UNIVERSITI TEKNOLOGI MARA

ASNB

Amanah Saham Nasional Berhad

INDUSTRIAL REPORT

THE DETERMINANTS OF WORKING CAPITAL MANAGEMENT : EVIDENCE FROM PUBLIC LISTED COMPANIES IN MALAYSIA

(01/03/2023- 15/08/2023)

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INDUSTRIAL TRAINING REPORT :

AMANAH SAHAM NASIONAL BERHAD (ASNB)

ASNB

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EXECUTIVE SUMMARY

I was located for internship at Amanah Saham Nasional Berhad Teluk Intan that had to be done as one of the requirements to complete the Bachelor's Degree in Finance. The period of the internship is 24 weeks which is starting from 1st March 2023 to 15th August 2023 at ASNB Teluk Intan. Internship training are important as an integration of theoretical knowledge with practical skills that could help students in professional development. Other than that, one of the responsibilities during training at ASNB Teluk Intan is focusing on delivering services.

ASNB Teluk Intan is known as mini branch in Perak which operating every Monday until Friday. The core services performed by the organizations are Investment in Unit Trust Fund. Next, the exposure and development of skills obtained during my 24 weeks at ASNB Teluk Intan with the several tasks received. Each of task need different type of skill and experience.

Other than that. in this report also included a research report about the determinants of working capital management which based on evidence from public listed companies in Malaysia which involve up to 704 companies. Working capital management is known as a role that is important in a firm's profitability, risk management and value enhancement. The main objective of this research is to examine the key determinants that impact working capital management specifically in Malaysian listed companies. This study will analyse the secondary data of listed firms in Bursa Malaysia. The financial data each of the firms are collected from Thomson Reuters DataStream. The panel estimation method used in this study is static method : Pooled Ordinary Least Square. From the study, it been tested four independent variables such as firms' size, leverage, profitability, and asset tangibility.

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CHAPTER 1

1.0 INTRODUCTION TO THE COMPANY

1.1 COMPANY NAME

The name of company that I was assigned for my internship is called Amanah Saham Nasional Berhad which is the unit trust management company wholly owned by Permodalan Nasional Berhad (PNB) was established on 22 May 1979 to manage all funds launched by PNB. This company is known as Government-owned investment company. After more than 40 years in the industry, ASNB currently manages 17-unit trust funds with 273.3 billion units in circulation (UIC) and 14.7 million accounts as of 30 September 2021. ASNB also offers a variety of channels through which investors can conduct their investment transactions. These services are accessible at 32 ASNB branches and over 2,700 agent branches around Malaysia. Examples of agent registered are included banks such as Maybank, CIMB Bank, RHB Bank, Alliance Bank, Bank Simpanan Nasional, Ambank, Affin Bank, Bank Muamalat, Hong Leong Bank, Bank Islam and also Pos Malaysia.

1.2 COMPANY VISION

To be a Distinctive World-class Investment House.

1.3 COMPANY MISSION

To enhance the economic wealth of the Bumiputera community and all Malaysian, for the prosperity

1.4 CORE VALUES

- **Prudence -** PNB exercise prudence and do not compromise on integrity in safeguarding the wealth of their unit holders.

- **Adaptability –** We strive to develop adaptability and nimble ways of working to suit the constantly changing environment.

- **Collaboration –** We cultivate a culture of collaboration, mutual respect and empowerment in achieving our shared aspirations.

- **Excellence –** PNB continually strive to achieve excellence through competent execution of our mandate.

1.5 BACKGROUND OF ESTABLISHMENT

On March 17, 1978, the Permodalan Nasional Berhad (PNB) was founded as one of the tools of the government's New Economic Policy (NEP). PNB has risen to become one of Malaysia's top money management companies during the previous four decades. The government's new economic policy use PNB as instruments to restructure society by promoting bumiputera share ownership in the corporate sector and developing opportunities for bumiputera. Later then on 22 May 1979, PNB established Amanah Saham Nasional Berhad as a unit trust management company under PNB.

