

Post Corporate Restructuring Analysis: The Case of Malaysian Resources Corporation Berhad (MRCB)

Ainulashikin Marzuki, Nur Ainna Ramli*, Fauzias Mat Nor

Fakulti Ekonomi dan Muamalat, Universiti Sains Islam Malaysia (USIM), Bandar Baru Nilai, 71800 Nilai, Negeri Sembilan Malaysia
Email: *nurainna.ramli@usim.edu.my*

Norazlan Alias, Mohd Hasimi Yaacob

Fakulti Ekonomi dan Pengurusan, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor

** Corresponding Author*

Abstract

Purpose: This case study examines the long-term effect of corporate restructuring of Malaysian Resources Corporation Berhad (MRCB) in the period of 2000 to 2021.

Design/methodology/approach: Financial ratio analysis and event study approaches are employed as tools to evaluate the restructuring process, focusing on assessing the financial distress and analyzing the capital structure of MRCB.

Findings: Three proposed corporate restructuring (PCR) announcements are discussed for MRCB where the announcements were issued to specifically address troubled debt in the MRCB corporate structure. According to the event study approach, the PCR events were defined as the date when the firm first announced its restructuring plan. The event study approach examines the 50 days before and after PCR announcement. This study discovers that the company has more financial stability and more prudent debt management after corporate restructuring which consequently result in better performance.

Research limitations/implications: This is a case study focusing on one company that is MRCB. Thus, the finding cannot be generalized to other companies with similar financial issues.

Practical implications: This finding of the case study assists managers to take appropriate action in designing and implementing corporate restructuring exercises as the success or failure of corporate restructuring depends on the deployment of an appropriate strategy.

Originality/value: This is the first case study to investigate the long-term effect performance of corporate restructuring.

Keywords: Corporate restructuring, Performance, Financial ratio analysis, event-study

Introduction

In today's globalized economy, competitiveness and competitive advantage have become the sayings for corporate around the world. Corporate worldwide have been aggressively trying to build new competencies and capabilities, to remain competitive and grow profitably (Mantravadi and Reddy, 2008). One of the most high-profile features of the globalized business and investment world is corporate restructuring. The term corporate restructuring refers to any

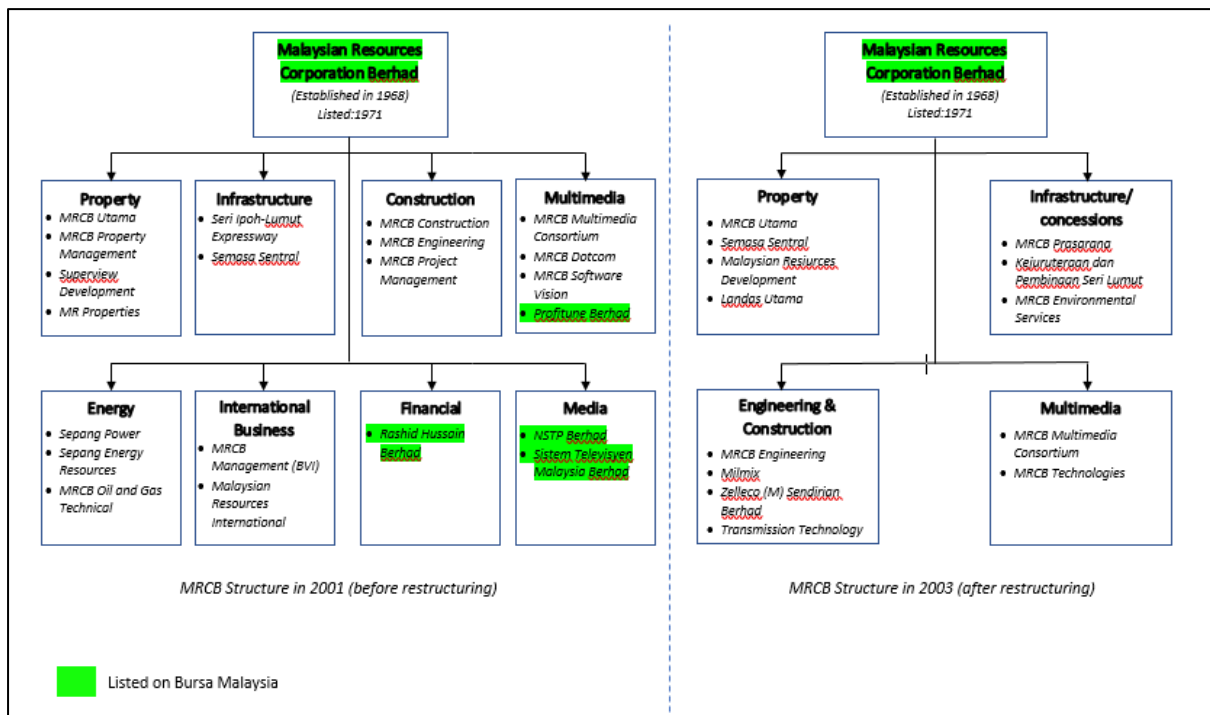
change in capital structure, in ownership or in operation, which is outside the ordinary course of the business. Generally Ofek (1993), Gibbs (1993) and Bowman et al (1999) classifies corporate restructuring into three categories: financial restructuring including recapitalization, stock repurchases, and changes in capital structure; portfolio restructuring involving divestment and acquisitions and refocusing on core business in the corporate portfolio; and operational restructuring including retrenchment, reorganization, and changes in business level of strategies. Firms are motivated to restructure when they experience poor financial performance, competitive market forces which require turnaround corporate strategy and takeover threat. Thus, a corporate restructuring exercise is carried out to nourish improvement in firm's financial and operating efficiency and shareholders wealth.

Financial and economic crises largely affected Malaysian economic scenario which caused many firms in to experience difficult time in their business operations and financial position. These crises include Asian financial crisis 1997, global financial crisis, subprime crisis as well as the recent crisis, the coronavirus disease (COVID-19) crisis. These crises resulted to several firms that defaulted or undergoing restructuring, and the amount of debt involved in debt restructuring increased sharply.

There are many studies done on corporate restructuring and corporate performance globally and specifically in Malaysia, but there are limited studies exploring the long-term effect of corporate restructuring specifically demergers, on corporate performance. Therefore, this study contributes to find out whether demergers have led to shareholder maximization in MRCB case. This study is useful for the corporate as well as the shareholder to understand the reaction and the long-term effect of demerger to the company and the wealth of the shareholder.

Prior to the financial crisis in 1997, many Malaysian firms had issued corporate restructuring announcements including Malaysian Resources Corporation Berhad (MRCB). MRCB performed its major corporate restructuring which de-merged their media and multimedia entities to form a separate public listed company known as Media Prima Berhad. MRCB also disposed one of its listed flagship company, Rashid Hussain Bank (RHB) to Utama Banking Group Berhad (UBGB) for cash consideration and primarily for the purpose of debt settlement. The corporate restructuring strategy initiated in 2001 has transformed MRCB into a focused engineering and construction, property and infrastructure group. The restructuring scheme was completed in August 2003. Figure 1 displays the shareholding structure of MRCB upon the completion of the proposed corporate restructuring. Therefore, this case study examined the long-term effect of corporate restructuring of Malaysian Resources Corporation

Berhad (MRCB) in the period of 2000 to 2021 by evaluating the financial performance and impact on its share price in event-study method conducted on each selected announcement. The paper consists of four sections where Section 1 briefs the literature review of corporate restructuring. Section 2 explained on the methodology employed to evaluate the restructuring process and analyzing the capital structure of MRCB. Next, Section 3 consists of results of event study approaches and financial performance of MRCB in long run and lastly Section 4 concluded the study.



