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INDUSTRIAL TRAINING REPORT

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FINANCIAL RATIOS AND EFFICIENCY OF THE MALAYSIAN BANKING INDUSTRY

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EXECUTIVE SUMMARY

This Industrial Training Report is prepared for the MGT666 which can be said to have two parts where the first part contains the details and overview of the internship company, namely HK Fibre Sdn Bhd. This company is one of the groups from the HHRG Berhad, which manufacture and trade coconut biomass materials as well as value-added products, focusing on palm fruit bunch fiber. Besides, the second part is the study and data analysis that examines the Financial Ratios and Efficiency Of The Malaysian Banking Industry. The objective of this study is to investigate the relationship between three variables which are profitability, leverage, size and efficiency ratios. This study employs quantitative data analysis where the data was collected through the annual reports and Eikon DataStream. Then, the clean data go through the statistical tests using Stata software. The findings of this study suggest that Profitability (ROA) positively affects bank efficiency, and Bank Size (Log TA) negatively affects bank efficiency. Meanwhile, Leverage (DER) results in an insignificant relationship with bank efficiency. The end of the report also recommends ways for future researchers to improve their study in this field to obtain a clearer result, and recommendations for banks organizations on how to enhance their efficiency. In a nutshell, this study provides understanding and potential to improve bank efficiency by highlighting the main determinants or factors that would affect efficiency in the banking industry. It may also act as a source of information that will be useful for future research, especially in this area to help banks effectively manage risk and adapt to a dynamic financial landscape.

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COMPANY'S PROFILE

Table 1: Company's Profile

Company Logo	 <i>Figure 1: HK Fibre Sdn Bhd's Logo</i> <i>Source: Facebook Page</i>
Company Name	HK Fibre Sdn. Bhd.
Company Address	1353, Jalan Sungai Baong, Taman Industri Perabot, 14200 Sungai Jawi, Pulau Pinang.
Website	https://hhrg.com.my/
E-mail	hhrg@hhrg.com.my
Contact Number	Mobile: 017-3827177 Office: 04-5728777 Fax: 04-5820451
Office Hours	Monday - Thursday: 8:00am - 6:00pm Friday: 8:00am - 5:00pm

HK Fibre Sdn. Bhd. was incorporated on 13 March 2007 as a subsidiary of HHRG Berhad (formerly known as Heng Huat Resources Group Berhad). With a concentration on palm fruit bunch fiber, HK Fibre is a manufacturer and trader of value-added goods made from coconut biomass. From the latest financial highlights, HK Fibre reported a decrease in net sales revenue of 5.76 percent in 2023 while its total assets recorded a negative growth of 41.58 percent and the net profit margin increased by 2.4 percent.