On 20 April 1981, Permodalan Nasional Berhad (PNB) formed its first unit trust fund, Sekim Amanah Saham Nasional Berhad (ASN) to mobilize the savings of the Bumiputera population. Most of Bumiputera at that time has no knowledge of savings, investments or unit trusts and much more prefer physical assets such as cash, land and property. As a result, ASN was created with a slew of unique characteristics that was not found in any other unit trust scheme. Then, on 1990, ASN was turned into PNB's first variable price fund. To unit holders who wanted to keep investing in fixed price product could transfer to a new fund, Amanah Saham Bumiputera (ASB). PNB also made another milestone in its evolution in 1996 when it launched Amanah Saham Wawasan 2020, its first fund that available to all Malaysians which not specifically for Bumiputera. Fast forward to current year, ASNB now manages a total of 17-unit trust funds comprising with 6 fixed price funds and 11 variable price funds.

CHAPTER 2

2.0 PRODUCTS OR SERVICE OFFERED

2.1 Product

- Fixed Price

Product	Eligibility
Amanah Saham Bumiputera (ASB)	Bumiputera
Amanah Saham Bumiputera 2 (ASB 2)	- Siamese/ Thai descent
Amanah Saham Bumiputera 3 Didik (ASB 3 Didik)	- Portuguese/ Eurasian descendant - Non-Bumiputera Muslim convert
Amanah Saham Malaysia (ASM)	Malaysian
Amanah Saham Malaysia 2 (ASM 2 Wawasan)	
Amanah Saham Malaysia 3 (ASM 3)	

- Variable Price

Product	Objective
Amanah Saham Nasional	To generate a reasonable level of distribution income and capital appreciation to the Unit Holders through a diversified portfolio of investments.
ASN Equity 2	To provide unit holders with a suitable dividend return as well as capital appreciation at an acceptable level of risk by investing in a diversified portfolio of securities, primarily Malaysian equity securities, in accordance with the Deed, the Guidelines, and securities law.
ASN Equity 3	Investment opportunity that offers appropriate long-term growth and returns to fulfil part or all of the immediate financial needs of the

	Unit Holders and/or their children in order to fund their long-term medical needs.
ASN Equity 5	To provide investment opportunities that yield a sufficient degree of capital gain and income distribution to Unit Holders
ASN Equity Global	The Fund seeks to provide capital growth possibilities to participants by investing primarily in the global equity market.
ASN Imbang (Mixed Asset Balanced) 1	To achieve capital growth over the medium to long term by investing in a well-balanced portfolio and reinvesting distributions, if any.
ASN Imbang ((Mixed Asset Balanced) 2	To provide an investment opportunity that delivers reasonable long-term growth and returns in order to meet part or all of the unit holders' periodic liquidity needs and enable them to meet their financial planning needs for schooling of the unit holders and/or their children and/or charges.
ASN Imbang ((Mixed Asset Balanced) 3 Global	Aims to provide a suitable degree of capital appreciation and income distribution to Unit Holders by investment in a well-balanced portfolio.
ASN Sara (Mixed Asset Conservative) 1	To provide an investment opportunity that delivers fair long-term growth and returns, as well as a consistent income stream, to allow Unit Holders and/or their children and/or charges to satisfy some or all of their retirement needs.
ASN Sara (Mixed Asset Conservative) 2	Attempts to provide investors with liquidity and a consistent income stream, with the possibility for long-term capital growth.

SERVICES	EXPLAINATION
ASN Sukuk	The Fund seeks to provide consistent income and capital appreciation possibilities to Unit Holders by investing primarily in sukuk and other Islamic liquid assets.

2.2 Services

SERVICES	EXPLAINATION
Hibah Amanah	A property management service for Malaysian Muslim Unit Holders. It is Shariah-compliant and employs the principles of grant and trust in property management. After the Holder's death, the granted ASNB trust units will be transferred to the Beneficiary. Hibah is defined as the provision of anything (ain) or a benefit. A contract in which a person gives property to another person during his life without expecting anything in return (iwad) and is done voluntarily.
Declaration of trust	A property management service offered by ASNB to non-Muslim Unit Holders in Malaysia. It employs the trust idea, with the investment in ASNB administered by the Trustee (ASNB) before being transferred to the Beneficiary following the death of the Unit Holder (Giver).
Waqf ASNB	A platform enabling unit holders to waqf their ASNB trust unit investments using a combination of investment and waqf concepts in order to ensure consistent contributions.