Source: Author's own

Figure 1: MRCB's structure prior to the proposed corporate restructuring

Literature Review update at least 5 years

Firm's performance is an importance criterion for investors prior to putting investment in firms. Numerous previous studies in corporate restructuring show that the substance of corporate restructuring is undeniable to the practitioners and researchers in relation to firm performance. For example, corporate restructuring in the form of divestitures is meant to reverse the past diversification strategy to be more focus while positive effects on refocusing strategy have been widely documented (Nyiwul and Iqbal, 2023). In this context, Bowman et al (1999) and Umar (2023) classify two different measures of corporate restructuring performance as follows; market performance- abnormal movements in the firm's stock price in the days after a restructuring announcement; abnormal returns reflect changes in a

company's share price, adjusted for market trends, that can be attributed to the restructuring event; and accounting performance – changes in financial measures of the company's performance, including return on equity and return on investment; these changes are typically calculated over a several year window surrounding the restructuring event, allowing comparison of post – restructuring accounting performance with the pre-restructuring record. Umar (2023) added that another measure of performance is the balanced scorecard, which challenged the usual use of financial indicators from other perspectives and has evolved from a performance measurement system to a strategic management system.

There are several studies investigating how corporate restructuring improves corporate performance, which may occur as a result of unforeseen changes in business environment, or simply in pursuit of competitive advantage. Chege et al. (2022) for example, examined the effect of the demerger strategy on organizational performance in the State Department of Trade and Enterprise Development in Kenya. They find that the demerger strategy did have a positive and significant relationship with performance. Markides (1995) and Florio, et al. (2018) using economic explanation investigates why firms reduce their diversification by refocusing on their core businesses and find that refocusing is associated ex post with profitability improvements. Zhao (1998) finds that refocused firms experienced higher post-period performance than non-refocused firms for all performance measures return on assets (ROA), return on sales (ROS) and market to book ratio with the possibility of lag effect for such performance impact, change in relatedness is positively related with firm's post period performance, change in business scope is negatively related with firm's post period performance, but with smaller effect size, and the performance effect of firm restructuring is not unitary but dependent on the strategies firms adopted and no performance differences are found between firms which returned to their original core business after refocusing and those that shifted to new cores.

Jensen (1989) examines the link between firm's capital structure and restructuring. He finds that highly leveraged firms are more likely to restructure their debt as firm value falls. Ofek (1993) tests the relation between capital structure and firm's response to short-term financial distress. He finds that high leverage also significantly increases the probability of debt restructuring following a short period of distress. Consistent with Jensen (1989), he also finds that higher leverage also significantly increases the probability that some operational actions such as asset restructuring and employee layoff will be taken in the distress year. However, Gilson, John and Lang (1990) find no relation between leverage and debt restructuring following a long period of distress, rate of file for bankruptcy is higher for firms in long period

of distress than short period of distress and leverage has no effect on management turnover for firm in short period of distress but has effect in long period of distress and highly pre-distress leverage firms react faster to a decline in performance than do less pre-distress leveraged firms that experienced short period of distress. Thus, the presence of debt allows firms to some extent to avoid long period of losses with no response and provide positive element through disciplining and monitoring action. In a similar study, they also find that firms with a high ratio of bank debt are more likely to successfully restructure their debt. Lang et al (1995) document that firms selling assets tend to be poor performers or have high leverage. Due to these characteristics, they suggest that firms selling assets are more motivated to do so by its financial situations rather than operating efficiency alone. Further, asset sales are considered to be an alternative source of financing when capital market is not attractive avenue for firms with the above characteristics.

Method

This paper aims to determine if corporate performance of MRCB has improved after restructuring. One of the main interests in this study is the wealth effect or returns to the shareholders resulting from the corporate restructuring at the three stages referred as PCR-I, PCR-II, and PCR-III. In other words, the “event” in this case study is defined as the initial restructuring announcement dated 8 October 2001 (PCR-I) and two intermediate restructuring announcements dated 21 January 2002 and 16 August 2002 whereas, the “event date” is the date the announcement first appears in the KLSE listed company announcement. Data for the daily prices for the event windows for the period of 2000 to 2021 are downloaded from the DataStream. Table 1 provides the descriptive statistics of the abnormal return of the company’s stock prices according to the firm restructuring announcement and event windows. Further, this study discusses the changes in abnormal return due to the announcements. Daily stock return of the company is used for the period of 50 days pre-announcement and 50 days post announcement window period. In determining the cumulative abnormal returns (CARs), this study follows the standard market model event study which contains α and β to equal to 0 and 1, respectively such that $RM_{i,t}$ (the Kuala Lumpur Composite Index) is company i ’s expected return. Thus, the abnormal return ($AR_{i,t}$) for company i is the difference between the actual return on day t and its expected return ($RM_{i,t}$). $AR_{i,t} = R_{i,t} - (R_{M,t})$, where the daily returns of stock i is calculated as follows; $R_{i,t} = \frac{P_t - P_{t-1}}{P_{t-1}} \times 100$, where P_t is the price of stock i on trading

day t and P_{t-1} is its price one trading day before that. Similarly, the market return equals to;

$$R_{M,t} = \frac{KLCI_t - KLCI_{t-1}}{KLCI_{t-1}} \times 100, \text{ The CARs for company } i \text{ is calculated as; } CAR_{i,t} = \sum_{t=1}^N AR_{i,t}. \text{ It is}$$

important to determine if the announcements convey information to the market at all. Following Baek, et. al. (2001), t-statistics is used to test the hypothesis that the average CARs are significantly different from zero at each event windows. This study will be able to find the t-statistic using the following equation; $\frac{CAR}{\sigma_{CAR}}$ where, $\sigma_{CAR} = \sigma_{AR} \sqrt{K}$ and σ_{AR} is standard error of daily return over the estimation period excluding the exclusion period, and K is the number of days in the CAR statistic. Results of the t-tests are presented in Table 2.

In addition, this study also employed financial ratio analysis that occurred in the post-restructuring period. The method employed in the analysis is in conformity with that of Saboo and Gopi, (2009) and Selvamet al. (2009). The financial ratios employed are consistent with Pazarskis et al. (2006) and are categorized into leverage, liquidity and profitability ratios. In addition, Ofek (1993) and Baek, et al. (2001) use two basic variables, capital structure and profitability, when examining the responses of financially distressed firms to poor performance. Most of the capital structure characteristics used by Ofek (1993) are adopted including leverage, liquidity ratios and market value of equity (MVE). Leverage is measured by debt ratio and total debt to equity ratio. Internal liquidity is measured by current ratio, acid test ratio, and interest coverage ratio while MVE is measured indirectly with paid-up capital and market price of the company's stock. Also following Ofek (1993), profitability measure is earnings before interest, tax, and depreciation (EBITD) because the main purpose is to evaluate firm's operating ability to pay interest. In addition to these variables, the net tangible asset (NTAB) is also reported because it is an indicator of firm performance promoted by the Bursa Malaysia. Dividend per share is reported to see responses of the company regarding its dividend policy when faced with poor performance (Ofek, 1993 and Severin, 2000). Total assets and total debts are to see among others the size and the turning points these firms finally become heavily burdened with debts. The financial performances of MRCB were presented in Table 3.

