

# 3 companies on watch list outperform KLCI

As we are in the second half of the year, let's take a look at the share price performance of the companies highlighted under *StarBiz's Company to Watch* column that appears on Fridays in the first five months of the year

By YEOW POOI LING  
lingyp@thestar.com.my

**PETALING JAYA:** Of the 13 companies featured in the *Companies to Watch* column, Plenitude Bhd, Cahya Mata Sarawak Bhd (CMSB) and Crescendo Corp Bhd have outperformed the Kuala Lumpur Composite Index (KLCI). The benchmark has appreciated 25% year-to-date.

Property developers Plenitude and Crescendo are expected to benefit from the recovery in the property sector, especially with the slew of incentives announced so far by the Government.

Both companies have exposure to the Iskandar Development Region.

Earnings-wise, Crescendo showed a 27.8% improvement in net profit to RM4mil in the first quarter ended Apr 30 compared with RM3.2mil in the corresponding period a year earlier.

Earnings per share improved to 2.85 sen against 2.23 sen a year ago. The board expressed confidence that the current financial year would be better than previously.

Plenitude's earnings, on the other hand, would in the short term be compromised given the company's strategy to defer some of its launches.

However, in the long term, the delay would underpin its sustainability, noted OSK Investment Bank.

Meanwhile, CMSB, a significant construction player in East Malaysia, will gain from the infrastructure

## Top 5 performers

Company to watch	Published date	Closing price before published date (RM)	Yesterday's closing price (RM)	Change (%)
Plenitude	March 9	1.84	3.52	91.3
Cahya Mata Sarawak	Apr 27	1.59	2.46	54.7
Crescendo	March 2	1.13	1.66	46.9
Worldwide	Apr 13	3.16	3.68	16.5
SKP Resources	March 16	0.165	0.18	9.0

## Top 5 under performers

Company to watch	Published date	Closing price before published date (RM)	Yesterday's closing price (RM)	Change (%)
Negri Sembilan Oil Palms	May 25	3.48	3.62	4.0
Mulpha International	Feb 9	1.61	1.65	2.5
FSBM	May 11	1.44	1.45	0.7
Toyochem	Apr 21	2.78	2.66	-4.3
Lingui	Feb 16	3.84	3.08	-19.8

budget under the Ninth Malaysia Plan.

It also helps that CMSB's cashflow will be boosted by the hefty capital repayment from subsidiary Utama Banking Group Bhd following the completion of the sale of its stake in Rashid Hussain Bhd.

Shares in Worldwide Holdings Bhd have performed well, thanks to the recent increase in offer price by Perbadanan Kemajuan Negeri Selangor (PKNS) for the remaining shares it does not own.

PKNS, which holds 51% of Worldwide, has raised the proposed privatisation offer by 40 sen to

RM3.90.

The column highlighted this company in April when its shares were traded at RM3.16 each.

Assuming one had bought the stock at that price, the new offer price would have given an upside of about 23%.

The top five under-performers featured by the column are Negri Sembilan Oil Palms Bhd (NSOP), Mulpha International Bhd, FSBM Holdings Bhd, Toyochem Corp Bhd and Lingui Developments Bhd.

NSOP reported improved results in first quarter ended March 31, with net profit rising 36% to RM3.3mil

from RM2.4mil in the corresponding quarter a year ago, buoyed by better pricing for fresh fruit bunches and crude palm oil.

The board has proposed a high dividend for the current financial year compared with last year's sen.

The interim dividend of 10 sen per share went ex- last month.

The under-performance of FSBM could be due to cautious sentiment as the company's efforts to boost order book have yet to be reflected in its earnings.

For first quarter ended March 31, it posted a marginally lower net profit of RM3.03mil against RM3.05mil in the same quarter year ago. Sales fell, to RM29.2m from RM35.8mil previously.

FSBM expects UNOS Voice, which was launched in April, to start contributing to sales in the second half.

Currently, it has contracts in hand worth about RM130mil and bids valued at RM300mil, which are likely to bring in better earnings for the remainder of the fiscal year.

Lingui's share price has already run up significantly prior to the listing of its unit, Samling Global Ltd, on the Hong Kong Stock Exchange in March.

The timber company has continued to show improvement in earnings. For the nine months ended March 31, it posted a net profit of RM209.5mil, compared with a net loss of RM22mil in the same period year ago.

It expects timber prices to be higher this year compared with last year.

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