CHAPTER 3

3.0 TRAINING REFLECTION

During my internship training, I able to learn how to utilize my knowledge that I learn from the university into the working environment. As I was located at branches, ASNB Teluk Intan was wholly focus on channel and customer management which means, we have to assists customers to make transactions and deal with customer's problem as requested directly. In other words, during my internship, I was 80% mostly dealing with public directly rather than internal operations such as administration. From this, I was able to sharpen more my communication and problem-solving skills.

At 8.00 a.m. every morning, the branch manager will give morning briefing to all staffs and also to interns and trainees. It is more like short meeting whereby we will discuss any further update, or any issues occurred on previous day. From this, we will be able to share the issues and able to solve it together. The morning briefing is one of important things of the day for us to communicate to each other because all the staffs will get busy as counter will open to public at 8.15 a.m. until 4 p.m.

After morning briefing, one intern and one trainee will be given task to make batching documents which means we will be sorting and arrange for previous day transactions. These documents will be collected and will be posted to headquarters every Monday. While two people are doing batching, the others intern, and trainee will be meeter greeter and assist customer in front to ease the teller's affairs. After closing counter at 4 p.m., I need to help the tellers to make closing for every day's transactions.

During my period of internship, I was able to experience on managing big event that was conducted at ASNB Teluk Intan. The first big event was "Singgah Labur" whereby some of headquarters' staff will come to the branch to attract investors to invest on a large scale because various prizes are offered during the event. Next event is Hari Raya whereby the office will open to public to celebrate with staffs Hari Raya Aidilfitri. Many dishes and dessert are served to public.

Other than that, I also able to experience opening counter outside the office and outside Teluk Intan. Due to limited branches in Perak, ASNB staffs are required to open counter outside to attract more customers to register or invest money as most of them didn't have access to go

directly to ASNB branches. The furthest I can follow them is at University Pendidikan Sultan Idris (UPSI) Tanjung Malim. Fuel for transportation and expenses for food are fully sponsored by PNB.

During this period, I was able to understand more about the products and services offered by ASNB. I learn how to promote ASNB services such as 'Hibah' and 'Wakaf" and was guided by my senior. Explaining these services need a strong persuasive speaking skills as we need to convince the customers to be confident to make decision which involve their money. The most interesting part was when I able to communicate and make networking with customers that came from different races such as Chinese and Indian.

During my internship training at ASNB Teluk Intan, I had faced few problems and one of the problems is about the issue of law investing money in ASNB. There are few customers that are doubtful regarding this matter because there are a lot of rumours saying that investing in ASNB is forbidden and doubtful. Majority investors are Muslim, and they are very particular on this issue. I try to solve this by informing to investors about the law is 'harus' and it already state by our National Fatwa since years. Even though some of them still not satisfied with the clarification, I think it is depending on individual believe. This is actually a repetitive issue that also faced by the tellers, not only the interns and trainee. However, we all able to solve the problems together with guidance by our branch managers.

Moreover, the experience in working environment is different than study in university. Internship training in ASNB require more interaction with the staff and fellow internship students. Working together is the most important thing in working. Asking question is one of the keys of success in this internship training. Other than that, creating a good working environment help me become more comfortable while training in the ASNB Teluk Intan. All this task that I am doing is supervised by Mr Ramli, my supervisor.

Overall, all the experience I gained in while Internship training in ASNB Teluk Intan is one of the most valuable experiences I have gained. I think this a good exposure before I am entering the real working environment.

CHAPTER 4

4.0 RESEARCH REPORT

Determinants of Working Capital Management : Evidence from Public Listed Companies in Malaysia

1.0 Introduction

Working capital management is known as a role that is important in a firm's profitability, risk management and value enhancement (Padachi & Howorth, 2014). Besides, working capital management (WCM) refers to the crucial financial decision made by a finance manager to assist the organization in paying operational costs and meeting short-term financial obligations (Sawarni et al., 2021). Working capital management is even more crucial in developing and emerging nations which the volatile of financial market and the uncertainties associated with the economic situation have caused extreme turbulence and overall pricing volatility (Sensini & Vazquez, 2021). In other words, if the use of working capital management is ineffective, a firm may experience financial difficulties which will lead to changes in interest rates. These changes will lead to failure in business operations.

The purpose of this study is to identify the factors that influence WCM in Malaysia and the impact of WCM towards firms in Malaysia. Besides that, the main research objective of this study is to identify the key determinants that impact WCM specifically in Malaysian public listed companies. This is to ensure that organizations can endure long term economic volatility. Other than that, it is important to have critical judgements on a variety of aspects of working capital management such as managing accounts payable and receivables, maintaining a particular level of inventories and investing readily available funds.

