6,426,800	10.31	108.4	13.98	78.90
10	British American Tobacco (Malaysia)	Dec 31, 2015	4,581,547	4,795,991	910,062	902,031	17.60	318.7	50.30	14.36