



**IMPACT PRE AND POST MERGER AND ACQUISITION
SAPURAKENCANA PETROLEUM BERHAD TOWARDS
SHAREHOLDER RETURN**

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“IN THE NAME OF ALLAH, THE MOST GRACIOUS AND
MERCIFUL”

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ABSTRACT

According to Shamsuhaidah Ramlee and Rasidah Mohd Said (2009), in their journal entitled 'Current Trends and Practices in the Malaysian Financial Services Industry' they said mergers and acquisition have become practices in Malaysian financial service industry. August 2014, The Star has been published in the news where is mergers fever between three bank that is CIMB Group Holdings Berhad, RHB Capital Bhd, and Malaysian Building Society Bhd (MBSB) due to no understanding between them. The merger is failed. The mergers in Malaysian Financial Services Industry are needed to increase the efficiency. In fact, a lot of researchers do a research focusing on how this management strategy very much affects the performances of financial institutions as at post mergers period. In this research it aim to study on how this management strategy actually gives impact on SapuraKencana Petroleum Berhad.

Therefore, this paper attempts to study on how this company's performance are affected after mergers and acquisitions. The objective study to investigate the impact of pre and post-merger and acquisition, financial ratio on the financial performance of SKPetro Berhad. This paper attempts to use monthly basis data from 25th July 2007 to 25 January 2011 and post mergers and acquisition 25th July 2012 to 25th January 2016. The variables used to conduct this study are total of three financial measures which are return on equity, current ratio for liquidity ratio, net profit margin for profitability ratio, and debt ratio leverage ratio. The model used for this study is multiple regression model which is regressed by using Ordinary Least Square method

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Globalization, industrialization and economic make a company do a good strategy to maintain competitive in a new millennium. There are many ways to company maintain the competitiveness in a new era. One of the ways or strategies to company become strength in the market is through Merger and Acquisition (M&A). Merger & Acquisition is combination two separate company combine become one to be more effective and efficient and more valuable rather than they in separate organization. This strategy will become strategic and important role for companies in expand and growth their market share and segment. Merger & Acquisition very good for companies to implement this strategy it because it can create new synergies in term of economics scale and give an impact in company's expansion also can cut a cost.

In Malaysia, the top or among the biggest merger & acquisition are Sime Darby, Guthrie and Golden Hope but in this research is focus on the impact of pre and post mergers and acquisition, financial ratio on shareholders towards Sapura Kencana Petroleum Berhad (SKPETRO). Those companies are combination from two companies that is Sapura Crest Petroleum Berhad and