The significance of the study is to ensure that a firm is able to continue its operations by having sufficient cash flow to satisfy both short-term obligations and upcoming operational expenses. Most importantly, this study is specifically for Malaysian public listed companies, policy makers, investors, and government as guideline purpose in order for them to evaluate working capital management in their organization. The goal of this study is to first analyse the factors that influence variety of working capital management techniques that are currently being employed in companies and then to create a conceptual framework that explains the dynamics of working capital management in a Malaysian context.

2.0 Literature Review

2.1 Dependent Variable

- **RETURN ON ASSET (ROA)**

In this study, the dependant variables which represent working capital management is Return on Asset. Return on assets is a profit ratio that shows how much profit a corporation can make from its assets. In other terms, return on assets (ROA) gauges how effective a company's management is at producing a profit from its economic resources or balance-sheet assets. The return on asset is generally defined as total net income divided by total asset and the result will be calculated in percentage.

2.2 Independent Variable

- **LEVERAGE**

The usage of excessive debt endangers the firm since it falls into the category of serve leverage, which means the company is locked in a high degree of debt and it is difficult to relieve the debt load. Based on the foregoing. It is possible to conclude that the leverage ratio is a financial ratio that measures a company ability to meet its long-term obligations such as interest payments, final principal payments and other fixed obligations (Ilham et al., 2022).

According to Baños-Caballero et al., (2010) the cost of the money invested in the Cash Conversion Cycle (CCC) is higher in organisations that have a larger leverage. This is due to the fact that firms with a larger leverage are required to pay a higher risk premium. The level of leverage, also known as LEV, was determined by comparing the entire debt to the total assets. In fact, empirical evidence shows that when firms use more leverage, their measures of working capital management will decrease (Baños-Caballero et al., 2010b). So, it is possible to expect that the relationship between leverage ratio and CCC will be negative. The ratio of debt to total assets was used to measure leverage (LEV).

H1: Leverage is significantly related to working capital management.

- **PROFITABILITY**

Research made during the pandemic covid-19 has shown that the largest firms operating in large cities achieve the highest results in terms of liquidity and profitability. Previous research on the management of working capital found that then working capital increased, financial liquidity lowered profitability. The research made was certainly based on 4 months of period during the pandemic and it is short time to establish whether the improvements in WCM during covid-19 outbreak will be permanent (Zimon & Tarighi, 2021)

According to Azhar et al., (2010), the research conducted in Malaysia said that using correlations and multiple regression analysis, the results suggest that there are strong negative relationships between working capital factors and firm's market value and profitability. As a result, it emphasises the need of managing working capital requirements to boost firm market value and profitability, and this component must form part of the company's strategic and operational thinking in order to run successfully and efficiently.

H2: Profitability has negatively relationship towards working capital management.

- **FIRM SIZE**

According (Zimon & Tarighi, 2021), to small and medium-sized businesses are more vulnerable to the financial crisis's devastation than larger businesses since they have short term payment delays that lead to insolvency. It should be underlined that the greatest obstacle for SMEs is a lack of purchasing power, especially when competing with market leaders during the COVID-19 financial crisis.

The size of the company shows how well it can produce and sell goods and services to consumers while still making money and being profitable. An overview of the costs of a manufacturing company, including both fixed and variable costs. As the number of units produced goes up, fixed costs per unit go down, which is a key factor in competition that being conducted in Malaysia (Alarussi & Alhaderi, 2018). The resource-based theory says that a company can operate with a low cost of capital if it has a lot of resources and is big. The more resources a company has, the bigger it is, and the cheaper funding sources it it has (Alarussi & Alhaderi, 2018). There's no doubt that the condition can help a company make more money.

Nevertheless, Moussawi & Kieschnick, 2006 contend that a negative relationship is also possible due to the increased bargaining power of larger firms with both customers and suppliers. Larger companies, in comparison to those of a smaller size, have more opportunities for diversification, which contributes to their success.

H3: Firm size has a negative and positive relationship towards working capital management.

- **ASSET TANGIBILITY**

Asset tangibility is used as collateral for investors who invest in a firm. According to the findings of the empirical research, investment in tangible fixed assets is another factor that has the potential to influence the way a company manages its working capital. This finding was supported later by Moussawi & Kieschnick, 2006 who also showed that fixed assets are negatively related to the CCC.

