



**A dissertation submitted to Universiti Teknologi MARA in partial  
fulfillment of the requirement for the Bachelor in Business  
Administration (HONs) Finance**

**A STUDY ON THE PRACTICE OF LEVERAGED BUYOUTS IN  
MALAYSIA**

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- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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# ABSTRACT

Merger and acquisition had become a very common phenomenon in Malaysia since the economic crisis struck Malaysia in 1997. This strategy has become important parallel to the competitive edge faces by the Malaysian companies. However this is not the point to be discuss in this project paper.

Most of our local company had been using merger and acquisition techniques although there are many other strategies that can be use such as leveraged buyout. When we talk about leverage buyouts, **How many of you know or have heard about the term leverage buyout?** or **How many of you really understand about the LBO concept?**

I never heard of LBO practices in Malaysia although the exercising method is quite the same with acquisition. Therefore, this project paper is set to look and thus to understand its practices in the Malaysian economic environment.

A case study on Renong Berhad had been taken as an example to represent the leverage buyout activities in Malaysia. This case study is the closest example regarding the implementation of leverage buyout which can be seen during the buyout of Renong stock by UEM (M) using debt financing, which are principally the interpretation of leverage buyout. Also conclude is a case study of overseas practices between KKR and RJR Nabisco. This is to look at the difference between the local and overseas study.

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