Findings

Market Reaction on Proposed Corporate Restructuring Announcement

MRCB made the initial announcement on the Proposed Corporate Restructuring on 8 October 2001 (may be referred as PCR-I). The Proposed Corporate Restructuring allows

MRCB to restructure their debts to sustainable levels and provide a clear repayment source to creditors. The Proposed Corporate Restructuring also involves the Proposed Demerger of MRCB and Media Prima, an exercise with an objective to streamline the MRCB Group into two entities focused on their own core activities. The listing status of TV3 will be transferred to Media Prima which shall be an integrated media and multimedia group consisting of print and electronic media while MRCB will refocus into construction, engineering, infrastructure, energy, and property activities.

The second major announcement was released on 21 January 2002 when MRCB proposed certain revisions on the Proposed Corporate Restructuring (may be referred as PCR-II). Among major revisions made were on (1) the Proposed TV3 Scheme of Arrangement, (2) the Proposed Acquisition of Media Prima, (3) the Proposed Transfer of NSTP, and (4) the Proposed MRCB Debt Settlement. The primary reason for the revisions was several repayments made to certain essential creditors of TV3 and reclassifications of TV3 debts leading to the downward adjustment to the total debt from RM714.4 million to RM644.9 million.

On 16 August 2002 MRCB made the third major announcement on the proposed corporate restructuring (may be referred as PCR-III). Another set of revisions was proposed on the terms of the Proposed MRCB Debt Settlement and the Proposed Transfer of the NSTP as a result of the progresses that have taken place within the period. Among the main progresses were: (1) On 20 March 2002, MRCB and Utama Banking (UBG) has entered into a sale and purchase agreement (SPA) for a revised total cash consideration of RM504,609,600 or RM4.80 per RHB Sale Share (from RM399,482,600 or RM3.80 per share). (2) After full settlement on the RM52 million debt due in May 2002 (plus the RM50 million secured Islamic debt will be dealt with outside the Proposed MRCB Debt Settlement) the total outstanding debt to be settled reduced from RM567 million to RM465 million. (3) On 12 August 2002, the shareholders of MRCB have approved the proposed ESOP scheme of MRCB. And (4) On 16 August 2002 MRCB received approval of the Securities Commission for the placement of new MRCB ordinary shares of up to 10 percent of the existing issued and paid-up capital of MRCB.

Descriptive Statistics of Abnormal Return

Table 1 depicts the descriptive statistics of the abnormal return of MRCB in all period within 50 days pre-announcement and 50 days post announcement windows period. Mean is used to measure tendency while standard deviation is used to measure the variability of the data. MRCB reported positive mean in all event windows during all restructuring

announcements. The positive mean indicated that the information was attractive to the market, which consequently led to a positive price effect on the company. During PCR-I and PCR-III, post announcement average prices of MRCB were lower than the pre-announcement prices, indicating that the market regarded the announcement unfavorable except in (0,+10), (0,+5) for PCR-III . Meanwhile, the average prices of post announcement were higher during PCR-II except around window (0,+5) and (0,+1) indicates that the reaction of shareholders were more encouraging during post restructuring announcement.

Table 1: Descriptive Statistics of Abnormal Return

| Event Windows | | MRCB | | |
|---------------|-----------|-----------------|--------------|--------------|
| | | PCR-I | PCR-II | PCR-III |
| | | (8/10/ 2001) | (21/1/ 2002) | (16/8/ 2002) |
| -50, +50 | Mean | 1.267 | 1.273 | 1.191 |
| | Std. Dev. | 0.137 | 0.064 | 0.166 |
| -50,0 | Mean | 1.332 | 1.251 | 1.314 |
| | Std. Dev. | 0.157 | 0.052 | 0.091 |
| 0,+50 | Mean | 1.201 | 1.295 | 1.068 |
| | Std. Dev. | 0.063 | 0.066 | 0.126 |
| -30,+30 | Mean | 1.233 | 1.262 | 1.216 |
| | Std. Dev. | 0.149 | 0.061 | 0.102 |
| -30,0 | Mean | 1.293 | 1.246 | 1.285 |
| | Std. Dev. | 0.184 | 0.053 | 0.079 |
| 0,+30 | Mean | 1.173 | 1.279 | 1.149 |
| | Std. Dev. | 0.055 | 0.064 | 0.069 |
| -10,+10 | Mean | 1.160 | 1.301 | 1.217 |
| | Std. Dev. | 0.064 | 0.040 | 0.026 |
| -10,0 | Mean | 1.158 | 1.298 | 1.213 |
| | Std. Dev. | 0.087 | 0.025 | 0.033 |
| 0,+10 | Mean | 1.169 | 1.301 | 1.226 |
| | Std. Dev. | 0.035 | 0.053 | 0.020 |
| -5, +5 | Mean | 1.199 | 1.276 | 1.231 |
| | Std. Dev. | 0.057 | 0.038 | 0.026 |
| -5,0 | Mean | 1.220 | 1.278 | 1.232 |
| | Std. Dev. | 0.068 | 0.010 | 0.032 |
| 0,+5 | Mean | 1.185 | 1.271 | 1.235 |
| | Std. Dev. | 0.040 | 0.053 | 0.023 |
| -1, +1 | Mean | 0.123 | 1.257 | 1.257 |
| | Std. Dev. | 0.012 | 0.025 | 0.006 |
| -1,0 | Mean | 1.240 | 1.270 | 1.255 |
| | Std. Dev. | 0.000 | 0.014 | 0.007 |
| 0,+1 | Mean | 1.230 | 1.245 | 1.260 |
| | Std. Dev. | 0.014 | 0.021 | 0.000 |

T-test of Cumulative Abnormal Return (CAR)

The results in Table 2 reveals that prior to the all announcement in PCR-I, PCR-II and PCR-III, MRCB reported none significant price impact prior, around and post announcement. This indicates that the restructuring announcements were not conveyed to the market. It may be concluded that the firms' investors did not perceive the announcement, or the market may already perceive the announcement as merely an adjustment and revision of the initial

announcement. Accordingly, one will predict that the share prices of MRCB will react significantly. However, the result shows the different indicator, none of the announcements reported significant price impact prior, around and post announcement.

Table 2: The Average Cumulative Abnormal Returns at the Initial Restructuring Announcement

| Event Window | MRCB | | |
|--------------|--------------------------|------------------------|-------------------------|
| | PCR-I (8/10/ 2001) | PCR-II (21/1/ 2002) | PCR-III (16/8/ 2002) |
| -50, +50 | -20.055 | -20.055 | -20.055 |
| | -0.676 | -0.676 | -0.676 |
| -50,0 | -7.215 | -7.215 | -7.215 |
| | -0.204 | -0.204 | -0.204 |
| 0,+50 | -11.324 | -11.324 | -11.324 |
| | -0.499 | -0.499 | -0.499 |
| -30,+30 | 7.592 | 7.592 | 7.592 |
| | 0.302 | 0.302 | 0.302 |
| -30,0 | 3.561 | 3.561 | 3.561 |
| | 0.162 | 0.162 | 0.162 |
| 0,+30 | 5.546 | 5.546 | 5.546 |
| | 0.438 | 0.438 | 0.438 |
| -10,+10 | 10.148 | 10.148 | 10.148 |
| | 0.689 | 0.689 | 0.689 |
| -10,0 | 18.748 | 18.748 | 18.748 |
| | 1.759 | 1.759 | 1.759 |
| 0,+10 | -7.085 | -7.085 | -7.085 |
| | -0.665 | -0.665 | -0.665 |
| -5, +5 | 3.972 | 3.972 | 3.972 |
| | 0.373 | 0.373 | 0.373 |
| -5,0 | 13.402 | 13.402 | 13.402 |
| | 1.703 | 1.703 | 1.703 |
| 0,+5 | -7.914 | -7.914 | -7.914 |
| | -1.005 | -1.005 | -1.005 |
| -1, +1 | -3.773 | -3.773 | -3.773 |
| | -0.354 | -0.354 | -0.354 |
| -1,0 | -0.511 | -0.511 | -0.511 |
| | -0.112 | -0.112 | -0.112 |
| 0,+1 | -1.746 | -1.746 | -1.746 |
| | -0.384 | -0.384 | -0.384 |

Notes: Figures in the first row is the of CARs, and in parenthesis is the t-statistics for the mean difference from test value = 0.