Research made by Tjandra, 2022, indicates that asset tangibility has significant negative effect on working capital management. The negative impact of asset tangibility on working capital is based on the idea that the more money invested in fixed assets, the less money is available for working capital.

Regarding the connection between tangibility and a company's working capital strategy, ((Baños-Caballero et al., 2010) represented two perspectives that were diametrically opposed to one another. To begin, the relationship is a negative one due to the fact that investments in working capital and capital expenditures are in competition with one another due to the limited amount of funds available. Second, the difficulty of accurately valuating a company's intangible assets as a result of asymmetric information and agency problems compels companies to increase their investments in working capital. As a result, increased investments in working capital are anticipated from these companies. Therefore, in light of the arguments that have been presented thus far by (Baños-Caballero et al., 2010) the relationship between the tangibility of assets and investment in working capital is not entirely clear. The ratio of a company's fixed assets to its total assets can be used as a measurement of its asset tangibility.

H4: Asset tangibility is significantly negative related to working capital management.

3.0 Methodology

3.1 Research Design

This study will use secondary data analysis for determination of working capital management whereby it refers to use the existing research data to find or to get new hypothesis in certain research by analysing it. In this study, we will use existing data from listed companies to determine the working capital management for the companies. We will also use the data by analysing the relationship between independent variables and working capital management in Malaysia and will provide significant conclusion of this analysis.

3.2 Theoretical Framework

The review of literature offers a useful basis for the hypothesis of the relationship of each determinant of working capital management in Malaysia. In this part, the theoretical model is used to determine the relationship between each independent variables and dependent variable of working capital management of the firms in Malaysia.
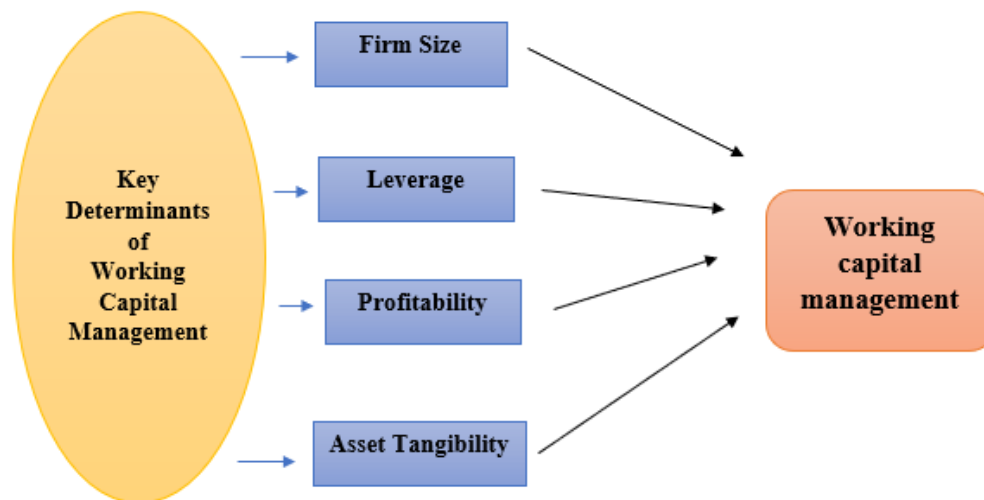

Figure 1.0 Independent Variables Used to Investigate The Relationship between Dependent Variables

3.3 Sample dan Data Collection Methods

This study will analyse the secondary data of listed firms in Bursa Malaysia. The financial data each of the firms are collected from Thomson Reuters DataStream database whereby the listed firms will exclude financial sectors and involves in analysing data from 2011 to 2021, which are 10 years of period. The final sample consist of 704 firms with no specific sector. Other than that, this study employed panel data model with dependent variable is return on asset (ROA), and the independent variables are firms' size (SIZE), leverage (LEV), profitability (PROFIT) and asset tangibility (AT).

3.4 Empirical Model

To determine working capital management in Malaysian firms, this study have four independent variables. Dependent variable is return on asset that was used as a comprehensive measure for working capital management. The model presents as follows :

$$Y = a + bX_1 + cX_2 + dX_3 + eX_4 + \varepsilon$$

$$ROA = \alpha + \beta_1\, SIZE_{it} + \beta_2\, LEV_{it} + \beta_3\, PROF_{it} + \beta_4\, AT_{it} + \varepsilon_{it}$$

Where,

ROA : Return on Asset which is the ratio of net income to total assets.

