

**A STUDY ON PERFORMANCE OF SECOND BOARD  
KLSE LISTED COMPANIES USING  
FINANCIAL RATIO ANALYSIS**

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KELANTAN**

**SEPTEMBER 2001**

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COMPANIES USING FINANCIAL RATIO ANALYSIS**

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**A PROJECT PAPER SUBMITTED TO  
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BBA (HONS) FINANCE**

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## LETTER OF TRANSMITTAL

Bachelor of Business Administration With Honors (Finance)  
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Universiti Teknologi MARA  
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18500 Machang  
Kelantan

22 September 2001

Head of The Programme  
Universiti Teknologi MARA  
Kelantan Campus  
18500 Machang  
Kelantan

Dear Madam,

### **SUBMISSION OF PROJECT PAPER ENTITLED “ A STUDY ON PERFORMANCE OF SECOND BOARD KLSE LISTED COMPANIES USING FINANCIAL RATIOS ANALYSIS”**

I would like to submit my project paper “A Study On Performance Of Second Board KLSE Listed Companies Using Financial Ratios Analysis”. This project paper is a partial requirement to fulfill the subject of Project Paper FIN 650.

The purpose of this project paper is to analyze the financial performance of the Second Board listed companies in Malaysia.

I would also thank you for all your guidance and support for the completion of this project paper.

Thank you.

Yours Faithfully,



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## ACKNOWLEDGMENT

*"In the name of Allah, The Merciful, The Beneficent"*

Alhamdulillah, praise is to Allah for all the energy and perseverance given to me for this undertaking and now I'm successful in completing this project paper. This project paper is prepared to fulfill the partial requirements for the degree of the Bachelor of Business Administration (Honors) Finance of the Faculty of Business and Management, MARA University of Technology, Kelantan campus.

First and foremost, I would like to thank to my respected project advisor YM Puan Tengku Muhaini binti Tuan Mat for her continued advise, guidance, comments, clarification, ideas and constructive suggestion in completing this research report.

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Thank you.

*Wassalam*

## ABSTRACT

This study was carried out to identify the financial ratio characteristics and performance of the companies, which are listed on the Second Board. Since there are 297 companies that, were listed on the Second Board, this study only focus and analyze the sample of 24 companies, which has been listed for more than 5 years. This study covers the company's ratio, which was obtained from 5 years period that is from year 1996 to year 2000. Data were obtained from companies' annual financial report, annual companies handbook published by KLSE and websites [http// www.klse.com.my](http://www.klse.com.my) and [http// www.klse-ris.com.my](http://www.klse-ris.com.my). Methodology used was financial ratio analysis. The result obtained shows the characteristics of financial ratio of the companies listed on Second Board and their performance as well. From this study, it was found out that the companies listed on Second Board are less liquid with most of the companies used their shareholders financing rather than creditors financing. In terms of generating sales from the total assets, the companies are quite fair. Since most of the companies listed on Second Board are new companies, their profitability ratio was not that excellent. These companies used most of their fund to generate more projects and support their operations.