Financial performance

MRCB completed its major restructuring in 2003. Within the 18-year period assets of MRCB had increased by 5 times from RM1.911 billion in 2004 to RM10.325 billion in 2017 and decrease in year after. While its paid-up capital increased from RM768 million in 2004 to RM4.256 billion (6 times). Its total debt had same trend as total asset where the amount increased from RM1.444 billion in 2004 to RM5.508 billion in 2017 (4 times) and decreased in year after. The key financial data of company for the period of 2000 to 2021 was reported in Table 3.

This study analyzes financial performances of Media Prima and RHB as previously the companies were in one group and operate separately after MRCB completed its corporate restructuring. Media Prima's asset increased from RM785.5 million in 2004 to RM2.668 billion (3 times) in 2012 and decreased in year after (refer Appendix A1). While its paid-up capital increased from RM540.7 million to RM1.524.7 billion (3 times). Its total debt increased from RM528.6 million to RM1.121 billion (2 times) before decreased in year after. Earnings before tax, interest and depreciation (EBITD) for MRCB reported positive figure except for year 2008, 2013 and 2020. Media Prima reported positive EBITD except for year 2017 and 2019. RHB also showed an increasing figure for total asset from RM82 billion in 2004 to RM289 billion in 2021 (4 times). Its paid-up capital also increasing from RM1.82 billion in 2004 to RM4.14 billion in 2021 (2 times). RHB's total debt shows same trend as its total asset where the amount increased from RM77 billion in 2004 to RM261 billion in 2021 (3 times). It seems that the companies have more financial stability after corporate restructuring in 2003.

Table 3: Summary of Key Financial Data of MRCB for the period of 2000 – 2021

| Year | Total Assets | Total Equity | Paid-up Capital | Price | Market Value | Total Debt | Total Bank Debt | EBITD | NTAB | Dividend (%) |
|------|--------------|--------------|-----------------|-------|--------------|------------|-----------------|-----------|------|--------------|
| | (RM '000) | (RM '000) | ('000) | (RM) | (RM '000) | (RM '000) | (RM '000) | (RM '000) | (%) | (%) |
| 2000 | 3,500,958 | 1,350,158 | 975,096 | 1.24 | 1,211,000 | 2,150,800 | 1,507,080 | 91,970 | 1.12 | #N/A |
| 2001 | 2,981,840 | 583,960 | 976,550 | 1.73 | 1,689,000 | 2,397,880 | 1,820,954 | (639,674) | 0.05 | #N/A |
| 2002 | 2,760,452 | 762,344 | 976,550 | 1.52 | 1,503,887 | 1,998,108 | 1,560,595 | 207,576 | 0.66 | #N/A |
| 2003 | 3,500,958 | 1,350,158 | 975,096 | 1.24 | 1,211,000 | 2,150,800 | 1,507,080 | 91,970 | 1.12 | #N/A |
| 2004 | 1,911,000 | 467,000 | 768,000 | 0.77 | 591,360 | 1,444,000 | 889,000 | 31,600 | 0.61 | #N/A |
| 2005 | 2,035,000 | 406,000 | 768,000 | 0.54 | 414,720 | 1,629,000 | 1,008,000 | 22,700 | 0.53 | #N/A |
| 2006 | 1,993,000 | 440,000 | 768,000 | 1.04 | 798,720 | 1,553,000 | 711,000 | 38,000 | 0.55 | #N/A |
| 2007 | 2,106,000 | 706,000 | 908,000 | 2.55 | 2,315,400 | 1,401,000 | 612,000 | 78,700 | 0.76 | #N/A |
| 2008 | 2,916,000 | 635,000 | 908,000 | 0.71 | 640,140 | 2,281,000 | 1,062,000 | (30,000) | 0.55 | #N/A |
| 2009 | 3,119,000 | 672,000 | 908,000 | 1.37 | 1,243,960 | 2,447,000 | 1,575,000 | 61,000 | 0.12 | #N/A |
| 2010 | 4,388,000 | 1,286,000 | 1,382,000 | 1.99 | 2,750,180 | 3,102,000 | 1,642,000 | 111,100 | 0.22 | #N/A |
| 2011 | 5,408,000 | 1,376,000 | 1,386,000 | 2.16 | 2,993,760 | 4,032,000 | 2,391,000 | 134,500 | 0.07 | 0.57 |
| 2012 | 5,955,000 | 1,418,000 | 1,388,000 | 1.55 | 2,151,400 | 4,537,000 | 905,000 | 132,900 | 1.01 | 0.95 |
| 2013 | 6,603,000 | 1,675,000 | 1,651,000 | 1.29 | 2,129,790 | 4,927,000 | 916,000 | (101,700) | 0.92 | 0.78 |
| 2014 | 7,042,000 | 1,985,000 | 1,760,000 | 1.22 | 2,147,200 | 5,057,000 | 2,300,000 | 233,200 | 0.35 | 0.52 |
| 2015 | 7,090,000 | 2,260,000 | 1,787,000 | 1.28 | 2,287,360 | 4,830,000 | 2,346,000 | 391,000 | 0.49 | 1.80 |
| 2016 | 7,506,000 | 2,925,000 | 2,144,000 | 1.33 | 2,851,520 | 4,581,000 | 2,131,000 | 412,700 | 0.70 | 1.83 |
| 2017 | 10,325,000 | 4,817,000 | 4,309,000 | 1.12 | 4,826,080 | 5,508,000 | 893,000 | 289,900 | 1.09 | 1.75 |
| 2018 | 8,342,000 | 4,832,000 | 4,318,000 | 0.62 | 2,655,570 | 3,510,000 | 766,000 | 142,200 | 1.09 | 2.52 |
| 2019 | 8,448,000 | 4,765,000 | 4,332,000 | 0.73 | 3,162,360 | 3,682,000 | 1,061,000 | 97,900 | 1.05 | 1.91 |
| 2020 | 8,314,000 | 4,551,000 | 4,332,000 | 0.48 | 2,057,700 | 3,764,000 | 1,372,000 | (112,300) | 1.00 | 2.11 |
| 2021 | 9,205,000 | 4,513,000 | 4,356,000 | 0.36 | 1,546,380 | 4,693,000 | 1,485,000 | 100,800 | 1.01 | 2.06 |

Note: EBITD is Earning Before Interest Tax and Debt, NTAB is Net Tangible Asset, #N/A is not available

Leverage Ratio Analysis

As presented in Table 4, pursuant to restructuring of MRCB in August 2003, MRCB and Media Prima showed low TD/TE ratio throughout the year 2004 to 2021 but Media Prima reported high TD/TE ratio in year 2005. Meanwhile, RHB reported high TD/TE ratio with ratio above 2.0 since year 2000 until 2021 (refer Appendix A2). Debt to equity ratio with value 2.0 or higher was considered risky and indicates that the company have more debt than equity. Besides, MRCB's TD/TA recorded ratio above 50% and decreased after year 2017. Media Prima and RHB also recorded TD/TA ratio above 50% but Media Prima's TD/TA decreased after year 2009 until 2018 and increased again after year 2019. Furthermore, MRCB reported high BL/TD above 40% along the year except year 2012 and continue decreased after year 2016. While, Media Prima also reported high BL/TD until 2006 and continue increased in year 2010 until 2015. However, RHB recorded low BL/TD with value below 40%. A good debt ratio is said to be below 40%. From the results, MRCB and Media Prima with lower BL/TD has made both companies less tied into fixed obligation compared to RHB. Overall, it can be concluded that debt management after corporate restructuring were more prudent for MRCB and Media Prima which consequently make the companies to have better performance. The data for MRCB were reported in Table 4.