SIZE : Firm Size which is equal to total liabilities and total stockholder's equity.

LEV : Leverage which is the ratio of total debt to total equity.

PROFIT : Profitability which is the ratio of net operating after tax to average invested capital

AT : Asset tangibility where the ratio of fixed asset to total asset.

4.0 Findings

4.1 Descriptive Analysis

Indicators of return on assets, size, leverage, profit, and asset tangibility will be used to characterise the descriptive analysis of the data allocated to the 704 listed firms for 10 years which are from 2010 to 2021. A summary of the variables considered in the analysis is shown in Table 2.0.

Table 1.0: Descriptive statistic of Key Determinants Variables

Variable	Obs	Mean	Std. Dev	Min	Max
ROA	6,735	.3564425	104.4811	-6013.44	633.78
SIZE	6,870	5.511011	.7831069	.694573`1	8.793839
LEV	6,144	3.679809	1.129412	-.9556739	7.079799
PROFIT	6,488	4.616799	28.90492	-1199.89	822.4
AT	6,766	2.988505	1.053292	-.6690278	6.869839

Notes: Return on Asset (ROA), Firm Size (SIZE), Leverage (LEV), Profitability (PROFIT) and Asset Tangibility (AT).

The total of number observations was originally 7,040 in total. However, there are a lot of missing data from few companies that makes the number of observations from every variable different. As measured by the return on each asset invested, was 0.36% which means each of the company get return on asset average of 0.36%. The largest mean of explanatory variables is firm's size (SIZE) with 5.51 percent and profitability (PROFIT) with a mean of 4.62%. The sample firms from Malaysia on average have 2.99% of asset tangibility which means company in Malaysia have average of 3% of tangible asset in their business. From the table, it can be seen that firm's size (SIZE) has the highest amount of minimum and maximum values which are 0.6946 and 8.7938 respectively.

4.2 Correlation Analysis

Pair correlation matrix analysis is when there are strong correlations between the variables in a multiple regression model, this is known as multicollinearity. The correlation for 704 firms is shown in the table below.

Table 1.1 : Correlation Coefficient between Variables

	ROA	SIZE	LEV	PROFIT	AT
ROA	1.0000				
SIZE	0.1774***	1.0000			
	(0.0000)				
LEV	0.0805***	0.8085***	1.0000		
	(0.0000)	(0.0000)			
PROFIT	0.7760***	0.0785***	0.0755***	1.0000	
	(0.0000)	(0.0000)	(0.0000)		
AT	0.1408***	0.7433***	0.6401***	0.1096***	1.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	

Notes: Return on Asset (ROA), Firm Size (SIZE), Leverage (LEV), Profitability (PROFIT) and Asset Tangibility (AT).

*: Significant at 10% ,**: Significant at 5%, ***: Significant at 1%

The pair-wise correlation matrix displays a significant level of 10%. It displays how different factors are related. The findings of the analysis for 704 companies are shown in Table 1.1. Leverage and profit have a 0.0755 connection, which is the lowest. However, the value shows that both leverage and profit are significant at 1% and show positive value which means they are significant. Between size and leverage, the correlation is 0.8085, which is the greatest. The table demonstrates that there is a strong positive association between the factors and Return on Assets. Profit and asset tangibility of the company have a positive association with firm leverage of 0.0755 and 0.6401 respectively. At 1%, profitability greatly influences working capital in a way that suggests the company may have strong profits and be motivated to meet short-term objectives. As overall, the variables show a significant at 1%.

The next step for this analysis is to choose the best appropriate panel data estimator which are between pooled ordinary least squares (POLS), Fixed Effects (FE) and Random Effects (RE) models. The purpose of this panel specification test is to select the best panel data estimator. The F-test, BP-LM test, and Hausman test are the three tests that can be used. If the p-value is more than 0.05, use Pooled Ordinary Least Squares and if it is less than 0.05 choose Fixed Effect (Fe). According to the decision rule for panel specification tests, if the outcome 1 of F-test is Fe and BP-LM is POLS, the Hausman test is unnecessary.

