

**PROFITABILITY OF BUMIPUTERA
COMPANIES LISTED IN KUALA LUMPUR STOCK
EXCHANGE**

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ABSTRACT

The purpose of this project paper is to discuss on the profitability of the Bumiputera Companies which are listed on the Kuala Lumpur Stock Exchange main board. The highlight of the profitability are on the Earnings Per Share and Holding Period Return.

The companies can be divided into two categories which are at least three and five years listed. For this purpose, Price Earnings Ratio (PER), Net Tangible Assets Book Value (NTAB), Turnover (TO), Times Covered (TC) and Tax have been used to see the significant of those variables on the Earnings Per Share and Holding Period Return.

As has been hypothesised, the study found that, for at least five years listed companies, Net Tangible Asset Book Value and Times Covered have an impact on the Earnings Per Share. Again Net Tangible Assets Book Value, Times Covered and Price Earnings Ratio have significant influence on the Holding Period Return. In this study also found that Turnover, Net Tangible Assets Book Value, Times Covered and Tax show positive relationship with Earnings Per Share. In addition, Turnover, Times Covered and Price Earnings Ratio also show positive relationship with Holding Period Return. It indicates that the higher the above independent variables, the higher will be the Earnings Per Share and Holding Period Return.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Introduction

The objective of this project paper is to examine **The Profitability of the Bumiputera Companies Listed in Kuala Lumpur Stocks Exchange**, which are listed on the main board. This can be accomplished by taking some indicators such as **Price Earnings Ratio (PER), Earning Per Share (EPS), Net Tangible Assets Book Value (NTABV), Turnover (TO), Times Covered (TC), Tax and Holding Period Return .**

In this, Bumiputera Companies refer to companies exist " at least 35% of the equity or voting power must be held by identifiable Bumiputera group / company / institution and that non other Bumiputera group holds more than 10% of the voting power or in the aggregate the identifiable non-Bumiputera groups should not own more than 24%"¹

¹Federation Of Public Listed Companies (journal)