Liquidity Ratio Analysis

MRCB's current ratios as shown in Table 5 were considered low with the lowest was recorded in 2013 (0.52) and the highest in 2007 (2.22). In addition, MRCB's acid test ratios as shown in Table 5 were considered low with the lowest was recorded in 2013 (0.33) and the highest in 2007 (2.17). In MRCB case, its acid test ratios were below 1.0 in 2006 and five consecutive years throughout 2012 until 2016. The continuously increase acid test ratio to more than 1.0 further illustrated MRCB ability to strongly cover its working capital for running its daily operations.

Meanwhile Media Prima and RHB's current ratio shown in Table A3 (Appendix). Media Prima's recorded the lowest in 2005 (0.63) and the highest in 2013 (2.77) while RHB reported ratio above 1.0 since year 2000 until 2021. In MRCB case, its current ratios were below 1.0 in 2012, 2013 and 2015 while Media Prima recorded below 1.0 in 2005 and 2019. Media Prima recorded the lowest acid test ratios in 2005 (0.62) and the highest in 2015 (2.57) while RHB still reported ratio above 1.0. The continuously increase acid test ratio to more than 1.0 further

illustrated Media Prima and RHB abilities to strongly cover its working capital for running its daily operations.

Table 4: Leverage Ratio of MRCB for the period of 2000-2021

| Year | MRCB | | | | |
|------|-------|-------|--------|-------|--------|
| | TD/TA | TD/TE | BL/TA | BL/TD | IC |
| 2000 | 61.43 | 1.59 | 43.05 | 70.07 | 0.80 |
| 2001 | 80.42 | 4.11 | 61.07 | 75.94 | (8.94) |
| 2002 | 72.38 | 2.62 | 56.53 | 78.10 | 4.02 |
| 2003 | 61.43 | 1.59 | 43.05 | 70.07 | 2.65 |
| 2004 | 75.56 | 3.09 | 46.52 | 61.57 | 0.79 |
| 2005 | 80.05 | 4.01 | 49.53 | 61.88 | 0.25 |
| 2006 | 77.92 | 3.53 | 35.67 | 45.78 | 0.59 |
| 2007 | 66.52 | 1.98 | 86.69 | 43.68 | 0.90 |
| 2008 | 78.22 | 3.59 | 36.42 | 46.56 | (0.66) |
| 2009 | 78.45 | 3.64 | 234.38 | 64.36 | 1.82 |
| 2010 | 70.69 | 2.41 | 37.42 | 52.93 | 3.61 |
| 2011 | 57.36 | 2.93 | 173.76 | 59.30 | #N/A |
| 2012 | 76.19 | 3.20 | 15.20 | 19.95 | #N/A |
| 2013 | 74.62 | 2.94 | 54.69 | 18.59 | #N/A |
| 2014 | 71.81 | 2.55 | 32.66 | 45.48 | #N/A |
| 2015 | 68.12 | 2.14 | 103.81 | 48.57 | 2.06 |
| 2016 | 61.03 | 1.57 | 28.39 | 46.52 | 2.32 |
| 2017 | 53.35 | 1.14 | 18.54 | 16.21 | 11.60 |
| 2018 | 42.08 | 0.73 | 9.18 | 21.82 | 4.09 |
| 2019 | 43.58 | 0.77 | 22.27 | 28.82 | 1.27 |
| 2020 | 45.27 | 0.83 | 16.50 | 36.45 | (2.52) |
| 2021 | 50.98 | 1.04 | 16.13 | 31.64 | 0.75 |

Note: TD/TA is total debt divided by total asset, TD/TE is total debt divided by total equity, BL/TA is bank loan divided by total asset, BL/TD is bank loan by total debt, IC is interest coverage, #N/A is not available

Profitability Ratio Analysis

Return on Equity can measure the value of management's success in maximizing the rate of return or shareholders (Hanafi and Halim, 2012). Kurniawan and Yohanes Jhony (2013) stated that the higher the ROE, the more efficient and effective the management of the company or in other words, the company's performance is good, thus influencing investor interest in investing in companies which results in high supply and high stock returns. ROTA can measure the ability of a company to generate profits or profits at a certain level of income, assets and share capital. High Return on asset will increase the attractiveness of investors so that stock prices increase, thus ROA has a positive effect on stock returns (Robbert Ang, 1997). Table 6

shows the profitability and market performance ratios of MRCB where its ROE at the lowest was recorded in 2008 (-8.91%) and the highest in 2015 (14.62%). For ROTA, MRCB recorded the lowest during 2020 (-2.13%) and the highest in 2015 (4.66%). Company with high profitability ratio indicates that they were performing well because it indicates that they were able generates more profits and manages investments for a return for shareholders.

Meanwhile, Media Prima and RHB shows the profitability and market performance ratios in Table A4 (Appendix). Media Prima recorded the lowest in 2017 (-84.86%) and the highest in 2005 (153.97%), while RHB recorded the lowest in 2002 (5.76%) and the highest in 2011 (14.87%). Media Prima's Return on Total Asset at the lowest was recorded in year 2017 (-41.12) and the highest in year 2009 (12.08%) while RHB reported lowest ratio in 2002 (0.37%) and the highest in 2011 (1.11%). Both companies shows that they were able generates more profits and manages investments for a return for shareholders after corporate restructuring.

Table 5: Liquidity Ratio of MRCB for the period 2000-2021

| Year | MRCB | |
|------|-------|-------|
| | CR | QR |
| 2000 | 0.519 | 0.510 |
| 2001 | 0.712 | 0.704 |
| 2002 | 0.625 | 0.580 |
| 2003 | 1.217 | 1.181 |
| 2004 | 1.288 | 1.219 |
| 2005 | 1.489 | 1.435 |
| 2006 | 1.073 | 0.928 |
| 2007 | 2.227 | 2.172 |
| 2008 | 1.785 | 1.765 |
| 2009 | 2.152 | 2.125 |
| 2010 | 1.598 | 1.584 |
| 2011 | 1.412 | 1.137 |
| 2012 | 0.738 | 0.597 |
| 2013 | 0.522 | 0.332 |
| 2014 | 1.117 | 0.776 |
| 2015 | 0.970 | 0.728 |
| 2016 | 1.332 | 0.960 |
| 2017 | 1.489 | 1.265 |
| 2018 | 1.640 | 1.109 |
| 2019 | 1.717 | 1.217 |
| 2020 | 1.813 | 1.313 |
| 2021 | 1.490 | 1.140 |

Notes: CR is the current ratio, QR is the quick ratio.