Table 1.2 : Panel Specification Tests

	p-value of the tests			
Models	F-Test	BP-LM	Hausman	Technique
Working Capital Management in Malaysia's Public Listed Companies	0.000	-	-	Pooled Least Squares (POLS)

4.3 Static Model: Pooled Ordinary Least Square

In this study, Statis Model : Pooled Ordinary Least Square (OLS) is used to find the relationship between dependent variable and independent variables. This variable has a linear association with the working capital management of the firm.

Table 1.3 : Results of Regression test on samples

Source	SS	df	MS		
				Number of obs	= 5,703
				F (4, 5698)	= 3759.40
Model	523493.779	4	130873.445	Prob > F	= 0.0000
Residual	198360.457	5,698	34.812295	R-squared	= 0.7252
				Adj R-squared	= 0.7250
Total	721854.237	5,702	126.596673	Root MSE	= 5.9002

ROA	Coef	Std. Err	t	P>|t|	[95% Conf. Interval]	
SIZE	.2867919	.2082177	1.38	0.168	-.121394	.6949779
LEV	-.380798	.1199065	-3.18	0.002	-.6158605	-.1457356

PROFIT	.4989059	.0042311	117.91	0.000	.4906112	.5072005
AT	.9419525	.114254	8.24	0.000	.7179713	1.165934
_cons	-1.944305	.7586187	-2.56	0.010	-3.431487	-.4571243

Notes: Return on Asset (ROA), Firm Size (SIZE), Leverage (LEV), Profitability (PROFIT) and Asset Tangibility (AT).

As shown in Table 1.4, the regression result suggest that the model fits the data well as at the 0.01 significant level. The Adjusted R^2 of 0.73 suggests that four independent variables explain 73% of the variance in the Return on Asset (ROA). The remaining is explained by other variables that were not included in the model. The results of regression also suggest that LEV, PROFIT and AT have a statistically significant relationship with ROA. The result also suggest that LEV is negatively related toward ROA whereas SIZE, PROFIT and AT are positively related to ROA. SIZE however do not appear to be significantly related to ROA. Other than that, PROFIT seems to have the greatest influence on the ROA which explained by the highest t-value of 117.91.

Table 1.4 : Summary Result of Pooled Ordinary Least Square

Dependent Variable : Return on Asset (ROA)	
Independent Variables	Coefficient
SIZE	0.2867919
	(1.38)
LEV	-0.380798**
	(-3.18)
PROFIT	0.4989059***
	(117.91)
AT	0.9419525***
	(8.24)
Constant	-1.944305*
	(-2.56)
No of Obs	**5,703**

Notes: Return on Asset (ROA), Firm Size (SIZE), Leverage (LEV), Profitability (PROFIT) and Asset Tangibility (AT).

*: Significant at 10% ,**: Significant at 5%, ***: Significant at 1%

4.4 Conclusion of the Result

Table 2.5 : Measurement of Variables and Actual Relationship Sign of Key Determinants of Working Capital Management.

Variables	Proxy Variables	Significant/Not significant	Relationship	Sources
Dependent Variable				
Return on Asset (ROA)	The ratio of net income to total asset			-
Independent Variable				
Firm Size (SIZE)	Total Asset	-	+	(Tjandra, 2022)
Leverage (LEV)	Debt Ratio	+	-	(Moussa, 2019)
Profitability (PROFIT)	Return on Invested Capital	+	+	(Manoori et al., 2012)
Asset Tangibility (AT)	Asset Tangibility	+	+	(Cuong et al., 2017)

5.0 CONCLUSION

From the study, it been tested four independent variables such as firms' size, leverage, profitability, and asset tangibility and we able to see whether the independent variables are significant or not and whether they are positive related towards ROA or not.

The implication of Research Findings is that it is assumed that the implication provides several benefits to boost awareness regarding on the working capital management, behavioural and ownership structure for the country.

For future research recommendations, is advised that future studies include listed corporations from other significant Asian nations such as Japan, Singapore, India, China, Thailand, and Indonesia. Increasing the sample size would be beneficial since it would enable academics to examine how working capital affects a wider range of nations. Therefore, a bigger sample size would yield better and more varied results. Next, the financing practices of unlisted companies are therefore not examined for future research. As a result, it is advised that the non-listed firms be included in order to pinpoint their actions. Lastly, this study has only four independent variables which are firms' size, leverage, profitability, and asset tangibility. It is recommended to use more variables to get complex result in the study.

