

Table of Contents

CHAPTER 1 INTRODUCTION	1
1.1 Definitions and terminology	2
1.2 M&A history in Malaysia	3
1.3 Objectives of study	4
1.4 Significance of study.....	5
1.5 Organisation of study	5
CHAPTER 2 LITERATURE REVIEW	7
2.1 Take-over theories	7
2.2 M&A rationales	8
2.3 Take-over types.....	10
2.3.1 Horizontal take-over	10
2.3.2 Vertical take-over.....	11
2.3.3 Congeneric take-over	11
2.3.4 Conglomerate take-over.....	12
2.3.5 Reverse take-over.....	12
2.4 Valuation.....	13
2.4.1 Discounted cash flow analysis	13
2.4.2 Comparable transaction analysis.....	13
2.4.3 Comparable companies' analysis.....	14
2.5 Cumulative abnormal returns.....	14
2.5.1 Acquirer firms.....	15
2.5.2 Target firms.....	17
2.5.3 Acquirer and target firms combined	18

2.6	Value drivers.....	20
2.7	Other characteristics.....	22
2.7.1	Payment method.....	22
2.7.2	Size of merging firms.....	23
2.7.3	Resource transfer	24
2.8	M&A categorisation.....	24
2.9	Malaysian M&A studies	24
CHAPTER 3 RESEARCH METHODOLOGY.....		27
3.1	Objectives and hypotheses.....	27
3.2	Data sources	28
3.3	Design	29
3.3.1	Event definition.....	29
3.3.2	Selection criteria	30
3.3.3	Sampling	31
3.3.4	Data collection	32
3.3.5	Expected return	33
3.3.6	Abnormal return.....	34
3.3.7	Event windows.....	37
3.3.8	Significance test.....	37
3.4	Limitations	38
CHAPTER 4 RESULTS AND ANALYSES.....		41
4.1	Overall results	42
4.2	Payment method.....	49
4.2.1	Cash payment.....	50
4.2.2	Stock swap	51

4.2.3	Cash and stock	52
4.3	Financial vs. non-financial.....	53
4.3.1	Financial.....	54
4.3.2	Non-financial	55
4.4	Conglomerate vs. non-conglomerate	56
4.4.1	Conglomerate.....	57
4.4.2	Non-conglomerate.....	58
4.5	Relative size.....	59
4.5.1	Small size disparity	60
4.5.2	Large size disparity	61
CHAPTER 5	CONCLUSION AND RECOMMENDATIONS	63
5.1	Recommendations.....	64
CHAPTER 6	REFERENCES	67
APPENDIX A		A-1
APPENDIX B		B-1
APPENDIX C		C-1
APPENDIX D		D-1
APPENDIX E		E-1