Table 8: Profitability Ratio of MRCB for the period 2000-2021

| Year | MRCB | | |
|------|----------|----------|-----------|
| | ROE (%) | ROTA (%) | Tobin's Q |
| 2000 | 4.27 | 1.65 | 0.26 |
| 2001 | (112.47) | (22.03) | 0.77 |
| 2002 | 22.84 | 6.31 | 0.72 |
| 2003 | 8.63 | 3.33 | 0.84 |
| 2004 | 7.19 | 1.76 | 0.97 |
| 2005 | 3.05 | 0.61 | 0.94 |
| 2006 | 7.68 | 1.70 | 0.97 |
| 2007 | 5.76 | 1.93 | 2.09 |
| 2008 | (8.91) | (1.94) | 0.98 |
| 2009 | 5.15 | 1.11 | 1.31 |
| 2010 | 5.23 | 1.53 | 1.31 |
| 2011 | 6.80 | 1.73 | 1.21 |
| 2012 | 4.13 | 0.98 | 0.43 |
| 2013 | (6.81) | (1.73) | 0.26 |
| 2014 | 6.87 | 1.94 | 0.75 |
| 2015 | 14.62 | 4.66 | 0.72 |
| 2016 | 9.14 | 3.56 | 0.80 |
| 2017 | 3.87 | 1.80 | 0.81 |
| 2018 | 1.56 | 0.90 | 0.66 |
| 2019 | 0.50 | 0.28 | 0.75 |
| 2020 | (3.90) | (2.13) | 0.67 |
| 2021 | 0.35 | 0.17 | 0.55 |

Note: ROE is the return of equity, ROA is the return of assets, ROTA is the return of the total assets

Discussion and Conclusion

Corporate restructuring is aimed at increasing efficiency, enhancing competitive advantage, achieving synergy and improving firm value. Restructuring pursues the profitability, liquidity and solvency objectives of an organization. In conclusion, MRCB have shown some changes in firm's specific characteristics such as financial leverage, level of diversification and ownership structure following to the corporate restructuring announcement. This study examined the wealth effect or returns to the shareholders resulting from the corporate restructuring at the three stages referred as PCR-I, PCR-II, and PCR-III. In other words, the "event" in this case study is the initial restructuring announcement dated October 8, 2001 and two intermediate restructuring announcements dated January 21, 2002 and August 16, 2002 whereas, the "event date" is the date the announcement first appears in the KLSE listed company announcement. The results indicate that information about the restructuring

plan has not been significantly conveyed to the market in each restructuring announcement. Generally, the market regards all the announcement unfavorably.

This study also employed the financial ratio analysis as a tool to evaluate the restructuring process, focusing on assessing the financial distress and analyzing the capital structure of Malaysian Resources Corporate Restructuring after they completed the major restructuring in 2003. The financial ratios employed are categorized into leverage, liquidity and profitability ratios. From the results, it shows that MRCB debt management after corporate restructuring were more prudent for MRCB and Media Prima which consequently make the companies to have better performance as they showed low total debt to total equity ratio throughout the year and lower bank loan to total debt that made both companies less tied into fixed obligation compared to RHB. However, all the companies reported continuously increase acid test ratio to more than 1.0 further indicates their abilities to strongly cover their working capital for running their daily operations. MRCB also shows high profitability ratio after corporate restructuring which indicates that they were performing well because they were able generates more profits and manages investments for a return for shareholders.

Since this study focuses on one company that is MRCB, future studies may expand the sample size to more companies in the same industry or different industries to see how corporate restructuring impact companies' performance both in short and long term.

Acknowledgements

The authors thank Universiti Sains Islam Malaysia for funding the case study (grant research code P2-1-209-72421-LUAR-UKM-FEM)

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Appendix

Table A1: Summary of Key Financial Data of Media Prima for the period of 2000 – 2021

| | Year | Total Assets | Total Equity | Paid-up Capital | Price | Market Value | Total Debt | Total Bank Debt | EBITD | NTAB | Dividend (%) | |
|----------------------|--------------------|--------------|--------------|-----------------|-----------|--------------|------------|-----------------|-----------|-----------|--------------|------|
| | | (RM '000) | (RM '000) | ('000) | (RM '000) | (RM '000) | (RM '000) | (RM '000) | (RM '000) | (%) | (%) | |
| Before Restructuring | NSTP | 2000 | 2,594,425 | 851,638 | 215,874 | 4.84 | 1,048,000 | 1,742,787 | 1,415,452 | 57,071 | 3.90 | 5.00 |
| | | 2001 | 2,454,226 | 671,506 | 216,036 | 5.00 | 1,080,000 | 1,782,720 | 1,437,409 | -115,132 | 3.09 | 0.00 |
| | | 2002 | 1,858,799 | 1,056,898 | 216,133 | 5.90 | 1,275,000 | 801,901 | 539,629 | 225,878 | 4.89 | 5.00 |
| | | 2003 | 1,754,237 | 1,754,237 | 216,021 | 5.80 | 1,252,921 | 847,434 | 55,146 | (2,222) | 3.52 | #N/A |
| | STMB | 2000 | 505,547 | (335,459) | 170,318 | 1.18 | 210,000 | 841,006 | 542,286 | (94,890) | (2.23) | #N/A |
| | | 2001 | 505,477 | (337,135) | 170,318 | 0.53 | 90,000 | 842,612 | 531,443 | 37,087 | (2.24) | #N/A |
| | | 2002 | 487,079 | (354,193) | 170,318 | 0.48 | #N/A | 841,272 | 498,195 | 26,332 | (2.33) | #N/A |
| | | 2003 | 505,547 | (335,459) | 170,318 | 1.18 | 210,000 | 841,006 | 542,286 | (94,890) | (2.23) | #N/A |
| After Restructuring | Media Prima Berhad | 2004 | 785,500 | 256,900 | 540,700 | 1.71 | 924,597 | 528,600 | 359,200 | 73,100 | 0.43 | #N/A |
| | | 2005 | 826,500 | 36,500 | 600,100 | 1.70 | 1,020,170 | 790,100 | 379,200 | 88,200 | 0.00 | #N/A |
| | | 2006 | 935,300 | 314,100 | 763,900 | 2.50 | 2,021,500 | 621,200 | 277,800 | 132,700 | 0.36 | #N/A |
| | | 2007 | 1,225,000 | 559,600 | 842,200 | 2.81 | 2,373,607 | 665,400 | 237,500 | 186,700 | 0.52 | #N/A |
| | | 2008 | 1,164,700 | 551,300 | 853,800 | 1.11 | 938,505 | 613,400 | 228,200 | 198,400 | 0.44 | #N/A |
| | | 2009 | 2,085,700 | 958,100 | 945,300 | 1.67 | 1,578,651 | 1,127,600 | 392,600 | 321,200 | 0.72 | 6.38 |
| | | 2010 | 2,235,100 | 1,227,200 | 1,006,700 | 2.60 | 2,617,420 | 1,008,000 | 458,900 | 384,400 | 0.97 | 4.02 |
| | | 2011 | 2,412,600 | 1,363,800 | 1,068,200 | 2.60 | 2,777,320 | 1,048,800 | 342,000 | 368,100 | 0.93 | 3.52 |
| | | 2012 | 2,668,200 | 1,547,300 | 1,079,700 | 2.34 | 2,526,498 | 1,120,900 | 452,300 | 379,700 | 1.20 | 6.67 |
| | | 2013 | 2,606,700 | 1,656,400 | 1,100,500 | 2.62 | 2,883,310 | 950,200 | 451,800 | 385,900 | 1.27 | 4.44 |
| | | 2014 | 2,478,500 | 1,592,600 | 1,109,100 | 1.76 | 1,952,016 | 885,900 | 300,100 | 197,000 | 1.20 | 5.47 |
| | | 2015 | 2,330,100 | 1,620,700 | 1,109,200 | 1.27 | 1,408,684 | 709,400 | 300,100 | 298,300 | 1.21 | 6.96 |
| | | 2016 | 2,151,800 | 1,461,600 | 1,109,200 | 1.15 | 1,275,580 | 690,100 | 0 | 34,200 | 1.06 | 7.09 |
| | | 2017 | 1,582,300 | 766,700 | 1,524,700 | 0.76 | 842,992 | 815,600 | 293,000 | (506,800) | 0.34 | 7.55 |
| 2018 | 1,317,600 | 808,600 | 1,524,700 | 0.35 | 382,674 | 509,000 | 0 | 129,500 | 0.38 | #N/A | | |
| 2019 | 1,435,200 | 598,700 | 1,524,700 | 0.28 | 310,576 | 836,500 | 186,300 | (51,000) | 0.25 | #N/A | | |
| 2020 | 1,367,100 | 576,900 | 1,524,700 | 0.29 | 316,122 | 790,200 | 224,400 | 104,600 | 0.24 | #N/A | | |
| 2021 | 1,408,500 | 632,100 | 1,524,700 | 0.42 | 460,318 | 776,400 | 225,600 | 182,300 | 0.28 | #N/A | | |