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APPENDICES
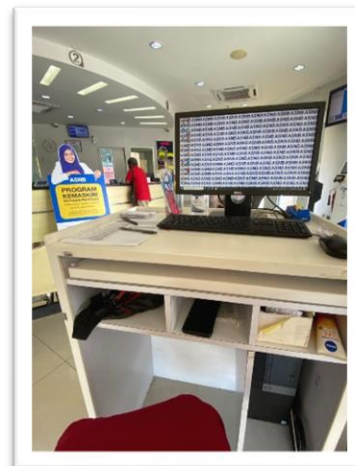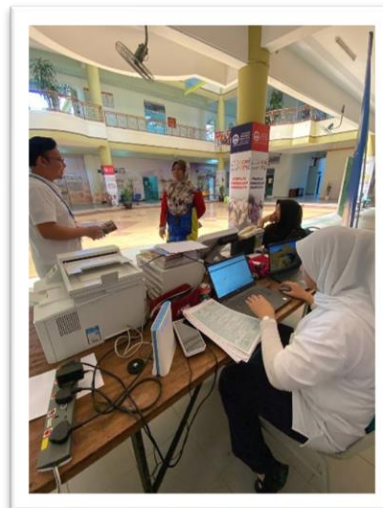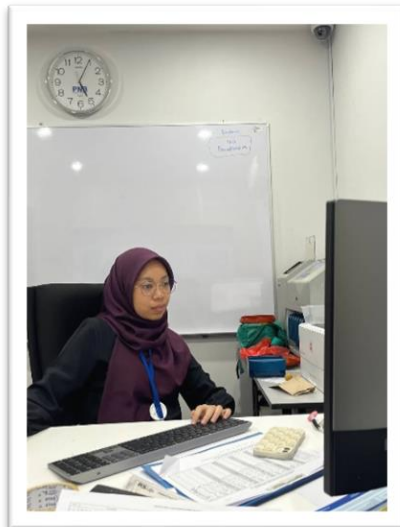
Pictures taken during internship at ASNB Teluk Intan, Perak

FIXED PRICE UNIT TRUST FUNDS

VARIABLE PRICE UNIT TRUST FUNDS

Figure 1.0 : List of ASNB's products

```
. xtset year id
      panel variable:  year (strongly balanced)
       time variable:  id, 1 to 704
               delta:  1 unit

. summarize roa size lev profit asset

    Variable |        Obs        Mean    Std. Dev.        Min        Max
-------------+--------------------------------------------------------------
         roa |      6,735    .3564425    104.4811    -6013.44     633.78
        size |      6,870    5.511011    .7831069    .6945731   8.793839
         lev |      6,144    3.679809    1.129412   -.9566739   7.079799
      profit |      6,488    4.616799    28.90492    -1199.89      822.4
       asset |      6,766    2.988505    1.053292   -.6690278   6.869839
```

Table 1.0: Descriptive statistic of Key Determinants Variables

```
. pwcorr roa size lev profit asset, sig
```

	roa	size	lev	profit	asset
roa	1.0000				
size	0.1774	1.0000			
	0.0000				
lev	0.0805	0.8085	1.0000		
	0.0000	0.0000			
profit	0.7760	0.0785	0.0755	1.0000	
	0.0000	0.0000	0.0000		
asset	0.1408	0.7433	0.6401	0.1096	1.0000
	0.0000	0.0000	0.0000	0.0000	

Table 1.1 : Correlation Coefficient between Variables

```
. regress roa size lev profit asset
```

Source	SS	df	MS
Model	523493.779	4	130873.445
Residual	198360.457	5,698	34.812295
Total	721854.237	5,702	126.596674

Number of obs	=	5,703
F(4, 5698)	=	3759.40
Prob > F	=	0.0000
R-squared	=	0.7252
Adj R-squared	=	0.7250
Root MSE	=	5.9002

roa	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
size	.2867919	.2082177	1.38	0.168	-.121394	.6949779
lev	-.380798	.1199065	-3.18	0.002	-.6158605	-.1457356
profit	.4989059	.0042311	117.91	0.000	.4906112	.5072005
asset	.9419525	.114254	8.24	0.000	.7179713	1.165934
_cons	-1.944305	.7586187	-2.56	0.010	-3.431487	-.4571243

Table 1.2 : Results of Regression test on samples

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