

**FINANCIAL RESTRUCTURING OF FINANCIAL  
DISTRESSED FIRMS**

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JOHOR**

**MAY 2007**

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DISTRESSED FIRMS**

**NORSYAMIRA BT AYUB**

**Submitted in Partial Fulfillment  
of the Requirement for the  
Bachelor of Business Administration  
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
UITM, JOHOR**

**MAY 2007**

## DECLARATION OF ORIGINAL WORK



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### **“DECLARATION OF ORIGINAL WORK”**

I, Norsyamira Bt Ayub, (I/C Number: 841014-01-5470)

Hereby, declare that,

- 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.

Signature: 

Date: 11 MAY 2007

## LETTER OF SUBMISSION

4<sup>th</sup> May 2007

The Programme Coordinator  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
85009 Segamat  
Johor.

Dear Sir,

### SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "FINANCIAL RESTRUCTURING OF FINANCIAL DISTRESSED FIRMS" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA

Thank you

Yours sincerely



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## **ABSTRACT**

Solving a corporate distress is very important for every company. There are wide variety of restructuring strategies for recovery that can be chosen by firms such as managerial, operational, assets and financial restructuring. Thus, this paper is focusing on the financial restructuring activities to see whether debt restructuring or equity restructuring is an appropriate tools to solve the financial distress. A sample of 81 distressed syariah compliant firms listed on the main board and the second board of Bursa Malaysia from the period of 2000 until 2002 is taken for this research. Logistic regression has been employed to asses whether the debt and equity restructuring contribute to recovery from financial distress. The expected result will be the distressed firm will usually restructure its debt position in order to solve the financial distress.