Note: EBITD is Earning Before Interest Tax and Debt, NTAB is Net Tangible Asset, #N/A is not available

Table A2: Summary of Key Financial Data of RHB for the period of 2000 – 2021

| Year | Total Assets | Total Equity | Paid-up Capital | Price | Market Value | Total Debt | Total Bank Debt | EBITD | NTAB | Dividend (%) |
|------|--------------|--------------|-----------------|-----------|--------------|-------------|-----------------|-----------|------|--------------|
| | (RM '000) | (RM '000) | ('000) | (RM '000) | (RM '000) | (RM '000) | (RM '000) | (RM '000) | (%) | (%) |
| 2000 | 55,038,000 | 3,337,000 | 1,790,455 | 2.90 | 5,192,320 | 51,701,000 | 0 | 893,800 | 1.83 | N/A |
| 2001 | 57,368,000 | 3,504,000 | 1,823,468 | 1.67 | 3,045,192 | 53,864,000 | 330,000 | 722,000 | 1.92 | N/A |
| 2002 | 57,520,000 | 3,737,000 | 1,823,468 | 1.45 | 2,644,029 | 53,784,000 | 150,000 | 494,500 | 2.05 | N/A |
| 2003 | 69,486,000 | 3,874,000 | 1,823,468 | 2.08 | 3,792,813 | 65,611,000 | 2,383,000 | 622,800 | 2.12 | N/A |
| 2004 | 82,137,000 | 4,212,000 | 1,823,475 | 2.34 | 3,131,459 | 77,925,000 | 2,954,000 | 1,036,700 | 2.31 | N/A |
| 2005 | 89,898,000 | 4,492,000 | 1,823,475 | 2.21 | 2,957,488 | 85,406,000 | 2,873,000 | 793,500 | 2.46 | N/A |
| 2006 | 103,310,000 | 4,928,000 | 1,823,475 | 3.42 | 4,576,747 | 98,382,000 | 3,046,000 | 1,042,300 | 2.65 | N/A |
| 2007 | 105,154,000 | 7,048,000 | 2,153,475 | 5.85 | 9,245,421 | 98,106,000 | 4,591,000 | 1,338,200 | 3.23 | N/A |
| 2008 | 104,533,000 | 7,815,000 | 2,153,475 | 3.90 | 6,163,613 | 96,718,000 | 5,673,000 | 1,501,100 | 3.58 | N/A |
| 2009 | 115,085,000 | 8,841,000 | 2,153,475 | 5.30 | 8,376,193 | 106,244,000 | 6,662,000 | 1,622,800 | 4.05 | N/A |
| 2010 | 129,325,000 | 9,962,000 | 2,153,475 | 8.72 | 13,781,208 | 119,363,000 | 7,929,000 | 1,998,300 | 4.63 | N/A |
| 2011 | 152,304,000 | 11,349,000 | 2,204,819 | 7.48 | 12,103,347 | 140,955,000 | 7,720,000 | 2,315,900 | 5.15 | N/A |
| 2012 | 189,078,000 | 15,118,000 | 2,494,208 | 7.69 | 14,076,347 | 173,960,000 | 10,472,000 | 2,481,000 | 6.06 | N/A |
| 2013 | 191,090,000 | 16,739,000 | 2,546,910 | 7.90 | 14,766,299 | 174,351,000 | 9,729,000 | 2,584,300 | 6.49 | N/A |
| 2014 | 219,354,000 | 18,794,000 | 2,572,457 | 7.62 | 14,385,802 | 200,560,000 | 12,386,000 | 2,850,400 | 7.21 | N/A |
| 2015 | 227,938,000 | 26,227,000 | 6,921,170 | 5.67 | 29,850,452 | 201,711,000 | 13,865,000 | 2,371,700 | 3.74 | N/A |
| 2016 | 236,679,000 | 21,745,000 | 4,010,045 | 4.71 | 18,887,312 | 214,934,000 | 16,528,000 | 2,351,700 | 5.32 | N/A |
| 2017 | 230,210,000 | 23,150,000 | 4,010,045 | 5.00 | 20,050,225 | 207,060,000 | 10,487,000 | 2,677,400 | 5.65 | N/A |
| 2018 | 243,166,000 | 23,358,000 | 4,010,045 | 5.29 | 21,213,138 | 219,808,000 | 14,125,000 | 3,238,800 | 5.67 | N/A |
| 2019 | 257,592,000 | 25,775,000 | 4,010,045 | 5.78 | 23,178,060 | 231,817,000 | 10,851,000 | 3,598,500 | 6.27 | N/A |
| 2020 | 271,150,000 | 27,024,000 | 4,010,045 | 5.45 | 21,854,745 | 244,126,000 | 10,076,000 | 2,831,100 | 6.58 | N/A |
| 2021 | 289,541,000 | 27,998,000 | 4,142,918 | 5.37 | 22,247,469 | 261,543,000 | 9,252,000 | 3,723,200 | 6.59 | N/A |

Note: EBITD is Earning Before Interest Tax and Debt, NTAB is Net Tangible Asset, #N/A is not available

Table A3: Leverage Ratio of Media Prima and RHB for the period of 2000-2021

| Year | MEDIA PRIMA | | | | | RHB | | | | |
|------|-------------|--------|--------|-------|---------|-------|-------|-------|-------|------|
| | TD/TA | TD/TE | BL/TA | BL/TD | IC | TD/TA | TD/TE | BL/TA | BL/TD | IC |
| 2000 | 166.36 | (2.51) | 107.27 | 64.48 | (0.05) | 93.94 | 15.49 | 0.00 | 0.00 | 0.48 |
| 2001 | 166.70 | (2.50) | 105.14 | 63.07 | (0.89) | 93.89 | 15.37 | 0.58 | 0.61 | 0.45 |
| 2002 | 172.72 | (2.38) | 102.28 | 59.22 | (0.19) | 93.50 | 14.39 | 0.26 | 0.28 | 0.33 |
| 2003 | 111.98 | 3.84 | 107.27 | 64.48 | 4.27 | 94.42 | 16.93 | 3.43 | 3.63 | 0.40 |
| 2004 | 67.29 | 2.06 | 45.73 | 67.95 | 2.76 | 94.87 | 18.50 | 3.60 | 3.79 | 0.37 |
| 2005 | 95.60 | 21.65 | 45.88 | 47.99 | 4.32 | 95.00 | 19.01 | 3.20 | 3.36 | 0.36 |
| 2006 | 66.42 | 1.98 | 29.70 | 44.72 | (4.26) | 95.23 | 19.96 | 2.95 | 3.10 | 0.38 |
| 2007 | 54.32 | 1.19 | 42.44 | 35.69 | (6.16) | 93.30 | 13.92 | 65.14 | 4.68 | 0.45 |
| 2008 | 52.67 | 1.11 | 19.59 | 37.20 | 7.85 | 92.52 | 12.38 | 5.43 | 5.87 | 0.56 |
| 2009 | 54.06 | 1.18 | 40.98 | 34.82 | 11.30 | 92.32 | 12.02 | 75.35 | 6.27 | 0.87 |
| 2010 | 45.10 | 0.82 | 20.53 | 45.53 | 9.06 | 92.30 | 11.98 | 6.13 | 6.64 | 0.90 |
| 2011 | 41.78 | 0.77 | 25.08 | 32.61 | #N/A | 78.37 | 12.42 | 68.02 | 5.48 | 0.81 |
| 2012 | 42.01 | 0.72 | 16.95 | 40.35 | #N/A | 92.00 | 11.51 | 5.54 | 6.02 | 0.75 |
| 2013 | 36.45 | 0.57 | 27.28 | 47.55 | #N/A | 91.24 | 10.42 | 58.12 | 5.58 | 0.68 |
| 2014 | 35.74 | 0.56 | 12.11 | 33.88 | #N/A | 91.43 | 10.67 | 5.65 | 6.18 | 0.65 |
| 2015 | 30.45 | 0.44 | 18.52 | 42.30 | #N/A | 88.49 | 7.69 | 52.87 | 6.87 | 0.47 |
| 2016 | 32.07 | 0.47 | 0.00 | 0.00 | #N/A | 90.81 | 9.88 | 6.98 | 7.69 | 0.51 |
| 2017 | 51.55 | 1.06 | 38.22 | 35.92 | (41.76) | 89.94 | 8.94 | 45.30 | 5.06 | 0.61 |
| 2018 | 38.63 | 0.63 | 0.00 | 0.00 | 3.12 | 90.39 | 9.41 | 5.81 | 6.43 | 0.72 |
| 2019 | 58.28 | 1.40 | 31.12 | 22.27 | (10.55) | 89.99 | 8.99 | 42.10 | 4.68 | 0.76 |
| 2020 | 57.80 | 1.37 | 16.41 | 28.40 | (0.39) | 90.03 | 9.03 | 3.72 | 4.13 | 1.05 |
| 2021 | 55.12 | 1.23 | 16.02 | 29.06 | 5.64 | 90.33 | 9.34 | 3.20 | 3.54 | 1.17 |

Table A4: Liquidity Ratio of Media Prima and RHB for the period 2000-2021

| Year | MEDIA PRIMA | | RHB | |
|------|-------------|-------|-------|-------|
| | CR | QR | CR | QR |
| 2000 | 0.162 | 0.157 | 1.044 | 1.044 |
| 2001 | 0.252 | 0.248 | 1.049 | 1.049 |
| 2002 | 0.239 | 0.237 | 1.050 | 1.050 |
| 2003 | 1.645 | 1.645 | 1.064 | 1.064 |
| 2004 | 1.603 | 1.596 | 1.067 | 1.067 |
| 2005 | 0.631 | 0.627 | 1.064 | 1.064 |
| 2006 | 1.152 | 1.148 | 1.063 | 1.063 |
| 2007 | 1.086 | 1.085 | 1.081 | 1.081 |
| 2008 | 1.007 | 1.007 | 1.098 | 1.098 |
| 2009 | 1.149 | 0.913 | 1.109 | 1.109 |
| 2010 | 1.816 | 1.568 | 1.117 | 1.117 |
| 2011 | 1.693 | 1.444 | 1.106 | 1.106 |
| 2012 | 2.102 | 1.957 | 1.118 | 1.118 |
| 2013 | 2.775 | 2.489 | 1.123 | 1.123 |
| 2014 | 2.099 | 1.950 | 1.132 | 1.132 |
| 2015 | 2.735 | 2.572 | 1.179 | 1.179 |
| 2016 | 1.313 | 1.220 | 1.172 | 1.172 |
| 2017 | 1.228 | 1.130 | 1.150 | 1.150 |
| 2018 | 1.155 | 1.075 | 1.162 | 1.162 |
| 2019 | 0.862 | 0.851 | 1.146 | 1.146 |
| 2020 | 1.070 | 1.024 | 1.140 | 1.140 |
| 2021 | 1.081 | 1.052 | 1.130 | 1.130 |

Table A5: Profitability Ratio of Media Prima and RHB for the period 2000-2021

| Year | MEDIA PRIMA | | | RHB | | |
|------|-------------|----------|-----------|---------|----------|-----------|
| | ROE (%) | ROTA (%) | Tobin's Q | ROE (%) | ROTA (%) | Tobin's Q |
| 2000 | 42.94 | (28.49) | (0.64) | 11.80 | 0.72 | 0.14 |
| 2001 | 0.74 | (0.49) | (0.69) | 7.50 | 0.46 | 0.10 |
| 2002 | 4.77 | (3.47) | #N/A | 5.76 | 0.37 | 0.09 |
| 2003 | 76.87 | 22.44 | 0.92 | 8.75 | 0.49 | 0.13 |
| 2004 | 14.67 | 4.80 | 1.76 | 14.48 | 0.74 | 0.14 |
| 2005 | 153.97 | 6.80 | 1.59 | 9.49 | 0.47 | 0.12 |
| 2006 | 25.57 | 8.59 | 2.53 | 11.14 | 0.53 | 0.13 |
| 2007 | 20.98 | 9.58 | 2.18 | 11.67 | 0.78 | 0.20 |
| 2008 | 23.82 | 11.27 | 1.01 | 13.42 | 1.00 | 0.20 |
| 2009 | 26.29 | 12.08 | 1.08 | 13.59 | 1.04 | 0.23 |
| 2010 | 19.87 | 10.91 | 1.59 | 14.26 | 1.10 | 0.27 |
| 2011 | 14.98 | 8.47 | 1.51 | 14.87 | 1.11 | 0.22 |
| 2012 | 13.51 | 7.83 | 1.39 | 11.81 | 0.94 | 0.23 |
| 2013 | 12.93 | 8.22 | 1.59 | 10.94 | 0.96 | 0.23 |
| 2014 | 4.74 | 3.05 | 1.16 | 10.84 | 0.93 | 0.24 |
| 2015 | 8.56 | 5.95 | 1.01 | 6.35 | 0.73 | 0.34 |
| 2016 | (4.05) | (2.75) | 0.72 | 7.73 | 0.71 | 0.29 |
| 2017 | (84.86) | (41.12) | 0.82 | 8.42 | 0.85 | 0.26 |
| 2018 | 7.25 | 4.45 | 0.38 | 9.87 | 0.95 | 0.28 |
| 2019 | (29.71) | (12.40) | 0.31 | 9.80 | 0.98 | 0.26 |
| 2020 | (3.19) | (1.35) | 0.45 | 7.39 | 0.74 | 0.24 |
| 2021 | 8.73 | 3.92 | 0.54 | 9.35 | 0.90 | 0.22 |